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TERMS AND CONDITIONS OF RETAIL SALE

All descriptions, quotations, proposals, offers, acknowledgements, acceptance, and sale of any products or services (collectively "Product(s)") are subject to and shall be governed exclusively by these Terms and Conditions of Retail Sale ("Terms"). Any changes, modifications, or revisions to these Terms in any order proposed by Buyer are rejected by Cessna Aircraft Company d/b/a McCauley Propeller Systems ("Seller") unless otherwise expressly agreed to in writing by both parties. Any offer to purchase Products by Buyer and Seller's acceptance of any such offer are expressly conditioned upon and are subject to these Terms.

1. Product Application Validation: Buyer is solely responsible to ensure the purchased product is applicable to their aircraft application of which the product is installed per the type certificate data sheet or supplemental type certificate data sheet awarded by the National Aviation Authority (NAA) of the given country or by contacting Seller. All product installations shall comply with the aircraft repair station regulations set by the NAA of the given country.

2. Orders: Orders will be placed by part number and description. Buyer can find part number(s) on the Seller's Web Site at www.mccauley.textron.com and/or by calling **1.800.621.7767**. When placing an order, indicate requested quantities per unit of measurement. When the unit of measurement is not identified, the price shown is for "one each."

To qualify for a volume order discount, orders need to be placed directly with a McCauley Sales Representative by calling 1.800.621.7767 or by submitting a purchase order to via email to Sales@mccauley.textron.com. No electronic orders will be accepted.

Orders that qualify for volume discounts may consist of deliveries scheduled into the future within 12 calendar months from the date of purchase. Deliveries can be rescheduled at any time provided the entire order quantity is taken within 12 months from the original order date.

3. Acceptance: All orders are subject to availability and acceptance by Seller. Seller reserves the right to withdraw Products from sale and to modify these Terms without prior notice. All Products are subject to availability and may be withdrawn at any time at the sole discretion of Seller. In the event of a shortage of Products, Seller reserves the right to allocate available Products among customers in its own discretion.

4. Cancellation by Buyer: No order that has been accepted by Seller can be canceled by Buyer except with Seller's written permission. A minimum ninety (90) calendar days request for permission to cancel is required. If Seller consents to cancellation, a cancellation fee shall be assessed by Seller and Buyer agrees to pay the fee.

5. Pricing and Payments: The amount Buyer pays for Products will be the price-in-effect at the time of order ("Product Price") plus any additional charges and less any deductions specified on Seller's invoice. The full net purchase price is due at the time of purchase. Seller may, but is not obligated to, extend credit to Buyer. All prices are in United States dollars.

Unless otherwise provided, Product Prices do not include the costs of freight, insurance, taxes (including but not limited to federal, state, provincial, or local sales, use, or excise taxes, or production or transfer taxes), tariffs, import/custom duties, inspection permits, inspection fees, or



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crating charges ("Additional Charges"). Export shipments requiring special crating will be assessed a \$1.50 per cubic foot crating charge. Buyer will pay directly or be charged by Seller for all Additional Charges to the Product Price. Buyer will not, however, be required to pay taxes if it provides Seller satisfactory evidence of an applicable tax exemption. Buyer is obligated to pay such Additional Charges on the same terms and conditions applicable to payment for Products. Buyer agrees to reimburse, indemnify, and hold Seller harmless for all Additional Charges; any attorney fees, costs, and penalties incurred by or levied against Seller; and any attorney fees and costs incurred by Seller in pursuing Buyer to enforce such indemnification.

6. Price Changes: Seller can change all Product Prices at any time without liability or obligation to notify Buyer in advance. Such changed prices shall apply to new orders.

Volume order discounts will be applied to the list price of the part at the time of order. List price changes updated between December 15th and January 31st will be applied for scheduled deliveries that occur after January 31st.

7. Terms of Payment: Payment shall be per the terms on Seller's invoice. Payment shall be made: (i) in accordance with Seller's methods of payment policy; (ii) in immediately available funds; and (iii) without set off or deduction by Buyer. A default of payment may result in disruption or termination of supply and/or loss of discount, if any. If Buyer is in default with respect to any due payment, it agrees to pay Seller's reasonable costs of collection, including attorney's fees and court costs.

8. Shipments and Delivery: Delivery dates set by Seller are intended to be an estimate only. Seller will use reasonable efforts to deliver Products: (i) in quantities, and (ii) on the date agreed to by Buyer and Seller; however, Seller's failure to make an estimated delivery date will not constitute a breach or default by Seller unless Seller has expressly guaranteed a delivery date in writing. If Seller cannot provide the Products for any reason, Seller will not charge Buyer and will refund any money paid by Buyer to Seller for such Products. Buyer and Seller further agree that Seller will not be responsible for compensating any other losses which Buyer may have suffered or will suffer if the Products are not timely delivered.

Unless otherwise requested by Buyer, Seller will arrange for shipment of Products at Buyer's cost and expense. Expedited means of shipment will be used only if Buyer requests such routing. In all cases, terms of delivery are ExWorks Seller's facility. The carrier will be deemed to be an agent of the Buyer and the Buyer will bear the entire risk of loss or damage to Products in transit. Seller does not insure shipments. If desired, Buyer may purchase freight insurance directly or from the Seller at the time of order placement.

Claims for shipments received in damaged condition must be filed with the delivering carrier. Shipments received with noticeable and apparent damage or abuse in transit should be recorded on the freight bill or bill of lading. Buyer may substantiate claims by documenting such damage with pictures. Claims for concealed damage must be reported within fourteen (14) calendar days to the delivering carrier. Some small package carriers may require the shipper to file the claim. In these instances, call your Seller's sales representative. Seller is not liable for loss or damage to shipments and will only file claims on behalf of Buyer to the extent required by the carrier's liability insurance.



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9. Force Majeure: Seller is not responsible for delays in delivery or non-performance resulting from causes beyond Seller's control ("Events of Force Majeure"). Events of Force Majeure shall include, without limitation, laws, acts, rules or regulations of any government or government agency, government embargoes or any other government acts causing interference with performance, blockades, seizure or detention of assets, delays or refusals to grant export licenses or the suspension or revocation thereof, accidents, fires, floods, severe weather conditions, acts of God, quarantines or regional medical crisis, armed conflict, terrorism, war, labor strikes or disputes, vendor delays or failures in delivery of carriers or suppliers, and/or shortages of material. Seller's time for delivery, or any other performance, shall be extended by the period of time Seller is delayed. **IN NO EVENT SHALL SELLER BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES ARISING FROM OR RELATING TO A DELAY OR FAILURE TO DELIVER.**

10. Export Sales and Compliance: The Products and data covered by these Terms may be subject to the provisions of the Export Administration Act of 1979 (50 USC 2401 et seq.), the Export Administration Regulations ("EAR") promulgated there under (15 CFR 768 – 799), the U.S. Arms Export Control Act (22 USC 2778 et seq.), the International Traffic in Arms Regulations ("ITAR") (22 CFR 120 – 128 and 130) and non-U.S. import and export laws and regulations.

The parties acknowledge: (i) these U.S. statutes and regulations impose restrictions on the import from and export to countries outside the United States of America of certain categories of articles and data; (ii) licenses from the U.S. Department of State and/or the U.S. Department of Commerce may be required before such articles and/or data can be exported; (iii) these licenses may impose additional restrictions on use and further disclosure of such articles and data; and (iv) the disclosure of such articles and data to foreign persons is subject to these statutes, regulations, license requirements, and restrictions regardless of whether the export occurs in the United States of America or abroad.

The parties represent and warrant that no Products or data subject to these Terms will be imported, exported, or re-exported contrary to these statutes, regulations, governmental authorizations, and applicable non-U.S. import and export laws and regulations.

When the Product is to be shipped to a destination outside of the United States, Buyer shall furnish an import license, when so required by the country of destination. If the Product requires an export license from the United States Department of Commerce or from the United States Department of State, Buyer shall furnish to Seller an end use statement and import certificate or transaction statement, to enable Seller to apply for an export license. All sales are subject to Seller obtaining a United States export license or other government approval, if required. If required by Seller, Buyer further agrees to furnish a delivery verification certificate after the merchandise has been received in the country of destination.

Buyer shall indemnify and hold Seller harmless from all claims, demands, damages, costs, fines, penalties, attorney's fees, and other expenses arising from Buyer's failure to comply with the above referenced laws, regulations, and governmental approvals.

11. Acceptances or Rejection of Products: All shipments are verified with a packing sheet before leaving Seller's facility. If any Products do not conform to the requirements of Buyer's order,



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Buyer will have the right to reject such Products by advising Seller in writing within fourteen (14) calendar days of delivery. The writing must describe the Products being rejected and the nature of the nonconformity such as incorrect shipment, shortage, or return for restock. Seller reserves the right to inspect the Products Buyer believes are nonconforming. If the Products are nonconforming, then Seller will promptly send Buyer instructions for disposition, replacement, and/or correction as Seller, in its sole discretion, may determine is appropriate. Seller reserves the right to reject all claims not made within fourteen (14) calendar days of delivery.

12. Returns – Warranty: Products returned under the McCauley Propeller Systems Standard Limited Warranty (“Limited Warranty”) and Products returned pursuant to a Service Bulletin must be returned to the facility providing the replacement Product or as otherwise directed by Seller.

Buyer must complete the warranty claim form in its entirety, including all relevant part information, and enclose the completed form with the returned Product.

To obtain claim forms at no charge contact McCauley’s Claims Department:

Telephone: (800) 621-7767, Fax: (316) 206-2707, or

E-mail: mccclaims@mccauley.textron.com

Return to shipping address:

McCauley Propeller Systems

5800 East Pawnees Bldg 42

Wichita, KS 67218 U.S.A.

ATTENTION: WARRANTY DEPARTMENT

13. Returns – Non-Warranty: The return of any unused Product (“Return Products”) purchased from Seller, for any reason, requires Seller’s prior written approval. All Return Products approved for return may be subject to restocking charges of up to 20% of the Product Price to a maximum of \$500 plus any associated re-certification charges (collectively “Restocking Fee”). Items returned without Seller’s prior written approval may be returned to Buyer freight collect, or Seller may, in its discretion, accept the Return Products and assess Buyer a Restocking Fee. Buyer agrees to pay any assessed Restocking Fee.

To be eligible for return, Return Products must not be damaged, modified, trimmed, painted, or previously installed on an aircraft, and must be, in Seller’s sole judgment, re-sellable as new.

All Return Products must be returned with the original 8130-3 FAA form.

Products that may not be returned include:

- Hardware items, such as nuts, bolts, rivets, and screws;
- Any item obtained on a made-to-order basis;
- Shelf-life expired items;
- Any items with a list price of \$25 or less;
- Remanufactured parts not purchased from McCauley Authorized Service Facilities and/or without the repair facility certification tag;
- Any specifically fabricated, cut to length, re-pitched, or purchased Product procured specifically for a Buyer’s order;



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- Any item purchased at special sales price; and
- Broken pack quantities.

14. Shipping Returns: Products returned under Limited Warranty, returned pursuant to a Service Bulletin, and Return Products shall be: (i) shipped prepaid, Buyer's risk of loss, (ii) properly packaged, and (iii) accompanied by original shipping documentation. International customers must ensure all customs documentation is complete, accurate, and includes the required number of copies.

15. Regulatory Laws and/or Standards: Seller makes no promise or representation that the Products will conform to any state or local laws, ordinances, regulations, codes, or standards, except as particularly specified and agreed upon in writing by Seller.

16. Compliance with Anti-Bribery Laws: Buyer will comply with all applicable anti-bribery and anti-corruption laws, regulations, rules, and requirements including the United States Foreign Corrupt Practices Act ("FCPA"); the laws, regulations, rules, and requirements of Buyer's country; and any other applicable laws, regulations, rules, and requirements. In accordance with this understanding, Buyer represents that it, and each of its owners, directors, officers, employees, and every other person acting on its behalf, has not and will not, in connection with any business transactions involving Seller or its products, directly or indirectly: (a) offer, promise, authorize, or make any payments of money or anything of value to any "Government Official" or to any agent or intermediary for further payment to any Government Official (i) to influence the acts or decisions of such Government Official, (ii) to induce the Government Official to do or omit to do any act in violation of a lawful duty, (iii) to obtain any improper advantage, or (iv) to induce the Government Official to use his or her influence in order to affect any government act or decision, in order to obtain, retain, or direct business to any person or entity; or (b) otherwise offer, promise, authorize or pay any illegal bribe, kickback, or other payment in violation of any applicable law; this prohibition includes "Facilitation Payments." A "Government Official" includes any appointed, elected, or honorary official or any career or other employee of any non-U.S. national, regional, or local Government or of a public international organization; any non-U.S. political party or party official; or any candidate for non-U.S. political office, in any country. The "Government" includes any agency, department, embassy or other government entity or instrumentality. It also includes any company or other entity owned or controlled by the Government, in whole or in part. A person does not cease to be a Government Official by purporting to act in a private capacity or by the fact that he or she serves without compensation. In the event Seller believes that Buyer is in breach of this paragraph, Buyer shall cooperate in good faith to determine the scope of such breach, and Seller shall have the right to terminate unilaterally any and all business transactions, Terms or arrangements with Buyer in its sole discretion and shall have no further financial obligations or liabilities to Buyer. Buyer shall defend and indemnify Seller against any claims, damages, costs, or other expenses arising from any violation of this Section 15.

17. Ownership of Design: It is expressly understood and agreed by Buyer and Seller that Seller retains all rights and titles to the designs and processes used to design, manufacture, and assemble, any parts and/or assembly sold by Seller to Buyer, including the right of Seller, in Seller's sole discretion, to sell to other parties identical parts and assemblies and/or information and data developed by Seller in the process of designing, manufacturing, and/or assembling said parts and assemblies.



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18. Severability: If any provision of these Terms is determined to be unlawful, then that provision will be deemed to be severed and every other lawful provision of these Terms shall remain in full force and effect.

19. Assignment: Buyer may not assign any rights under these Terms, any purchase order, or any contract to purchase resulting from a purchase order without Seller's prior written consent, which may be withheld in Seller's sole discretion. Any purported assignment in violation of this provision is null and void.

20. Applicable Law: The parties' transactions, rights, and duties shall be governed by the laws of the State of Kansas, U.S.A. The parties expressly agree to exclude from these Terms the United Nations Convention on Contracts for the International Sale of Goods, 1980, and any successor thereto.

21. Dispute Resolution: Any dispute arising from or related to these Terms that cannot be resolved by mutual agreement shall be resolved only by an action brought in the United States District Court for the District of Kansas in Wichita, Kansas or, if that federal court lacks subject matter jurisdiction, then only in the State Courts of Kansas, 18th Judicial District. The parties consent to the personal jurisdiction and venue of these Kansas courts and irrevocably waive any rights or defenses they may have to the commencement or continuation of an action against them in these courts based on lack of personal jurisdiction or improper or inconvenient venue. In addition to the court's award, the prevailing party shall be entitled to recover reasonable costs and expenses, including attorneys' fees.

22. Limitation of Liability: IN NO EVENT WILL SELLER BE LIABLE TO BUYER FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES ARISING FROM OR RELATING HERETO (AND ANY TRANSACTION CONTEMPLATED HEREIN), INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFIT, LOSS OF INCOME, LOSS OF SAVINGS, LOSS OF GOODWILL, LOSS OF USE, LOSS OF TIME, AND INCONVENIENCE, WHETHER THE CLAIM IS BASED IN TORT, CONTRACT, EQUITY, OR AT LAW, INCLUDING, WITHOUT LIMITATION, NEGLIGENCE AND STRICT LIABILITY, EVEN IF SELLER WAS ADVISED OF THE POSSIBILITY THEREOF.

23. Limited Warranty: Seller's Products are warranted in accordance with McCauley Propeller Systems Standard Limited Warranty. This Limited Warranty, set out below, is Seller's sole and exclusive warranty, and is in lieu of all other warranties, express or implied.

McCauley Propeller Systems Standard Limited Warranty

McCauley Propeller Systems, a Division of Cessna Aircraft Company, Wichita, Kansas, U.S.A., expressly warrants new Products produced and sold by McCauley to be free from defects in material and workmanship under normal use and service for a period of thirty-six (36) months after delivery to the original retail purchaser or until the expiration of the maximum hours of use or calendar limits for overhaul published by McCauley for the subject Product, whichever occurs first.

McCauley's obligation under this limited warranty is limited to repairing or replacing, at its sole option, any propeller, propeller parts, governor, or governor parts determined by McCauley to be



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defective. The repair or replacement of defective parts will be made without charge to the owner for parts, or labor for removal and installation, except export/import duties, and/or sales or use taxes, if any, which are solely the owner's responsibility. McCauley will warrant a part replaced pursuant to this limited warranty under the same terms as the original part for the remainder of the applicable warranty period of the original part. This limited warranty is not intended to and does not cover the costs of normal maintenance or overhaul.

In addition, McCauley will repair or replace, at its option, any propeller, propeller parts, governor, or governor parts requiring replacement due to manufacturing defect if found at or before the first recommended overhaul interval as described in McCauley published service information. This first overhaul coverage does not include labor, standard overhaul replacement parts, parts repairable via published service information (re-plating, painting, etc.), other costs associated with the propeller or governor overhaul, or export/import duties, and/or sales or use taxes, nor does it apply to defects found after McCauley published overhaul hour or calendar limits. The provisions of this limited warranty do not apply to: any McCauley parts which have been subject to misuse, negligence, or accident or which have been repaired or altered in any way that, in the sole judgment of McCauley, adversely affects their performance, stability, or reliability; to normal maintenance services (such as cleaning, mechanical adjustments, and maintenance inspections); to the replacement of service items made in connection with normal maintenance; to normal deterioration of soft trim and appearance items (such as paint and rubber-like items) due to wear and exposure; to propellers, governors or parts found defective beyond the McCauley recommended overhaul period; or to parts which have been improperly installed by entities other than McCauley and/or McCauley Authorized Service Centers.

The McCauley limited warranty is void on any new or remanufactured Product installed, without McCauley's prior written approval, on a non-type certificated engine, or on any engine which has received an overhaul or modification which is not approved by the engine manufacturer and that results in a change to the vibratory environment of the engine such as, but not limited to, an alteration of horsepower, operating RPM, crankshaft damper configuration, compression ratio, magneto timing, camshaft design, or any other overhaul or modification not expressly approved by the original engine manufacturer. McCauley limited warranty is also void on any McCauley Product shipped new from the factory or distributor in dis-assembled state, then later re-assembled by an unauthorized party. Parties authorized to re-assemble factory-new Product must have specific written permission from McCauley to do so, otherwise all McCauley warranty on the affected unit is void. No McCauley warranty coverage is offered for leakage on Product assembled outside McCauley, regardless of the assembling party.

To the extent allowed by applicable law, THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESSED OR IMPLIED IN FACT OR BY LAW, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE REMEDIES OF REPAIR OR REPLACEMENT SET FORTH HEREIN ARE THE ONLY REMEDIES UNDER THIS WARRANTY. MCCAULEY DISCLAIMS ANY OBLIGATION OR LIABILITY, WHETHER IN CONTRACT OR IN TORT, INCLUDING LOSS OF USE OF THE PRODUCT WARRANTED, LOSS OF TIME, INCONVENIENCE, LOSS OF PROFITS, COMMERCIAL LOSS, OR ANY OTHER DIRECT, CONSEQUENTIAL, SPECIAL, OR INCIDENTAL DAMAGES. THIS WARRANTY IS IN LIEU OF ANY OBLIGATION OR LIABILITY



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ON THE PART OF MCCAULEY TO ANYONE OF ANY NATURE WHATSOEVER BY REASON OF THE MANUFACTURE, SALE, LEASE, OR USE OF THE WARRANTED PRODUCTS AND MCCAULEY NEITHER ASSUMES NOR AUTHORIZES ANYONE TO ASSUME FOR IT ANY OTHER OBLIGATION OR LIABILITY IN CONNECTION WITH SUCH WARRANTED PRODUCTS. THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS, 1980, AND ANY SUCCESSOR THERETO, IS EXPRESSLY EXCLUDED FROM THIS WARRANTY.