

CUSTOMER TERMS AND CONDITIONS

These Customer Terms and Conditions (“CTC”) govern all product and service sales from Aviation Parts Executive, Inc. (APE) to its Customers, unless otherwise agreed upon in writing by an authorized representative of APE. An order acknowledgment alone does not imply acceptance of any alternative terms proposed by the Customer. APE reserves the right to review, modify, or reject any additional or conflicting terms and conditions presented in a Customer’s purchase order.

PRICING POLICY

- **Price Adjustments:** All prices and estimated delivery times are subject to change at any time due to fluctuations from suppliers or manufacturers.
- **Exchange Pricing:** Prices for exchange parts are based on standard overhaul costs. Any additional charges for extraordinary repairs or replacements will be billed to the Customer separately.
- **Shipping Terms:** All products are sold on an EX-Works (Incoterms 2020) basis from the Manufacturer (MFR) or APE facility, unless otherwise arranged and confirmed in writing.
- **Currency & Price Revisions:** All prices are listed in U.S. Dollars (USD) and may be adjusted as needed to comply with new regulatory or governmental requirements.
- **Taxes & Fees:** Unless a valid and up-to-date tax exemption certificate is provided, the Customer is responsible for all applicable taxes, levies, and government-imposed fees.

CUSTOMER ACCOUNT TERMS

- **Payment Requirements:** Unless the Customer has been approved for credit terms, payment is required at the time of purchase. If the Customer requests C.O.D. (Cash on Delivery) terms, APE must review and approve the request prior to shipment.
- **Credit Policy:** APE reserves the right to adjust or withdraw credit terms at any time without prior notice. APE may request additional financial guarantees, collateral, or prepayments as a condition for extending credit.
- **Special Orders & Custom Requests:** Orders for non-stock, custom, or specialty items are classified as Non-Cancelable/Non-Returnable (NCNR). APE may require a prepaid deposit for these orders, subject to credit review.

- **Order Cancellations:** Requests to cancel orders must be made in writing and submitted to APE for review. If an order involves items not routinely stocked, APE may apply a cancellation fee.
- **Customer Verification:** Upon request, Customers must provide supporting identification or business documentation within 5 business days.
- **Failure to submit the required documentation** will result in the Customer's account being placed on "HOLD" status, and all active orders will be suspended until the issue is resolved.
- **While an account is on "HOLD",** APE reserves the right to reallocate stock inventory to other customers as needed.
- **Account Hold Status:** If a Customer's account is placed on "HOLD", APE is not responsible for any previously stated or "promised" delivery dates.
- **Once the hold is lifted,** APE will provide updated delivery dates for all open purchase orders. These revised dates will be treated as the "original" delivery dates, and APE will not be held accountable for late delivery claims related to the prior timeline.
- **End-User Statements:** When requested, Customers are required to return completed End-User Statements to APE within 5 business days.
- **Failure to Comply:** If a completed End-User Statement is not submitted within this time frame, the related order will be placed on "HOLD."
- **If the End-User Statement is not received within 30 days of the request,** the order may be canceled at APE's discretion, with no liability or financial obligation to APE. This may also impact the Customer's ability to place future orders.

SHIPMENT TERMS

- **Transfer of Title & Risk:** Ownership and risk of loss for the materials are transferred to the Customer at the time of shipment or customer pickup, in accordance with the Incoterms outlined in the Pricing section.
- **Material Inspection:** Customers are required to inspect all materials upon receipt.
- **Any discrepancies or issues** must be reported to APE within 15 days of receipt.

- Upon validation of the claim, APE will determine the most appropriate course of action, which may include a replacement, credit, or another mutually agreed-upon resolution.
- Shipping Dates & Delays: APE provides estimated shipping dates based on current supply chain conditions at the time of the order.
- While every effort is made to meet promised shipping dates, APE is not liable for any delays or damages resulting from missed deadlines.
- Customers will be notified of any shipping delays as soon as APE becomes aware of them.
- Packaging & Custom Requests: Materials are packaged according to “Best Commercial Practices” for one-way transport via air and/or ground.
- If a Customer requests specialized packaging (e.g., ATA-compliant packaging), this request must be clearly stated on the purchase order.
- Additional Costs: Any additional charges for packaging beyond standard practices will be calculated and billed accordingly.

AIRWORTHINESS DISCLAIMER

- Regulatory Compliance: Per 14 CFR Part 39, the owner or operator of an aircraft is solely responsible for maintaining the airworthiness of the aircraft, including compliance with applicable Airworthiness Directives (ADs).
- APE does not assume responsibility for determining the airworthiness of any part, component, or material purchased.
- Part Applicability: It is the Customer’s responsibility to ensure that the part or its alternative is appropriate for its intended application. APE does not guarantee the compatibility, applicability, or suitability of any part for any specific aircraft, system, or operational use.
- While APE may, at its discretion, provide support to a Customer regarding Airworthiness Directive (AD) compliance, this support is offered strictly as a courtesy.
- APE does not assume any liability, obligation, or responsibility for ensuring a Customer’s compliance with any AD requirements. The final responsibility for compliance rests solely with the owner or operator of the aircraft.

DOCUMENTATION, TRACEABILITY & SHELF-LIFE POLICY

- **Certification of Parts:** For all New, Overhauled, or Repaired parts, APE will provide the relevant documentation, which may include an 8130-3 form and/or a Manufacturer's Certificate of Compliance (C of C), depending on the product type.
- **New Surplus Material:** Surplus parts may or may not be accompanied by an 8130-3 form or Manufacturer's C of C. All New Surplus material is sold strictly "As-Is."
- APE provides no guarantees, written or implied, regarding the airworthiness, functionality, or suitability of New Surplus material.
- Customers assume full responsibility for ensuring the airworthiness and compatibility of New Surplus materials for their intended use.

Shelf-Life Policy

- **Shelf-Life Guarantees:** APE does not guarantee a specific minimum shelf-life for shelf-life-controlled products.
- If the Customer requires a minimum percentage of shelf-life remaining, this must be clearly stated on the Purchase Order (PO).
- **Sales Order Acknowledgement:** Receipt of a Sales Order Acknowledgment from APE does not automatically confirm acceptance of the Customer's requested shelf-life requirement.
- **Shelf-Life Discrepancies:** If APE cannot meet the Customer's requested shelf-life requirement, the Customer will be notified and given two options:
 - Option 1: Accept the product with the available shelf-life provided by APE.
 - Option 2: Cancel the affected item from the Purchase Order.
- **Unspecified Shelf-Life Requirements:**
 - If no specific shelf-life requirement is listed on the Purchase Order, APE will assume no shelf-life condition is required.
 - Orders returned for shelf-life issues where no prior notification was given will be subject to a 20% restocking fee.
- **Order Adjustments:**

- If a Customer requests to change the shelf-life condition after a notification of discrepancy, the request must be submitted as an amended Purchase Order or an email from an authorized Customer representative.
- If the request is not submitted within 7 days of the discrepancy notification, APE reserves the right to cancel the affected item from the Purchase Order.
- APE will not be held liable for the inability to fulfill the shelf-life request, and such a cancellation will not be deemed a breach of contract.
- Impact on Other Items: If a specific shelf-life item is canceled, it will not impact the status of other items listed on the same Purchase Order, unless both parties agree to cancel the full order in writing.

Traceability & Special Requests

- Full Traceability & Test Reports: Requests for Full Trace (from origin to present) or Test Reports must be made in writing prior to issuing a Purchase Order.
- Approval from an APE Sales Representative is required before a Purchase Order is confirmed.
- Without written approval, APE is not obligated to supply traceability reports or test data.
- Special Requests & Documentation Changes:
 - Any specific requirements for data, documentation, or additional information must be clearly stated at the time the Purchase Order is submitted.
 - If the Customer requires modifications to the documentation after the Purchase Order has been confirmed, a request must be submitted in writing at least 2 business days prior to the scheduled shipment date.
 - APE will not revise documentation after materials have been shipped.

RETURNS POLICY

- General Return Policy:
 - Returns must be pre-authorized in writing by APE and require an official Return Merchandise Authorization (RMA).
 - Returns must be initiated within 30 days of receipt.

- All returns are subject to a 20% restocking fee unless otherwise agreed in writing.
- Exceptions:
 - Life-Limited Items: Life-limited parts must be returned within 7 days of receipt, following written authorization via an RMA from APE. A 20% restocking fee will apply. APE reserves the right to refuse returns for life-limited parts.
 - Special Order Items: Custom, non-stock, or special-order products are considered Non-Cancelable and Non-Returnable (NCNR). APE does not issue RMAs or accept returns for these items. However, under special circumstances, returns may be accepted solely at APE's discretion.
 - Container Damage: Items stored in containers that are dented but not leaking are not eligible for return. However, APE may consider special return requests at its sole discretion.
- Exchange Sales & Core Returns:
 - For exchange transactions, the Customer must return the core item within 25 days of the original sale.
 - Returned cores must have the same part number (P/N) and manufacturer as originally quoted.
 - Core returns must be delivered to APE free of all freight charges, customs fees, and other related costs.
 - If the Customer requires additional time to return the core, they must contact APE Sales to make special arrangements.

WARRANTY POLICY

- Distributor Role: APE operates as a distributor of parts and materials. The warranty for any products purchased is governed by the terms and conditions provided by the original manufacturer or repair facility.
- Warranty Limitations:
 - APE makes no warranties of its own, whether express, implied, or statutory.
 - This includes, but is not limited to, any warranty of merchantability, fitness for a particular purpose, or warranties implied by trade usage, performance, or prior dealings.

U.S. AND INTERNATIONAL TRADE COMPLIANCE

- Compliance with Trade Laws:
 - Customers agree to comply with all applicable U.S. and international import, export, and sanctions laws, as well as any jurisdictional trade regulations where the Customer operates.
 - This includes adherence to export and import license requirements and any associated legal provisions.
- Restrictions on Export, Re-export, or Diversion:
 - Customers may not export, re-export, or transfer parts or technology purchased from APE to any country, person, or entity that is subject to U.S. sanctions, embargoes, or other export control restrictions.
 - Customers must comply with the list of proscribed countries as defined in 22 CFR 126.1 or countries subject to sanctions imposed by the U.S. Office of Foreign Assets Control (OFAC).
 - Any exceptions to this requirement must be authorized in writing by the U.S. Government.
- Regulatory Compliance:
 - The use, handling, disposition, export, re-export, or transfer of all items included in quotes, sales orders, or purchase orders is subject to compliance with applicable U.S. laws and regulations, including but not limited to:
 - Arms Export Control Act (AECA)
 - Export Administration Act (EAA)
 - International Traffic in Arms Regulations (ITAR)
 - Export Administration Regulations (EAR)
 - Office of Foreign Assets Control (OFAC) Regulations
- Prohibited End-Users & End-Uses:
 - Customers agree that the products purchased from APE will not be used or supplied for any military or defense-related activities. This includes, but is not limited to, the following prohibited end-users and end-uses:

- Military or defense end-users such as national armed forces (army, navy, marine corps, air force, or coast guard), national guards, and national police.
- Government intelligence or reconnaissance organizations.
- Military applications or activities related to the development, production, maintenance, or incorporation of parts into military items.
- Customs and Trade Data Disclaimer:
 - Any trade data provided or made available by APE is for reference purposes only and is not intended for use in conducting Customs business as defined under 19 CFR Part 111.
 - APE makes no guarantees or warranties regarding the completeness, accuracy, or timeliness of trade data. Customers should seek independent advice if they require legal guidance regarding trade and customs compliance.
- Routed Export Transactions:
 - Customers must comply with U.S. export transaction regulations, as defined by the U.S. Export Administration Regulations (15 C.F.R § 772.1) and Federal Trade Regulations (15 C.F.R. § 30.1(c)).
 - If requested, Customers must provide copies of their U.S. Agent Power of Attorney (POA) or other written authorization to their U.S. Agent. This documentation must be made available to APE in accordance with 15 C.F.R. § 30.3(e)(2) and 758.1(h)(1)(i).
- Electronic Export Information (EEI) & Automated Export System (AES) Compliance:
 - As a condition of sale, Customers must instruct their U.S. Agent to provide APE with copies of the AES transaction and Airway Bill (AWB) within 5 days of export. These documents should be sent to awb@aviationpartsinc.com.
 - APE will provide the necessary Electronic Export Information (EEI) to the Customer's U.S. Agent as required by 15 C.F.R. § 30.3(e)(1) to facilitate AES filing.
- End-Use Statements & Due Diligence:
 - Customers may be required to submit an End-Use Statement as part of the due diligence process.

- APE reserves the right to request updated end-use information periodically. This ongoing review is essential for ensuring compliance with U.S. regulations.
- If APE determines that a Customer's use of products may pose a regulatory risk, APE reserves the right to decline future orders without notice.

FORCE MAJEURE

- Unforeseen Events Beyond Control:
 - APE is not liable for any failure or delay in fulfilling its obligations when such failure is caused by events or conditions that are beyond its control.
 - Examples of force majeure events include, but are not limited to:
 - Acts of God (natural disasters, floods, earthquakes, hurricanes, etc.)
 - Customer-related acts (delays, non-compliance, failure to provide required documentation)
 - Acts of civil or military authority (government interventions, new export restrictions, embargoes)
 - Labor disputes (strikes, slowdowns, or work stoppages)
 - Fire, accidents, or equipment failures
 - Epidemics, pandemics, or health emergencies
 - Riot, war, or civil unrest
 - Supply chain disruptions (lack of raw materials, labor shortages, transportation delays)
- In such circumstances, APE will make every reasonable effort to resume its obligations as quickly as possible. However, if the event continues for an extended period, APE reserves the right to cancel affected orders without liability.