

PURCHASE ORDER TERMS AND CONDITIONS

1. **Acceptance.** Unless issued pursuant to a written agreement between us and you, this Purchase Order is American Airlines, Inc.'s (herein "we", "us" or "our") offer to the seller noted on the front hereof (herein "you" or "your") for the purchase of Articles or Services and shall be binding upon your written acknowledgment hereof or your commencement of any performance hereunder. In such event, your acceptance is limited to the terms contained herein; additional or different terms are material, objected to and hereby rejected. This Order may not be modified except by a Purchase Order Supplement signed by us. All acknowledgements, shipment notices and invoices shall be sent electronically at your sole cost.
2. **Pricing.** The prices shown herein for the material, equipment or items ("Articles") or services ("Services") of the type ordered hereunder shall be complete, and no additional charges may be added without our express written consent, including any charges for transportation to the F.O.B. point, packaging, customs, duties, taxes, storage, insurance, boxing and crating expenses or travel and incidental expenses.
3. **Packing and Shipping.** All Articles and Serviced property shall be suitably packed for delivery to prevent damage in transit, to comply with all carrier requirements and to secure the lowest transportation and insurance rates. Each container must be marked with this Order number and be accompanied by one copy of the shipping papers and such certification documents as are required by us. Unless otherwise specified in this Order, no value shall be declared on any shipment. Time is of the essence in the performance of this Order. You shall provide us with advance notice of any shipment.
4. **Changes.** We may make changes in the technical requirements, specifications, drawings or designs, materials, packaging, place of delivery, method of transportation, buyer-furnished property, quantities or delivery schedules of the Articles or Services by notifying you. Any material affect on the costs or time required to perform due to any such change will entitle you to make a claim with us for an adjustment in the price and/or delivery schedule as we may mutually agree in writing. Any such claim must be filed thirty (30) days after we notify you of the change. Your failure to file a claim within such thirty (30) days will be deemed a waiver of all such claims.
5. **Warranty.** You warrant that all Articles and Services will: conform to the requirements of this Order and any samples or other descriptions given; be of good quality and free from defects in material, workmanship and design (to the extent not manufactured pursuant to our drawings); be free from all liens and encumbrances; and be merchantable and fit for their intended purpose. You also warrant that: all software Articles will function in accordance with documentation; all Services will be performed in a competent and timely manner; all equipment maintenance Services will result in performance in accordance with factory specifications; and all software maintenance Services will result in performance in accordance with documentation. You further perpetually warrant that all software and microcode will have user interfaces, date data fields, processing logic and outputs that correctly recognize, process and otherwise support the calendar year 2000 and beyond. The breach of any of the foregoing warranties shall entitle Us to elect, at our option, repair or replacement of the Articles or Services or refund of all amounts paid therefor. All warranties shall survive any inspection, test, acceptance or use of the Articles or Services and shall run to Us and to all persons to whom the Articles or Services may be resold. All warranties shall be construed as conditions as well as warranties, and no warranties or remedies for breach thereof shall be deemed to be exclusive.
6. **Intellectual Property Protection.** You shall indemnify and hold us, our successors, assigns, agents and customers (for purposes of this section and Sections 5, 12, 13 and 31, collectively "Us"), harmless from any loss, damage or liability that may be incurred by any of Us on account of actual or alleged infringement of any patent, copyright, trademark, trade name or trade secret with respect to the Articles or Services provided hereunder (except for Articles manufactured to our design or use of our trademarks or trade names pursuant to our direction) and will, at your expense, defend any action, suit or claim in which such infringement is alleged. In the event Articles or Services are held in any such action, suit or claim to be infringing and their use enjoined or limited in any manner, you shall, at your expense, and at our option, either (a) procure for Us the right to continue use of such Articles or Services, (b) replace the same with non-infringing Articles or Services satisfactory to Us, (c) modify the Articles or Services so they become non-infringing, or (d) remove such Articles or Services and refund the purchase price and other costs incurred by us. Any design, literary property, trade secret or other invention arising from a customized manufacturing design or from customized Services for which we have paid the design or development costs, either separately or as part of the purchase price, shall become our sole property as a work for hire. You shall not have or assert any rights to any such property without our consent.

7. **Inspection/Testing.** Our acceptance of Articles or Services shall be subject to final inspection and testing within a reasonable time after receipt at destination. Articles or Serviced property rejected may be returned to you at your expense and risk. Unless we have given notice of termination pursuant to Section 10, following return of any rejected Article or notification of any rejected Service, you shall promptly replace or correct, at your option and expense, the Articles or Services rejected with Articles or Services of suitable quality.

8. **Invoice and Payment.** Unless we have made arrangements with you for batched billings, you will separately invoice us for each delivery (and not invoice prior to the delivery) of Articles or Services. Payment due date and discounts will be computed from the date we receive a correct invoice. Unless taxes, freight or other charges are itemized, discounts will be taken on the full invoice amount. We have the right to withhold payment of any invoice amount disputed in good faith.

9. **Termination for Our Convenience.** We reserve the right to terminate this Order, in whole or in part, without cause and for our sole convenience, upon at least thirty (30) days prior notice to you specifying the extent of termination and the effective date thereof. In the event and to the extent of such termination, you shall immediately stop all work hereunder. Our total liability to you for the terminated part of this Order shall be limited to the price of all Articles or Services delivered to and accepted by us prior to the effective date of termination.

10. **Termination for Cause.** We shall have the right to terminate this Order, without prejudice to our right to seek appropriate damages from you for your default, effective upon notice to you, in the event (a) you fail to timely deliver the Articles or perform the Services, (b) you fail to perform any other provision of this Order (or to make progress so as to endanger performance of this Order) and do not cure such failure within ten (10) days after notice from us, (c) any of your representations or warranties made herein was untrue at the time given, (d) you suspend your business operations, make an assignment for the benefit of creditors, become insolvent, are unable to pay your bills as they become due or file or have filed against you a bankruptcy or insolvency proceeding that is not dismissed within thirty (30) days from its filing, or (e) a receiver, liquidator or trustee is appointed for you or any of your property. If we terminate this Order in whole or in part for cause, we may procure at your expense for excess costs, upon such terms and in such manner as we may deem appropriate, Articles or Services similar to those that remain to be delivered or produced under this Order. Our rights and remedies hereunder are cumulative and are in addition to any other rights or remedies we may have at law or in equity.

11. **Force Majeure.** Each party shall be excused from its performance obligations hereunder to the extent primarily delayed by unforeseeable events beyond its control and not caused by its fault or negligence. You shall immediately notify us of any such event and shall use best efforts to minimize the effects thereof. If any such delay continues for more than ten (10) days, we may terminate this Order.

12. **Indemnification.** YOU WILL DEFEND, INDEMNIFY AND HOLD US HARMLESS FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, LOSSES, CLAIMS, FINES, PENALTIES, ASSESSMENTS, DEMANDS, ACTIONS, SUITS AND JUDGMENTS, INCLUDING ALL FEES, COSTS AND EXPENSES INCIDENTAL THERETO, THAT MAY BE CHARGED TO, ASSERTED AGAINST OR INCURRED BY US BY REASON OF ANY LOSS, DAMAGE OR INJURY OF ANY KIND OR NATURE WHATSOEVER IN ANY MANNER OR TO ANY EXTENT RESULTING FROM OR ARISING OUT OF THE ARTICLES OR SERVICES COVERED BY THIS ORDER EXCEPT TO THE EXTENT RESULTING SOLELY AND DIRECTLY FROM OUR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

13. **Insurance.** You shall maintain (and within five (5) business days of the date of this Order and thereafter annually upon renewal of such policies furnish us with satisfactory evidence of) public liability, product liability, automobile liability, property damage, hangarkeepers liability, baggage liability and/or worker's compensation and employer's liability insurance coverages with limits of liability as we may reasonably specify or if not specified sufficient to cover the transactions contemplated hereby. As specified or otherwise appropriate, each policy shall (a) name Us as additional insureds, (b) insure, under the contractual liability section, the specific liabilities assumed by you under this Order, (c) commit to give us not less than thirty (30) days prior written notice in the event of any adverse change in your coverage, (d) be primary without right of contribution from any insurance carried by Us, (e) waive any and all rights of subrogation the insurer may or could have against Us, (f) include the insurer's agreement that your breach of any representation set forth in its policy will not invalidate the insurance as to Us, and (g) include loss of or damage to aircraft.

14. **Independent Contractor.** You are and shall remain our independent contractor, and under no circumstances will you or any of your personnel be deemed our agent or employee. As such, you are responsible for injury to or death of persons, and damage to or destruction of property, resulting from the quality of, or the manner in which, work is performed pursuant to this Order.

15. **Confidentiality.** All information and documentation disclosed or furnished by us to you hereunder or in connection herewith (including the terms of this Order) is confidential and shall not be used by you for purposes other than the performance of this Order or disclosed by you to third parties without our prior written approval. You shall not use our name or advertise or disclose this Order's existence without our prior written approval.

16. **Assignment/Subcontracting.** No part of this Order may be assigned or subcontracted by you, directly or indirectly, without our prior written approval. We shall have the right, exercisable in our sole discretion, to immediately terminate this Order upon any change of control of you, as determined by us in our sole discretion. We reserve the right to assign all or any part of this Order to our parent, any of our subsidiaries or affiliates or any successor in interest to all or any part of our operations. Subject to the foregoing, this Order shall be binding on and inure to the benefit of you and our respective heirs, representatives, successors and assigns.

17. **Compliance with Legal Requirements.** You warrant that, in your performance of this Order, you shall comply with all federal, state and local laws, rules and regulations applicable thereto (including without limitation and to the extent applicable the requirements of 41 CFR 60-1.4, 60-250.5(a), 60-300.5(a) and 60-741.5(a) and 29 CFR part 470, which are incorporated herein by reference, as applicable). In addition, if this Order is placed under a prime contract of ours with the U.S. Federal Government, the versions of Sections 52.219-8, 52.222-17, 52.222-21, 52.222-26, 52.222-35, 52.222-36, 52.222-37, 52.222-40, 52.222-41, 52.222-50, 52.222-51, 52.222-53, 52.222-54, 52.222-55, 52.226-6 and 52.247-64 of the Federal Acquisition Regulation ("FAR") in effect as of the date of this Order are incorporated by reference as if set forth in full herein. The full text of these FAR clauses may be accessed electronically at <https://www.acquisition.gov/far/>. The following changes to the FAR clauses are made for incorporation in this Order: "Contractor" means "you"; "Contracting Officer" or "Government" means us"; "Contract" means "Order"; and "Subcontractor" means "your subcontractor."

18. **Minority Business Enterprise Opportunities.** We expect all of our suppliers to share in our commitment to supplier diversity and inclusion by supporting our Supplier Diversity Program. Upon our request, you will (a) utilize, to the maximum extent practicable, certified minority, women, disability and LGBT-owned businesses, and Small Business Administration (SBA)-defined small business concerns, as second-tier subcontractors/suppliers and (b) provide quarterly reports to us summarizing your supplier diversity efforts and certification status of the diverse subcontractors/suppliers utilized in performance of this Order. Our Supplier Diversity Program is available for your review at <https://www.aa.com/supplierdiversity>.

19. **Hazard Communication.** You will appropriately label all hazardous chemicals/materials in accordance with such systems as may be required by law or adopted by us.

20. **Limitation of Our Liability/Statute of Limitations.** In no event shall we be liable for anticipated profits or for special, incidental, consequential, indirect or punitive damages in connection with this Order. Our liability for any claim of any kind for loss or damage arising out of or in connection with this Order shall not exceed the price allocable to the Articles or Services (or unit thereof) that give(s) rise to the claim. Any action resulting from our breach of this Order must be commenced within one (1) year after the cause of action has accrued.

21. **Setoff.** We may set off any amount due from you, whether or not under this Order, against any amount we owe you. We may also withhold from payment of any amount we owe to you an amount sufficient to reimburse us for any loss, damage, expense, cost or liability arising from your breach of this Order.

22. **Governing Law.** THIS ORDER SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAWS OF THE STATE OF TEXAS (EXCLUDING THE CONFLICT OF LAW PROVISIONS THEREOF). AT OUR DISCRETION, ANY ACTION RELATING DIRECTLY OR INDIRECTLY TO THIS ORDER SHALL BE BROUGHT EXCLUSIVELY IN THE DISTRICT COURT OF TARRANT COUNTY, TEXAS OR THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS, FORT WORTH DIVISION, AND YOU IRREVOCABLY WAIVE ANY OBJECTION TO THE

JURISDICTION OF, OR VENUE IN, EITHER OF THESE COURTS AND AGREE THAT THE ACCEPTANCE OF THIS ORDER CONSTITUTES DOING BUSINESS IN THE STATE OF TEXAS.

23. **Right to Audit.** You shall keep complete records and accounts from which may be determined the actual cost of Articles or Services provided under this Order and compliance with all other terms and conditions hereof. Such records and accounts shall be open for inspection, examination, audit and copying by us or our designated representative at all reasonable times for up to three (3) years following the expiration or termination of this Order.

24. **Survival.** Notwithstanding anything herein to the contrary, Sections 5, 6, 8, 12, 15, 20, 21, 22 and 23 of this Order, as well as any other sections or portions thereof that expressly or implied survive expiration or termination, shall survive the expiration or termination of this Order.

25. **Miscellaneous.** If any provision of this Order is declared unlawful, invalid or unenforceable by any final administrative, legislative or judicial action, this Order shall be deemed to be amended to conform with the requirements of such action and all other provisions hereof shall remain in full force and effect. Neither our failure or delay in requiring strict performance of or in enforcing any provision of this Order, nor our previous waiver or forbearance of any such provision, shall in any way be construed as a waiver or continuing waiver of any provision of this Order. This Order is the entire agreement of the parties, and shall supersede any prior or contemporaneous oral or written agreements or understandings between the parties, relating to the subject matter hereof.

26. **Provision and Management of Parts.** Except as otherwise notified by us in writing, you shall provide all parts and materials necessary for the provision of the Articles or Services. You shall be responsible for the timely procurement of such parts and materials to ensure provision of the Articles or Services in accordance herewith. All parts used by you shall be secured only from sources that can trace their origin to the manufacturer and be of a part number and modification status as listed and identified in our applicable Illustrated Parts Catalog, if any. Any deviation from the applicable Illustrated Parts Catalog must have written authorization from our Engineering Department prior to the use of such part. Material certification slips, where applicable, shall be retained by you and copies supplied with the parts upon installation. We reserve the right, in our sole discretion, to furnish to you any parts or materials for the provision of the Articles or Services, which parts and materials shall be delivered to you in a timely manner. At no cost to us, you shall maintain a material management organization staffed to handle the receiving, inventory, warehousing, quality control, inspection, storage, transportation, packaging, issuance and disposition of parts. In that regard, you shall accumulate, store and assume full responsibility for all parts supplied by us, unserviceable recoverable parts and scrap material and shall provide us with an inventory of such items as requested. We shall give you, periodically, directions on the disposition of all such parts and materials.

27. **Monitoring of Work.** We shall have the unrestricted right to monitor manufacture of the Articles or performance of the Services in progress. For that purpose, you shall permit our agents or employees to enter your facilities when the Articles are being manufactured or the Services are being performed. You shall impose an identical requirement on any subcontractor permitted hereunder.

28. **American's Right to Use Documentation.** We shall have the royalty-free right to use and disclose, for the purposes of the sale, use, operation, maintenance or lease of any of our aircraft or other property, any oral or written documentation or information received from you that is required for such use, operation or maintenance. We shall also have the unlimited right to duplicate said documentation and information for the purposes set forth above.

29. **Notices.** Unless otherwise specified in this Order, all notices, approvals, requests, consents and other communications given pursuant to this Order shall be in writing and shall be deemed to have been duly given when received if hand-delivered, sent by overnight courier or sent by United States certified or registered mail, addressed to the addresses set forth in this Order or to such other addresses as may be subsequently specified by the parties in writing.

30. **Option.** Unless otherwise agreed in writing, the Articles or Services covered hereby are being ordered at our option. There are no minimum unit or dollar volumes of Articles or Services guaranteed by us to you hereunder. This is a nonexclusive Order, and therefore at any time we may ourselves provide, or use any third party supplier to provide, any or all of the same or similar Articles or Services as are provided hereunder.

31. **Usage and Distribution.** Unless otherwise agreed in writing, we may use Articles or Services provided hereunder worldwide for the benefit of any of Us. For Articles to which we take title, there are no

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restrictions on our subsequent distribution thereof. For software Articles, you grant Us a perpetual, world-wide, paid-up, irrevocable license to use each licensed copy on any one computer or piece of equipment at a time and to make back-up copies.

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