

Repair Order Terms and Conditions

These Repair Order Terms and Conditions (“**Repair Order Terms and Conditions**”) are applicable to all Component Repair Agreements, Repair Orders, and other similar documents that reference these Repair Order Terms and Conditions (collectively referred to as the “**Repair Order**”) entered into between Alaska Airlines, Inc., Horizon Air Industries, Inc., or any other party identified on the Repair Order (“**Alaska**”) and the party contracting with Alaska on the Repair Order (“**Vendor**” and, together with “**Alaska**”, the “**Parties**” and each a “**Party**”).

1. **Acceptance and Governing Terms.** Unless noted on the face of the Repair Order, these Repair Order Terms and Conditions apply to all Repair Orders (electronic or paper) received by Vendor from Alaska. The Repair Order is accepted when Vendor notifies Alaska of its acceptance or commences performance. The Repair Order does not constitute a firm offer and may be revoked at any time prior to acceptance. In the event of a conflict between the Repair Order and these Repair Order Terms and Conditions, the terms of the Repair Order shall control. Use of pre-printed invoices and forms by Vendor is for its convenience only. Conditions or terms stated by Vendor in acknowledging receipt of the Repair Order, or otherwise, are not binding on Alaska.

2. **Services.** Vendor shall provide repair and maintenance services for various aircraft components, referred to as “**Units**,” that are removed from Alaska’s fleet. Vendor shall provide the services (“**Services**”) set forth in any Repair Order approved by the Parties. If Alaska sends Units to Vendor to be reworked, Vendor will repair, re-certify, modify, or otherwise service the Units in accordance with Alaska’s instructions. Where it is necessary for Vendor to incorporate mandatory modifications and service bulletins (at either Vendor’s expense or Alaska’s expense, as applicable), Vendor shall seek Alaska’s approval before commencing such work, unless Alaska has already provided its written consent. If Vendor estimates that the cost to rework a Unit will exceed 65% of the Unit’s current market cost, Vendor will contact Alaska for instructions before proceeding with any work. If Alaska considers a Unit beyond economic repair, Alaska may instruct Vendor to scrap the Unit. In such case, Vendor will forward scrap documentation and proof of scrap (nameplate) to Alaska. Alaska will bear all direct labor hour costs related to the inspection and testing of a Unit that has been scrapped.

3. **Payments.** As full consideration for performance of the Services, Alaska shall pay Vendor the amount specified in the Repair Order. Such amount shall include any sales, use, or similar tax imposed on account of the Services that Vendor is required by applicable legal requirements to collect from Alaska. Alaska shall not be responsible for any other taxes, including but not limited to taxes based upon Vendor’s income, gross receipts, business and occupation, or similar taxes, import taxes or fees, and other local, state, or federal taxes normally paid by businesses similar to Vendor’s business. Vendor shall indemnify, defend, and hold Alaska harmless from any claims, costs, and liabilities that relate to such taxes and fees. If Alaska provides Vendor a valid exemption certificate, Vendor shall not collect the taxes covered by such certificate. If legal requirements require Alaska to withhold taxes from payment to Vendor, Alaska may withhold those taxes and pay them to the appropriate government authority. If requested by Alaska in writing, Vendor shall not pay any tax or fee assessed which is the responsibility of Alaska except under protest, and if payment is made, Vendor shall use its best efforts to obtain a refund thereof, or at Alaska’s request, permit Alaska to protest such tax or fee in Vendor’s name. If all or any part of such tax or fee is refunded, Vendor shall repay to Alaska so much thereof as Alaska would have paid, including any and all interest paid thereon. Alaska shall pay to Vendor, within thirty (30) calendar days of a written request, Alaska’s proportionate share of all out-of-pocket expenses incurred by Vendor in protesting payment of any such tax or fee and in endeavoring to obtain such refund at Alaska’s request, provided that such expenses are reasonable and agreed to by Alaska in advance. If Alaska paid the expenses and the refund applies to customers of Vendor other than Alaska, then Vendor shall make certain that Alaska receives a reimbursement for a proportionate share of such costs.

All payments shall be by Alaska’s corporate check or electronic transfer, at Alaska’s option. Each invoice must be provided to Alaska within ninety (90) days of the completion of the Services. Alaska will

be entitled to a two percent (2%) discount of the invoiced amount for all invoices that are submitted more than ninety (90) days after completion of the Services. In no event shall Alaska be liable for any unbilled or under-billed amounts payable for Services which are invoices more than twelve (12) months after such Services are performed. All undisputed amounts shall be paid within thirty (30) days after receipt and acceptance by Alaska of a correct invoice. Payment is considered made when Alaska's check is mailed or electronic transfer is initiated. Unless otherwise agreed to by Vendor and Alaska, no advance payment shall be made for Services.

Vendor shall accompany each invoice with a cover page, or other appropriate written report, setting forth a description of the Services with respect to which such amounts are payable in sufficient detail to permit Alaska to determine the accuracy of payments required by such invoice, which shall include a reference to the relevant Unit, part number, serial number, and Repair Order number. Vendor shall attach a copy of the teardown report to the invoice. Applicable taxes and other charges shall be stated separately on Vendor's invoice. Vendor shall invoice Alaska only for Services actually performed.

Alaska reserves the right to reject and return all incorrect invoices. An incorrect invoice is one that includes Services that were not performed by Vendor, or where the price indicated does not reflect the price agreed upon by Vendor and Alaska. Alaska reserves the right to withhold payment of any invoiced amount which is disputed in good faith by Alaska. In such event, Alaska shall provide a reasonably detailed explanation of its basis for withholding such amounts, and the Parties shall use commercially reasonable efforts to resolve the same through negotiations. Any withholding of disputed amounts will not be deemed a breach of the Repair Order or these Repair Order Terms and Conditions by Alaska.

For at least three (3) years after the Services are performed, Vendor shall keep all usual and proper records and books of account relating to its performance under this Agreement and the amounts billed to Alaska. Alaska has the right to audit Vendor's records related to performance under the Repair Order and these Repair Order Terms and Conditions, at Alaska's expense, at any reasonable time and upon reasonable notice, to determine if Alaska was billed appropriately. In the event that such audit or audits reveal overpayment by Alaska in any amount whatsoever, Vendor shall pay Alaska the amount of any such overpayment within fifteen (15) calendar days of notice from Alaska. If such audit reveals an overpayment in excess of ten percent (10%) of the amount that should have been billed to Alaska, Vendor shall also reimburse Alaska's audit expenses, including any outside expert fees, legal fees, and accounting fees, within fifteen (15) calendar days of notice from Alaska.

4. Taxes and fees

(a) Taxes Payable by Vendor. Vendor agrees that Alaska is not liable for any taxes and fees that Vendor is legally obligated to pay, including but not limited to any taxes or surcharges based on gross receipts, revenue, income or the like, property taxes assessed on Vendor's property, import or export taxes, franchise or doing business taxes, other state and local taxes normally paid by similar businesses as Vendor, or contributions or assessments for its employees and subcontractors (if any). Vendor shall indemnify, defend, and hold Alaska harmless from any claims, costs (including attorneys' fees), and liabilities that relate to such taxes and fees.

(b) Taxes Payable by Alaska. Alaska agrees that Vendor is not liable for any taxes and fees that Alaska is legally obligated to pay, including but not limited to any taxes or surcharges based on gross receipts, revenue, income or the like, property taxes assessed on Alaska's property, import or export taxes, franchise or doing business taxes, other state and local taxes normally paid by similar businesses as Alaska, or contributions or assessments for its employees and subcontractors. Alaska agrees to pay Vendor any sales taxes that are owed by Alaska in connection with the Services and which Vendor is required by applicable Legal Requirements to collect from Alaska. If Alaska provides Vendor a valid exemption certificate, Vendor shall not collect the taxes covered by such certificate. If Legal Requirements require Alaska to withhold taxes from payments to Vendor, Alaska may withhold those taxes and pay them to the appropriate

Government Authority. Upon written request by Vendor, Alaska shall deliver to Vendor an official receipt for such taxes.

(c) **Disputed Taxes and Fees.** If requested by Alaska in writing, Vendor shall not pay any tax or fee assessed which is the responsibility of Alaska under this Agreement except under protest, and if payment is made, Vendor shall use its best efforts to obtain a refund thereof, or at Alaska's request, permit Alaska to protest such tax or fee in Vendor's name. If all or any part of such tax or fee is refunded, Vendor shall repay to Alaska so much thereof as Alaska would have paid, including any and all interest paid thereon. Alaska shall pay to Vendor, within thirty (30) calendar days of a written request, Alaska's proportionate share of all out of pocket expenses incurred by Vendor in protesting payment of any such tax or fee and in endeavoring to obtain such refund at Alaska's request, provided that such expenses are reasonable and agreed to by Alaska in advance. If Alaska paid the expenses and the refund applies to customers of Vendor other than Alaska, then Vendor shall make certain that Alaska receives a reimbursement for a proportionate share of such costs.

5. **Changes.** Vendor shall procure materials and perform Services only in accordance with the Repair Order and these Repair Order Terms and Conditions. Alaska may from time to time change any aspect of the Services to be performed. If a change causes an increase or decrease in cost and/or time required for performance of the Services, an equitable adjustment shall be made and the Repair Order modified accordingly.

6. **Shipping, Delivery, and Risk of Loss.** Time is of the essence in Vendor's performance under the Repair Order and these Repair Order Terms and Conditions. In the event Vendor fails to deliver or perform as and when promised, Alaska may (i) demand the return of any Unit shipped to Vendor and charge Vendor for any loss or expense as though the Repair Order and these Repair Order Terms and Conditions had been terminated for cause, and (ii) consider the Repair Order and these Repair Order Terms and Conditions breached and terminate for cause.

Unless otherwise specified in the Repair Order, the shipment of Units from Alaska to Vendor will be at Alaska's cost and risk of loss shall transfer to Vendor upon Vendor's receipt of the Unit. Unless otherwise specified in the Repair Order, the return of Units from Vendor to Alaska will be at Vendor's cost and risk of loss shall transfer to Alaska upon Alaska's receipt of the Unit. If no method of shipment is specified in the Repair Order and the Repair Order places the cost of shipping on Alaska, Vendor shall use the least expensive carrier.

If no delivery schedule is specified, Vendor shall service the Unit promptly and return it to Alaska expeditiously. Each delivered container must be labeled and marked to identify the contents without opening. All boxes and packages must contain packing sheets listing the contents. Alaska's Repair Order number must appear on all packing sheets, delivery tickets, and bills of lading. Vendor shall ensure that all deliveries to Alaska are packaged and labeled in accordance with Airline Transport Association guidelines (e.g. Spec 300), if applicable, Department of Transportation regulations, good commercial practices, and Alaska's written instructions, if any.

If Alaska ships a Unit to Vendor in an Alaska container or crate (i.e., an Alaska ATA container or crate), Vendor shall return the Unit in the same container or crate. If Vendor fails to return the Unit in the Alaska container or crate, Vendor shall be responsible for the replacement cost of the container or crate.

7. **Inspection and Acceptance.** Alaska shall have a reasonable time after receipt of Units serviced by Vendor to inspect the Units (an "**Inspection**"). Alaska may reject any or all Units that are nonconforming. Alaska shall pay all costs of Inspection but may recover such costs from Vendor if the Units are nonconforming. Actual delivery, Inspection, and acknowledgement of conformance shall constitute acceptance by Alaska. Acceptance by Alaska of any part of the Services covered by a Repair Order shall be without prejudice to Alaska's right to reject any other Services if, in Alaska's sole judgment, such Services are nonconforming. Payment for Services provided under the Repair Order shall not constitute Alaska's acceptance of the Services. Failure by Alaska to inspect or test the Units serviced by

Vendor shall not affect Vendor's obligations, including warranties. If Alaska rejects any Units serviced by Vendor, Alaska may, without prejudice to any rights or remedies, (a) return such rejected Units to Vendor at Vendor's expense (including all freight charges) for further servicing, or (b) retain the rejected Units, consider the Repair Order and these Repair Order Terms and Conditions breached, and terminate for cause.

8. **Reports and Documents.** In addition to any other documents required by law or regulation, Vendor shall return each Unit upon which it performed repair services with (a) a properly executed and approved serviceable parts tag (Form 8130-3), and (b) a "teardown report," which shall indicate the type of rework completed (*i.e.* overhauled, repaired, or modified) as well as a brief description of the findings and the material/spares replaced.

9. **Representations and Warranties.** Vendor warrants that all Services shall be completed in a professional, workmanlike manner, with the degree of skill and care that is required by current, good, and sound professional procedures. Vendor certifies that it is the holder of valid repair station certificates as required by the applicable governing regulatory agency and that all work performed by the applicable service center pursuant to the Repair Order and these Repair Order Terms and Conditions shall meet the applicable requirements (including certification of Vendor's overhaul and repair facilities, if any, by the FAA and JAA). Vendor shall provide Alaska with copies of certifications upon request. Vendor shall immediately notify Alaska upon any suspension, revocation, change, or deletion of Vendor's regulatory authorizations. Vendor warrants that all Units returned to Alaska after servicing pursuant to this Agreement shall have been reworked in accordance with the relevant approved "component maintenance manual" and/or approved technical data. Alaska does not allow the use of PMA parts or DER authorized repairs in the Service of Units unless approved in writing or contained within an approved Alaska document. The pricing in the Repair Order is based on the use of OEM replacement parts and any Alaska specific CMM Supplements, Build Specifications, or Temporary Revisions to CMM's listed on Alaska's vendor website as of the effective date of the Repair Order. Notwithstanding the foregoing, licensed PMA parts are approved for use in Alaska components. If a licensed PMA part is used in the repair of a Unit, Vendor must forward a copy of the PMA license from the OEM to Alaska for its records. The ordered Services are intended for use in the airline industry and any defect may occasion particular damage to Alaska. Vendor expressly warrants that all Services shall conform to the Repair Order and these Repair Order Terms and Conditions and to any representations or promises made by Vendor; shall be fit and sufficient for the purpose intended; shall be of good material and workmanship and free from defects; and that Services and Units will be free from defect in design. This warranty shall run to Alaska, its successors, affiliates, assigns, customers, and users of the Units serviced by Vendor. Vendor warrants that Services provided do not infringe upon any U.S. or foreign patent, copyright, or trademark or otherwise infringe upon any right of any third party. Vendor will transfer to Alaska whatever transferable warranties and indemnities Vendor receives from the manufacturer of the parts included as part of the Services performed by Vendor. Alaska shall have the benefit of all of Vendor's then-current published warranties that are effective as of the effective date of the Repair Order. In addition, Vendor agrees to replace or correct defects in any Services and Units not conforming to the foregoing warranties promptly and without expense to Alaska. In the event of failure by Vendor to promptly correct defects in or replace nonconforming Units upon which Vendor performed Services, Alaska may make such corrections or replace such Units and charge Vendor for the costs incurred by Alaska. No implied or express warranties shall be deemed disclaimed or excluded unless specifically evidenced in a Repair Order or specifically evidenced in a writing executed by an authorized agent of Alaska. Representations and warranties provided by Vendor in any form shall be continuing representations and warranties.

10. **Indemnification.** Vendor agrees to defend (with counsel designated by Alaska), hold harmless, and indemnify Alaska and its directors, officers, employees, and agents (the "**Alaska Parties**"), from and against any and all claims, damages, losses, suits, actions, demands, proceedings, expenses, costs, and liabilities of any kind (including but not limited to investigation costs and expenses, government fines, and reasonable attorneys' fees incurred and/or those necessary to successfully establish the right to indemnification) (collectively, "**Claims**"), arising out of Vendor's performance of Services under the Repair Order and these Repair Order Terms and Conditions, including but not limited to (a) any injury or

death of any person (including employees, subcontractors, and other personnel of Vendor); (b) any Claim brought against Alaska by or on behalf of one or more of Vendor's employees, subcontractors, or other personnel; (c) any claim by a government agency or third party alleging that Alaska or Alaska Parties is a joint, controlling, or other employer of Vendor's employees, subcontractors, or personnel; (d) any claim by a regulatory agency or by Vendor's employees, subcontractors, or other personnel that is attributable to or caused in whole or in part by Vendor's failure to comply with federal, state, or local laws, ordinances, or regulations; (e) any payments assessed under Internal Revenue Code Section 4980H and regulations thereunder relating to Vendor's employees, subcontractors, or other personnel, or any payments due as a result of Vendor's or its subcontractor's health plan failing to comply with the Patient Protection and Affordable Care Act and regulations thereunder; or (f) any other action or inaction arising out of Vendor's breach of any representation, warranty, or obligation under the Repair Order or these Repair Order Terms and Conditions, or caused by the acts, omissions, negligence, or willful misconduct of Vendor or its officers, agents, employees, subcontractors, or other personnel; provided that, except for matters relating to subsection (e) of this section, in the case of negligence by both the Vendor and Alaska or Alaska Parties, the foregoing indemnification shall only apply to any such claims or liability proportionately to the extent it does not result from the negligence or willful misconduct of Alaska or Alaska Parties. If any action is brought against Alaska or an Alaska Party in which indemnity is sought from Vendor, Alaska or Alaska Party shall (x) provide Vendor reasonably prompt notice of any such Claim, (y) permit Vendor to answer and defend such Claim, and (Z) provide Vendor information and reasonable assistance at Vendor's expense.

Solely for the purpose of effectuating this indemnity, Vendor specifically and expressly waives any immunity that may be granted it under any workers' compensation laws or industrial insurance act. The indemnification obligation under this Agreement shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable to or for any third party under workers' compensation acts, disability benefit acts, or other employee benefits acts. This indemnity specifically applies in the case of injuries to Vendor's own employees and entitles Alaska to seek indemnity from Vendor if Vendor's employees sue Alaska for injuries incurred while performing services pursuant to this Agreement.

Vendor further agrees to defend (with counsel designated by Alaska), hold harmless, and indemnify Alaska and Alaska Parties against all Claims arising out of or resulting from any actual or alleged infringement of patent, copyright, trademark, or other intellectual property right of any third party arising out of the Services; provided, however, that this indemnity shall not apply to any such claims, losses, expenses or damages arising out of compliance by Vendor with specifications furnished by Alaska or, if the component was not designed, fabricated, assembled, or produced by Vendor, relating to the original design, fabrication, assembly, or production of the component.

Notwithstanding the foregoing, in no event shall Vendor settle any Claim under the Repair Order or these Repair Order Terms and Conditions unless such settlement completely and forever releases Alaska from any and all liability with respect to such Claim or unless Alaska provides its prior, written consent to such settlement. Without limiting the foregoing, Alaska shall be permitted, at its own expense, to participate in the defense of any Claim under the Repair Order and these Repair Order Terms and Conditions by counsel of its own choice.

11. Insurance Requirements. Vendor shall at all times maintain insurance (at its sole cost) of such nature and in such amounts as would be maintained by a prudent business operating in Vendor's industry, which in no event shall be less comprehensive than is customary in the industry. Notwithstanding the foregoing sentence, Vendor shall provide Comprehensive Aviation Liability Insurance including coverage for contractual, products, completed operations, and commercial general liability with limits of at least USD \$10,000,000 per occurrence, Workers' Compensation Insurance (or State Fund Coverage) with statutory limits, Employer's Liability Insurance (or Stop Gap Coverage for State Fund programs) with limits of at least USD \$1,000,000 per occurrence/per disease, and Professional Liability/Errors and Omissions Liability Insurance (if Vendor is providing Professional Services) with limits of at least USD \$5,000,000 per occurrence and in the annual aggregate.

Upon execution of the Repair Order and thereafter annually upon renewal of the policies, Vendor shall provide Alaska a certificate of insurance from its insurance provider(s) evidencing the above required policies. Such certificates (except for worker's compensation insurance and professional liability insurance, if applicable) shall: (a) provide that the policies it represents will not be terminated, amended or allowed to expire without 30 days' prior written notice to Alaska; (b) strictly with respect to loss to the extent arising out of Vendors' legal liability as defined by the Repair Order and these Repair Order Terms and Conditions, provide that all insurance required hereunder shall not be deemed excess to any insurance in effect now or in the future that covers Alaska, its facilities, its agents or employees; and (c) name Alaska as additional insured with respect to Comprehensive Aviation Liability and Professional Liability/Errors and Omissions (if applicable).

Please provide copies of insurance certificates to:

Alaska Airlines, Inc.
Attn: Director, Risk Management SEAZA PO Box 68900
Seattle, WA 98168

12. **Independent Contractor Classification.** The Parties do not intend to create a partnership, joint venture, or employment relationship and nothing contained in the Repair Order or these Repair Order Terms and Conditions shall be deemed or construed by the Parties or by any third person or entity to create the relationship of partnership, joint venture, employment, or joint employer. Vendor represents and warrants that it has properly classified its personnel performing Services as employees or independent contractors in accordance with applicable Legal Requirements (defined below). To the extent Vendor utilizes employees, Vendor represents and warrants that it is an independent company (not a temporary personnel agency) and the sole employer of its employees with exclusive control and complete responsibility for hiring, firing, disciplining, setting pay and benefits (including the method of payment), assigning and directing work, supervising, preparing payrolls, paying wages, training, and otherwise setting the employment conditions and managing the employment relationship with respect to it and its employees whom Vendor employs in connection with Vendor's performance of Services under the Repair Order and these Repair Order Terms and Conditions. Vendor represents and warrants that no other person, business, or entity, including Alaska, has an employment relationship with Vendor or Vendor's employees. During the term of the Repair Order, Vendor may perform similar or other services for other persons or firms unrelated to Alaska and shall not be required to devote its full time or the full time of any particular personnel to performance of the Services. At all times, Vendor shall be deemed an independent contractor with respect to Vendor's rights and obligations under the Repair Order and these Repair Order Terms and Conditions.

13. **Compliance with Laws.** Vendor will comply with all federal, state, and local laws and regulations with respect to the Services to be provided, including but not limited to:

a. **Compliance with Legal Requirements.** Vendor shall (a) secure and maintain at all times during the term of the Repair Order any and all applicable permits, authorizations, consents, approvals, licenses, tests, and inspections required by governmental authorities for the proper performance of the Services, and (b) comply, and cause each of its employees, subcontractors, and agents to comply, with all laws, statutes, ordinances, rules, regulations, and orders of governmental authorities as are applicable to the performance of the Services (collectively, "**Legal Requirements**"). Without limiting the generality of the foregoing, Vendor shall be familiar with and ensure compliance with all requirements of 14 CFR Part 382 (see the Air Carrier Access Act of 1986, as amended, and 14 CFR Part 382.15), including but not limited to, implementing directives issued by Airline's CROs under 14 CFR 382.151 through 382.153.

b. **Compliance with Alaska Requirements.** Vendor shall advise all personnel who perform Services of the terms of the Repair Order and these Repair Order Terms and Conditions and ensure each person's compliance with such terms. Vendor shall comply, and cause each of its employees, subcontractors, and agents to comply, with all provisions of the latest version of the following

documents, or any successor document: (a) Alaska's Supplier Code of Conduct, which is located at www.alaskaair.com, (b) Alaska's Customer Services Manual (if applicable to the Services), (c) all other reasonable rules, regulations, procedures, and work requirements of Alaska that are brought to Vendor's attention, and (d) the reasonable directions and instructions given by Alaska's authorized representatives with respect to the Services, in each case as may be modified by Alaska from time to time. Vendor shall cooperate with and provide all necessary assistance to Alaska in order to ensure compliance with this Section, including during any investigations regarding complaints received by Vendor's personnel under the Supplier Code of Conduct. Alaska shall provide Vendor with relevant compliance documents or the location of compliance documents after the effective date of the applicable Repair Order.

c. **Compliance with Employment-Related Laws.** Vendor shall at its own cost comply with all employment-related Legal Requirements, including but not limited to wage and hour laws, equal employment opportunity laws, occupational safety and health laws, employment standards laws, workers' compensation laws, unemployment insurance laws, labor laws, retirement benefits laws, employee benefits laws, and leave laws. Vendor represents and warrants that it offers minimum essential coverage that is affordable and minimum value, in accordance with the Internal Revenue Code and regulations thereunder, to (a) all of its employees, to the extent required by law, whom Vendor employs in connection with Vendor's performance of Services under the Repair Order; and (b) to their dependent children through the end of the month in which the child attains age 26. Vendor shall offer such coverage and shall also ensure that any subcontractors it uses offers such coverage to their employees and dependent children regardless of whether Vendor or subcontractor treats any individual as its full-time employee within the meaning of Treasury Regulations Section 54.4980H-1(a) (21). Vendor shall also ensure that it and any subcontractors it uses satisfy the reporting requirements under the Internal Revenue Code for each of its employees (including, without limitation, Sections 6055 and 6056).

d. **Background Checks.** Vendor shall complete any and all security background checks on its personnel that may be required by Alaska or government authorities at Vendor's expense.

e. **Drug & Alcohol Testing.** Vendor shall comply with the requirements of 49 C.F.R. Part 40 and all other applicable Legal Requirements with respect to personnel performing "safety-sensitive duties," as defined by the DOT or FAA, including but not limited to ensuring that such personnel are covered by a compliant drug and alcohol testing program. Further, regardless of whether or not Vendor's personnel are otherwise covered by any such DOT or FAA required drug testing program, Vendor shall establish and maintain a drug and alcohol policy that complies with the requirements of Vendor's Drug and Alcohol Policy, or any successor policy, as amended from time to time.

f. **Federal Contracting and Subcontractor Requirements.** Unless exempt, Vendor and its subcontractors shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a), and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, and national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment qualified individuals without regard to race, color, religion, sex, sexual orientation, gender identification, national origin, protected veteran status, or disability. If applicable, Vendor and any of its subcontractors shall also abide by the requirements of 41 CFR § 61-300.10 regarding veterans' employment reports and 29 CFR Part 471, Appendix A to Subpart A regarding posting a notice of employee rights.

g. **Compliance with U.S. Foreign Corrupt Practices Act.** Vendor understands and shall comply with the provisions of all applicable Legal Requirements governing anti-corruption, including but not limited to the U.S. Foreign Corrupt Practices Act of 1977, as amended, in performing the Repair Order and any other agreement or understanding between the Parties. Vendor warrants and represents that it and its officers, directors, stockholders, employees, and agents have not and shall not pay, offer, or promise to pay, or authorize the payment, directly or indirectly, of money or anything of value to (a) any government, official, agent, employee of any government department or agency, whether or not acting in an official capacity; (b) any political party or official thereof or any candidate for political office; (c) any person knowing that all or any

portion of such money or thing of value will be given or promised, directly or indirectly, to persons described in (a) or (b), for any purposes prohibited by such applicable Legal Requirements, in order to obtain or retain business with, or directing business to, Alaska or to any person or entity.

h. **Compliance with Environmental Requirements.** Vendor shall comply with all Legal Requirements relating to land and property use, air, soil, surface water, storm water, groundwater (including but not limited to the protection, cleanup, removal, remediation, or damage thereof), human health and safety or any other environmental matter, hazardous or toxic substances, materials or wastes, pollutants, or contaminants (collectively “**Environmental Requirements**”). Without limiting the generality of the foregoing, Vendor shall comply with all Environmental Requirements governing discharges to land and water, including but not limited to compliance with the applicable terms and conditions of any National and State Pollutant Discharge Elimination System permits, General Stormwater permits, site-specific Stormwater Pollution Prevention Plans, site-specific Facility Response Plans, and Spill Prevention Control and Countermeasure Plans applicable to Vendor or Alaska. Vendor shall not cause or permit any hazardous substance to be brought onto Alaska’s facilities without the prior approval of Alaska. Vendor shall conduct all Services required under the Repair Order in a reasonably prudent manner taking all reasonable precautions to avoid environmental impacts, including but not limited to spills, leaks, releases, or unpermitted disposal of hazardous substances. Vendor shall be solely responsible for proper management and disposal of any hazardous waste generated during its performance of the Services. Vendor shall not discharge or dispose of any hazardous substances, on or off-site, regardless of quantity, matrix, or concentration, into or out of the airport fuel system or associated or airport storm water and or sanitary sewer systems and plumbing facilities, except in accordance with applicable Environmental Requirements and Alaska and airport rules and regulations. In the event of a spill or other release of any solvent, oil, fuel, or other hazardous substance that occurs in connection with the performance of the Services, Vendor shall promptly take all actions necessary to clean up and remediate the same and properly manage any resulting hazardous waste. Unless any such spill is primarily attributable to the negligence or willful misconduct of Alaska, Vendor shall bear all costs for such clean-up and remediation, and indemnify, defend, and hold Alaska harmless from any related Claims, including but not limited to fines imposed by any government authority. If such spill is reportable to any government authority (excluding any *de minimis* spill which is definitively not required to be reported), Vendor shall provide Alaska with a written report that covers the facts and explains the nature of the clean-up undertaken and provide all legally required notices and file all required forms relating to any such spill.

14. **Confidentiality.** “**Confidential Information**” shall mean all information designated by Alaska or Vendor as confidential or otherwise disclosed under circumstances in which the receiving Party knows or should reasonably know such information to be considered confidential by the disclosing Party, including but not limited to all information or data concerning or related to Alaska’s products (including but not limited to the discovery, invention, research, improvement, development, manufacture, or sale of Alaska’s products), processes, or general business operations (including but not limited to sales, costs, profits, pricing methods, organization, and employee lists), and any information obtained through access to any Alaska assets or systems, which, if not otherwise described above, is of such a nature that a reasonable person would believe it to be confidential or proprietary. Without limiting the generality of the foregoing definition, any specifications for the Services as set forth herein or otherwise provided by Alaska shall be deemed the Confidential Information of Alaska. Each Party agrees, with respect to the Confidential Information disclosed to it by the other Party, as follows: (a) to use the Confidential Information only for the purposes described in the Repair Order; (b) to not reproduce the Confidential Information and hold in confidence and protect such Confidential Information from dissemination to, and use by, any third Party, except as otherwise permitted herein; (c) to not create any derivative work from such Confidential Information; (d) to permit access to such Confidential Information only to such of its personnel, agents, or contractors, if any, who have a need to access such Confidential Information to perform such Party’s obligations hereunder and who have been advised of, and have agreed in writing to treat such information in accordance with, the terms of the Repair Order and these Repair Order Terms and Conditions; and (e) to return or destroy all Confidential Information in its possession upon termination or expiration of the Repair

Order. Each Party shall take all reasonable precautions necessary to safeguard the confidentiality of the other Party's Confidential Information including, at a minimum, those precautions taken by a Party to protect its own Confidential Information, which will in no event be less than a reasonable degree of care. Vendor shall notify Alaska promptly – and in all cases within twelve (12) hours of Vendor becoming aware – of any breach of the Repair Order or these Repair Order Terms and Conditions or loss or probable (in Vendor's reasonable discretion) unauthorized disclosure of Alaska's Confidential Information of which Vendor becomes aware, and shall cooperate fully with Alaska to protect Alaska's Confidential Information and related rights. If requested by Alaska, each employee or subcontractor of Vendor performing Services shall be required to sign Alaska's standard non-disclosure/inventions agreement as well as any other reasonably requested documents related to the Services. Notwithstanding the foregoing, the provisions above shall not apply to Confidential Information that (a) is publicly available or in the public domain at the time disclosed, without breach of any confidentiality obligation; (b) is or becomes publicly available or enters the public domain, without breach of any confidentiality obligation; (c) is rightfully communicated to the recipient by persons not bound by confidentiality obligations; (d) is already in the recipient's possession free of any confidentiality obligations at the time of disclosure; (e) is independently developed by the recipient, without breach of any confidentiality obligation; or (f) is approved for release or disclosure by the disclosing Party without restriction. Notwithstanding anything in the Repair Order or these Repair Order Terms and Conditions to the contrary, either Party may disclose Confidential Information in response to an order of a court or other governmental body or if otherwise required by Legal Requirements to be disclosed, provided that the Party making the disclosure pursuant to the order shall first have given notice to the other Party and made a reasonable effort to obtain a protective order. Except as may be required by Legal Requirements, Vendor agrees not to publicize or disclose the terms of the Repair Order or these Repair Order Terms and Conditions or any relationship with Alaska without the prior written consent of Alaska. The obligations of the Parties under this Section shall continue for twelve (12) months after the expiration or earlier termination of the Repair Order. Upon any termination or expiration of the Repair Order, each Party shall (a) immediately discontinue any use of the other Party's Confidential Information; (b) delete any copies of the other Party's Confidential Information from such Party's computer storage and any other of such Party's media, including but not limited to online and off-line libraries; and (c) return to the other Party or, at such other Party's option, destroy, any of such other Party's Confidential Information remaining in tangible form.

15. **Electronic Transactions.** If Alaska and Vendor have mutually agreed to the use of an Electronic Data Interchange ("EDI") system to facilitate purchase and sale transactions, each agrees (a) that it shall not contest: (i) any contract of sale resulting from an EDI transaction under the provisions of any law relating to whether agreements must be in writing or signed by the party to be bound; (ii) the admissibility of copies of EDI records under the business records exception to the hearsay rule, the best evidence rule or any other similar rule, on the basis that such records were not originated or maintained in documentary form; (b) that it shall use proper security procedures to protect its EDI records from improper access; and (c) that the records maintained by Alaska regarding EDI Repair Orders issued by Alaska shall be controlling over Vendor's records regarding the same. If Alaska and Vendor have mutually agreed to an Automated Clearing House to facilitate purchase and sale transactions, the date payment is due shall be extended by five days.

16. **Logos, Trademarks, and Copyrights.** Vendor shall not use the name, trademarks, logos, or copyrights of Alaska (including but not limited to Alaska Air Group, Alaska Airlines, or any variations thereof) in its sales promotion, advertising, press releases or any other publications or public disclosure (including releases to existing or prospective customers) without explicit written permission, except as required by law.

17. **Amendments.** No provision of these Repair Order Terms and Conditions or the Repair Order may be modified, waived, terminated, or amended except as may be agreed upon by the parties in writing.

18. **Assignments/Transfer.** Vendor may not assign (by operation or law, through a change of control, or otherwise) any of Vendor's rights or delegate any of Vendor's duties or obligations under the Repair

Order or these Repair Order Terms and Conditions, or effect any transfer of a controlling interest in Vendor, without Alaska's prior written permission. An assignment or transfer in violation of this provision will be null and void and shall be deemed a material breach of the Repair Order and these Repair Order Terms and Conditions by Vendor. In such case, Alaska shall have the right to immediately terminate the Repair Order and recover any damages or costs it incurs as a result of the breach. The Repair Order and these Repair Order Terms and Conditions shall be binding upon Vendor's successors in interest and permitted assigns.

19. **Law; Venue; Attorney Fees and Costs.** The Repair Order and these Repair Order Terms and Conditions, and all questions relating to its validity, interpretation, performance, and enforcement, shall be governed by the laws of the State of Washington, without regard to its choice-of-law provisions. Venue for any disputes or actions shall be in state or federal courts of competent jurisdiction located in Seattle, Washington. In the event that any suit or action is instituted under or in relation to the Repair Order or these Repair Order Terms and Conditions, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs, and expenses of enforcing any right of such prevailing party under or with respect to the Repair Order or these Repair Order Terms and Conditions, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs, and expenses of appeals.

20. **Injunctive Relief.** The Parties acknowledge that irreparable injury will result from the failure of either Party to comply with the terms of the Repair Order or these Repair Order Terms and Conditions. In the event of any actual or threatened default or breach of any of the provisions of the Repair Order or these Repair Order Terms and Conditions, the aggrieved Party will have the right to specific performance or injunctive relief, as well as any monetary damages or other appropriate relief in accordance with the terms of the Repair Order and these Repair Order Terms and Conditions.

21. **Force Majeure.** Neither Party shall be liable or responsible to the other Party, nor be deemed to have breached the Repair Order or these Repair Order Terms and Conditions, for any failure or delay in fulfilling or performing any term of the Repair Order or these Repair Order Terms and Conditions, when and to the extent such failure or delay is caused by or results from the following force majeure events (each a "**Force Majeure Event**"): acts of God, flood, fire, earthquake or explosion, war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest, government order or law, actions, embargoes or blockades in effect on or after the date of the Repair Order, action by any governmental authority, or national or regional emergency. A Party impacted by any such Force Majeure Event shall give prompt notice thereof to the other Party, stating the period of time the occurrence is expected to continue. The impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause.

22. **Exclusivity.** The Repair Order is not an exclusive agreement. Alaska is free to engage others to perform services the same as or similar to the Services.

23. **Notices.** Unless specified otherwise in the Repair Order, any notices or communications required or permitted to be given by the Repair Order or these Repair Order Terms and Conditions must be (a) given in writing and (b) personally delivered or mailed, by prepaid, certified mail or overnight courier, or transmitted by electronic mail transmission (including PDF), to the Party to whom such notice or communication is directed, to the mailing address or regularly-monitored electronic mail address of such Party as follows:

To Alaska: Alaska Airlines, Inc.
Alaska Hangar Complex
18650 Alaska Service Road
Seattle, Washington 98158
Attention: Manager, Repairs Control, SEAMW

To Vendor: As designated in the applicable Repair Order

Any such notice or communication shall be deemed to have been given on (a) the day such notice or communication is personally delivered, (b) three (3) calendar days after such notice or communication is mailed by prepaid certified or registered mail, (c) one (1) business day after such notice or communication is sent by overnight courier, or (d) the day such notice or communication is sent electronically, provided that the sender has received a confirmation of such electronic transmission. A Party may, for purposes of the Repair Order or these Repair Order Terms and Conditions, change his, her, or its address, email address, or the person to whom a notice or other communication is marked to the attention of, by giving notice of such change to the other Party pursuant to this Section.

24. **Severability**. If any provision of the Repair Order or these Repair Order Terms and Conditions shall be deemed to be invalid, illegal or unenforceable, the remaining provisions shall remain in full force and effect.

25. **Waiver**. Single or partial exercise of any right, remedy, power, or privilege by a Party shall not preclude any other or further exercise of the same or any other right, remedy, power, or privilege. Failure or delay on the part of a Party to exercise any right, remedy, power, or privilege under the Repair Order or these Repair Order Terms and Conditions with respect to any occurrence shall not be construed as a waiver of such right, remedy, power, or privilege with respect to any other occurrence.

26. **No Subcontracting**. Notwithstanding anything set forth to the contrary in this Agreement, Vendor shall not subcontract for performance of any of the Services hereunder without the prior written consent of Alaska, such consent to be requested by Vendor in each case with no less than sixty (60) calendar days' notice. If Alaska agrees to allow Vendor to utilize subcontractors to perform Services, Vendor shall remain primarily liable for such Services and shall be responsible for the acts and omissions of any subcontractor in connection with performance thereof.

27. **Miscellaneous**. The Repair Order and these Repair Order Terms and Conditions have been approved by the Parties, contain the entire understanding between the Parties with respect to the subject matter of the Repair Order, and supersede all earlier agreements between the Parties with respect to such subject matter. These Repair Order Terms and Conditions, and the terms in the Repair Order, shall survive termination of the Repair Order. The headings in these Repair Order Terms and Conditions are provided for convenience of reference only and shall in no way define, modify, or restrict the meaning or interpretation of the terms or provisions of these Repair Order Terms and Conditions. The terms of the Repair Order and these Repair Order Terms and Conditions shall not be interpreted in favor of or against either party as the drafter.