

REIMBURSEMENT SCHEDULE (“ENGINES”)

The following schedule applies to purchase orders not issued by (i) GE Aviation Systems, Ltd. from its Cheltenham, Hamble, and Dowty UK sites; (ii) GE Aviation Systems, LLC or (iii) Unison Industries, LLC.

QEM: Purchaser will charge Seller the following amounts for each Quality Event Management (QEM).

<u>Event Description</u>	<u>Amount</u>
Minor (Accept)	\$500 + QEM Add-ons
Major (no Field Action)	\$2,000 + QEM Add-ons
Major (w/Field Action)	\$3,000 + QEM Add-ons

QEM Add-ons

<u>Add-ons (no Field Action)</u>	
Retest	\$7,500
Teardown	\$10,000
<u>Add-ons (w/Field Action)</u>	
IFSD, ATO	\$30,000
Teardown/UER	\$20,000
Field Retrofit/D&C's	\$15,000
Service Bulletin issuance	\$7,500

**The amounts set forth above are subject to revision on an annual basis at GE's discretion.*

MRB: Purchaser will charge Seller 2% of part costs for each At Source MRB part. This amount is subject to revision on an annual basis at GE's discretion.

Definitions

“Aborted Take-off (ATO)” means a plane does not take off as a result of an engine error.

“Actuals” means the actual labor and material cost, including overhead and general and administrative expense reasonably incurred by Purchaser in connection with the QEM.

“At Source MRB” means a non-conforming part which is subject to MRB (Material Review Board).

“Delays and Cancellations (D's & C's)” means any schedule changes resulting from a quality event.

“Field Action” means a Major QEM that requires additional action in the field (e.g. engine removal, additional inspection, etc.)

“Field Retrofit” means a Nonconforming Good must be replaced or changed in the field or at the air framer.

“In Flight Shutdown (IFSD)” means an engine is powered down during flight.

“Major” means an escape that cannot be processed as a minor non-conformance on MRB and needs to be processed as major non-conformance. Major events have a Product Quality Action Request (PQAR).

“Minor” means an escape that is accepted as a minor non-conformance.

“Retest” means an engine needs to be returned to a test cell to re-run the performance test.

“Service Bulletin issuance” means an action that comes out of PCB and gets reported to the FAA.

“Teardown” means an already assembled part of the engine needs to be torn down to a part level or any engine component needs to be disassembled from a completed or uncompleted engine. Work that has already been done has to be reversed.

“Unscheduled Engine Removal (UER)” means an engine is taken off wing before scheduled to do so.

REIMBURSEMENT SCHEDULE (“SYSTEMS”)

The following schedule only applies to purchase orders issued by (i) GE Aviation Systems, Ltd. from its Cheltenham or Dowty, UK site; (ii) GE Aviation Systems, LLC; or (iii) Unison Industries, LLC.

Escapes

Event Description	Amount
Nonconformance	\$500 + Add-ons
Out of Box Customer Return	\$2,000 + Add-ons
Notice of Escape to Customer	\$3,000 + Add-ons

Add-ons

<i>Add-on (GE Internal)</i>	
Labor Incurred Rework/Retest	\$ Amount Accrued
MRB Accept/Repair	2% Part Cost/\$ Accrued
RTV	\$100
Missing Paperwork	\$100
Scrap	Part Cost
Schedule Disruption	\$1,000
<i>Add-on (GE External)</i>	
Safety of Flight Immediate Act	\$30,000
Field Retrofit	\$15,000
Service Bulletin issuance	\$7,500

*The amounts set forth above are subject to revision on an annual basis at GE’s discretion.

MRB: Purchaser will charge Seller 2% of part costs for each At Source MRB part. This amount is subject to revision on an annual basis at GE’s discretion.

Definitions

“At Source MRB” means a non-conforming part which is subject to MRB (Material Review Board).

“Field Retrofit” means a nonconforming good must be replaced or changed in the field or at the air framer.

“Labor Incurred Rework/Retest” means any labor accrued based on rework and/or retesting.

“Missing Paperwork” means product was delivered lacking necessary documentation.

“MRB – Accept/Repair” means a quality event that is deemed accepted as a non-conformance and possibly has additional labor accrued due to repair practices.

“Nonconformance” means a failure of a characteristic to conform to the requirements specified in the contract, drawings, specifications, or other approved product description. The failure to perform all material tests and inspections required by the approved product description and/or the failure to perform tests and inspections required in the approved product description.

“Notice of Escape to Customer” means customer has been notified of a non-conforming good.

“Out of Box Customer Return” means the delivered product has failed at the end customer and been returned.

“RTV” means product needs to be Returned to Vendor due to non-conformance or non-compliance.

“Safety of Flight Immediate Act” means an action has to be taken to address fielded product.

“Schedule Disruption” means any schedule changes resulting from a quality event.

“Scrap” means product was deemed unusable.

“Service Bulletin issuance” means an action that comes out of PCB.