



MICHELIN NORTH AMERICA, INC.

2017 MICHELIN ALLIANCE PARTNER PROGRAM ("MAPP") 3-WAY AGREEMENT

1 The undersigned Michelin Alliance Partner ("MAP") and the undersigned Designated Michelin Distributor, ("Distributor") agree to participate in the Michelin North America, Inc.'s (hereinafter referred to as "MNAI" or "Michelin") Michelin Alliance Partner Program by and through MNAI's Michelin Aircraft Tire Company Division (hereinafter referred to as "MATC"), under the terms and conditions contained herein. This Agreement is intended to cover MICHELIN® and Condor® branded general aviation ("GA") bias aircraft tires.

Michelin Alliance Partner

Address :
City, State
Email Address 1:

MAPP #

ZIP
Email
Address 2:

Phone Number:

Michelin Distributor:

Michelin Distributor's
Cust ID #:
Address :
City, State
Email Address 1:

Textron Aviation
200302
7121 Southwest Boulevard, Wichita, KS
mtharp@txtav.com

ZIP 67215
Email
Address 2:

Phone Number: (316) 517-4199
Sales Contact: Mike Tharp

This Michelin Alliance Partner Program Agreement (the "Agreement") will be in effect from: 1/1/2017 through 12/31/2017.

MAPP's estimated total annual general aviation bias aircraft tire units (ALL BRANDS BIAS):

2016 Total Tire Units	
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2017 Total Estimated Tire Units*	
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**required information*

2 MAP commits to purchasing a minimum of 20 MICHELIN® and/or Condor® brand general aviation bias aircraft tire units from Distributor.

2017 MICHELIN® / Condor® GA bias aircraft tire:

Bib Level

Total Units

3 Retail Commitment Bonus (RCB) - MAP commits to purchase a minimum quarterly unit goal per the attached commitment table. Quarterly payments will be made by check based upon i) the cumulative YTD purchases from, and as reported by, the Distributor, and ii) the achievement of the Bib Level YTD and Quarterly goals per the commitment table. The MAP is responsible to verify the purchase data and rectify any anomalies directly with the Distributor. MATC is not responsible to ensure that the tires being reported as purchased from the Distributor are correct and factual.

BIB Level	2017 Unit Commitment	RCB %/Unit
BIB Level 4	≥ 200	3.0%
BIB Level 3	≥ 100	2.5%
BIB Level 2	≥ 60	2.0%
BIB Level 1	≥ 30	1.5%
BIB Level "Lite"	≥ 20	1.0%

4 MAP agrees to designate up to a total of two Distributors as either primary or secondary.

Primary

Textron Aviation

Secondary

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- 5 MAP will aggressively promote and market MICHELIN® and Condor® general aviation bias aircraft tires.
- 6 The Michelin Alliance Partner Program is intended for retail points of sale only, not for wholesale activities. (Non-Retail activities are subject to audit, and at Michelin's sole discretion any and all necessary actions will be taken to remedy or mitigate these activities, including but not limited to termination of this 3-Way Agreement.)
- 7 At year end Michelin will reconcile RCB payments based upon actual purchases reported by the Distributor and the actual Bib Level achieved for the calendar year less RCB payments already made. This entitles MAP to "Bib Up" to a higher Bib Level than originally stated when the annual Agreement was executed. A Form 1099 will be issued to the MAP's business for tax reporting purposes on all cumulative annual payments that exceed \$600.
- 8 Distributor agrees to adhere to reporting schedule as defined as an Exhibit to this Agreement. Should Distributor not report by deadline, Michelin reserves the right to withhold units in calculation of RCB for MAP customer.
- 9 MAPs with multiple locations will be considered as stand-alone customers/locations in the RCB calculations and MAPP program support. Each location is considered a unique MAP customer.
- 10 In the event that a MAPP Agreement is initiated during the calendar year, the Bib Level bonus will be paid according to the Annual Volume and Bib Level of commitment made at the quarter of initiation and signed completion (the Agreement "Effective Date") of the Agreement and the MAP's goal is prorated from the beginning of the quarter of the Agreement, per the attached commitment table. Agreement effective date is determined to be the 1st of the given month in which the contract is completed, and fully-executed by all three Parties (Michelin, Distributor, and MAP) and submitted to Michelin.
- 11 MAP's established minimum unit goal will be reviewed by Michelin on a quarterly basis. Failure to meet goals will result in delays in future RCB payments until purchases catch up with monthly commitment levels.
- 12 Benefits of the Michelin Alliance Partner Program do not extend to any other activities of the MAP.
- 13 Purchases of MICHELIN® and Condor® brand general aviation bias tires must be made at 75% from MAP's designated primary Distributor. MAP may elect to sign an Agreement with a secondary Distributor, but can only purchase 25% of MICHELIN® and Condor® brand general aviation bias tires from the designated secondary Distributor. Failure to follow this guideline may disqualify MAP from the RCB.
- 14 MAP will have a non-exclusive right to purchase MICHELIN® and Condor® brand general aviation bias tires from the Distributor as further described herein. Michelin may, in their absolute discretion, at any time, and without prior notice to the MAP, designate any brand, type or size of tire as being outside the scope of and expressly excluded from this Agreement.
- 15 MAP will provide Michelin product when requested by customer.
- 16 MAP may participate in all advertising programs and retail promotions of Michelin products that may be offered by Distributor or Michelin.
- 17 MAP will make every effort to refer to Michelin advertising materials and tools and prominently display point-of-sale materials.
- 18 Michelin retains the right to and ownership of the trademarks and trade names applicable to MICHELIN® and Condor® brand general aviation bias tires. Michelin grants MAP the non-exclusive, non-transferable, limited right during the term of this Agreement to use such trademarks and trade names in MAP's business solely for the purpose of advertising and promoting the sale and use of MICHELIN® and Condor® brand general aviation bias tires. MAP agrees to use such trademarks and trade names only as authorized by Michelin. MAP is not authorized to use such trademarks and trade names as part of MAP's corporate name. Any misuse of Michelin trademarks or trade names by MAP shall constitute a material breach of this Agreement.
- 19 MAP may participate in applicable Michelin sponsored training programs.
- 20 MAP agrees to contact Distributor regarding warranty service in accordance with Michelin policy, an Exhibit to this Agreement, and shall submit claims to Distributor for reimbursement within 30 days of service. MAP will not provide guarantee of reimbursement, but agrees to submit warranty claim and contact end user for communication of Michelin warranty claim decision. Distributor shall provide end users with return goods authorization (from Michelin) for all applicable manufacturer's warranties on MICHELIN® and Condor® general aviation bias aircraft tires.



- 21 Michelin Distributor will provide MAP with all printed material supplied by Michelin to Distributor requesting information on tire identification and record keeping, in order for MAP to comply with all laws applicable to the sale and service of Michelin products, including but not limited to, all federal, state and local laws, rules, regulations and those of any other federal and/or state agency or authority of competent jurisdiction, and in accordance with such provisions thereof as may be amended, modified or succeeded from time to time.
- 22 MAP will adhere to the U.S. Export Administration Laws and Regulations, the Office of Defense Trade Controls International Traffic in Arms Regulations, and the U.S. Treasury Department - Office of Foreign Assets Control Regulation and shall not export or re-export any products received from Michelin to a proscribed country listed in the U.S. Export Administration Regulations, the Office of Defense Trade Controls Regulations or in the U.S. Treasury Department - Office of Foreign Assets Control Regulation unless properly authorized by the U.S. Government.
- 23 MAP will pay for MICHELIN® and Condor® brand general aviation bias tires in accordance with Distributor's invoice to MAP, or in such other manner as Distributor may prescribe. MAP's failure to make payment in accordance with the terms of any invoice will constitute a material breach of this Agreement. In the event MAP is delinquent in payment, Distributor shall have the right, without limitation on any other remedy otherwise available to it, to refuse shipment of any further Michelin products to MAP.
- 24 MAP can qualify for website feature on homepage of Michelin website, www.airmichelin.com. Program guidelines state qualification levels and are subject to change, without notice. Distributor may ask that Michelin run feature on Michelin website as written request to MATC KAM. All requests are subject to time and resource considerations. Every reasonable effort will be made by Michelin to accommodate request in contract period.
- 25 MAP can qualify for onsite training and joint business as requested by Distributor. Distributor may ask that MATC KAM jointly visit and/or train MAP in written request to MATC KAM. All requests are subject to time and resource considerations. Every reasonable effort will be made by Michelin to accommodate request in contract period.
- 26 MAP agrees to obtain the minimum level of purchases of MICHELIN® and Condor® brand general aviation bias tires as defined in RCB commitment schedule defined in this Agreement and as Exhibit to this Agreement.
- 27 Michelin will not send rebate check to MAP if the minimum quarterly goal, as defined in Exhibit, for Bib Level agreed to in the initial Agreement, is not achieved. Rebate monies will accrue in MAP account until quarterly goals are achieved. Should MAP not achieve quarterly goals, monies on account will expire at the end of the Agreement term.
- 28 Michelin, in its sole discretion, shall independently determine the prices of Michelin products payable by Distributor to Michelin. Distributor, in its sole discretion, shall independently determine the prices payable by MAP to Distributor. MAP, in its sole discretion, shall independently determine the prices to which it will sell Michelin products to the public.
- 29 MICHELIN® and Condor® branded general aviation bias aircraft tires' prices, as listed in the current General Aviation Michelin Aircraft Price List, may be modified from time to time by Michelin without prior notice to MAP.
- 30 Distributor and MAP have access to online tracking of program elements for MAPP. Distributor has access to all MAP partners reporting and viewing of program elements. MAP has access to reporting for respective location, only. Michelin will use online tracking tool to communicate with MAP and Distributor. This can include, but is not limited to, email notifications, marketing materials and periodic program updates.
- 31 Distributor agrees to maintain a minimum level of Michelin general aviation total tire sales of 50%, when compared to overall sales with Michelin. All Commercial, Regional, and Military sales will be counted in the total percentage.
- 32 This Agreement does not constitute MAP, and MAP shall not hold itself out to be, the legal representative, agent or employee of Distributor or Michelin for any purpose whatsoever. MAP is without authority to assume, create or incur any obligation or liability on behalf of Distributor or Michelin.
- 33 MAP and Distributor agree to submit to MATC KAM and receive written approval for marketing materials that MAP or Distributor creates and wishes to distribute, display or advertise.
- 34 Distributor will pass to MAP all promotional materials, sales promotions, etc. as specified by MAP sales programs during the year.



- 35 Michelin, Distributor or MAP each will have the absolute right to terminate this Agreement, with or without cause, effective thirty (30) days after receipt by the other Parties of written notice of intention to terminate. This Agreement shall terminate immediately upon the termination of the current Michelin Authorized Distributor Agreement between Michelin North America, Inc. and Distributor. Notwithstanding the foregoing, Michelin and/or Distributor shall have the absolute right to terminate this Agreement, or to exclude certain Michelin Aircraft products from this Agreement, without notice to MAP in the event of a breach by MAP of any provision of this Agreement.
- 36 Automatic Termination: This Agreement will terminate automatically, without notice by any of the Parties, upon the occurrence of any of the following events:
- A. Termination of the current Michelin Authorized Distributor Agreement between Michelin North America, Inc. and Distributor.
 - B. Breach by MAP of any provision of this Agreement.
 - C. MAP ceases doing business or MAP is dissolved, whether by operation of law or otherwise, if MAP is a corporation or partnership.
 - D. Death or physical or mental incapacity of MAP, if MAP is an individual or sole proprietorship.
 - E. Insolvency of MAP, or assignment by MAP for the benefit of creditors or any institution of proceedings under the insolvency or bankruptcy laws of which the MAP is the subject.
 - F. Any attempted assignment by MAP of this Agreement or any right or interest arising from this Agreement.
 - G. Any change, however arising, in the ownership or management of MAP, unless prior to the occurrence of such change in ownership or management Michelin shall have been notified of the change in writing and MAP will have obtained prior written approval from Michelin.
- 37 TRANSFERABILITY: The MAP may, in the event of termination of the Michelin Authorized Distributor Agreement between Michelin North America, Inc. and the Distributor, request transfer of the MAP Agreement to another eligible primary or secondary Distributor by notifying Michelin in writing of the MAP's intention to do so within fifteen (15) days of termination of the Distributor's Michelin Authorized Distributor Agreement. The MAP may not, at his discretion, change the primary or secondary Distributor within the current calendar year. Such change may only be requested during the MAP Agreement renewal process and remains at the discretion of Michelin.
- 38 CONFIDENTIALITY - No Party shall disclose the terms of this Agreement to any other person or entity without the consent of all other Parties, except as required by law.
- 39 GOVERNING LAW - This Agreement shall be governed by, construed and enforced in accordance with the laws of New York, without regard to its conflict of law provisions. Any disputes arising hereunder shall be submitted only to a state or Federal court of competent jurisdiction in New York, to whose jurisdiction the Parties consent.
- 40 Michelin agrees to indemnify Distributor and/or MAP and hold them and/or their agents and employees harmless from any litigation claim, demand, loss, judgment, expense, cost, damage, or injury, including reasonable attorneys' fees, and/or any settlement approved by Michelin, which arises out of injury or damage to any person or property, real or personal, proximately caused by defective workmanship or materials in any tire manufactured by Michelin and provided to Distributor and/or MAP hereunder within the limits of paragraph 45. hereunder.
- Distributor and/or MAP shall indemnify and hold Michelin and any of its affiliates harmless from all claims and causes of action and related costs and expenses (including reasonable attorneys' fees) arising from (1) the negligence, errors or acts or omissions of Distributor and/or MAP, their affiliates, subcontractors, agents or employees; or (2) the failure of Distributor and/or MAP to comply with any term of this Agreement.
- 41 Distributor and/or MAP hereby acknowledge that Michelin is a party to a Product Liability Insurance Policy, a certificate of which is attached as an Exhibit to this Agreement. Michelin will provide Distributor and/or MAP every year, upon Distributor and/or MAP's request, with the corresponding insurance certificate. Michelin's total liability for any and all product liability claims arising out of or in connection with this Agreement shall not exceed seven hundred and fifty million Euros (750,000,000). Consequently, Distributor and/or MAP hereby waive, and shall cause its insurers to waive any recourse against Michelin and its insurers for any loss or damage beyond that limit.
- In no event will Michelin be liable for any incidental, consequential or special damages (including, without limitation, grounding, delays, loss of use, revenue, image, profit or goodwill). Michelin also specifically disclaims any and all liability for any kind of damages caused by tires retreaded with non-Michelin materials.
- In no event will Michelin be responsible for grounding, delays, damage or loss, resulting either directly or indirectly from the procedure applied by Distributor and/or MAP having not been in accordance with the Michelin technical and instruction manuals and for any cause other than that related directly to a defect in material and/or workmanship of the tires.
- It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.



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Failure by Michelin to enforce or exercise any of its rights under any provision of this Agreement shall not be construed as a waiver of such rights nor as affecting in any way the effectiveness of such provisions nor as affecting Michelin's rights or powers and remedies under this Agreement. The exercise of any rights or enforcement of any right or remedy by Michelin under this Agreement shall not limit or affect Michelin's rights or powers to thereafter exercise the same or any other rights or to enforce the same or any other right or remedy.

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This Agreement is not intended by any of the Parties to constitute a franchise relationship between the Parties. Neither Distributor nor MAP have paid any fee to participate in this program and retain substantial control over their own marketing activities.

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MAP, Distributor and Michelin further represent and agree that each desires to enter into this Agreement by signing the signature portion of this document, and that they have read, understand and agree to be bound by the terms and conditions contained in this Agreement and any supporting documentation.

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Force Majeure - Michelin shall not be liable for a failure to perform that arises from causes or events beyond its reasonable control and without its fault or negligence. Michelin may suspend performance of its obligations under this Agreement without obligation to Distributor or MAP during the occurrence of any excusable delay. Excusable delays shall include, but not be limited to, results from acts of God or public enemy, restrictions, prohibitions, priorities or allocations imposed by governmental authority, strikes or labor disputes, lack of or inability to obtain raw materials or supplies, floods, fires, earthquakes, epidemics, or unusually severe weather.

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AUDIT RIGHTS - Upon 72 hours written notice, Michelin shall have the right to conduct complete audits of the administration and compliance of all share-of-account and bonus programs referenced in this 3-Way Agreement. Michelin and/or a third party auditing firm shall have the right to conduct the audit in a full and fair manner until complete conclusion. The Distributor agrees to provide sales results and supporting documentation in support of its commitment to the provision(s) of this 3-Way Agreement. Michelin reserves the right to immediately withdraw all benefits under this program if Distributor fails to provide supporting documentation to Michelin's satisfaction. Misuse or abuse of any of the programs listed in this 3-Way Agreement will result in a charge-back for all credits not rightfully earned and the forfeiture of all bonuses, commissions and discounts, and, possible termination of this 3-Way Agreement at Michelin's sole discretion.

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In the event of any conflict between the terms of this Agreement and that certain Michelin Authorized Distributor Agreement between Michelin and Distributor (the "DSA"), the provisions of the DSA will control.

Each of the parties hereto execute this Agreement as of the respective dates indicated below

Michelin Alliance Partner

MAPP #

Address :

City, State

ZIP

MAP Tax Identification Number

Michelin Distributor:

Textron Aviation

Michelin Distributor's Cust ID#

200302

Address :

7121 Southwest Boulevard

City, State

Wichita, KS

ZIP 67215

[Redacted Signature Line]

[Redacted Signature Line]

Michelin North America, Inc.
MATC Key Account Manager

Sign Date

Michelin Alliance Partner

Sign Date

[Redacted Signature Line]

[Redacted Signature Line]

Michelin North America, Inc.
Vice President Sales

Sign Date

Michelin Authorized Distributor

Sign Date