



LONG TERM AGREEMENT NO. \_\_\_\_\_  
("LTA") dated \_\_\_\_\_

This LTA by and between Sikorsky Aircraft Corporation, a Delaware Corporation having an office and place of business in Stratford, CT ("Buyer") and \_\_\_\_\_ a \_\_\_\_\_ Corporation having an office and place of business in \_\_\_\_\_ ("Seller") (collectively or individually as the context requires "Party(ies)") dated this \_\_\_\_ day of \_\_\_\_\_ 20\_\_, is effective on the date last executed below ("Effective Date")

**SECTION I: SUPPLY OF GOODS**

**1. Term and Estimated Value**

The term of this LTA shall be from the Effective Date until \_\_\_\_\_, \_\_\_\_ 20\_\_ ("Term"). The total estimated value of this LTA is \$\_\_\_\_\_.

**2. Scope**

Buyer may release purchase orders under this LTA ("Orders") to Seller, which Seller shall accept for any or all of the items listed in Attachment A ("Good(s)", which for the purposes of this LTA shall include its subcomponents and line replaceable units as the context requires). Seller shall fill all Orders released and comply with the requirements on each Order. This LTA is neither a requirements agreement, nor does it establish an exclusive relationship with Seller. Buyer may procure items from other sources in addition to, or as substitute for, the Goods.

**3. Forecasts**

The estimated dollar value of this LTA and initial quantity of Goods are listed in Attachment A ("Initial Forecast"). The Initial Forecast represents Buyer's estimate for the Term. The Initial Forecast and any subsequent forecasts (collectively "Forecasts") are for planning purposes only. Forecasts shall not relieve, modify, or otherwise alter Seller's obligations to meet the required Delivery Dates and quantity requirements stated in an Order. Buyer is under no obligation to purchase any or all of the Forecasted dollar value or quantities. If Buyer does not purchase the Forecasted quantities, Seller shall not be entitled to any adjustment in the Prices or any other provisions of this LTA or Order.

**4. Options:**

Buyer reserves the right to purchase option quantities greater than the Forecasts for the Prices during the Term.

**5. Lead Times:**

The lead times applicable to Goods are those listed in Attachment A ("Lead Time(s)"). Seller shall institute a Lead Time reduction program providing year-over-year incremental reductions to the Lead Times required for delivery of Goods. On each anniversary of the Effective Date during the Term, Buyer and Seller shall review the probative factors impacting Seller's Lead Time, including but not limited to the availability of raw material and production rates, for opportunities to reduce Seller's Lead Time. In the event potential reductions of Lead Time exist, the Parties shall issue a new revision of Attachment A incorporating the updated lead time accordingly.

**6. Stocking of Goods**

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Seller, during the Term and for so long thereafter as is necessary to support any warranty obligations, shall maintain, at its own expense, a buffer inventory of new Goods at the levels outlined in Attachment A (“Stock”). Buyer shall direct any and all withdrawals taken from the Stock to fulfill Orders. Upon withdrawal, Seller shall replenish quantities of Goods to the Stock level at the earliest practicable time. Buyer shall not be liable for any excess quantities remaining in the Stock at the end of the Term.

**7. Prices**

The prices Buyer shall pay for Goods, irrespective of end use, are those listed in Attachment A (“Prices”). The Prices are firm fixed in United States Dollars and shall be maintained by Seller for the Term.

**8. Delivery and Payment Terms**

Terms of payment for Orders are Net 90 days after delivery of the Goods to Buyer’s designated facility. All deliveries shall be made DAP (Incoterms 2010) Buyer’s designated facility, freight prepaid.

**9. Right to Buy**

During the Term, Seller shall also accept offers for Goods under the terms and for the Prices set forth in this LTA from: (i) Buyer’s parent (ii) Buyer’s, and Buyer’s parent’s, respective subsidiaries, affiliates, and joint ventures; and (ii) Buyer’s subcontractors who bear written consent from Buyer allowing a right to buy under this LTA (parties other than Buyer shall be referred to as “Other(s)”). Seller shall not adjust Prices regardless of the quantity of Goods, if any, purchased by third parties under this section.

**SECTION II: SUPPORT FOR GOODS**

The Parties acknowledge that Buyer’s aircraft have long service lives, during which Goods are required for product support. Seller shall provide the following product support to Buyer and Others as required:

**1. Product Support Plan**

Upon Buyer’s request, Seller shall deliver a comprehensive world-wide product support plan identifying a product support infrastructure including location, point of contact with phone numbers, and availability of Seller personnel. Seller’s product support point of contact shall respond to communication from Buyer within the following time periods starting from the receipt of such communication: (i) AOG communications: four (4) hours; (ii) Other communications via Telephone, fax, e-mail: twenty-four (24) hours; (iii) Letter: ten (10) calendar days; (iv) Request for Quotation: ten (10) calendar days.

**2. Aftermarket Supply of Goods**

Buyer may issue Orders to Seller for Goods subsequent to the Term until the later of: (i) twenty five (25) years after the Term, or (ii) end products incorporating the Goods are no longer in regular production and there are fewer than five (5) of the end products in operation. If no current pricing agreement is in place for the Goods subsequent to the Term, the Prices for Goods shall be Seller’s market price.

**3. Exclusivity**

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Seller appoints Buyer as the exclusive distributors of all Goods, and Overhaul and Repair Services until any end products incorporating the Goods are no longer in regular production and there are fewer than five (5) end products in operation.

**4. Support Pool**

Until any end products incorporating the Goods are no longer in regular production and there are fewer than five (5) end products in operation, Seller shall, in addition to the Stock, maintain a pool of Goods to support: aircraft on ground (“AOG”), warranty obligations, supply of Exchange Goods (as defined below) and sparring (collectively “Support Pool”). The Support Pool shall be held in such locations as Buyer may from time to time direct. Title to the Goods which are in the Support Pool shall remain with Seller. The quantity in the Support Pool shall be as set forth in Attachment A. Seller shall be responsible for tracking the location, and upgrading the configuration, of Goods in the Support Pool. Upon removal of a Good from the Support Pool, Seller, at the earliest practicable time, shall (i) inform Buyer of the stock remaining in the Support Pool; (ii) replenish the Support Pool and in all cases, within the time period set forth in Attachment A (“Support Pool Replenishment Period”); and (iii) inform Buyer of Support Pool replenishment. Repaired Goods may be placed in the Support Pool. If the Support Pool proves insufficient to satisfy Buyer’s requirements, Buyer may require Seller to increase the Support Pool. The Support Pool increase in quantity shall be at Seller’s expense and shall not be considered a change under the terms of the Agreement.

**5. Overhaul and Repair Services and Prices**

Buyer may issue Orders to Seller during the Term for any or all of the overhaul and repair services listed in Attachment A (“Overhaul and Repair Services”) or new or serviced Goods in exchange for Goods requiring Overhaul and Repair Services (“Exchange Goods”) at the prices stated therein (“Repair Price” or “Exchange Price”, as applicable). Until the later of: (i) twenty five (25) years after the Term, or (ii) any end products incorporating the Goods are no longer in regular production and there are fewer than five (5) end products in operation, Seller shall provide Overhaul and Repair Services or Exchange Goods. If no current pricing agreement is in place for the Overhaul and Repair Services or Exchange Goods subsequent to the Term, the Prices for Overhaul and Repair Services or Exchange Goods shall be Seller’s market price.

**6. Turnaround Time**

Seller shall return the Goods within the time period set forth in Attachment A after receipt of Goods requiring Overhaul and Repair Services (“O&R TAT”). Seller shall ship Exchange Goods within the time period set forth in Attachment A after receipt of an order for Exchange Goods (“Exchange TAT”, Exchange TAT and O&R TAT shall collectively be referred to as “TAT Periods”). In all instances, Seller shall deliver to Buyer the shipping information applicable to the shipment.

**7. Shipment of Product Support Goods**

Seller shall deliver emergency support Goods twenty-four (24) hours a day, seven (7) days a week. Seller shall perform within the following time periods starting from the receipt of such communication : (i) for AOG: ship Goods to the location directed by Buyer within twenty-four (24) hours and deliver shipping information applicable to the shipment within four (4) hours; and (ii) for Non-AOG, Non-Warranty claims: deliver the expedited shipping schedule within three (3) calendar days.

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**8. Business Pursuits**

Upon Buyer's request, Seller shall provide a proposal in good faith for performance based logistics based on the requirements set forth therein.

**SECTION III: ADDITIONAL ORDER REQUIREMENTS**

**1. Compliance**

If Buyer notifies Seller that Goods are in support of a Prime Contract with the United States Government, Seller shall comply with all those Federal Acquisition Regulation ("FAR") and Defense Federal Acquisition Regulation Supplement ("DFARS") provisions required by law or regulation or necessary for Buyer to comply with the requirements of its Prime Contract and United States Government procurement regulations, including, without limitation, certification of current cost or pricing data.

**2. Survival**

Sections II and III of this LTA shall survive expiration of this LTA or any extension thereof.

**3. Order of Precedence & Terms and Conditions of Purchase**

In the event of any conflict in any documents, the interpretation of the documents shall be controlled by the following order of precedence (1) by the terms on the face sheet of an Order (2) by all terms of the LTA; (3) by the terms contained in the attachments that are incorporated by reference into the LTA; and (4) by the Sikorsky Aircraft Standard Terms and Conditions of Purchase contained in the Form SA 908, or such successor Sikorsky terms and conditions, including but not limited to the Sikorsky Aircraft Corporation Supplemental Clauses for Subcontracts and the applicable Corpdocs current on the Effective Date. The applicable terms and conditions shall apply to any and all Orders with the same effect as if they physically appeared thereon.

**SECTION IV: SPECIAL CLAUSES**

**1. Directed Mill Support**

Buyer in its sole discretion may direct Seller to procure a minimum of 85% of Buyer's annual volume ("Annual Minimum Volume") of end use material ("Material") from a directed source ("Directed Source"). Seller shall sign a Purchase and Sale Agreement with the Directed Source for the 85% minimum purchase and which, at a minimum, has a term commencing and terminating co-extensive with Seller's Long Term Agreement with Buyer. Seller shall certify annual volumes to Sikorsky and the Directed Source, and permit reasonable audits to ensure compliance with its Annual Minimum Volume. Seller shall be liable for any short fall remedies should it fail to meet the Annual Minimum Volume. Seller shall provide Buyer and the Directed Source a six quarter rolling forecast specifying the anticipated diameters, weights, and specifications required in each quarter.

**2. Directed Source Support**

Buyer reserves the sole right to implement a Direct Source Clause with the ability to direct Seller to procure up to 100% of Buyer end use material. Seller will be liable for any short fall remedies should it fail to meet the minimum annual directed volume requirements.

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**3. Material Reductions**

One hundred percent (100%) of any raw material reduction negotiated by Buyer will be subtracted from the firm fixed prices. The reduced price for each delivery will become effective with the first unit delivered which contains the reduced raw material pricing.

Fifty percent (50%) of any raw material reduction negotiated by Seller will be subtracted from the firm fixed prices. The reduced price for each delivery will become effective with the first unit delivered which contains the reduced raw material pricing.

**4. Special MYIX Flow Down Requirements**

If this LTA supports or satisfies any requirements of the MYIX program, it shall be subject to the Special MYIX Flow Down Requirements found at:

<https://www.lockheedmartin.com/content/dam/lockheed/data/ms2/photo/Sikorsky/Sikorsky-Suppliers-and-Licensing/Supplier-Forms-and-Terms-Conditions/special-my-ix-flow-down-requirements.pdf>

These Special MYIX Flow Down Requirements are hereby incorporated by reference and expressly constitute part of this LTA, with the exception of any of the Special MYIX Flow Down Requirements requiring Seller inputs. The version of any Special MYIX Flow Down Requirements including Seller’s inputs shall be incorporated by reference and expressly constitute a part of this LTA in lieu of the blank version included at the link above.

**5. MYIX CRH Addendum**

If the execution report on the supplier portal indicates that a requirement is supporting contract no. FA8629-14-C-2403, this is a Combat Rescue Helicopter (CRH) requirement and the mandatory flow down provisions in the MYIX CRH Addendum found at the following web address shall apply:

[https://www.lockheedmartin.com/content/dam/lockheed/data/ms2/photo/Sikorsky/Sikorsky-Suppliers-and-Licensing/Supplier-Forms-and-Terms-Conditions/MY9\\_CRH\\_ADDENDUM.pdf](https://www.lockheedmartin.com/content/dam/lockheed/data/ms2/photo/Sikorsky/Sikorsky-Suppliers-and-Licensing/Supplier-Forms-and-Terms-Conditions/MY9_CRH_ADDENDUM.pdf)

These flowdowns do not apply to any orders used to satisfy requirements on any other Sikorsky program, including but not limited to MYIX. The MYIX CRH Addendum is hereby incorporated by reference and expressly constitutes a part of this LTA.

**BUYER**

**SELLER**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

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**ATTACHMENT A**

Goods Firm Fixed Price List

Buyer Part Number	Seller Part Number	Price (USD)	Initial Forecast (pcs)	Lead Time (days)	Stock (pcs)	Support Pool (pcs)	Support Pool Replenishment Period (days)

Standard Repair Firm Fixed Price List

Buyer Part Number	Seller Part Number	Repair Type	Repair Price (USD)	Exchange Price (USD)	O&R TAT (days)	Exchange TAT (days)

Purchase orders placed under this LTA may be used to fulfill requirements under US Government prime contracts. Therefore, the terms of this LTA, including pricing, are subject to change based on the applicable US Government rules and regulations, including, but not limited to, audit and verification of the “commercial item” status, cost or price analysis, and disclosure of certified and uncertified cost or pricing data. In addition, the US Government’s rejection of any of the terms of this LTA for purposes of fulfilling requirements under US Government prime contracts shall entitle Sikorsky either to: (i) terminate this LTA without any liability to Seller, or (ii) revise the terms of this LTA.

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