

Perform Air International Inc.
Administrative System Manual
Procedure: III.43 Customer Contract Review Procedure

Revision	Revision Date	Revision Change
N/I	06/30/21	Initial Release

1.0 Purpose:

To provide customers and Perform Air International Inc. the opportunity to review awarded contract templates by analyzing applicable data to aid in analyzing Perform Air International's overall operational and financial risk of accepting the terms presented.

2.0 Scope:

Data review relating to contract template, customer requirements, and fixed pricing data if applicable.

3.0 Responsibility:

3.1 The maintenance of this procedure is the responsibility of the Sales Department.

3.2 The Executive Management has responsibility for ensuring newly awarded contracts are reviewed and negotiated in accordance with Perform Air International Inc. requirements. Once the contract has been awarded and signed the Customer Support department has the responsible for ensuring contract pricing and terms are carried out as requested by the customer.

4.0 Definitions:

Contract Negotiation: This is the process of coming to an agreement on a set of legally binding terms. When two companies negotiate, both parties seek to obtain favorable terms and minimize financial, legal and operational risk.

5.0 Procedure:

5.1 The following documents and issues will be reviewed at each contract review. Executive management will assign required personnel to review contract templates, fixed pricing, and any other additional customer requirements.

5.1.1 Contract reviews shall follow the template requested by the customer if applicable or a standard Perform Air International Inc. template.

5.1.1.1 All contract items will be reviewed and reported on, even in the event that terms are acceptable or changes will be requested.

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5.2 REVIEW INPUT

5.2.1 Review customer contract template.

5.2.2 Analyze pricing with below inputs and any additional customer requests that may be applicable.

- 5.2.2.1** Term
- 5.2.2.2** Escalations
- 5.2.2.3** Shipping costs
- 5.2.2.4** Volume rebates
- 5.2.2.5** Liquidated damages
- 5.2.2.6** Excusable delay
- 5.2.2.7** No fault found fee's
- 5.2.2.8** Bad from stock fee's
- 5.2.2.9** Warranty Terms
- 5.2.2.10** Scrap Percentage
- 5.2.2.11** BER Fee's
- 5.2.2.12** Reporting criteria
- 5.2.2.13** Invoicing Terms
- 5.2.2.14** Insurance requirements

5.3 REVIEW OUTPUT

The output from the contract review shall include any decision/actions and requested changes related to the review output documentation, and will be communicated back to the customer during the negotiation process by the Management Representative. This process may continue multiple times until both parties have come to a mutual agreement on the terms and conditions of the contract.

6.0 Records:

- 6.1** Contract template with tracked changes.
- 6.2** Pricing spreadsheet
- 6.3** Any other additional customer requirements