



AEEC•AMC•FSEMC AIRLINE MEMBERSHIP AGREEMENT

This Membership Agreement (“Agreement”) is made by and between _____ (“Member”) and SAE Industry Technologies Consortia, a Pennsylvania not-for-profit corporation having an office at 16701 Melford Blvd., Suite 120, Bowie, MD 20715 (“SAE ITC”). This Agreement contains the terms and conditions for airline membership in the AEEC, AMC and FSEMC—aviation industry activities (“Activities”) organized by ARINC Industry Activities (“ARINC IA”), an industry program of SAE ITC.

- Mission:** The AEEC, AMC, and FSEMC cooperatively establish common technical standards and develop shared technical solutions that no one organization could develop independently. Use of the resulting standards and solutions creates value by improving cost effectiveness, increasing productivity, and reducing lifecycle costs for airlines; aircraft and flight simulator manufacturers; avionics suppliers; and aviation maintenance, training, and communication service providers.
- ARINC Industry Activities:** ARINC IA coordinates and serves as secretariat for AEEC, AMC, and FSEMC—the aviation industry activities organized by SAE ITC. Membership Fees paid under the terms of this agreement are used to support the ARINC IA secretariat function and related costs.
- Membership:** Fundamental to the success of the AEEC, AMC, and FSEMC is cooperation among the airlines and other members of the aviation community that participate in these activities. Members elect the leadership committees that are responsible for leading the activities, including the development of the work program to be pursued. Members also benefit from the information exchange among participants in the activities and the ARINC Standards and other technical deliverables that result from the work of these activities. By this application, Member accepts the Terms and Conditions of this Agreement and any attachments thereto.
- Point of Contact:** Member and SAE ITC shall each appoint an exclusive point of contact for the purpose of coordination of technical information and notices relating to this Agreement. Either party may change their point of contact by written notification. Invoices will be sent to the Organization Point of Contact unless otherwise specified in writing by Member.

Organization Point of Contact

SAE ITC

Name: _____
 Address: _____
 Telephone: _____
 Fax: _____
 Email: _____

Name: Vanessa A. Mastros
 Address: 16701 Melford Blvd., Suite 120
 Bowie, MD 20715
 Telephone: 240.334.2575
 Email: vanessa.mastros@sae-itc.org

IN WITNESS WHEREOF, each party hereto intending to be bound, has caused its duly authorized representative to execute this Agreement on its behalf as of the Effective Date. The person executing this document hereby certifies that the Member name set forth below is the full, complete and correct name of the entity entering into this Agreement.

Member Name: _____
 Name: _____
 Address: _____
 Telephone: _____
 Fax: _____
 Email: _____

SAE Industry Technologies Consortia

ARINC Industry Activities
 16701 Melford Blvd., Suite 120
 Bowie, MD 20715

SIGNED BY: _____
NAME: _____
TITLE: _____
DATE: _____

SIGNED BY: _____
NAME: _____
TITLE: _____
DATE: _____

Please return executed Membership Agreements by email (vmastros@sae-itc.org) or by mail to: SAE ITC, ARINC Industry Activities, 16701 Melford Blvd., Suite 120, Bowie, MD 20715, USA.

TERMS AND CONDITIONS

- A. **Joint Responsibilities:** The relationship between SAE ITC, the Activities and its Members shall be, and at all times, advisory only, and no party shall have the authority to enter into any contract or commitment in the name of, or on behalf of, any other party. Nothing in this Agreement shall be construed to confer upon either party the status of employee, agent, partner, joint venturer or legal representative of the other, it being intended by all parties to remain independent legal entities solely responsible for its own actions.
- B. **Term and Termination:** This Agreement shall commence as of the date of authorized signature and shall continue for an Initial Term expiring on December 31 of the current calendar year. This Agreement shall automatically renew for successive Subsequent Terms of one (1) year unless either party provides at least ninety (90) days advance written notice to the other that it elects to terminate this Agreement upon the expiration of the then-current Initial or Subsequent Term. In the event that Member breaches its license obligations hereunder, SAE ITC may terminate this Agreement and any rights associated with it upon thirty (30) day written notice. The preceding provision notwithstanding, if a Member distributes or resells licensed materials SAE ITC may terminate this Agreement immediately upon written notice to the Member.
- C. **Fees:** Membership Fees shall be calculated in accordance with Attachment B. Fees for the Initial Term shall be due concurrently with the execution of this Agreement. For Subsequent Terms, Member shall be invoiced annually, and payments shall be due within thirty (30) days of the date of invoice. Fees are non-refundable unless Membership is terminated pursuant to Section J. Membership is contingent upon the receipt of payment for the Fees for the Initial Term. *Please Note* –Fees are assessed on a calendar year basis, and the Fees structure is effective only for the term for which a Member is assessed. An annual fee increase, not to exceed 3% in a given year, will be applied based on the United States Department of Labor Consumer Price Index (CPI) for professional, scientific, and technical services 12-month compensation percent change. This will adjust the base, cap, and in between. If the Bureau of Labor Statistics substantially revises the methodology used for the determination of the values to be used to determine the labor values (in contrast to benchmark adjustments or other corrections of previously released values), or for any reason has not released values needed to determine the applicable price adjustment, SAE ITC shall select a substitute from other Bureau of Labor Statistics data or similar data reported by non-governmental organizations. Such substitute shall result in the same adjustment, insofar as possible, as would have been calculated utilizing the original values adjusted for fluctuation during the applicable time period.) SAE ITC, in consultation with the Industry Activities Advisory Group (IAAG) may modify Membership Fees beyond the escalation for subsequent terms in accordance with Section J. Members will be notified of all Membership Fee modifications at least ninety (90) days in advance of the effective date.
- D. **Payments:** All payments shall be made by check, wire transfer or credit card (Discover, Visa, MasterCard, American Express) as indicated on the invoices.
- E. **Taxes:** Member shall be responsible for any applicable sales, use, gross receipts or customs taxes or fees associated with Membership and its benefits.
- F. **Currency:** All fees, payments, and taxes are in United States currency.
- G. **Warranties and Limitations of Liability:** ARINC IA and SAE ITC's support of the Activities and the services they provide are on an "AS IS" basis. ARINC IA, SAE ITC, AEEC, AMC, and FSEMC make no determination whether the ARINC Standards could be subject to valid claims or patent, copyright or other proprietary or intellectual property rights by third parties. ARINC IA or SAE ITC make no warranty, express, implied, written, or oral, as to the condition or nature of membership or any membership service as delivered or provided pursuant to this Agreement. ARINC IA, SAE ITC, AEEC, AMC, and FSEMC SPECIFICALLY DISCLAIM THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. In no event shall these parties be liable for any direct, indirect, special, incidental, consequential, reliance, or any other damages, including, but not limited to, loss of revenue or profits, arising out of Member's use of any of the services of the activities even if they have been advised of the possibility of such damages. No action, regardless of form, arising out of any claimed breach of the Agreement may be brought by either party more than one (1) year after the cause of action has accrued.
- H. **Access to Electronic Data:** While SAE ITC will use reasonable efforts to maintain ARINC IA-related data on a server, it is understood that any Internet connected server can be subject to service interruptions from time to time and Member accepts such risk. Member agrees to all reasonable efforts not to allow introduction of viruses, Trojan horses, worms, or other service disruptive elements into the service server.
- I. **Waiver:** A waiver of a breach or default under this Agreement shall not be a waiver of any subsequent default. Failure of SAE ITC to enforce compliance with any term or condition of this Agreement shall not constitute a waiver of such term or condition.
- J. **Changes:** This Agreement and any attachments thereto is the entire and sole agreement of the parties with respect to its subject matter and shall take precedence over any document that may conflict with it. SAE ITC may add, delete or modify the terms and conditions of this Agreement for subsequent terms. SAE ITC will notify Members of any changes at least ninety (90) days in advance of the effective date of the changes.
- K. **Law Governing:** The terms and conditions of this Agreement shall be governed by the laws of the State of Maryland, without regard to its choice of laws, rules or principles, and expressly not including the 1980 United Nations Convention on Contracts for the International Sale of Goods.
- L. **Assignment:** Membership is assessed on an individual basis; therefore, Member may not assign its Membership for any reason. This includes, but is not limited to, assigning its Membership to subsidiaries, joint ventures, affiliates, etc.
- M. **Survival:** Notwithstanding the termination or expiration of this Agreement, it is acknowledged and agreed that those rights and obligations which by their nature are intended to survive such expiration or termination and which have accrued but have not been fully satisfied, performed or complied and prior to the expiration or termination, shall survive the expiration or termination hereof to the extent necessary for the full and complete performance of such obligations.
- N. **Headings:** Section headings contained in this Agreement are for convenience of reference only and shall not be used in construing or interpreting the provisions contained herein.
- O. **Severability:** If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

ATTACHMENT A AEEC, AMC, and FSEMC MEMBERSHIP AND BENEFITS

1. ARINC Industry Activities: The AEEC, AMC, and FSEMC are SAE ITC-organized aviation industry activities. Fundamental to the success of the AEEC, AMC, and FSEMC is cooperation among the airlines and other members of the aviation community that participate in these activities. These activities exist to create value for their members, and they cannot create value without the financial support and participation of those members. The purpose of each activity is stated below:
 - a. AEEC: The AEEC creates value by conducting engineering and technical investigations and evaluations and developing engineering and technical standards for airborne electronics of common interest to all segments of the aviation community, primarily airlines and other aircraft operators, aircraft manufacturers, and avionics suppliers. Technical standards developed by AEEC provide a common ground for aviation community technical deliberations related to airborne electronics and are used as the basis for design, engineering, development, investment, acquisition, life-cycle support, and other business decisions.
 - b. AMC: The AMC creates value by reducing life-cycle costs for airborne electronics by promoting reliability and improving maintenance and support techniques through the exchange of maintenance and associated technical information and the development of maintenance-related technical standards.
 - c. FSEMC: The FSEMC creates value by reducing life-cycle costs for flight simulators and training devices by promoting reliability and improving maintenance and support techniques through the exchange of engineering, maintenance, and associated technical information and the development of technical standards related to simulation and training.
2. Membership: Under the terms of this Agreement, AEEC•AMC•FSEMC Membership is offered to the commercial airlines. These aviation industry activities operate under Terms of Reference (ToR) established by SAE ITC in consultation with the leadership committees. Ongoing operation of each activity is primarily at the direction of the AEEC, AMC, and FSEMC leadership committees through the ARINC IA-provided secretariat, in accordance with rules and procedures established in consultation between ARINC IA and the respective leadership committees.
3. Member Benefits:
 - a. Value Created by AEEC, AMC, and FSEMC: AEEC, AMC, and FSEMC cooperatively establish common technical standards and develop shared technical solutions that no one organization could develop independently. The primary benefit of membership is to ensure the continued viability and success of these industry activities. Active participation and financial support provided by Members are the critical factors that enable the AEEC, AMC, and FSEMC to create value by improving cost effectiveness, increasing productivity, and reducing lifecycle costs for airlines; aircraft and flight simulator manufacturers; avionics suppliers; and aviation, maintenance, training, and communication service providers. Members also benefit from the information exchange among participants in the activities and the ARINC Standards and other technical deliverables that result from the work of these activities.
 - b. Leadership Committee: Each of the aviation industry activities organized by SAE ITC has an associated leadership committee constituted of voting committee members and non-voting committee members. Members are eligible to vote for companies to serve on the leadership committee and are eligible to be elected to the leadership committees of the industry activities of which they are a member in accordance with the rules of that particular activity. The leadership committees for these activities are responsible for leading each industry activity including the development of the work program to be pursued and planning for the international meetings conducted by the AMC, FSEMC, and AEEC.
 - c. Electronic Access to ARINC Standards and other Documentation prepared by AEEC, AMC, and FSEMC: Members receive the following:
 - i. Electronic access and download capability via the Internet for *ARINC Standards* (defined below), as well as other publicly available documents produced by the ARINC Industry Activities program of SAE ITC in support of the AEEC, AMC, and FSEMC including, draft documents, meeting announcements, meeting reports, working papers, and the AeroLine[®], Plane Talk[®] and Sim Notes[®] newsletters.
 1. *ARINC Standards* specify avionics equipment, avionics systems, and avionics and flight simulator engineering and maintenance best practices. There are three classes of *ARINC Standards*: Characteristics, Specifications, and Reports. The *Standards* obtained by a Member under this Agreement are the product of industry consensus through the AEEC, AMC, and FSEMC, and it is understood that ARINC IA's role is to provide Secretariat services related, *inter alia*, to document development and distribution; SAE ITC retains ownership of the intellectual property and administers the distribution of the *Standards* but does not guarantee the technical content.
 - ii. Automatic notification via electronic mail of newly posted documents identified in Section i. above.
 - iii. To obtain the benefits of electronic access specified in this section, Members shall comply with the responsibilities identified in Attachment C.
 - d. Conference Attendance: Members receive complimentary attendance to AEEC, AMC and FSEMC Conferences and Users Forums.

**ATTACHMENT B
FEES**

1. **Membership Fees:** Members pay to SAE ITC an annual AEEC, AMC, and FSEMC Membership Fee at the beginning of the Initial Term and at the beginning of each subsequent term thereafter. To encourage a broad range of airline membership, ARINC IA developed a method that establishes the annual Fee for an airline Member based on that Member's operational aviation activities as measured by Revenue Passenger Kilometers (RPK) and Freight Tonne Kilometers (FTK). The primary source for RPK and FTK data is the IATA World Air Transport Statistics (WATS). If RPK and FTK data is not available from the IATA WATS, the secondary source to be used is the Air Transport World (ATW) World Airline Report (WAR). If data is not available in the IATA WATS or the ATW WAR, airline direct reporting of data to ARINC IA will be utilized.

The Airline AEEC, AMC, and FSEMC Membership Fee calculated using the formula set out below is subject to a maximum annual Fee of \$90,134 (USD) and a minimum annual Fee of \$4,507.

- a. An Airline Member's annual Fee will be calculated as follows:

- i. The **Operating Factor** for each Member will be determined using the following formula:
$$\text{Operating Factor} = \text{RPK (in millions)} / 100,000 + \text{FTK (in thousands)} / 20,000,000$$
- ii. For Members who have only a FTK value (e.g., overnight freight and package carriers):
$$\text{Operating Factor} = \text{FTK (in thousands)} / 10,000,000$$
- iii. The Member's AEEC, AMC, and FSEMC Membership Fee will then be calculated as follows:

$$\text{Airline Membership Fee} = \text{Member's Operating Factor} * \text{USD} \$90,134$$

If the calculated airline Membership Fee for an airline exceeds \$88,000, then the Fee for that airline will be \$90,134. If the calculated airline Membership Fee for an airline is less than \$4,400, then the Fee for that airline will be \$4,507.

- b. **Appeal of Airline Membership Fee Determination:** SAE ITC will establish the airline Membership Fee for a specific airline as stated above. However, if a Member believes that the aviation traffic data used in the calculation is in error, the Member may submit the correct data to SAE ITC for consideration and Fee revision, as appropriate.
2. **Membership Contingent upon receipt of Fees:** Membership is contingent upon the receipt of the Fees for the Initial Term. For subsequent terms, Member shall be invoiced annually or semi-annually upon request and payments shall be due within thirty (30) days of the date of invoice.
 3. **Annual Escalation:** An annual fee increase, not to exceed 3% in a given year, will be applied based on the United States Department of Labor Consumer Price Index (CPI) for professional, scientific, and technical services 12-month compensation percent change. This will adjust the base, cap, and in between. If the Bureau of Labor Statistics substantially revises the methodology used for the determination of the values to be used to determine the labor values (in contrast to benchmark adjustments or other corrections of previously released values), or for any reason has not released values needed to determine the applicable price adjustment, SAE ITC shall select a substitute from other Bureau of Labor Statistics data or similar data reported by non-governmental organizations. Such substitute shall result in the same adjustment, insofar as possible, as would have been calculated utilizing the original values adjusted for fluctuation during the applicable time period.)

**ATTACHMENT C
MEMBER RESPONSIBILITIES REGARDING
ACCESS TO BENEFITS**

1. Web Access: Member shall be responsible for providing its own access to the World Wide Web in order to access the *ARINC Standards* and other publications available under the terms of this Agreement.
2. User ID and Password: Member is responsible for ensuring the security of their User ID and Password for accessing the benefits of committee membership. Passwords and User IDs are the property of SAE ITC; however, it is the responsibility of the Member to secure their confidentiality. SAE ITC reserves the right to assign a new Password (and disable rights to old Password) from time to time.
3. Access for Member Only: Member shall not distribute User ID and Password obtained under this Agreement to anyone that is not an Authorized User as defined in 6 and 7 below.
4. Rights: Upon payment in full by the Member of the fees set forth above, as applicable, and compliance with the terms and conditions of this Agreement, SAE ITC shall grant to Member the right to use the *ARINC Standards* as set forth below.
5. Grant: SAE ITC grants to Member a non-exclusive, non-transferable right to access and refer to the *ARINC Standards* for system development purposes.
6. Assignment: Membership is assessed on an individual basis; therefore, Member may not assign its Membership for any reason. This includes, but is not limited to, assigning its Membership to subsidiaries, joint ventures, affiliates, etc.
7. Authorized Users: For the purposes of this Agreement, Authorized Users are defined as the full-time employees of the Member located at the Member facility. This specifically *excludes* employees of other organizations (e.g., subcontractors, vendors) that are also working at said Member facility.
8. Restrictions: Under no circumstances shall Member:
 - a. Make copies of any *ARINC Standard* in any form, *or portions thereof*, other than a single electronic copy stored on the computer of the individual Member Authorized User that downloaded the *ARINC Standard* and a single paper copy for personal use by such individual Authorized User.
 - b. Remove or otherwise modify any disclaimer, proprietary markings or notices contained within or placed upon any *ARINC Standards* or documentation;
 - c. License, sublicense, sell, assign, transfer or otherwise convey use of any *ARINC Standards* or other documentation without the prior written consent of SAE ITC;
 - d. Provide or allow any timesharing arrangements using any *ARINC Standards*;
 - e. Make any modifications to or derivative works from any *ARINC Standards* except in the context of making proposals for supplements to such standards as part of an AEEC/AMC/FSEMC sponsored process;
 - f. Disassemble, decompile, reverse engineer or otherwise create or attempt to create or allow others to create or attempt to create source code from any software and/or files provided by SAE ITC.