AEROSPACE TESTING ENGINEERING & CERTIFICATION, INC. ("AEROTEC")
PURCHASE ORDER
GENERAL TERMS & CONDITIONS

These Terms and Conditions, and the written Purchase Order that accompanies, attaches, or incorporates them, collectively will be referred to in this document as "Contract," and they are the sole and exclusive terms on which AEROTEC agrees to be bound. This Contract supersedes all previous oral and written agreements and constitutes the entire agreement of the parties. Performance of any work by Supplier pursuant to this Contract shall constitute an acceptance of the terms of this Contract, regardless of whether or not Supplier has signed a copy of this Agreement. Except as otherwise expressly set forth in this Contract, AEROTEC will have no obligation to purchase any specific quantity of Goods from Seller and AEROTEC will be entitled, in its sole discretion, to purchase the same or similar Goods from other suppliers.

1) **AMENDMENTS –**
   - **a.** No material alterations in any of the terms, conditions, delivery, price, quality, quantity, or specifications shall be effective unless the alteration is expressly acknowledged and accepted in writing by AEROTEC.
   - **b.** Automatic extensions and renewals are not authorized unless stated in writing and included in a Contract issued by AEROTEC.
   - **c.** AEROTEC reserves the right to supplement these General Terms and Conditions with additional Addendum(s) that addresses certain risk area(s) or additional conditions associated with of the Work to be performed by the Supplier. An Addendum may be required during Contract negotiation and formation, or, during the term of the Contract as an amendment. Based upon the type, nature, and purpose of the Work and this Contract, the Addendum may address areas such as: specific requirements, payment processing, privacy, special technical requirements, special insurance coverages, specific compliance requirements, etc.
2) **ASSIGNMENT –** The work to be provided under this Contract, and any claim arising thereunder, is not assignable or delegable, and may not be subcontracted by the Supplier without prior written consent by AEROTEC.
3) **ATTORNEYS' FEES –** In the event of litigation or other action brought to enforce contract terms, each party shall bear its own attorney's fees and costs.
4) **BREACH, DEFAULT, TERMINATION –**
   - **a. Breach**: A breach of a term or condition of this Contract shall mean any one or more of the following events:
     - **i.** The Supplier fails to deliver conforming goods or perform the services by the date required or by a later date as may be agreed to in a written amendment to this Contract signed by AEROTEC;
     - **ii.** The Supplier breaches any warranty or fails to perform or comply with any term or agreement in this Contract;
     - **iii.** The Supplier makes any general assignment for the benefit of creditors;
     - **iv.** In AEROTEC's sole opinion, the Supplier becomes insolvent or in an unsound financial condition so as to endanger performance hereunder;
     - **v.** The Supplier becomes the subject of any proceeding under any law relating to bankruptcy, insolvency or reorganization, or relief from creditors and/or debtors;
     - **vi.** Any receiver, trustee, or similar official is appointed for the Supplier or any of the Supplier's property;
     - **vii.** The Supplier is determined to be in violation of any regulations and that such determination, in AEROTEC's sole opinion, renders the Supplier unable to perform any aspect of this Contract.
   - **b. Default**: The Supplier may be declared in default for a material breach of any term or condition.
   - **c. Termination for Convenience**: AEROTEC may terminate this Contract, in whole or in part, at any time and for any reason without notice to the Supplier. Termination charges shall not apply unless they are mutually agreed by both parties. Where termination charges are applicable, both parties agree to negotiate in good faith and to limit the extent of negotiations to valid documented expenses incurred by the Supplier prior to date of termination. Should the parties not agree to a satisfactory settlement, the matter shall be handled in accordance with Section 9 ("Dispute Resolution").
   - **d. Termination Due to Change in Funding**: If the funds AEROTEC relied upon to establish this Contract are withdrawn, reduced, or limited, or if additional or modified conditions are placed on funding by the entity funding AEROTEC, AEROTEC may immediately terminate this Contract by providing written notice to the Supplier. The termination shall be effective on the date specified in the termination notice.
   - **e. Termination Procedure**:
     After receipt of a notice of termination, and except as otherwise directed by AEROTEC, the Supplier shall:
     - **i.** Stop work under this Contract on the date, and to the extent specified, in the notice;
     - **ii.** Place no further orders or Subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the Work under this Contract that is not terminated;
     - **iii.** Assign to AEROTEC, in the manner, at the times, and to the extent directed by AEROTEC, all of the rights, title, and interest of the Supplier under the orders and Subcontracts so terminated, in which case AEROTEC has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and Subcontracts.
     - **iv.** Settle all outstanding liabilities and all claims arising out of such termination of orders and Subcontracts, with the approval or ratification of AEROTEC to the extent AEROTEC may require, which approval or ratification shall be final for all the purposes of this clause;
     - **v.** Transfer title to AEROTEC and deliver in the manner, at the times, and to the extent directed by AEROTEC any property which, if this Contract had been completed, would have been required to be furnished to the AEROTEC;
     - **vi.** Complete performance of such part of the Work as shall not have been terminated by AEROTEC; and
     - **vii.** Take such action as may be necessary, or as AEROTEC may direct, for the protection and preservation of the property related to this Contract which is in the possession of the Supplier and in which AEROTEC has or may acquire an interest.

   AEROTEC shall pay to the Supplier the agreed upon price, if separately stated, for completed Work and services or goods accepted by AEROTEC. AEROTEC may withhold from any amounts due the Supplier a sum that AEROTEC determines to be necessary to protect AEROTEC against potential loss or liability. The rights and remedies of AEROTEC provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.
5) **CHANGES** – AEROTEC may, at any time, make written changes to the general scope of this Contract, and Supplier will continue performance of this Contract as so changed. If any such change causes an increase or decrease in the cost of, or time required for, the performance of Supplier's obligations under this Contract, an equitable adjustment will be made to the price or delivery schedule, or both, and this Contract will be modified in writing accordingly. If Supplier or any supplier of Supplier makes or intends to make any change to the process, materials, or design details of the goods, including raw materials or parts used in the manufacture of the goods, such changes including, but not limited to, changes to the production process, manufacturing equipment, manufacturing location, raw materials, the identity of the sub-supplier of raw materials, or between a manual and automated process, such change shall be a Material Change. Supplier

must promptly notify AEROTEC in writing prior to any Material Change. Additionally, if a Material Change could affect the goods or any component part thereof with regard to quality, functionality, form, stability, safety, or otherwise fitness for its intended purpose, Supplier shall at its own expense promptly send AEROTEC product samples complete with test reports indicating the test instrument used (such samples and test reports together the "Conforming Samples"), and shall verify the Conforming Sample specifications compared to the specifications and performance of the goods as agreed to in the Contract. In the event AEROTEC determines, using its good faith judgment, that a Material Change renders the goods incompatible for the use for which AEROTEC is purchasing the goods, AEROTEC shall provide written notice of such incompatibility to Supplier within sixty (60) days after receipt of notice of such Material Change and the Conforming Samples, if applicable. Supplier shall only make or allow a supplier of Supplier to make a Material Change necessitating the provision of a Conforming Sample after AEROTEC's prior written approval.

6) **COMPLIANCE WITH APPLICABLE LAW –** Supplier shall comply with all applicable federal, state, and local laws and regulations, including but not limited to, environmental, health, safety, and nondiscrimination laws and regulations. Any violation of this section shall be considered a material breach of this Contract. Supplier agrees to indemnify and hold the AEROTEC harmless from any and all damages or claims caused by Supplier's failure to comply with laws, regulations, and ordinances.

7) **CONFIDENTIALITY –** During the term of this Contract and for five years after its cancellation, termination or expiration, Supplier will not make use of AEROTEC's Confidential Information (as hereinafter defined) for purposes other than the fulfillment of the obligations under this Contract, or disclose to any person or entity, other than those of its employees who have a need to know, any Confidential Information, whether written or oral, which the Supplier obtains from AEROTEC or otherwise discovers in the performance of this Contract. "Confidential Information," as used in this Contract, will mean all information relating to AEROTEC's business which is not generally available to the public. Confidential Information includes information that Supplier possesses that predates this Contract. The foregoing provisions of this paragraph will not apply to any information that is: (a) rightfully known to Supplier prior to disclosure by AEROTEC; or (b) rightfully obtained by Supplier from any third party; or (c) made available by AEROTEC to the public without restrictions; or (d) disclosed by Supplier with prior written permission of AEROTEC; or (e) independently developed or learned by Supplier through legitimate means; or (f) disclosed by AEROTEC to a third party without a duty of confidentiality on the third party; or (g) disclosed pursuant to any applicable laws, regulations, or order of a court of competent jurisdiction. Supplier will provide reasonable prior written notice to AEROTEC if it is required to disclose any of AEROTEC's Confidential Information under operation of law. AEROTEC expressly reserves the right to disclose any of the terms of this Contract, including but not limited to pricing, to third parties.

8) **DELIVERY–** Delivery shall be accomplished by the date and time in the applicable purchase order or contract document. Noncompliance may be construed as breach of contract and grounds for termination for cause for failure to deliver on time.

9) **DISPUTE RESOLUTION –** If a dispute arises out of or relates to this Contract, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute through escalation to executive management of the parties or by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration, litigation, or some other dispute resolutions procedure.

10) **FEDERAL EXCLUSION AND DEBARMENT –** The Supplier, by accepting the terms of this Contract, certifies that the Supplier is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal or State department or agency from participating in transactions. The Supplier shall include the above-mentioned requirement in all Subcontracts in which it enters. If the Supplier becomes debarred, suspended or ineligible from participating in transactions, the Supplier shall notify the AEROTEC in writing within three (3) working days of an event.

11) **GOVERNING LAW –** This Contract shall be interpreted in accordance with the laws of the State of Washington, and the venue of any action brought hereunder shall be in King County, WA.

12) **IMPORT AND EXPORT COMPLIANCE –** AEROTEC will not be a party to the importation of the Goods, the transaction(s) represented by the Contract will be consummated subsequent to importation, and Supplier will neither cause nor permit AEROTEC's name to be shown as "Importer of Record" on any customs declaration. Transferable credits or benefits associated with the Goods, including trade credits, export credits, or rights to the refund of duties, taxes, or fees, belong to AEROTEC unless otherwise prohibited by applicable law. Supplier will provide AEROTEC with all information and records relating to the Goods necessary for AEROTEC to (i) receive these benefits, credits, and rights, (ii) fulfill any customs obligations, origin marking or labeling requirements, and certification or local content reporting requirements, (iii) claim preferential duty treatment under applicable trade preference regimes, and (iv) participate in any duty deferral or free trade zone programs of the country of import. Supplier will be responsible for strict compliance with all legal, regulatory, and administrative requirements associated with any importation or exportation of Goods, including obtaining any required licenses or approvals and, unless otherwise agreed between the parties elsewhere in this Contract, the payment of all associated duties, taxes and fees. AEROTEC and Supplier will comply with all U.S. export control laws and regulations ("U.S. Export Controls"), including without limitation, the International Traffic in Arms Regulations (ITAR), the Export Administration Regulations (EAR), and the Foreign Asset Control Regulations administrated by the Office of Foreign Assets Control (OFAC) in the U.S. Department of the Treasury. All products, technical data, software or technology to be exchanged between AEROTEC and Supplier must be handled in compliance with U.S. Export Controls. The items, goods, technology, and services covered hereunder ("Export Controlled Items" or "Items") do not refer only to physical products and tangible items but also includes technical data, software, technology, know-how or other intangibles and services that are subject to the U.S. Export Controls.

13) **INDEMNIFICATION –** The Supplier shall indemnify, defend, and hold AEROTEC, and their officers, employees, and agents harmless from and against all claims for damages, costs (including attorney's fees), or liability, relating to the death or injury to any persons or the damage of any property resulting from or arising out of the acts or omissions of the Supplier or its employees, agents, or Sub-Suppliers in connection with this Contract. The Supplier expressly agrees to indemnify, defend, and hold harmless AEROTEC for any claim arising out of or incident to the Supplier's or any Sub-Supplier's performance or failure to perform this Contract. The Supplier waives its immunity under Title 51 RCW to the extent it is required to indemnify the AEROTEC, their officers, employees, and agents as provided herein.

14) **INDEPENDENT EMPLOYER –** The parties intend that an independent employer relationship is created by this Contract. The Supplier and his or her employees or agents performing under this Contract are not employees or agents of AEROTEC. The Supplier, his or her employees, or agents performing under this Contract will not hold himself/herself out as, nor claim to be, an officer or employee of the AEROTEC or of the State of Washington by reason hereof, or act as attorney in fact, nor will the Supplier make any claim of right, privilege or benefit that would accrue to such employee. Conduct and control of the work will be solely with the Supplier.

15) **INFRINGEMENTS –** The Supplier agrees to defend, indemnify, and hold harmless the AEROTEC against all claims for patent, copyright, trade secret, or franchising infringements arising from the purchase, installation, or use of material ordered under this Contract, and to assume all expense and damage arising from such claims.

16) **INSURANCE—** Supplier agrees: (i) to maintain in full force and effect casualty, property, and other lines of insurance of the types, on the terms and in the amounts commensurate with its business and risks associated therewith ("Insurance") and to comply with applicable workers compensation insurance laws regarding insurance or qualification as a self-insurer; (ii) to the extent permitted by law, to waive rights of subrogation and contribution against AEROTEC; (iii) to ensure that AEROTEC is made an additional insured on policies of Insurance under terms of coverage customary to the risk of loss to which AEROTEC is exposed and that the limits of Insurance to which AEROTEC is entitled as an additional insured are no less than the amount of total limits of Insurance

applicable to Supplier under all of the policies of Insurance; (iv) to ensure that the policies of Insurance are stated to be specifically primary to any of AEROTEC's insurance policies, which policies will be, in all respects, excess to Supplier's policies of Insurance; (v) to be solely responsible for any deductibles, self-insured retentions, or other form of self-insurance under the policies of Insurance; (vi) upon AEROTEC's request, to timely provide written certification, reasonably acceptable to AEROTEC, certifying the material terms of the policies of Insurance.

17) **INTELLECTUAL PROPERTY PROVISIONS –** Unless otherwise provided, all Materials produced under this Contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by AEROTEC. AEROTEC shall be considered the author of such Materials. If the Materials are not considered "works for hire" under the U.S. Copyright laws, the Supplier hereby irrevocably assigns all right, title, and interest in Materials, including all intellectual property rights, to AEROTEC effective from the moment of creation of such Materials. For Materials that are delivered under this Contract, but that incorporate pre-existing materials not produced under this Contract, the Supplier grants to the AEROTEC a nonexclusive, royalty-free, irrevocable license (with rights to sublicense others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Supplier warrants and represents that the Supplier has all rights and permissions, including intellectual property rights, moral rights, and rights of publicity, necessary to grant such a license to AEROTEC. AEROTEC shall receive prompt written notice of each notice or claim of copyright infringement received by the Supplier with respect to any Materials delivered under this Contract. AEROTEC shall have the right to modify or remove any restrictive markings placed upon the Materials by the Supplier.
18) **LIENS, CLAIMS AND ENCUMBRANCES –** The Supplier warrants and represents that all materials, equipment, or services delivered herein are free and clear of all liens, claims, or encumbrances of any kind.
19) **LIMITATION OF LIABILITY –** IN NO CASE SHALL AEROTEC HAVE ANY LIABILITY FOR DAMAGES (WHETHER SUCH DAMAGES ARE DEEMED DIRECT OR INDIRECT UNDER APPLICABLE LAW). THIS LIMITATION OF LIABILITY WILL APPLY WHETHER AEROTEC'S LIABILITY ARISES UNDER BREACH OF CONTRACT OR WARRANTY; TORT; INCLUDING NEGLIGENCE; STRICT LIABILITY; STATUTORY LIABILITY; OR ANY OTHER CAUSE OF ACTION. IN NO EVENT SHALL AEROTEC BE LIABLE FOR LOST PROFITS, LOST OPPORTUNITY (EVEN IF IT WAS ADVISED OF SPECIAL CIRCUMSTANCES), OR SPECIAL, PUNITIVE, CONSEQUENTIAL, OR INCIDENTAL DAMAGES.
20) **LIQUIDATED DAMAGES –** The Supplier agrees that AEROTEC will suffer damages if the Supplier fails to fulfill its obligations and that it would not be feasible to ascertain the extent of such damages with precision. Accordingly, the Supplier agrees to pay liquidated damages in the amount of $500 per day until untimely performance or other material noncompliance is reconciled. Liquidated damages are not intended to be a penalty and are solely intended to compensate for damages to which the extent is unknown.
21) **ORDER IDENTIFICATION –** All invoices, packing lists, packages, shipping notices, and other written documentation affecting any goods delivered under this Contract shall contain the applicable order number. Packing lists shall be enclosed in each box or package shipped pursuant to this Contract indicating the contents therein. Invoices will not be processed for payment until all items invoiced are received. Shipments received without order numbers may be refused at the Supplier's expense.
22) **MISCELLANEOUS FEES/CHARGES -** AEROTEC reserves the right to short pay invoices that include unidentified or miscellaneous fees and charges not included in Supplier's quote, proposal, or contract with AEROTEC. Miscellaneous fees/charges may not include, but are not limited to: tariffs, special handling or packaging, fuel surcharge, compliance charge, paper invoice fee, merchant bank fee, energy surcharge, additional time fee.
23) **PAYMENT, PAYMENT METHOD, PROMPT PAYMENT DISCOUNT –** AEROTEC shall not process invoices for payment, and the period of computation for prompt payment discount will not commence, until AEROTEC receives a properly completed invoice or receives and accepts invoiced items, whichever is later. If an adjustment in payment is necessary due to damage or dispute, the prompt payment discount period shall commence on the date final approval for payment is authorized. Payment shall not be considered late if a check, warrant or electronic transmittal notice has been mailed or issued within the time specified, or, if no terms are specified, within sixty (60) days from date of receipt of a properly completed invoice or goods, whichever is later. AEROTEC shall not honor drafts nor accept goods on a sight draft basis. All invoices must be submitted in accordance with instructions provided with the order, whether verbal or written. Failure to comply with order and invoicing instructions may be considered a breach of Contract. For payment inquiries contact accounting@aerotec.com
24) **PRICE –** Supplier warrants that the prices set forth in this Contract are complete and that no additional charge of any type will be added without AEROTEC's prior express written consent, including but not limited to, charges for shipping, packaging, labeling, custom duties, taxes, storage, insurance, boxing, and crating. If during the term of this Contract, Supplier sells goods that are the same or are substantially similar to the Goods to another customer at prices below those stated in the Contract, Supplier will immediately extend such lower prices to AEROTEC. If AEROTEC provides satisfactory evidence that it can purchase goods of like quality and similar or greater quantity as the Goods at a lower price, and if Supplier elects not to meet such lower price, then all quantities of such Goods actually purchased by AEROTEC at a lower price will be deducted from the remaining quantity obligation for such Goods required hereunder.
25) **PUBLICITY –** The Supplier shall not mention, imply, or utilize AEROTEC name and/or logo or other marks in any publicity matters, regardless of media format, without the prior written consent of the AEROTEC.
26) **QUALITY MANAGEMENT –** AEROTEC representatives, it's clients and regulatory authorities authorized by AEROTEC shall be granted access to supplier facilities and records for the purpose of inspections, surveillances, or audits. The supplier shall maintain adequate records of inspections, tests, and other activities. Where such records are traceable by serial number or lot designation to material supplied to the buyer, records shall be retained for a period of at least (11) years from the date of shipment to AEROTEC. After the 11-year retention period the supplier shall request disposition instructions from AEROTEC and shall transfer or dispose of such records as requested. Supplier shall use process control techniques for all key characteristics identified on the purchase order/contract or on the drawing. Supplier shall notify the AEROTEC of any changes in product and/or process and, where required, obtain AEROTEC approval of such changes. Supplier is also required to notify AEROTEC of any changes in suppliers, changes to manufacturing facility location, and obtain AEROTEC approval of such changes. Supplier is responsible for flow down to the supply chain of any changes made to the applicable requirements. Supplier and their sub tiers will have qualified and trained manufacturing and QA personnel. On Time Delivery and Quality will be monitored on a regular basis by AEROTEC. A Certificate of Conformance (CofC) must accompany each shipment which shows AEROTEC's purchase order, part number and if applicable, the suppliers' reference number, unless otherwise specified. The CofC shall state that the product(s) comply with requirements. Supplier must flow down special processes to be completed and reference specification(s), revision(s), defining type, class, or methods and testing that are identified within the drawing or specification. Where this Purchase Order references a specification, standard, or drawing, the Supplier shall use the current revision in effect at the time of order placement unless a specific revision is explicitly stated. The Supplier is responsible for verifying the applicable revision level prior to commencing work. Notify the Buyer immediately if the revision level cannot be determined or if a conflict exists. Contact AEROTEC in the event of non-Conforming materials and/or processes for Disposition Approval. A copy of the Non-Conformance Report required. Suppliers shall provide First Article Inspection Reports (FAI) on all manufactured products/parts if requested. Suppliers shall establish and maintain a suspect counterfeit parts/materials prevention program using AS6174 and AS5553 for counterfeit electronic parts (reference elements of Sec. 3) to ensure counterfeit/suspect goods are not delivered to AEROTEC (as applicable). Supplier to ensure that employees are aware of their contribution to product or service conformity, product safety, and the importance of ethical behavior. In cases of

materials with expiration dates, at least 80% of shelf life is required upon delivery unless otherwise agreed upon or specified. All terms and conditions within this document are to be flowed down to sub-suppliers.

27) **REJECTION –** All goods or materials purchased herein are subject to approval by AEROTEC. Any rejection of goods or materials resulting from nonconformity to the terms, conditions, or specifications of this Contract, whether held by AEROTEC or returned, will be at the Supplier's risk and expense. AEROTEC has the right, before payment or acceptance of the Goods, to inspect the Goods at any reasonable place and time and in any reasonable manner. Neither the inspection, testing, payment, or auditing of any Goods, nor the failure to do so, before delivery to AEROTEC constitute acceptance of any Goods or relieve Supplier from exclusive responsibility for furnishing Goods in strict conformance with AEROTEC's specifications. If, in AEROTEC's judgment, the Goods and Services or the tender of delivery fail in any respect to conform to the Contract, AEROTEC may (a) reject the whole; (b) accept the whole; or (c) accept any commercial unit or units and reject the rest. Supplier agrees that any notification of nonconformity by AEROTEC, in whatever form, suffices to inform the Supplier that the transaction is claimed to involve a breach, and that Supplier will be responsible for any losses resulting from the nonconformity. In an appropriate case, AEROTEC may revoke its acceptance of Goods. Supplier agrees that AEROTEC's acceptance of the Goods is reasonably induced by the Supplier's assurances of the Goods' quality and conformity to the terms of the Contract.

28) **RIGHTS AND REMEDIES –** Failure of AEROTEC to insist upon the strict performance of any term or condition of this Contract or to exercise or delay any right or remedy provided in this Contract or by law, or the acceptance of (or payment for) materials, equipment, or services, shall not release the Supplier from any responsibilities or obligations imposed by this Contract or by law, and shall not be deemed a waiver of any right of the state to insist upon the strict performance of this Contract. Without limiting AEROTEC's rights and remedies at law or in equity, AEROTEC reserves the right to charge Supplier for any loss, expense (including attorneys' fees) or damage sustained as a result of Suppliers' failure to deliver conforming goods or services or other breach of this Contract, including without limitation, expenses incurred in connection with AEROTEC's purchase of substitute goods, incidental damages and consequential damages resulting from Supplier's failure or breach. Each of the rights and remedies reserved to AEROTEC in this Contract shall be cumulative and additional to any other remedies provided in law or equity. No delay or failure by AEROTEC in the exercise of any right or remedy shall affect any such right or remedy and no action taken or omitted by AEROTEC shall be deemed to be a waiver of any such right or remedy. AEROTEC is entitled to set off such amounts (and any other amounts owed to it by Supplier pursuant to this Contract) from any other amounts due to Supplier.

29) **SCRAP ALLOWANCE –** Supplier scrap allowance is 10%. Supplier is liable for full material replacement cost less 10%.

30) **SEVERABILITY –** If any term or condition of this Contract is deemed invalid by any court, such invalidity shall not affect the validity of the other terms or conditions of this Contract.

31) **SAFETY –** Supplier will provide all safeguards, and take all precautions, in connection with the production and delivery of the Goods sold to prevent the occurrence of any accident, injury, death, loss, or damage to persons or property and Supplier will be solely responsible for any such occurrences. Supplier warrants that all Goods delivered hereunder will be in compliance with all AEROTEC requirements concerning safety, performance and otherwise, including, without limitation, any work or services related thereto performed on premises controlled by AEROTEC. Supplier agrees to immediately notify AEROTEC of any actual or possible safety problems with the Goods delivered hereunder.

32) **SHIPPING INSTRUCTIONS –** Unless otherwise instructed, all goods are to be shipped to AEROTEC facilities prepaid, FOB Destination. Where specific authorization is granted to ship goods FOB Shipping Point, the Supplier agrees to prepay all shipping charges, to route cheapest common carrier, and to bill AEROTEC as a separate item on the invoice for the charges. AEROTEC reserves the right to refuse COD shipments. Regardless of FOB point, the Supplier agrees to bear all risks of loss, injury, or destruction of goods and materials ordered herein that occur prior to delivery, and such loss, injury, or destruction shall not release the Supplier from any obligation hereunder.

33) **SUBCONTRACTING –** Neither the Supplier nor any Sub-Supplier shall enter into subcontracts for any of the Work contemplated under this Contract without obtaining prior written approval of AEROTEC.

34) **SURVIVAL** – Notwithstanding the expiration, termination, or cancellation of this Contract, it is agreed that those rights and obligations which by their nature and context are intended to survive such expiration or termination will survive beyond such expiration, termination, or cancellation.

35) **TAXES –** Supplier will bear and pay all applicable taxes of the United States or any state or any foreign government including political subdivisions of any of them, which are based on or measured by net income, gross income or gross receipts including any withholding taxes levied against Supplier for the privilege of doing business in a jurisdiction. If Supplier is required by law to collect sales and use tax (including any gross receipts tax imposed similar to a sales and use tax) from AEROTEC on behalf of any taxing jurisdiction, Supplier will provide to AEROTEC invoices which separately state and clearly indicate the amount of tax and AEROTEC will remit any such tax to Supplier. Supplier will have the responsibility of complying with all applicable foreign, national, state or local laws regarding value added tax and sales and use tax or substitutes therefor including registration, collection of taxes and the filing of returns where applicable. Notwithstanding whether Supplier must collect sales and use tax from AEROTEC, Supplier will state on every invoice the taxing jurisdiction (e.g. country, state and local jurisdiction) in which Products were provided. If applicable, in lieu of payment for any sales and use tax, Supplier will accept a properly executed exemption or direct pay certificate from AEROTEC. The determination of whether an exemption or direct pay certificate will be submitted to Supplier in lieu of payment for any sales and use tax will be made by AEROTEC on a location-by-location basis. With the exception of sales and use tax as described above, all other taxes, however denominated or measured, imposed upon the Supplier, or the price or compensation under this Contract, or upon the Product provided hereunder, will be the responsibility and liability of Supplier.

36) **WARRANTY –**

- **a.** Product: The Supplier warrants all goods, products and services delivered under this order will conform to specifications herein, shall be fit for the intended purpose, and shall be free from defects and FOD (foreign object debris) in material and workmanship for a period of one (1) year following delivery. All goods, products and services found defective shall be replaced upon notification by AEROTEC. All costs of replacement, including shipping charges, shall be borne by the Supplier.
- **b.** Price: The Supplier warrants that prices of materials, equipment, and services set forth herein do not exceed those charged by the Supplier to any other customer purchasing the same goods or services under similar conditions and in like or similar quantities.
- **c.** Financial Status: The Supplier warrants that at the time of the commencement of its performance under this Contract, it has not commenced bankruptcy proceedings and that there are no judgments, liens or encumbrances of any kind affecting title to any goods that are the subject of this Contract.

37) **CALIBRATION OF TOOLS –** The Supplier warrants that calibration lengths shall be 12 months or as designated by the manufacturer or OEM. The Supplier of calibration services must perform calibrations in accordance with nationally accepted methods/procedures and acceptance tolerances must be in accordance with manufacturer's recommendations unless specified otherwise. The Supplier of calibration services shall have a measuring instrument calibration system in accordance with ISO 17025.