



AERO INSTRUMENTS & AVIONICS, INC.

FAA REPAIR STATION NUMBER: NC1R343K
EASA APPROVAL CERTIFICATE NUMBER: EASA.145.4037

INSTRUMENT CLASS 1 - 2 - 3 & 4 • RADIO CLASS 1 - 2 & 3 • ACCESSORY CLASS 2 & 3

7290 NASH ROAD • NORTH TONAWANDA, NY 14120-1596 USA

General Terms and Conditions of Purchase

1. Acceptance:

These terms and conditions shall govern Aero Instruments & Avionics, Inc. ("Aero") Purchase Order for any goods and services (the "Product") purchased by Aero from Vendor and shall become a binding agreement when accepted by Vendor either by signing and returning the acknowledgement copy or by partial or commencement of performance by Vendor. No variance in any of terms, conditions, delivery, quantity or specifications shall be binding upon Aero unless expressly accepted by Aero in writing and the failure of Aero to specifically object to any or all terms and conditions suggested by the Vendor shall not be deemed an acceptance of such terms and conditions. Any terms and conditions of sale of the Vendor shall have no force and effect and Vendor expressly waives the use of its own general terms and conditions. Aero assumed no responsibility for materials shipped without a signed Aero Purchase Order. Vendor will grant Aero, their customer, and regulatory authorities the right of access to all facilities involved in the order and to all applicable records.

2. Documentation and Trace Paperwork:

Any Product purchased by and sent to Aero shall be received with all relevant documentation as per current law and/or regulations and/or any Purchase Order's instruction. Unless otherwise agreed in the Purchase Order, Aero requires the following documentation for each Product listed on the Purchase Order:

1. FAA 8130-3 FORM OR EASA FORM 1 REQUIRED FOR AIRWORTHY PARTS OR CERTIFICATE OF CONFORMANCE FOR STANDARD PARTS MATERIAL CERTIFICATION OR ATA106 TRACE DOCUMENTS CONTAINING THE FOLLOWING:

a. SOURCE OF THE PART, TRACEABLE AND DOCUMENTED TO AN FAA 14 CFR 121, 129, 135 CARRIER OR PRODUCTION APPROVED HOLDER.

b. STATEMENT THE PART IS NON-INCIDENT OR ACCIDENT RELATED AND HAS NOT BEEN SUBJECT TO SEVERE STRESS, HEAT, AND/OR CORROSION.

c. STATEMENT THE PART IS NOT PROCURED FROM ANY GOVERNMENT OR MILITARY SOURCE.

2. TEARDOWN REPORT REQUIRED FOR AIRWORTHY PARTS IN OVERHAULED, REPAIRED, TESTED +/- OR MODIFIED CONDITION.

3. SHELF LIFE LIMITED ITEMS MUST HAVE A MINIMUM OF 80% SHELF LIFE REMAINING AND THE LIMIT DATE MUST BE ON THE VENDORS PAPERWORK.

4. MATERIAL SAFETY DATA SHEETS (MSDS) AND TECHNICAL DATA SHEETS MUST BE SUPPLIED WITH ALL CHEMICAL PRODUCTS.

Failure to provide any documentation shall be a cause of rejection of the Product and provision of Article 3 may apply at Aero's discretion.

3. Cancellation:

Aero reserves the right to immediately terminate a Purchase Order or any part thereof by written notice (to include email or facsimile):

a. If delivery is not made within the time specified or within a reasonable time in case no time is specified.

b. If Vendor breaches any of the terms hereof actual or anticipated, including but not limited to warranties of Vendor or

c. In the event proceedings are instituted against either party in bankruptcy or insolvency, or a receiver or trustee is appointed.

In all the above-mentioned cases, Aero shall be entitled to procure the Product to a third party at Vendor's costs. Such remedies shall be in addition to any other remedies Aero may have in law or equity.



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4. Exchange Units:

Exchange units purchased by Aero will be replaced with units returned to serviceable condition by Aero or its subcontractor without regard to the condition of the unit supplied by Vendor (e.g. new or overhauled). Aero will administer the repair actions unless the exchange is purchased at a flat rate that includes repair charges. Vendor is assumed to have adjusted its price as necessary to compensate for return of stock in serviceable condition.

Exchange units will be returned in the configuration (dash number) ordered by Aero, not in the configuration supplied by the Vendor. Vendor is assumed to have adjusted its price as necessary to compensate for return of stock in the lower configuration.

5. Packing Requirements:

a. All Products shall be packed or otherwise prepared for shipment so as to secure the lowest transportation rates to meet carrier's requirements and in accordance with good commercial practice and any regulations and/or laws applicable with respect to the Product being shipped.

b. All shipments shall state actual cost for purchased Product and actual repair costs if a repaired Product. All incorrect declarations of value resulting in an additional duty charge shall be at Vendor's expense.

c. Packing sheets must accompany each shipment.

d. IMPORTANT: Purchase Order number, part number, and part serial number (where applicable) must appear on all shipping labels, packing slips, transport documents, invoices and marked shipments or papers. In addition, Aero will retain the right to refuse such shipments or may return those which do not meet Aero's shipping requirements at Vendor's expense.

6. Shipping:

Delivery time is of the essence of any Purchase Order. Vendor will ship via the carrier and priority specified in the Purchase Order, free of all costs to Aero. If Vendor fails to ship in accordance with the Purchase Order instructions, transportation and customs clearance charges will be invoiced back to Vendor. The receipt given to the carrier shall not be considered as Aero's definitive acceptance of the Product.

7. Warranties:

The Vendor shall not limit or exclude any implied warranties and any attempt to do so shall render the Purchase Order voidable at Aero's option. The Vendor warrants that the Product(s) to be supplied under the Purchaser Order are new unless otherwise stated in the Purchase Order and are fit and sufficient for the purpose intended, that they are merchantable of good quality and free from defects whether patent or latent, in design, material or workmanship. The Vendor warrants that it has good title to the Product to be supplied and that they are free and clear from all liens or encumbrances, in the event the Vendor is aware of a problem with its products including defective or incorrect Product to be supplied to Aero, Vendor shall immediately upon such determination notify Aero's Purchasing Department. If Vendor's product fails due to a design defect, Vendor will provide a remedy at no charge to Aero within fifteen (15) days of initial notification of the design defect by Aero. If Vendor's product fails due to material or workmanship, Vendor agrees to promptly repair or replace at no charge. Vendor also agrees to be responsible for all transportation charges to and from Vendor's repair facility.



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8. Inspection and Acceptance:

Inspection and acceptance will be destination unless otherwise provided. Until delivery and acceptance and after any rejections, risk of loss will be on the Vendor unless such a loss results from the gross negligence of Aero. Notwithstanding the requirements for any Aero inspection and test contained in specifications applicable to the Purchase Order except where specialized inspections or test are specified by performance solely for Aero, the Vendor shall perform or have performed the inspection and test required to substantiate that the supplies and services provided under the Purchase Order conform to the drawings, specifications and other requirements listed herein, including if applicable the technical requirements for the manufacturers part numbers specified herein. Vendor has the requirement to flow down to sub-tier suppliers the applicable requirements in the purchasing documents, including key characteristics where required.

If Aero rejects the Product, Aero may, at its own discretion and without prejudice of any rights it may have under these terms and conditions and/or at law, either i) refuse the delivery and request a new part free of charge or ii) accept the delivery with a price reduction or, iii) cancel all or part of the Purchase Order with reimbursement of all sums paid plus costs incurred.

Title, free of any liens and encumbrances, of the Product shall pass from the Vendor to Aero upon acceptance of the goods.

9. OSHA:

Vendor agrees to comply with the provisions of the Occupational Safety and Health Act of 1970 and the standards and regulations issued thereunder and certifies that all items furnished under this order will conform to and comply with said standards and regulations. Vendor further agrees to indemnify and hold harmless Aero for all damages assessed against Aero as a result of Vendor's failure to comply with the act and the standards issued thereunder and for the failure of the items furnished under this order to so comply.

10. Equal Employment Opportunity:

Aero is an equal employment opportunity employer. Aero adheres to a policy of providing equal employment opportunity for all qualified employees and applicants without regard to race, gender, color, religion, national origin, age, disability, or veteran status, and take affirmative action to insure compliance with such policy. Aero certifies that it is in compliance with the requirements of all applicable Executive Orders including, but not limited to, Executive Order 11246, as amended, Executive Order 11625, and Executive Order 11701, and all federal, state and local laws and regulations prohibiting discrimination on the basis of a protected status.

Aero hereby incorporates as if fully set forth herein all applicable provisions of the executive orders, and Vendor recognizes and agrees to be bound by all such applicable provisions.

11. Financial Conditions:

11.1 Prices stated in a Purchase Order are firm and fixed and not subject to any escalation.

11.2 Invoices shall concern one Purchase Order solely. Invoices (one copy) shall be forwarded to Aero's address as mentioned in the Purchase Order and shall contain: Purchaser Order Number, Product Name, Product Part Number, Product Serial Number (if applicable) and any other detail required by the current law.

11.3 No payment shall be made if Aero has not received an invoice as defined herein. Payment shall be made within forty five (45) days upon acceptance of the Product and receipt of an invoice in compliance of this Article. The payment shall be made by means of a company check or by bank transfer on Vendor's account. Aero shall be entitled to set off any and all monies owned under the Purchase Order from any other sums, whether liquidated or not, that are or may be due by the Vendor, whether arising out of the Purchase Order or of a different transaction or contract with the Vendor, its subsidiaries or affiliates.



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12. Liability:

The Vendor shall be liable for any and all damage of any nature whatsoever and whether in contract or in tort, whether direct or indirect or incidental or consequential sustained by Aero and any third party arising out or connected with the performance or the non-performance of the Purchase Order. Vendor and its insurers shall indemnify and hold harmless Aero, its directors, its employees, its agents, its subcontractors and their insurers from and against any claim and recourses from any third party (including Vendor's directors, employees, agents, subcontractors, insurers) resulting therefrom.

The Vendor shall subscribe or maintain proper insurance in an amount in compliance with standard practice and satisfactory to Aero (including Worker Compensation) to cover any liability resulting from the performance or non-performance of a Purchase Order or resulting from its activities. Upon Aero's request, Vendor shall provide Aero with a valid insurance certificate.

13. General Provisions:

13.1 The Purchase Order shall be governed and interpreted in accordance with the laws of the State of New York.

Any dispute arising out of or in connection with existence, validity, construction, performance of the Purchase Order shall be submitted to the jurisdiction of the State Courts of Niagara County, New York that shall have exclusive jurisdiction of any claim or dispute and to which the Customer consents to the jurisdiction of the courts in Niagara County, New York.

13.2 Aero may terminate at its own convenience any purchase order. Termination shall be effected by the delivery to the Vendor of a notice of termination specifying the extent to which performance of work under the purchase order is terminated and the date upon which such termination is effective. Such right is in addition to and in lieu of rights of Aero set forth herein.

13.3 Vendor shall not assign or transfer to any substituted third party all or parts of its obligations under the Purchase Order. In the event of transfer of its manufacturing business, Aero reserves the right to assign to a possible partner in its programs the whole or part of its orders with the rights and obligations in respect thereof.

13.3 No work under a Purchase Order may be subcontracted by the vendor without Aero's prior written consent.

13.4 Any Purchase Order and any information related to the Purchase Order shall be treated as strictly confidential by the Vendor. The Vendor is not authorized to make any disclosure of data and/or publicity without Aero's prior written consent. Any information given to the Vendor by Aero shall remain the absolute property of Aero.

13.5 If any term, condition or provision, or part thereof, of the Purchase Order is nullified or made void the remaining terms, conditions and provisions shall remain, as far as possible, in full force and effect.

Aero Instruments & Avionics, Inc. ED. Aug 2012 (Final)