

History of Revisions			
Revision	Date	Change Activity	Revised by:
-	01-01-2012	INITIAL RELEASE	S. BELLOISE
A	12-14-2017	UPDATE FOR AS9100 REV D	C. SIMMIONS

Purpose

The purpose of this Purchase Order is to define the Terms and Conditions under which suppliers will conduct business with Avalex Technologies Corporation.

1. Definitions

“BUYER” shall mean Avalex Technologies Corporation.

“SELLER” shall mean the supplier stated as such in the Purchase Order.

“Completion” shall mean when the Goods have been delivered and accepted, together with delivery of all applicable documentation, drawings, models, instructions, descriptions, handbooks, and manuals necessary for correct installation, operation, maintenance, and use of the Goods, as specified in any Contract Document. “Contract” shall mean the written contract between the Parties for the performance of the work by SELLER, consisting of these Terms and Conditions and any other Contract Documents. “Contract Document” shall mean any document explicitly made part of the Contract. “Day” shall mean calendar day.

“Delivery Schedule” shall mean the schedule which specifies the time for delivery, performance, partial performance or Completion, as applicable. The Delivery Schedule may be included in the Purchase Order or in any other Contract Document.

“Goods” may mean any article, product, apparatus, machine, device, material, component, or subassembly or service furnished or to be furnished under the Purchase Order.

“Services” shall mean any work or service performed or to be performed under the Purchase Order.

“In Writing” shall mean a document signed by BUYER and/or SELLER and submitted to the other Party either by hand, courier service, letter, fax, or pdf-attachment to an e-mail.

“Purchase Order” shall mean a request for the purchase of Goods or Services, issued in writing which describes the Goods to be purchased or Services to be provided.

“Order Confirmation” shall mean a document issued by SELLER in writing using BUYER’s form as attached to the Purchase Order, in which SELLER declares and undertakes to provide the requested Goods and/or Services according to the Contract.

2. BUYER reserves the right of final approval of product, procedures, processes and equipment.

3. All special processes required by this Purchase Order must be performed by qualified personnel.

4. BUYER reserves the right to review and approve the SELLER’s Quality Management System. Standard QMS Requirements Include:

- (a) SELLERS providing special processing must maintain a system for validating processes.
- (b) Customer Directed sources must operate in accordance with approved specifications and standards as dictated and controlled by the customer in question.

- (c) Suppliers initially approved for use via Certification (ISO, AS9100, ISO 17025, AS9120, etc) must notify BUYER of any changes to Certification and BUYER must be given the opportunity to perform a first article inspection on GOODS before Seller fulfills any Purchase Order submitted subsequent to said changes.
5. SELLER shall maintain the proper identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data.
6. BUYER reserves the right to approve or specify any designs, tests, inspection plans, verifications, use of statistical techniques for product acceptance, and any applicable critical items including key characteristics.
7. BUYER reserves the right to designate requirements for test specimens (e.g., production method, number, storage conditions) for design approval, inspection/verification, investigation or auditing.
8. The SELLER is required to:
- (a) notify BUYER of nonconforming product,
 - (b) obtain BUYER's approval for nonconforming product disposition,
 - (c) notify BUYER of changes in product and/or process, changes of suppliers, changes of manufacturing facility locations and, obtain BUYER's approval regarding any such changes, and
 - (d) flow down to the supply chain the applicable requirements including customer requirements.
9. The Vendor is required to retain all Records associated with the Purchase Order for 7 (seven) years or as required by contract.
10. Seller shall allow right of access by BUYER, their customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.
11. Acceptance and Acknowledgement

BUYER shall ensure the adequacy of specified purchase requirements prior to their communication to the SELLER. Thereafter, the Purchase Order to which these Terms and Conditions apply is BUYER's offer and shall become a Contract only upon full and unconditional acceptance in writing by SELLER and in strict accordance with BUYER'S Terms and Conditions. SELLER's general terms and conditions, exceptions, qualifications, or other terms and conditions shall not apply, unless explicitly accepted In Writing by BUYER. No oral

agreement or other understanding shall in anyway modify, amend or extend this Purchase Order or any of the terms and Conditions hereof. All supplemental sheets, schedules, attachments, schedules, drawings, exhibits, or riders which may be annexed hereto are made part of this Purchase Order to which SELLER agrees by acceptance of this Purchase Order.

12. Delivery

Deliveries shall be completed strictly in accordance with the quantities specified on the Purchase Order. BUYER may at any time postpone delivery of any of the articles ordered herein for a reasonable time as to any particular schedule shipment. If, at any time, it appears SELLER may not meet such Delivery Schedule, SELLER shall, upon request by BUYER, avoid such delay (or such portion thereof as BUYER requires) by appropriate methods, including (without limitation) incurring expenditures for overtime and expedited shipment by air or other means of expedited transport. Any costs incurred by SELLER to avoid such delay shall be borne solely by SELLER, unless the delay in delivery arises out of causes beyond the control and without the fault or negligence of SELLER or its subcontractors within the meaning of the "Default-Termination" clause herein. The foregoing requirements are in addition to all of BUYER's other rights and remedies as may be provided by applicable law for this Purchase Order. Nothing herein shall be interpreted as waiving BUYER's remedies or default (including right or termination) if SELLER fails to meet the Delivery Schedule. Time is of the essence with respect to all deliveries under this Agreement. Therefore, the delivery date(s) shall not be advanced or delayed without written agreement between BUYER and SELLER.

13. Packing, Marking and Shipping

SELLER shall pack, mark and ship all Goods in accordance with the requirements of this Purchase Order, all applicable transportation regulations and good commercial practices for the adequate protection and shipment of the ordered Items. SELLER shall secure the transportation service and rates most advantageous to BUYER as long as procurement thereof shall be consistent with SELLER'S foregoing obligations. No separate or additional charge shall be payable by BUYER for containers, crating, boxing, bundling, storage unless specifically stated in this Purchase Order. Any expense, damage or liability incurred by BUYER as a result of improper preservation, packaging, marking or method of shipment shall be promptly reimbursed by SELLER upon BUYER'S demand. A packing list showing this Purchase Order number (and release number, if applicable) shall be included with each shipment, and each container shall be marked to show the Purchase Order number. SELLER shall mail the original bill of lading to BUYER's Purchasing Department at point of purchase unless otherwise instructed. Any transportation charges paid by SELLER for which SELLER is entitled to reimbursement as specifically stated in this Purchase Order shall be shown on SELLER's invoice as a separate line item and the receipted freight bill shall be

attached thereto. In the case of a drop shipment, SELLER shall send BUYER at time of shipment two copies of the above-described packing list.

14. Variations in Quantity

Quantities of Goods delivered pursuant to this Purchase Order shall not vary from the quantities ordered without specific written consent of BUYER. Shortages in quantities will be made up by SELLER at no cost to BUYER within the delivery period indicated. BUYER will not pay for any overages without prior agreement between BUYER and SELLER and will, at SELLER's timely request, return overages to SELLER at SELLER's expense.

15. Changes, Processed and Manufacturing Location

(a) BUYER may at any time by written notice make changes in drawings, specifications, descriptions, shipping instructions, quantities and/or delivery schedules. Should any such changes increase or decrease the cost of Goods or the time required for performance of this Purchase Order, an equitable adjustment will be negotiated, evidenced by a written amendment to this Purchase Order by the Parties.

(b) SELLER shall not make any modifications, improvements, alterations, or changes to the Good(s) listed in this Purchase order that may affect or may tend to affect form, fit, function or appearance or that reduce reliability, or that affect interchangeability of the changed or modified Good(s), unless such changes are first approved by BUYER in writing. SELLER shall give BUYER a minimum of thirty (30) days prior written notification of proposed changes prior to proceeding.

- Such changes may include, but are not limited to: Use of material other than what was used in previously approved Goods
- Production from new, additional, replacement or modified tools, dies, molds, patterns, etc.
- Production following upgrade or rearrangement of existing tooling or equipment
- Production from tooling and equipment transferred to a different plant site or from another plant
- Change of sub-tier supplier for parts, nonequivalent materials, or services (e.g. heat treating, plating, etc.)
- Goods produced after tooling has been inactive for production for 12 months or more
- For bulk materials: new source of raw material from new or existing supplier, or change in product appearance attributes, etc.
- Change in manufacturing location or facility change.

(c) BUYER may, at its option, require that a first article test be performed on any Goods that have been changed with any of the aforementioned changes since issuance of this Purchase Order.

16. Reliance

SELLER represents and warrants that it is an expert fully competent in all phases of performing the Contract, and SELLER agrees that BUYER is relying on such representation and warranty by SELLER.

SELLER shall not be relieved of any of its contractual obligations on the grounds that BUYER approved any specification, plan, or other documentation prepared by SELLER, or that BUYER provided recommendations or assistance in any phase of the work undertaken to produce the Goods.

In order to ensure successful performance of the Contract, SELLER shall as an expert make good faith review of all specifications, requirements, designs, tools, models, technical data, or other documentation when such is provided by BUYER to SELLER. SELLER shall forthwith notify BUYER In Writing of any missing documentation, deficiencies, discrepancies, or concerns that SELLER identifies in connection herewith.

The Parties agree to negotiate in good faith to modify the terms of this Agreement to accommodate changes in performance necessitated by BUYER'S recommendations, assistance in any phase of the work, or any other matters or concerns identified pursuant to this Article 7.

17. Assignment of Purchase Order

(a) SELLER shall not assign this Purchase Order nor delegate any of its duties or obligations hereunder without BUYER's prior written consent except as permitted by the "SUBCONTRACTING" provision of this Purchase Order and any unauthorized assignment or delegation shall be void and shall constitute a material breach hereof.

(b) Upon written notification to BUYER, SELLER may assign to a third party its rights to payments due or to become due SELLER hereunder; provided SELLER and the third party to whom such payments are assigned jointly execute, in a form acceptable to BUYER, a written understanding to hold BUYER harmless with respect to any payments made pursuant to such assignment. Any assignment of current or future payments shall be subject to

all defenses and rights of set off or withholding in favor of BUYER, including, without limitation, set off for damages for breach of contract or warranty and deductions pursuant to this Purchase Order.

18. Subcontracting

SELLER shall not, without BUYER's prior written consent, subcontract any portion of this Purchase Order if the aggregate of all such subcontracts is in excess of \$10,000, provided, however, that the limitation shall not apply to SELLER's purchase of standard commercial supplies or raw materials. SELLER shall select subcontractors (including suppliers) on a competitive basis to the maximum extent consistent with the objectives and requirements of this Purchase Order. SELLER must flow down to sub tier suppliers all applicable requirements in the

purchasing documents (such as Purchase Orders and documents associated with orders of Goods), including any key characteristics where required (such as requirements contained in BUYER'S customers' purchasing documents, including, but not limited to, purchase orders, statements of work, specifications, quality assurance provisions and other documents associated with such orders).

19. Inspection and Testing

(a) All Goods (including, without limitation, raw material, components, intermediate assemblies, and end products) and Services performed by SELLER shall be subject to inspection and test by BUYER and BUYER's customer and regulatory authorities, to the extent practicable at all times, places and facilities used in the performance of this Purchase Order during the period of manufacture. This right of inspection shall include the right of access to all applicable records.

(b) In case any Goods are defective in material or workmanship (or design, to the extent SELLER is responsible therefore), or otherwise not in conformity with the requirements of this Purchase Order ("Non-Conforming Goods"), SELLER must immediately notify BUYER upon the discovery of such Non-Conformity of Goods. BUYER shall then have the right, at its sole discretion, to either: (i) accept the Non-Conforming Goods; (ii) reject the Non-Conforming Goods and cancel all or any part of this Purchase Order; or (iii) require that the Non-Conforming Goods be corrected or replaced by SELLER with conforming Goods. If BUYER does not accept the Non-Conforming Goods pursuant to (ii) or (iii) above, BUYER may return the Non-Conforming Goods to SELLER at SELLER's risk and expense, including transportation both ways. Non-Conforming Goods which have been rejected or required to be corrected by BUYER pursuant to (ii) or (iii) above shall be removed or, if permitted or required by BUYER, corrected in place by and at the expense of the SELLER promptly after notice is sent by BUYER. If SELLER fails promptly to remove such Non-Conforming Goods which are required to be removed, or promptly to replace or correct such Non-Conforming Goods pursuant to (ii) or (iii) above, BUYER may either: (1) replace or correct such Non-Conforming Goods and charge SELLER the cost therefore; or (2) cancel all or any part of this Purchase Order. Unless SELLER corrects or replaces such Non-Conforming Goods within the specified delivery schedule, BUYER may require the delivery of such Non-Conforming Goods at a reduction in price which is equitable under the circumstance. If any inspection or test is made by BUYER, BUYER's customer and/or the Government on the premises of SELLER or its subcontractor, SELLER, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of BUYER, BUYER's customer and/or Government inspectors in the performance of their duties. If such inspection or test is made at a point other than the premises of SELLER or its subcontractor, it shall be at the expense of BUYER, except as otherwise provided in this Purchase Order, provided, that in case of rejection, BUYER shall not be liable for any reduction in value of samples used in connection with such inspection or test. All such inspections or tests shall be performed in such a manner as not to unduly delay the performance of the work or the delivery

of the Goods. BUYER reserves the right to charge SELLER for additional re-inspections or retest as necessitated by prior rejection.

Inspection and acceptance or rejection of Goods shall be made as promptly as practicable after delivery to BUYER's plant or to such other place of final delivery as may be specified herein, irrespective of prior payment, except as otherwise expressly provided for in this Purchase Order; but failure to inspect and accept or reject Goods shall not relieve SELLER from responsibility for such Goods as are not in accordance with Purchase Order requirements nor impose liability on BUYER therefore.

(c) SELLER shall provide and maintain an inspection system acceptable to BUYER covering the Goods hereunder. Records of all inspection work by SELLER shall be kept complete and available to BUYER during the performance of their Purchase Order and for a period of no less than ten (10) years.

(d) This section shall not reduce any of the rights or liabilities of the parties under the "WARRANTY" provision of this Purchase Order.

(e) All rights granted herein to BUYER's customer and/or Government shall be preserved by SELLER and passed on to all of its subcontractors and suppliers.

(f) It is expressly agreed that payment shall not constitute final acceptance. Defective Goods will be returned at SELLER's risk and expense at the full invoice price, plus incoming transportation charges. No replacement of defective Goods shall be made unless specified in writing by the BUYER. BUYER may reject and return any

portion of shipment, which may be defective or fail to comply with specifications, drawings, samples or descriptions stated in the Purchase Order without invalidating the remainder of the Purchase Order.

20. **Obsolescence.** SELLER verifies that all parts BUYER is purchasing via this Purchase Order have an indefinite product life. SELLER shall continuously monitor the availability of components and resources necessary for the performance of the work. If SELLER becomes aware of a potential change in the availability of components or resources, SELLER shall immediately notify BUYER In Writing of such change. Without prejudice to SELLER's obligations to perform as originally agreed under the Contract, SELLER shall immediately present to BUYER a plan for how to resolve the issue. BUYER reserves the right, in its sole discretion, to decide how the issue shall be resolved.

21. Warranty

(a) By acceptance of this Purchase Order, SELLER expressly certifies and warrants that all material and work that is covered by this Purchase Order shall conform to the specifications, including reliability, operating life, workmanship, materials, performance, drawings, samples or other description furnished by BUYER and further warrants that to the extent quality is not specified the best quality shall be furnished, and that all work and Goods shall be merchantable,

of good material and workmanship and free from defect. The warranty period shall commence upon transfer of title to BUYER and remain in effect until twenty-four (24) months after Completion (the "Warranty Period"). The SELLER expressly warrants that all Goods covered by this Purchase Order which is the product of SELLER or maintained by SELLER will be fit and sufficient for the purposes intended, and SELLER hereby acknowledges that it fully understands the purposes intended for work and Goods to be furnished. This warranty shall survive inspection, and any defects found subsequent to delivery, whether patent or latent, shall remain the responsibility of SELLER. SELLER will at the option of BUYER (i) replace defective Goods with products meeting the requirements hereof at no cost to BUYER, (ii) repay such portion of the purchase price as is equitable in the circumstance if BUYER elects to use the defective Goods, or (iii) repay the unit cost of any such defective Goods plus any excess costs of BUYER in acquiring satisfactory Goods and resultant rework of BUYER's product(s). The SELLER shall hold BUYER harmless from any damage arising from a breach of these warranties. The warranties of the SELLER together with its service warranties and any guarantee, if any, shall run to the BUYER and/or BUYER's customers.

(b) COUNTERFEIT PARTS WARRANTY: SELLER warrants the materials delivered to BUYER shall (i) be new; (ii) be and only contain materials obtained directly from the original equipment manufacturer ("OEM") or an authorized OEM reseller or distributor; (iii) not be or contain Counterfeit Items; and (iv) contain only authentic, unaltered OEM labels and other markings. As used in this Purchase Order, a "Counterfeit Item" is defined as a copy or substitute without legal right or authority to do so or one whose material, performance or characteristics are knowingly misrepresented by a supplier, distributor or manufacturer at any level in the supply chain. Examples include, but are not limited to: parts remarked to disguise parts differing from those offered by the OEM; previously used parts salvaged from scrapped assemblies; and defective parts scrapped by the OEM.

(i) Unless otherwise first approved in writing by the BUYER, the SELLER may only purchase Items from sources which the SELLER can show comply with a recognized international standard relating to Counterfeit Items and which ensure that the items purchased from such source are new, unused and authentic Items.

(ii) The SELLER shall maintain a method of traceability that ensures tracking of the supply chain back to the manufacturer of all items included in the Goods being supplied. This traceability method shall clearly identify the name and location of all supply chain intermediaries from the manufacturer to the direct source of each Item for the SELLER and shall include the manufacturer's batch identification for the item such as date codes, lot codes, serializations, or other batch identifications. Full supply chain traceability documentation includes but is not limited to OCM, OEM and authorized (i.e. franchised) supplier certificates of conformity, purchase orders and test/inspection data and/or certificates. The Contract shall specify any additional documentation (other than as specified in this condition) required by the BUYER. (iii) If Counterfeit Items or suspect Counterfeit Items are furnished under the Contract such Goods shall be impounded. The SELLER shall promptly replace such Goods with Goods acceptable to the BUYER and the SELLER shall be liable for all costs relating to impoundment, removal and replacement. The BUYER may notify and turn Counterfeit Items over to Government authorities

for investigation and the BUYER reserves the right to withhold payment pending the results of the investigation. (iv) This condition 10(b) applies in addition to any quality provision, specification, statement of work or other provision included in the Contract addressing the authenticity of Goods. To the extent that such provisions conflict with this condition, this condition shall prevail. (v) The SELLER shall flow down these requirements to the SELLER's supply chain for any items that are intended for the BUYER. (vi) The SELLER is reminded that any

knowing and willful act to falsify, conceal or alter a material fact, or any false, fraudulent or fictitious statement or representation in connection with the performance of work under the Contract may be punishable in accordance with applicable statutes and laws. (vii) The SELLER shall include all provisions of this condition 10 (b), including this sentence, in all lower tier contracts under this Purchase Order. Any inability or unwillingness of a lower-tier supplier to comply with this provision should be documented in writing and submitted immediately to the BUYER.

22. Price Warranty

SELLER represents that the price or prices specified on this Purchase Order do not exceed the current selling prices for the same or substantially similar items whether to the Government or to any other purchaser, taking into account the quantity and delivery requirements hereof. SELLER further represents that to the best of its knowledge, information and belief, the prices to be charged for Goods covered by this Purchase Order are not in excess of prices established by any applicable law or regulation, and SELLER agrees forthwith to refund any amounts paid by BUYER in excess of lawful amounts, or of the foregoing provisions of this section. The price includes packing, crating and preparation for shipment.

23. Consigned Property and Responsibility for Property

Unless otherwise provided herein or in any other agreement between BUYER and SELLER, all supplies, materials, facilities, tools, jigs, dies, fixtures, patterns, or equipment furnished to SELLER by BUYER to perform this Purchase Order shall remain the property of BUYER and SELLER shall bear all risk of loss thereof, and damage thereto, normal wear and tear excepted, which such property is in SELLER's possession. All such property shall at all times be properly housed and maintained by SELLER; shall be marked by SELLER as the property of BUYER'S business unit that issued the Purchase Order, shall not be commingled with the property of SELLER or that of a third party; shall not be moved from SELLER's premises without prior written authority from BUYER; and shall, upon request of BUYER, be immediately delivered to BUYER, by SELLER.

24. Intellectual Property

(a) SELLER warrants that the Goods delivered under this Purchase Order which are not of BUYER'S design will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country and are free and clear of all liens, licenses, claims and encumbrances.(b) SELLER shall indemnify, hold harmless and, at BUYER'S election, defend BUYER and its customers from and against all losses, costs, claims, penalties, causes of action, damages, liabilities, fees and expenses, including, but not limited to, reasonable attorneys' fees, arising from or related to any action by a third party that is based upon a claim that the Goods delivered under this Purchase Order infringe or otherwise violate the intellectual property rights of any person or entity.(c) SELLER grants and agrees that BUYER shall have a nonexclusive, worldwide, irrevocable, paid-up, royalty-free license and right, to enable BUYER to satisfy its contractual obligations to its customers, including the right to make, have made, sell, offer for sale, use, execute, reproduce, display, perform, publish, distribute, copy, prepare derivatives or compilations, and authorize others to do any, some or all of the foregoing, with respect to any and all, inventions, discoveries, improvements, technology, designs, works of authorship, mask works, patents, copyrights, technical information, data, databases, software, business information and other information, conceived, developed, generated or delivered in performance of this Contract. SELLER shall provide all assistance reasonably required and execute all documents necessary to perfect the rights granted to BUYER herein.(d) Any invention, development, trademark or copyrightable subject matter conceived, first reduced to writing, first reduced to practice, or made by SELLER, either solely or with others, in the course of SELLER'S performance under this Purchase Order, is hereby assigned to BUYER if such invention, development, trademark or copyrightable subject matter: (i) results from services for BUYER under this Purchase Order; or (ii) is made using BUYER'S time, materials or facilities, or is paid for by BUYER. All such copyrightable subject matter will be "works made for hire" under U.S. Copyright law. SELLER will disclose such inventions, developments, trademarks or copyrightable subject matter promptly to BUYER and will cooperate with BUYER during and after the term of this Purchase Order in filing and prosecuting any patent, trademark or copyright applications thereon and in evidencing ownership thereof by BUYER. SELLER agrees that the payments pursuant to this Purchase Order are full and complete compensation for all obligations assumed by SELLER hereunder, and the assignment of inventions, developments, trademarks or copyrightable subject matter does not entitle SELLER to any additional compensation.

25. Taxes

Federal, state or local taxes of any nature which are billed to BUYER shall be stated separately in SELLER's invoices. To any extent that exemptions are available on taxes included in the original quote, such exemptions will be obtained by SELLER and be passed on to BUYER as a reduction in price.

26. Invoices

Invoices will be submitted by SELLER to the address of Avalex Technologies Corporation as stated on the Purchase Order. In no event shall payment be due from BUYER prior to the specified delivery dates. Terms of payment will be computed from the latest of the following dates: (a) Specified delivery date; (b) Date of Delivery, inspection and acceptance; (c) Date correct invoice or voucher is received in office specified by BUYER. Payment is deemed to be made on the date of mailing of the check by the BUYER. Payment of SELLER's invoice is subject to adjustment for over shipment, shortage, and rejection. Individual invoices showing this Purchase Order number and item number of Purchase Order and description of items as shown on this Purchase Order must be issued for each shipment applying to this Purchase Order. One copy of each individual invoice must be plainly marked "ORIGINAL". Any applicable sales tax, duty, excise tax, use tax, or other similar tax or charge, for which BUYER has not furnished an exemption certificate, must be itemized separately on SELLER's invoices. A statement of account shall be submitted monthly.

27. Force Majeure

BUYER shall not be obliged to accept Goods covered by this Purchase Order while it is unable to do so as a result of causes or conditions beyond its control including, without limitations, fires, floods, strikes, differences with employees, casualties, total or partial shutdown of its plants for any reason, or rules or regulations of any governmental authority, and, in such event BUYER may, at its option, extend the time of payments due hereunder, without interest, by the length of such period during which BUYER is unable to accept Goods, or BUYER may terminate all or such portion of this Purchase Order represented thereby without penalty.

28. Advertising and/or New Releases

SELLER shall not, without prior written consent of BUYER, advertise or release to the public or any media information relating to the requirements set forth in this Purchase Order or the fact that SELLER has contracted with BUYER. SELLER may request a release by formally transmitting to the BUYER a written request including the exact wording and any sketches or photographs which may form a part of the release. Under no circumstances shall releases be requested relating to Government Classified work. For failure to observe this provision, BUYER shall have the right to cancel the Purchase Order without any further liability.

29. Liens

SELLER agrees to deliver to BUYER the articles covered by this Purchase Order free and clear of all liens, claims and encumbrances.

30. Termination for Convenience

- (a) BUYER may for any reason (whether SELLER is in default or not) terminate the unperformed parts of the Contract in whole or in part by providing a minimum of sixty (60) days' notice in writing to SELLER, specifying what work is to be terminated and the effective date of the termination.
- (b) SELLER shall immediately cease all further production of the Goods, and make its best efforts to cancel all subcontracts in the most cost effective manner and provide documentation to BUYER hereof.
- (c) SELLER shall promptly make delivery of any part of the Goods (regardless of its state of progress) which is not already delivered at the date of termination if so requested by BUYER.
- (d) In addition to any payment due to SELLER for Goods already delivered by SELLER, BUYER shall also make payment of the full Contract price for all Goods that SELLER has begun regardless of its state of progress and regardless of whether BUYER requests delivery of said Goods.
- (e) IN NO EVENT, EITHER FOR TERMINATION FOR CONVENIENCE OR ANY OTHER REASON, SHALL BUYER BE LIABLE TO SELLER FOR ANY PUNITIVE, EXEMPLARY, SPECIAL, INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES (INCLUDING WITHOUT LIMITATION LOSS OF USE, INCOME, PROFITS, BUSINESS, SAVINGS, DATA, OR BUSINESS REPUTATION), EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

31. Termination for Default

- (a) In addition to such rights as BUYER may have under FAR 52.249-8 and FAR 49.502, BUYER shall be entitled to terminate the Contract, or any part thereof, for default with immediate effect by notice In Writing to SELLER in the following circumstances:
- (i) SELLER fails to reach Completion within the time specified in the Contract, or fails to perform any of its other obligations under the Contract, or fails to make progress so as to endanger the performance of the Contract, and, in either case, fails to remedy and cure such failure within thirty (30) Days after SELLER's receipt of written notice specifying the failure; or
- (ii) SELLER suspends its business, or becomes the subject of bankruptcy, insolvency, liquidation, winding-up, receivership or analogous proceedings or events, or there are otherwise reasonable grounds to assume the occurrence of such events.
- (b) SELLER shall diligently proceed with the performance of the work not terminated by BUYER.
- (c) BUYER shall in case of termination for default be entitled to return the terminated part of the work or Goods and to reclaim all corresponding payments made of the Purchase Order price. In addition, BUYER shall be entitled to compensation for the documented direct costs and expenses, hereunder any excess procurement costs, resulting from the termination.

32. Delayed Performance

SELLER is in delay if Completion is not achieved in accordance with the Delivery Schedule. In case of delay, BUYER shall be entitled to liquidated damages amounting to five-tenths of one per cent (0.5%) of the Purchase Order price for the portion of the Contract that is delayed for each Day of delay. In no event shall the liquidated damages exceed twenty per cent (20%) of the total Purchase Order price. Liquidated damages hereunder shall be BUYER's sole monetary remedy in the event of delay on part of the SELLER except for termination for default under Article 12 and except for negligence or misconduct on part of SELLER. If the delay is caused by negligence or misconduct on part of SELLER, BUYER may claim damages for actual losses in excess of the liquidated damages.

33. Buyer's Property

All specifications, drawings, tools, jigs, dies, fixtures, materials and other items which are supplied by BUYER or which are to be furnished by SELLER as an item or items on this Purchase Order shall be confidential. They shall be and remain the property of BUYER and BUYER shall have the right to enter SELLER's premises and remove them at any time without being guilty of trespassing or liable to SELLER for damages of any sort. All such items shall be used only in the performance of work under this Purchase Order unless BUYER consents otherwise in writing, except that as to any such items which are owned by the Government or which the Government has the right to use, the SELLER may use items in the performance of any direct contract between the SELLER and the Government on a non-interference basis, after the Government has expressly authorized such use in writing with written notice of such authorization to the BUYER. SELLER shall prominently mark all such items as the property of, and, if directed, the area in which they are located as containing property of, BUYER (or, as the case may be, of the United States Government or said other party). SELLER shall also mark such items with the corresponding drawing number and/or Government number.

SELLER shall similarly list all such items on inventory invoices and shall be responsible for them as an insurer until delivered to BUYER. SELLER shall not dispose of any such items without BUYER's written consent. The provisions of this Article herein above set forth shall survive delivery and payment, and remain in full force until all said items are delivered to BUYER or otherwise disposed of with BUYER's written consent. SELLER shall without limitation as to time indemnify and save BUYER harmless from all claims which may be asserted against said property, including without limitation mechanic's lien or claims arising under workman's Compensation or Occupational Disease laws, and from all claims for injury to persons or property arising out of or related to such property unless the same are caused solely and directly by BUYER's negligence.

34. No Waiver of Conditions

Failure of BUYER to insist on strict performance hereof shall not constitute a waiver of any of BUYER's rights hereunder, or waiver of any default by SELLER.

35. Business Continuity Plan

SELLER is a key component and partner in BUYER's commitment to its customer base for on-time performance and delivery. SELLER is responsible and accepts the duty to implement and maintain a Business Continuity Plan consistent with its product line that includes: disaster recovery actions; IT recovery capabilities; back- up and alternative sources of supply; emergency operation plans; and related BCP actions.

36. Disputes, Applicable Law and Jury Waiver

(a) All disputes arising from or related to this Contract, which are not disposed of by mutual agreement may be decided by recourse to an action at law or equity. Until final resolution of any dispute hereunder, SELLER shall diligently proceed with the performance of this Purchase Order as directed by BUYER.

(b) BUYER and SELLER agree to timely notify each other of any claim, dispute or cause of action arising from or related to this Purchase Order, and to negotiate in good faith to resolve any such claim, dispute or cause of action. To the extent that such negotiations fail, BUYER AND SELLER AGREE THAT ANY LAWSUIT OR CAUSE OF ACTION THAT ARISES FROM OR IS RELATED TO THIS PURCHASE ORDER SHALL BE FILED WITH AND LITIGATED ONLY IN A COURT OF COMPETENT JURISDICTION WITHIN THE STATE AND COUNTY FROM WHICH THIS CONTRACT WAS ISSUED; AND BUYER AND SELLER EACH HEREBY CONSENT AND AGREE TO THE PERSONAL JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION LOCATED WITHIN THE STATE FROM WHICH THIS CONTRACT WAS ISSUED WITH RESPECT TO ANY SUCH CLAIM, DISPUTE OR CAUSE OF ACTION AND WAIVE ANY DEFENSE OR OBJECTION TO THE EXERCISE OF PERSONAL JURISDICTION AND/OR VENUE BY ANY SUCH COURT.

(c) TO THE EXTENT PERMITTED BY APPLICABLE LAWS, BUYER AND SELLER EACH WAIVE ANY RIGHTS WHICH EITHER MAY HAVE TO TRIAL BEFORE A JURY OF ANY DISPUTE ARISING FROM, OR RELATED TO, THIS CONTRACT. SELLER AND BUYER FURTHER STIPULATE AND CONSENT THAT ANY SUCH LITIGATION BEFORE A COURT OF COMPETENT JURISDICTION SHALL BE NON-JURY.

(d) Where a FAR provision or clause or any other federal statute regulation or clause, is cited or incorporated in this Purchase Order, federal law shall govern the interpretation and application thereof.

37. Costs and Attorney Fees

In the event that it becomes necessary for the BUYER to bring suit against the SELLER for the SELLER's breach of any of the conditions or terms of this Purchase Order, either for recovery of monies paid or for damages incurred, the BUYER shall be entitled to receive compensation for reasonable Attorney's fee and its costs and disbursements for said suit.

38. Specification Control Drawings

Items procured to Specification Control Drawings shall meet the specific requirements of the drawing. The SELLER shall not modify the manufacturing process, methods or materials after initial acceptance without prior written approval from BUYER.

39. Export Related Requirements

(a) EXPORT COMPLIANCE. PERFORMANCE OF THIS PURCHASE ORDER IS SUBJECT TO U.S. EXPORT CONTROLS UNDER 22 U.S.C. 2751-2796 (ARMS EXPORT CONTROL ACT), 22 C.F.R. 120-130 (INTERNATIONAL TRAFFIC IN ARMS REGULATIONS "ITAR"), 50 U.S.C. 2401-2420 (EXPORT ADMINISTRATION ACT), 15 C.F.R. 768-799 (EXPORT ADMINISTRATION REGULATIONS "EAR"), REGULATIONS AND ORDERS ADMINISTRATED BY THE TREASURY DEPARTMENT, OFFICE OF FOREIGN ASSET CONTROLS ("OFAC"), OR LAWS AND REGULATIONS OF OTHER COUNTRIES COLLECTIVELY ("EXPORT CONTROL LAWS") AND THEIR SUCCESSOR AND SUPPLEMENTAL LAWS AND REGULATIONS (COLLECTIVELY HEREINAFTER REFERRED TO AS THE "EXPORT LAWS AND REGULATIONS"). SELLER SHALL PROVIDE BUYER UPON BUYER'S REASONABLE REQUEST ANY DOCUMENTATION AND OTHER INFORMATION THAT SUPPORTS THE CLASSIFICATION OF GOODS PROVIDED UNDER THIS PURCHASE ORDER.(b) IF SELLER IS ENGAGED IN THE UNITED STATES IN THE BUSINESS OF EITHER EXPORTING, MANUFACTURING OR BROKERING PRODUCTS SUBJECT TO THE U.S. MUNITIONS LIST (USML) AND THE ITAR, SELLER REPRESENTS THAT IT IS LEGALLY REGISTERED WITH THE DEPARTMENT OF STATE, DIRECTORATE OF DEFENSE TRADE CONTROLS AND THAT IT MAINTAINS AN EFFECTIVE EXPORT/IMPORT COMPLIANCE PROGRAM IN ACCORDANCE WITH THE ITAR.(c) FOREIGN PERSONNEL. SELLER SHALL NOT PERMIT ACCESS BY ANY FOREIGN PERSON, TO TECHNICAL DATA, INFORMATION OR SOFTWARE THAT IS CONTROLLED BY EXPORT LAWS AND REGULATIONS WITHOUT THE PRIOR WRITTEN CONSENT OF BUYER. ANY REQUEST FOR SUCH CONSENT MUST STATE THE INTENDED RECIPIENT'S CITIZENSHIPS AND NATIONALITY STATUS UNDER 8 U.S.C.1101 AND 8 U.S.C. 1324 (THE "IMMIGRATION AND NATURALIZATION ACT"), AND SUCH OTHER INFORMATION AS BUYER MAY REASONABLY REQUEST. NO CONSENT GRANTED BY BUYER IN RESPONSE TO SELLER'S REQUEST UNDER THIS PARAGRAPH (B) SHALL RELIEVE IT OF ITS

OBLIGATIONS TO COMPLY WITH THE PROVISIONS OF PARAGRAPH (A) OR THE EXPORT LAWS AND REGULATIONS, NOR SHALL ANY SUCH CONSENT CONSTITUTE A WAIVER OF THE REQUIREMENTS OF PARAGRAPH (A), NOR CONSTITUTE CONSENT FOR SELLER TO VIOLATE ANY PROVISION OF THE EXPORT LAWS AND REGULATIONS.(d) TECHNICAL DATA CONTROL AND LEGEND. SELLER WARRANTS THAT IT WILL CONTROL AND MAINTAIN THE RECEIPT, STORAGE AND DISPOSITION OF ALL ITAR DESIGNATED TECHNICAL DATA OR INFORMATION RECEIVED FROM BUYER, AND WILL OFFICIALLY DESTROY OR RETURN ALL DATA TO BUYER IN THE UNITED STATES UPON FULFILLMENT OF THE PURCHASE ORDER OBLIGATIONS. SELLER SHALL INCLUDE THE FOLLOWING LEGEND IN SOLICITATIONS AND PURCHASE ORDERS/CONTRACTS THAT CONTAIN BUYER PROVIDED ITAR DESIGNATED TECHNICAL DATA AS DEFINED BY THE ITAR:

“WARNING: THESE DATA ARE CONTROLLED FOR EXPORT PURPOSES UNDER THE UNITED STATES INTERNATIONAL TRAFFIC IN ARMS REGULATIONS, 22 CFR PARTS 120-130 (ITAR). UNLESS AN ITAR LICENSE EXCEPTION OR EXEMPTION IS PROPERLY AVAILABLE, THE EXPORT OF THESE DATA FROM THE UNITED STATES REQUIRES AN EXPORT LICENSE OR AUTHORIZATION GRANTED BY THE STATE DEPARTMENT’S DIRECTORATE OF DEFENSE TRADE CONTROLS (DDTC). UNDER THE ITAR, THE DISCLOSURE OF THESE DATA TO A FOREIGN PERSON (I.E.: AN INDIVIDUAL WHO IS NEITHER A U.S. CITIZEN NOR A PERMANENT RESIDENT) IS CONSIDERED AN EXPORT OF THE DATA TO THE FOREIGN PERSONS COUNTRY OF CITIZENSHIP. VIOLATORS OF THESE EXPORT LAWS ARE SUBJECT TO SEVERE CIVIL AND CRIMINAL PENALTIES. RECIPIENT SHALL INCLUDE THIS NOTICE WITH ANY REPRODUCED PORTION OF THIS DOCUMENT.”

THE USE OF THIS TECHNICAL DATA OR INFORMATION IN DOCUMENT FORM (OR ANY OTHER MEDIUM), INCLUDING ANY ATTACHMENTS AND EXHIBITS HERETO, IS RESTRICTED BY U.S. LAW AND REGULATIONS. IT MAY NOT BE TRANSFERRED, EXPORTED, RELEASED OR DISCLOSED TO ANY FOREIGN PERSON IN THE UNITED STATES OR ABROAD, EXCEPT AS AUTHORIZED BY THE U.S. DEPARTMENT OF STATE OR THE INTERNATIONAL TRAFFIC IN ARMS(e) INDEMNIFICATION. SELLER SHALL INDEMNIFY AND HOLD HARMLESS BUYER FROM AND AGAINST ANY AND ALL DAMAGES, LIABILITIES, PENALTIES, FINES, COSTS, AND EXPENSES, INCLUDING ATTORNEYS' FEES, ARISING OUT OF CLAIMS, SUIT, ALLEGATIONS OR CHARGES OF SELLER'S FAILURE TO COMPLY WITH THE PROVISIONS OF THE EXPORT LAWS AND REGULATIONS AND BREACH OF THE REPRESENTATION IN PARAGRAPH (A). ANY FAILURE OF SELLER TO COMPLY WITH THE REQUIREMENTS OR ANY BREACH OF THE REPRESENTATION CONTAINED IN PARAGRAPH (A) SHALL BE A MATERIAL BREACH OF THIS PURCHASE ORDER.

40. English Language Requirement

All offers, correspondence, and all aspects of the Purchase Order shall be in the English language. The English language shall govern and prevail in implementation and interpretation of all aspects of the Purchase Order and related Purchase Order issues.

41. Environmental Regulatory Compliance

(a) BUYER is committed as through its company policy and as a management practice to the protection of the environment and the health and safety of its employees. Consistent with that commitment the BUYER will seek to prevent serious or irreversible environmental degradation through efficient operations and activities. The BUYER, in particular, will comply with all applicable environmental laws. SELLER, in furtherance of BUYER's environmental regulatory compliance, commits to complying with all applicable environmental laws and regulations.

(b) Indemnification. SELLER shall indemnify and save harmless BUYER from and against any and all damages, liabilities, penalties, fines, costs, and expenses, including attorneys' fees, arising out of claims, suit, allegations or charges of SELLER's failure to comply with the provisions of all local, state and federal environmental laws and regulations.

42. Insurance

SELLER will maintain, at its sole cost and expense, insurance in such amount and scope as are adequate to cover its obligations and liabilities under this Purchase Order. BUYER, at its option, may require SELLER to furnish evidence of such insurance, but no acceptance of such evidence by BUYER shall be deemed a waiver or release of such liabilities or duty to indemnify. SELLER will at all times maintain with reputable insurance companies comprehensive general liability insurance (including coverage for any liability under any BUYER purchase order and these terms and conditions) in the minimum amount of \$2.0 million. At BUYER's request, SELLER will name BUYER as an additional insured under such policy, and will provide to BUYER a certificate of such insurance providing for 10 days' prior written notice to BUYER of cancellation or material change. SELLER will maintain workers' compensation insurance sufficient to cover all of its general and special employees engaged in work pursuant to any BUYER purchase order and insurance against liability for personal injury or death or destruction to

property arising out of work in fulfillment of any BUYER purchase order, and will provide prompt evidence to BUYER of such coverage upon BUYER's request.

43. Entire Agreement

This Purchase Order constitutes the entire agreement between BUYER and SELLER and supersedes all communications, representations, or agreements, whether oral or written, between the parties with respect to the subject matter of this Purchase Order. BUYER's engineering and technical personnel may from time to time render assistance, give technical advice, discuss, or effect exchange of information with SELLER's personnel concerning the Goods. Such actions shall in no way be construed as a change in the Parties' rights or obligations under the Contract.

BY SIGNING BELOW, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE IN THE AVALEX PURCHASING TERMS AND CONDITIONS

Company Name: _____

Print Name: _____

Title: _____

Signature: _____

Date: _____

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(Avalex Purchasing/Approved Supplier)

GENERAL AGREEMENT

This MUTUAL NON-DISCLOSURE AGREEMENT (the “Agreement”) is entered into on (the “Effective Date”), by and between Avalex Technologies Corporation, a Georgia corporation, having an address at 2665 Gulf Breeze Parkway, Florida, 32563, United States of America (“Avalex”), and _____, a _____ corporation, having an address at _____, each a “Party” and collectively, the “Parties”.

RECITALS

WHEREAS, the Parties have been and expect to further engage in discussions for the purpose of exchange of technical data, discussing and/or submitting joint proposals in response to RFP’s and/or working together on future potential business and projects;

WHEREAS, in connection with the foregoing, the Parties may provide Proprietary Information (defined below) to each other; and

WHEREAS, the Parties desire that their Proprietary Information be treated confidentially and agree to protect the Proprietary Information in accordance with this Agreement.

NOW, THEREFORE, in consideration of the premises, the disclosure of the Proprietary Information solely for the Limited Purposes (defined below), and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. Proprietary Information. As used in this Agreement, the term “Proprietary Information” shall mean and refer to all non-public business and technical information of the Parties in any form (including, without limitation, oral, written, printed, electronic, or other form) concerning the Parties and other products or services, future products or services, and business, as well as any notes, documents, analyses, compilations, studies, or other documents prepared by the Parties or their business partners related thereto, and including, without limitation, the following:

(a) all non-public business and technical information pertaining to the Parties, including, but not limited to, hardware, software, hardware and software architecture, specifications, and user interfaces thereof;

(b) all non-public information and data of the Parties disclosed or provided to the other party or learned by either Party through its work or interaction with each other;

(c) all hardware, software, hardware and software architectures, user interfaces, designs, prototypes, samples, models, ideas, concepts, specifications, requirements, drawings, sketches, computer aided design (CAD) drawings, product interface control documents (ICD),

solid models, cockpit architecture plans designs, plans, prints, computations, analyses, inventions, discoveries, methods, processes, techniques, systems, structures, data, databases, diagrams, documents, documentation, images, photographs, equipment and parts lists, materials, instructions, assembly and implementation information, interface information, packaging, methods of manufacture and packaging tools, tooling, studies, reports, testing devices and methods, test results, research and development, production information and plans, distribution methods and processes, inventories, business plans, marketing information and plans, marketing concepts, marketing strategies, expansion plans, financial and accounting data and projections, pricing data, operations information, sales, costs, supplier lists and information, customer lists and information, management philosophy, business policies and procedures, business records, employee information, contracts, lawsuits and/or claims, and confidential information received by either Party from third parties;

(d) all know-how and intellectual property, including, but not limited to: (i) unpublished copyrightable materials, copyrights, copyright registration applications, moral rights, attribution rights, and any other rights to any form or medium of expression; (ii) unpublished patent applications and equivalents thereof; (iii) unpublished trademarks, service marks, and applications for trademarks or service marks; (iv) Trade Secrets (as defined under the governing law of this Agreement), and (v) other non-public items, information, or theories which are protectable or registrable under any domestic or foreign copyright, patent, trademark, trade secret, or other similar laws (collectively, "Intellectual Property");

(e) information received as a result of plant tours, demonstrations or other visual or audio presentations or verbal disclosures;

(f) all data, reports, interpretations, forecasts and records which the receiving Party or its respective agents or employees shall have been furnished or had access to heretofore or hereafter in the course of the Parties' discussions;

(g) the existence and substance of discussions and negotiations between the Parties; and

(h) information and data that the Parties derive or develop from any of the foregoing.

2 Exclusions from Proprietary Information. Notwithstanding the foregoing, Proprietary Information shall not include information which:

(a) was in the public domain prior to being furnished to the receiving Party;

(b) is already known to or in the possession of the receiving Party without restriction on disclosure or use prior to the disclosure thereof by the disclosing Party, through no wrongful act of the receiving Party, as evidenced by competent, written proof;

(c) is disclosed to the receiving Party by a third party (without any breach of confidentiality agreement with or obligation to either Party) who did not unlawfully acquire or receive such information;

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(d) after being furnished to the receiving Party, entered the public domain through no act or failure to act on the part of the receiving Party; or,

(e) is independently developed by the receiving Party absent breach of this Agreement or any other agreement between the Parties and without the use of any Proprietary Information.

The burden of proof with respect to the applicability of any such subparagraph to any proposed use or disclosure of Proprietary Information by the receiving Party shall be upon the receiving Party. Prior to disclosing to a third party any Proprietary Information pursuant to one of the foregoing exclusions, the disclosing Party shall notify the other Party of the intended disclosure and the basis therefore in sufficient time to enable the other Party to take steps to challenge and/or prevent such disclosure to the third party.

3. Confidentiality and Limited Use. Each Party shall use its best efforts to safeguard and protect the Proprietary Information, using at least the same level of care it takes to safeguard and protect its own proprietary and confidential information, but in no event, less than a reasonable level of care. The Parties shall use the Proprietary Information solely and exclusively for the purposes of or in connection with (a) exploring the possibility of a business relationship or arrangement between the Parties, (b) a resulting business relationship or arrangement, if any, between the Parties; and (c) discussions for the purpose of exchange of technical data, discussing and/or submitting joint proposals in response to RFP's and/or working together on future potential business and projects (the "Limited Purposes").

The Parties shall not use the Proprietary Information for any purpose other than the Limited Purposes or for any purpose that is detrimental to either party (including, without limitation, the design, development, destructive or non-destructive testing or analysis, software disassembly or decompilation, specification, manufacture, distribution, sale or license of a product identical or similar to the technology disclosed pursuant to this agreement, any form of reverse engineering, or assisting or aiding a third party in connection with any of the foregoing).

Except to the extent permitted by Section 4 of this Agreement or as permitted in an advance writing executed by the disclosing Party, the Parties shall keep the Proprietary Information strictly confidential and not disclose it or cause it to be made available to any third party; provided, however, that the Proprietary Information may be disclosed to the receiving Party's directors, officers, employees, subsidiaries, agents, auditors, consultants, subcontractors, advisors, or other representatives (collectively, the "Representatives") who need to know such information in connection with the receiving Party's use of the Proprietary Information for the Limited Purposes *and* (i) who are employees of the receiving Party and are covered by respective confidentiality guidelines and policies containing restrictions pertaining to the protection of Proprietary Information at least as stringent as the obligations of this Agreement, or (ii) who are bound by a legally enforceable code of professional responsibility to protect the confidentiality of such Proprietary Information, or (iii) who are Representatives of the receiving Party and have executed written agreements with the Receiving Party, containing confidentiality obligations and limitations on the use of the Proprietary Information at least as restrictive as those contained in this Agreement. The receiving Party shall advise its Representatives (a) of the confidential nature of the Proprietary Information, (b) of the obligations and limitations on the use of the Proprietary

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Information under this Agreement, and (c) not to use the Proprietary Information for any other purpose other than as described or permitted in this Agreement. Each Party shall be responsible for any breach of this Agreement by its respective Representatives.

4. Required Disclosures. In the event the receiving Party or its Representatives is/are required by law or by pleadings, interrogatories, requests for information or documents, subpoenas, motions, Civil Investigative Demand, or similar paper or process to disclose the Proprietary Information or any other information of the other party, the disclosure of which is restricted by the terms of this Agreement, the receiving Party shall provide the disclosing Party with prompt prior written notice of such requirement so that it may seek an appropriate protective order or other similar judicial protection against such disclosure. If in the absence of a protective order or other similar judicial protection the receiving Party is nonetheless, in the written opinion of its counsel, required by law or compelled to disclose Proprietary Information or other information of the other party, disclosure may be made only as to that portion of such Proprietary Information or other information which the receiving Party is advised in writing by its counsel is legally required or compelled to be disclosed. Each Party shall exercise its best efforts to obtain assurance that confidential treatment will be accorded such Proprietary Information or other information under the circumstances.

5. Ownership of Proprietary Information. All Proprietary Information is and shall remain, as between the Parties, the exclusive property of the disclosing Party until and unless some other written agreement is entered into regarding such Proprietary Information. This Agreement does not create any license or other right to use the Proprietary Information other than for the Limited Purposes set forth herein, and does not obligate the Parties to provide any such rights in the future. Except as expressly stated herein, no disclosure of Proprietary Information by the Parties after execution of this Agreement shall operate to confer any intellectual property rights of the disclosing party upon the other party or be effective to license or transfer to the other Party, any right, title, or interest in or to the disclosing Party's Proprietary Information or portions thereof.

6. Copies, Legends, and Notices. The Parties shall not make any copies, or permit the making of any copies by its Representatives, of any Proprietary Information, except as may be strictly necessary for the Limited Purposes and as expressly set forth herein. The Parties shall not remove, overprint or deface, or permit the removal, overprinting, or defacing by its Representatives of, any notice of confidentiality, patent, copyright, trademark, logo, or ownership from any originals or copies of Proprietary Information. The Parties shall include, and cause to be included by its Representatives, such notices on all copies of originals of the Proprietary Information that includes such notices.

7. Term. Unless earlier terminated by mutual written agreement of the Parties, the term of this Agreement shall be three (3) years, commencing as of the Effective Date and continuing through and including the three year anniversary of the Effective Date (the "Term"). The Parties' obligations under this Agreement with respect to Proprietary Information that does not constitute a Trade Secret shall be and remain in effect during the Term of this Agreement regardless of any earlier termination of this Agreement. The Parties' obligations under this

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Agreement with respect to Proprietary Information that constitutes a Trade Secret shall be and remain in effect during the Term of this Agreement regardless of any earlier termination of this Agreement and for so long as such Proprietary Information remains a Trade Secret.

8. Return of Proprietary Information. Unless otherwise agreed upon in writing and upon (i) the expiration or earlier termination of this Agreement or (ii) the request of a Party, the Parties shall stop all use of the Proprietary Information and shall within fifteen (15) business days: (a) return and cause to be returned to the requesting Party, all tangible Proprietary Information or such other subset of such Proprietary Information specified by the requesting Party; (b) destroy and cause to be destroyed, all written or electronic mail, data, documents, materials, memoranda, notes, and other writings or recordings whatsoever comprising, based upon, containing, or otherwise reflecting any Proprietary Information (including, without limitation, all copies and excerpts of such Proprietary Information), except to the extent the requesting Party is advised in writing by its legal counsel that such action is prohibited by law; and, (c) promptly certify such return and/or destruction in writing to the requesting Party.

9. No Representations or Warranties. The Parties make no representation or warranty as to the validity, accuracy, completeness, or reproducibility of the Proprietary Information or any portion thereof. Each Party understands and acknowledges that any estimates or projections with respect to future performance included in any of the Proprietary Information should not be relied upon as accurate representations or assurances of future results.

10. Export. The Parties shall treat the Proprietary Information in accordance with all applicable export laws, rules, treaties, regulations, and international agreements, and notwithstanding anything to the contrary herein, shall not export or re-export any of the Proprietary Information (a) into any U.S. embargoed countries, (b) to anyone on the U.S. Treasury Department's list of Specially Designated Nationals or the U.S. Department of Commerce Denied Person's List or Entity List, or (c) to any Foreign Person (as defined in Section 120.16 of the International Traffic in Arms Regulations). The Parties shall not use the Proprietary Information for any purposes prohibited by United States law.

11. Equitable Relief. The Parties understand and agree that the promises, obligations, and covenants of this Agreement are special, unique, and of extraordinary character, that the Proprietary Information is of a unique character and has other substantial proprietary value to each Party, and that in the event of any default, breach, or threatened breach of this Agreement, the aggrieved Party will be irreparably harmed and shall (a) be entitled, at its sole discretion, to institute proceedings in any court of competent jurisdiction, either at law or in equity, and (b) be entitled to any and all such remedies (including any and all money damages, specific performance, injunctive relief, or combination thereof) as may be available at law or in equity, without the necessity of a bond or other security.

12. No Obligation of Disclosure. The Parties shall have no obligation to disclose or provide any Proprietary Information pursuant to this Agreement.

13. Relationship of the Parties. The Parties expressly agree that this Agreement shall not be construed as creating any business relationship between the Parties, including, a teaming, joint venture, or similar relationship, and that the Parties hereto are independent contractors with respect to one another.

14. Assignment. This Agreement is personal to the Parties and shall not be assigned by either.

15. Benefits and Burdens. This Agreement shall be binding upon and inure to the benefit and burden of the Parties and their permitted successors.

16. Amendment. No amendment, change, modification, alteration, or addition to any term or provision hereof shall be binding on either Party unless in writing and executed by authorized representatives of both Parties.

17. Waiver. No waiver of any term or provision of this Agreement shall render unenforceable any other provision of this Agreement or be effective, unless in writing and executed by authorized representatives of both Parties. No waiver of any term or provision of this Agreement on one occasion shall constitute a waiver of such term or provision on another occasion or a continuing waiver thereof.

18. Severability. The provisions of this Agreement shall be severable. To the extent that any provision of this Agreement is determined by the final judgment of a court having competent jurisdiction to be void, invalid, illegal, inoperative, or otherwise unenforceable, such provision shall be limited if possible and only severed thereafter if necessary. Any such limitation or severance shall be only to the extent necessary to render the Agreement valid and enforceable. No other provision of this Agreement shall be affected as a result thereof and the remaining provisions of this Agreement shall remain in full force and effect.

19. Attorney's Fees. Each Party agrees to reimburse the other for costs and expenses (including, without limitation, reasonable attorneys' fees and court costs) incurred by the aggrieved Party in connection with the enforcement of this Agreement against the other in the event said party is judicially determined to be in breach of this Agreement.

20. Governing Law. THE VALIDITY, CONSTRUCTION, AND ENFORCEMENT OF THIS AGREEMENT, AND THE DETERMINATION OF THE RIGHTS AND DUTIES OF THE PARTIES, ARE GOVERNED BY THE LAWS OF THE STATE OF GEORGIA, UNITED STATES OF AMERICA, EXCLUDING ANY CHOICE OF LAW PRINCIPLE THAT MIGHT RESULT IN THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

21. Counterparts. The Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement, and the signature page from any counterpart may be appended to any other counterpart to assemble fully-executed counterparts. Counterparts of this Agreement may also be exchanged via facsimile machines or via electronically-communicated mail having attached



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PDF documents including such counterparts, and a facsimile or PDF document including a Party's signature shall be deemed to be an original signature for all purposes.

22. Recitals. The Recitals of this Agreement are hereby incorporated into and form a part of this Agreement.

23. Entire Agreement. This Agreement contains the entire understanding and agreement of the Parties relative to the protection of the Proprietary Information and supersedes all prior and collateral communications, reports, and understandings between the Parties in respect thereto.

24. Warranty of Authority. The Parties represent and warrant that the respective undersigned persons are duly authorized to execute this Agreement on their respective behalf.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Agreement intending to be legally bound by the terms and provisions hereof:

“Avalex”

“Name of Company”

AVALEX Technologies Corporation

Printed Name:

Printed Name: _____

Title:

Title: _____

Signed By: _____

Signed By: _____

Date: _____

Date: _____

End Document

History of Revisions			
Revision	Date	Change Activity	Revised by:
IR	12/01/2016	Initial Release	S. Belloise
A	02/08/2018	Updated signature authority; changed form to pdf fillable format; change form number from FM2016053 to FM-NDA01-002	C. Simmons

To: **Supplier Quality Representative**

Subject: Instructions - Supplier Quality System Questionnaire

1. Please complete the following Quality System Survey. This survey is required to comply with AVALEX Technologies AS9100 quality system requirements. Your prompt completion of this questionnaire will ensure your company remains on our "Approved Supplier's List" without interruption. It is imperative that all sections of this survey be answered. If sections do not apply to your business, please indicate as such. Also, please include any information that may help us to better evaluate your quality system.
2. A "Right of Entry" clause is in effect for all contracts. This provision allows for AVALEX Technologies, its customers, and regulatory agencies to determine and verify the quality of work, records and material at any place, including the location of the sub-contractor.
3. Please complete and return all pages of this survey within 10 days to the location below. If you have any questions, please feel free to contact the Avalex Quality Manager at +011-1-(850) 470-8464 ext., 1127.

Please return to:

AVALEX Technologies
Quality Assurance Manager
2665 Gulf Breeze Parkway,
Gulf Breeze, FL 32563, USA

Fax: (850) 470-8461

E-mail: quality@avalex.com

Sincerely,

AVALEX Technologies Corporation

SECTION 1 – General Information

Company Name (supplier):		Date:			
Address:					
City, State, and Zip Codes:					
Phone:			Fax:		
Division or Subsidiary of:					
Principle products and/or services:					
Years in business:		Plant (total area)		Facility Size (covered area)	
Total No. Employees:	Quality	Production	Engineering	SCM	Other

SECTION 2 – Key Contact Information

Dept. Head:	Name / Position:	Phone No:
Quality		
Production		
Contracting		
SCM		
Other		
Questionnaire completed by:		

SECTION 3 -- Supplier Approval Status

** This section to be completed by AVALEX Quality **		
Approved <input type="checkbox"/>	Conditional <input type="checkbox"/>	Disapproved <input type="checkbox"/>
Scope of Approval:		
Sign:		Date:

SECTION 4 – Quality System Standard

Type Organization	Distributor <input type="checkbox"/>	Manufacturer <input type="checkbox"/>	Special Process <input type="checkbox"/>
Processor <input type="checkbox"/>	Calibration <input type="checkbox"/>	Inspection/Test <input type="checkbox"/>	Other:
Indicate any FAA approvals held by your organization:			
Part 145 Repair Station <input type="checkbox"/>	TC <input type="checkbox"/>	STC <input type="checkbox"/>	TSO <input type="checkbox"/> PMA <input type="checkbox"/>
Indicate any third party certification held by your organization and provide copies of certifications:			
ISO 9001 <input type="checkbox"/>	AS9100 <input type="checkbox"/>	AS9110 <input type="checkbox"/>	AS9120 <input type="checkbox"/> Other:

List any “special processes” (i.e., soldering, welding, finishing, chemical treatment etc....)

Additional comments: (information the supplier wishes to convey to AVALEX Technologies):

STOP! Read the following carefully.

If you are **CERTIFIED** to ISO 9001 or AS9100, **YOU DO NOT HAVE TO COMPLETE THE FOLLOWING** Quality Questionnaire; simply, attach a copy of your accredited registration certificate, signed questionnaire (below), and return pages 2 & 3 of this questionnaire (sections 1 thru 4).

If you are **NOT CERTIFIED** to either of the above standards; please complete the questionnaire in its entirety (sections 1 thru 5), sign, and return along with copies of your company's organizational chart and/or top level Quality Manual(s).

Questionnaire Completed by:

Sign:	Date:
-------	-------

(Note: Email return response may be used as signature)

SECTION 5 – Quality Questionnaire

4. Quality Management System ... Does the organization:	Yes	No	N/A
➤ Establish, document, implement, and maintain a quality management system (QMS) that continually improves its effectiveness in accordance with customer, statutory, and regulatory quality management requirements?			
➤ Ensure the availability of resources and information necessary to support the operation and monitoring of these processes?			
➤ Maintain full control over “outsourced” processes to ensure that product conforms to requirements?			
➤ Maintain documents/records pertaining to planning, operation, and control of its processes?			
➤ Maintain a documented quality manual that outlines the scope of QMS?			
➤ Have documented procedure for control of documents?			
➤ Maintain a documented procedure for the control, identification, storage, protection, retrieval, retention, and disposition of records?			
5. Management Responsibility ... Does the organization:	Yes	No	N/A
➤ Management communicates the importance of meeting customer, statutory, and regulatory requirements?			
➤ Management ensures the availability of resources?			
➤ Top management ensures customer requirements are determined and met with the aim of enhancing customer satisfaction?			
➤ Top management ensure product conformity and on-time delivery performance are measured and that appropriate action is taken if planned results are not, or will not be achieved?			
➤ Top management ensures commitment to comply with requirements and continually improve the effectiveness of the QMS?			
➤ Top management appoints a member who oversees and reports QMS performance and potential needs for improvement?			
6. Resource Management ... Does the organization:	Yes	No	N/A
➤ Provide the resources needed to maintain and improve QMS effectiveness and enhance customer satisfaction by meeting customer requirements?			
➤ Ensure personnel performing work affecting conformity to product to be competent on the basis of appropriate education, training, skills, and experience?			
➤ Determine and evaluate competency requirements for personnel performing work affecting conformity to product?			
➤ Maintain appropriate records of education, training, skills, and experience?			
➤ Determine, provide, and maintain infrastructure needed to achieve conformity to product requirements such as, building, workspace, process equipment (hardware/software), and supporting services (transport, communication, IT systems etc.)?			
7. Product Realization ... Does the organization:	Yes	No	N/A
➤ Consider quality objectives and requirements for the product such as; product/personal safety; reliability, availability, and maintainability; producibility and inspectability; suitable parts/materials; selection and development of embedded software; and recycling/final disposal of product (end of life)?			
➤ Consider process, documentation, and resource requirements?			
➤ Consider required verification, validation, monitoring, measurement, inspection, and test activities specific to product criteria and acceptance?			

Supplier Quality System Questionnaire

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➤ Consider configuration management appropriate to product?			
➤ Plan and manage product realization in a structured and controlled manner to meet requirements at acceptable risk, within resource and schedule constraints?			
➤ Maintain an established and implemented configuration management process (i.e. configuration planning, identification, change control, status accounting, and audit)?			
➤ Determine specified customer requirement (delivery and post-delivery)?			
➤ Determine requirements not stated by customer, but necessary for intended use or any other additional requirements considered necessary by the organization?			
➤ Ensure product requirements defined, special requirements determined, and risk are identified <u>prior</u> to organization's commitment to supply a product to customer (e.g. submission of tenders, acceptance of contracts or orders, and acceptance of changes to contracts or orders)?			
➤ Ensure relevant documents are amended and that relevant personnel are made aware of any change requirements?			
➤ Implement effective arrangements for communicating product information, contracts, orders, amendments, and customer feedback (complaints)?			
➤ Plan and control the design and development of product (all stages)?			
➤ Ensure purchased product conforms to specified purchase requirements, to include suppliers?			
➤ Evaluate and select suppliers based on its ability to supply product in accordance with organizational requirements?			
➤ Evaluate criteria for supplier selection and record results?			
➤ Maintain register of its suppliers and scope of the approval?			
➤ Describe product to be purchased and requirements for approval of product, procedures, processes, and equipment?			
➤ Notify applicable customers of non-conforming product?			
➤ Ensure right to access by the outside organizations, customers, and regulatory authorities?			
➤ Notify of changes in product and/or processes, changes of suppliers, and changes of manufacturing facility locations?			
➤ Provide sub-tier vendors product specifications, drawings, process requirements, inspection/verification, test specimens, and other technical data?			
➤ Use objective evidence to determine conformity of product from suppliers (i.e. COC, COA, test records, statistical records, process control records etc.)			
➤ Review required documentation and inspect products upon receipt?			
➤ Perform inspection and audit at supplier's premises?			
➤ Carry out production/service provision under controlled conditions such as, applicable drawings, part list, materials, and process specifications?			
➤ Ensure the availability of work instructions, flow charts, production documents (e.g., manufacturing plans, travelers, routers, work orders, process cards) and inspection documents?			
➤ Ensure availability of monitoring and measuring equipment?			
➤ Ensure implementation of product release, delivery, and post-delivery activities?			
➤ Ensure accountability for all products during production (e.g., parts quantities, split orders, non-conforming product)?			
➤ Use a representative from the first production run of a new part or assembly to verify the production processes, production tooling are capable of producing parts and assemblies that meet requirements. (Note: This activity is often referred to as first article inspection -- IAW AS9102B).			

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➤ Control and document changes affecting processes, production equipment, tools, and software programs?			
➤ Ensure production equipment, tools, and software programs validated are prior to release for production and maintained?			
➤ Provide as applicable collection and analysis of in-service data, actions to be taken (investigation/reporting) when problems are detected after delivery?			
➤ Control and updating of technical documentation and repair schemes, to include off-site work?			
➤ Validate processes and service provisions where the resulting output cannot be verified by subsequent monitoring or measurement and, as a consequence, deficiencies become apparent only after the product is in use or the service has been delivered? (Note: These processes are often referred to as special processes.)			
➤ Maintain identification of the configuration of product in order to identify any differences between actual configuration and the agreed configuration?			
➤ Use/control acceptance authority media (e.g. stamps, electronic signatures passwords etc.)?			
➤ Ensure traceability (identification) methods to be maintained throughout the product life (same batch of material, or from the same manufacturing batch, to the delivery destination)?			
➤ Exercise extreme care when customer property is under their control (including intellectual property/personal data)?			
➤ Preserve the product during internal processing and delivery to intended destination in order to maintain conformity to requirements. (e.g., identification, handling, packaging, storage, and protection). This includes; cleaning; prevention, detection, and removal of foreign objects; special handling for sensitive products; marking/labeling (including safety warnings); shelf life control; stock rotation; and special handling for hazardous materials.			
➤ Determine monitoring and measurement equipment needed to provide evidence of conformity of product to determined requirements?			
➤ Maintain a register of monitoring/measuring equipment, to include details of equipment, unique identification, location, frequency of checks and check method and acceptance criteria?			
➤ Maintain a process for the recall of monitoring and measuring equipment requiring calibration or verification?			
8. Measurement, Analysis, and Improvement ... Does the organization:	Yes	No	N/A
➤ Plan and implement monitoring, measurement, analysis and improvement processes needed (i.e., conformity to product requirements; ensure conformity of the QMS, and improve effectiveness of QMS).			
➤ Use statistical techniques to support design verification, process control, inspection, and/or failure mode, effect, and criticality analysis?			
➤ Monitor and evaluate information relating to customer perception as to whether the organization has met customer satisfaction/requirements (e.g., product conformity, on-time delivery, customer complaints, and corrective action request).			
➤ Have documented internal audit procedure?			
➤ Conduct internal audits at planned intervals to determine whether the QMS conforms to planned arrangements, requirements, and International Standards?			
➤ Maintain records of internal audits?			
➤ Not allow auditors to audit their own work?			
➤ Take appropriate action to correct non-conforming process and evaluate/identify whether the process non-conformity has resulted in product(s) non-conformity or has affected another process?			
➤ Monitor and measure characteristics of product to verify that product requirements have been met?			

➤ Document criteria for product acceptance and/or reject?			
➤ Document any specific measurement instruments required and any specific instructions associated with their use?			
➤ Control and monitor critical items (key characteristics) in accordance with established procedures?			
➤ Use sampling inspection as means of product inspection?			
➤ Ensure records provide evidence that the product meets the defined requirements and indicate person(s) authorizing release of product for delivery to customer?			
➤ Ensure that product which does not conform to product requirements is identified and controlled to prevent its unintended use or delivery? (Note: The term “nonconforming product” includes nonconforming product returned by customer.)			
➤ Have a documented nonconforming material procedure which defines the responsibility and authority for review and disposition of nonconforming product, and process for approving personnel making these decisions?			
➤ Take necessary action(s) to detect, eliminate, and preclude original intended use of nonconforming product?			
➤ Collect and analyze appropriate data (customer satisfaction, product conformity, trends, supplier ratings etc.) to demonstrate the suitability of the QMS, and to evaluate continual improvement decisions?			
➤ Continually improve the effectiveness of the QMS through the use of the quality policy, quality objectives, audit results, analysis of data, corrective, and preventive actions, lessons learned, benchmarking, and management review?			
➤ Have documented corrective action procedure?			
➤ Review nonconformities (customer complaints) and determine timely root cause and possible corrective actions needed to eliminate future nonconformities?			
➤ Have documented preventive action procedure?			
➤ Review potential nonconformities and determine their root cause and possible preventive actions needed to eliminate future occurrences of nonconformities (e.g., risk management, error proofing, FMEA, etc.)?			

Additional Comments / Remarks:

End Document

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or “doing business as” (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity’s name as shown on the entity’s tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a “disregarded entity.” See Regulations section 301.7701-2(c)(2)(iii). Enter the owner’s name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner’s name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity’s name on line 2, “Business name/disregarded entity name.” If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys’ fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/Businesses and clicking on Employer Identification Number (EIN) under Starting a Business. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.

You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.

You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions.

You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

*Note: The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.