

Terms and Conditions



Korea Aerospace Research Institute

Preamble

This Contract made on Month ____, 2014 and will be valid until February 20, 2015 by and between Korea Aerospace Research Institute, established under the law of the Republic of Korea with its principal office at 169-84 Gwahakro, Yuseong-Gu, Daejeon 305-806, Korea, hereinafter referred to as “KARI” and xxx established under the law of the xxx with its principal office at xxx, hereinafter referred to as “Contractor”.

Article 1. Objective

- 1.1 The objective of this Contract is to carry out and provide Acoustic Test at KARI Chamber in Korea and perform the technical supports under the Contractor’s responsibility. To accomplish this objective, Contractor shall perform all the works under this Contract required for the Appendix 1. Statement of Work as well as Contractor’s proposal.
- 1.2 Acoustic Test at KARI Chamber in Korea shall be performed for four (4) days until February 20, 2015.
- 1.3 Contractor shall provide as sufficient as engineering and administrative manpower and resources for the timely completion of the Services under this Contract. In the event the Services are not completed with manpower and resources due to Contractor’s fault, Contractor shall provide any additional manpower and resources to accomplish the Services free of charge to KARI.
- 1.4 Contractor shall provide any technical data or technical information as may be needed for KARI to understand the results of Services free of charge to KARI.

Article 2. Contract Price and Terms of Payment

- 2.1 For the full, satisfactory and timely performance of all obligations by Contractor in accordance with the provisions of this Contract, KARI shall pay to Contractor the Contract Price of **USD or EUR XXX.00.**
- 2.2 The payment of Contract amount specified in Article 2.1 shall be made after delivering the Acoustic test report and Logical diagram for safety system to KARI and made in USD or EURO by telegraphic transfer to the bank account as designated by Contractor in its invoices. KARI shall remit the payment within thirty (30) days after KARI’s receipt of Contractor’s invoice.
- 2.3 The Contract Price is a firm and fixed amount not subject to any escalation or to any adjustment or revision for any reason whatsoever, including but not limited to the increase of actual cost incurred by Contractor in the performance of the Contract.
- 2.4 The Contract price excludes any VAT that may be applicable in Korea.
- 2.5 All banking charges incurred in Korea shall be borne by KARI, and those charges incurred outside Korea shall be borne by Contractor.

Article 3. Taxes and Duties

- 3.1 If Korean income tax is required to be withheld from amounts paid or payable to Contractor under this Contract (herein referred to as 'Applicable Tax'), KARI shall withhold the Applicable Tax and pay on behalf of Contractor the relevant Korean taxing authority in accordance with applicable Korean law.
- 3.2 KARI shall forward proof of the withheld Applicable Tax to the Contractor within ninety (90) days of payment.
- 3.3 Neither Party shall be responsible for paying the customs duties, and related taxes, fees or charges for the personnel and the personal belongings of the other Party.
- 3.4 Each Party shall further comply with instructions the other Party may issue from time to time in order to facilitate any exemptions or reductions from customs duties and other taxes that might be levied on the other Party.

Article 4. Performance Bond

- 4.1 Contractor shall establish a performance bond within four (4) weeks after EDC in favor of KARI in the value of ten percent (10 %) of the Contract Price, in the form of an irrevocable and unconditional standby letter of credit available by KARI's draft at sight.
- 4.2 The entire amount covered by the performance bond shall be unconditionally payable to KARI on demand together with KARI's written statement to the effect:
 - (a) that there was a breach of the Contractor in the performance of the Contract (including the breach of its Subcontractor under the Subcontract); or
 - (b) that this Contract was terminated by Contractor's breach as specified in Article 8 'Termination'.
- 4.3 The letter of credit shall be issued by first class international bank acceptable to KARI. The letter of credit shall be drawn in favor of KARI and advised through the Woori Bank (Daejeon Branch at 1495 Dunsan-dong, Seogu, Daejeon, 302-173 Korea, Tel: +82-42-488-9704, Ext. 312, email: the_banker@wooribank.com) and shall remain valid through the end of this Contract. The letter of credit shall not be amended, modified or canceled without KARI's prior written consent.
- 4.4 It is hereby agreed between the Parties that payment from the performance bond under this Article 5 shall not affect any other of KARI's rights, privileges, interests or remedies under this Contract.

Article 5. Delivery

Contractor shall deliver the Acoustic test report and Logical diagram for safety system in accordance with the Appendix 1. Statement of Work.

Article 6. Delays in Performance

6.1 Excusable Delay

- (a) Neither Party shall be responsible to the other Party for any delay in performing its obligations under this Contract due to any events of Force Majeure.
- (b) '**Force Majeure**' means any act of God, war, act or failure to act of any government in its sovereign capacity, fire, flood, earthquake, strike, epidemic, quarantine, embargo, nuclear incident, or any other act unforeseeable and beyond the reasonable control without the fault of either Party or its Sub-Contractors.
- (c) The Party whose performance of obligations hereunder has been affected by any events of Force Majeure shall notify the other Party within ten (10) days thereafter by sending a detailed statement and sufficient evidence with respect thereto, and promptly of any subsequent change in the circumstances, if any. The affected Party shall exercise its best efforts under the circumstances to remove or remedy the events of Force Majeure and the effects thereof and resume full performance hereof as soon as possible.

6.2 Non-Excusable Delay

- (a) In the event that, unless otherwise excused by virtue of this Contract or the governing or Applicable law, Contractor delays the provision of Services or delivery of detailed drawing and deliverable items as stipulated in this Contract, or performance of its other obligations under this Contract, Contractor shall be responsible for damages incurred by KARI as a result of such delay.
- (b) Non-Excusable Delay, Liquidated damages, shall be applied for late performance or non-performance at the rate of zero point twenty-five (0.25) percent of total Contract price per calendar day, up to ten (10) percent of total price.

Article 7. Final Acceptance

7.1 Final Acceptance of this Contract shall occur only after:

- (a) Acoustic Test at KARI Chamber in Korea to be performed by the Contractor under the Contract has been completed in accordance with this Contract; and
- (b) Contractor has demonstrated to KARI that the Acoustic test report and Logical diagram for safety system meet the specifications and requirements in this Contract.

7.2 If the Acoustic test report and Logical diagram for safety system are determined to be unacceptable, it shall be considered as non-delivery and the Contractor shall, at its expense, promptly repair or replace such Items so that it shall comply with the Contract specifications and requirements, and shall submit such repaired or replaced Items for its confirmation. The repaired or replaced Items shall be accepted in accordance with the requirements of Article 7.1.

7.3 The Parties agree that the acceptance of any Items under this Article shall not be interpreted or construed to mean that such Items are free of all defects and conform in all respects with the requirements of this Contract, and Contractor shall not be entitled to any additional costs incurred or to recover any damages suffered due to defects in the Items or KARI's rejection of the Items.

Article 8. Termination

- 8.1 KARI may terminate this Contract upon written notice to Contractor;
- (a) if Contractor commits a material breach of any of its obligations under this Contract which shall not be remedied within thirty (30) days from the giving of written notice requiring such breach to be remedied; or
 - (b) if Contractor or its creditors or any other eligible party shall file for its liquidation, bankruptcy, receivership, reorganization, dissolution or similar proceedings, or if Contractor's creditors have taken over its management.
- 8.2 In the event of such termination, Contractor shall return to KARI all materials, Data and documentation provided by KARI, at no cost to KARI, and KARI may perform the Services to completion. In addition, KARI, at its sole discretion, may;
- (a) either retain the Services which have already been or are supposed to be provided by Contractor up to the date of such termination by paying the payments which have already become due up to the date of such termination. Any and all terms and conditions of this Contract shall apply to such Services as if it had not been terminated; or
 - (b) Contractor shall return to KARI all the amounts received from KARI up to the date of such termination, and KARI shall return all Services provided by Contractor under this Contractor up to the date of such termination, in the manner of "as is".

Article 9. Governing Law

The validity, performance, construction, and effect of this Contract shall be governed by the laws of the Republic of Korea.

Article 10. Notice

Any and all notice to be given to either party shall be given to the following addresses by registered airmail or other telecommunication media. Either party may change its address by giving prior notice to the other party in the manner provided for herein.

For KARI: **Korea Aerospace Research Institute**

169-84 Gwahakro, Yuseong-gu, Daejeon 305-806, Korea

Commercial matters

Mr. Jung-Nam Cho

Tel: +82-42-860-2613

Fax: +82-42-860-2666

E-mail: jncho@kari.re.kr

Technical matters

Mr. Jong-Min Im

Tel: +82-42-860-2562

Fax: +82-42-860-2234

E-mail: acoust@kari.re.kr

For Contractor: xxx Company

Address

Commercial matters

Technical matters

Mr.**Mr.**

Tel: +

Tel: +

E-mail:

E-mail:

IN WITNESS WHEREOF, the Parties hereto have executed this Contract in duplicate in English by causing these presents to be signed by their duly authorized representatives as of the day and year first above written.

Signed for and on behalf of KARI**Signed for and on behalf of Contractor****By:****By:****Name: Dr. Gwang-Rae CHO****Name:****Title: President****Title:**

Appendix 1. Statement of Work

1.1. General

As a Korean government-funded research institute, Korea Aerospace Research Institute (KARI) has a satellite assembly, integration and test center (hereinafter referred to as "AITC") for joint use by corporations and research institutes for the purpose of the effective development of domestic satellites. And basic facilities and equipment for satellite assembly and test have been supplied, installed and used.

To increase the acoustic capability with the minor modification of facility, the investigation has been performed.

For these reasons, KARI would like to perform the acoustic test with acoustic sources of contractor in KARI acoustic chamber system.

1.2. Technical Requirements for acoustic testing

To show the satisfaction of acoustic test requirement, contractor shall supply the acoustic sources which will be used in KARI acoustic test and returned to contractor's company. To perform the acoustic test in KARI with the use of contractor's source, contractor shall prepare the needed interface. During the test period in KARI, acoustic engineer of contractor's company shall participated in the test.

1.2.1 KARI interface requirements for acoustic testing

- A. Contractor shall supply the required all interfaces to perform the acoustic testing with acoustic source of contractor
- B. KARI don't supply the additional interface or modification of facility to contractor
- C. Contractor shall send the acoustic engineers to perform the acoustic test with KARI engineers.
- ✓ GN2 flow rate supplied to acoustic source: Max. 2.5kg/sec at 2 bar
- ✓ Electrical power : 220 Volts
- ✓ Acoustic chamber volume : 1,200m³
- ✓ Amplifier of WAS 3000 & Interface
- ✓ Acoustic horn and pipe interface
- ✓ Acoustic controller : KARI software & M+P controller

1.2.2 Test Requirements for Acoustic Test

- A. With the acoustic source of contractor, contractor shall perform the acoustic test in KARI site and show the satisfaction of the test spectrum within the tolerance defined in Table 1.
- B. Contractor shall install the acoustic source and interface
- C. Contractor shall use the Low & High frequency sources

- D. KARI engineer shall perform the acoustic control under the participation of engineer of contractor
- E. Performance test period is 4 days in KARI
- F. Acoustic test shall be performed until 20th of February of 2015.
- G. After finishing the acoustic test, contractor shall supply the test report

1.2.3 Logical diagram for safety system

- A. Contract shall supply the logical diagram for safety on KARI vibration facility
- B. After analyzing the KARI facility components, make a logical diagram for safe operation of facility

Table 1 Acoustic test requirement for spectrum and tolerance at KARI Chamber

1/3 Freq (Hz)	Test Spectrum	Tolerance
25	132	+3/-3
31.5	139	+3/-3
40	140	+3/-3
50	143	+3/-3
63	145	+3/-3
80	144.5	+3/-3
100	144.4	+3/-3
125	144.3	+3/-3
160	144.2	+3/-3
200	144	+3/-3
250	143.5	+3/-3
315	144	+3/-3
400	143	+3/-3
500	141	+3/-3
630	139	+3/-3
800	138	+3/-3
1000	137	+3/-3
1250	136	+3/-3
1600	134	+3/-3
2000	132	+3/-3
2500	131	+3/-3
OV SPL	155	+1/-3

1.3. Subject & Deliverable Items

- A. Acoustic test report
- B. Logical diagram for safety operation

The delivered documentation shall be in English language and International System of Units shall be used.

List of deliverable items

Deliverable items
<ul style="list-style-type: none"> - Acoustic test report - Logical diagram for safety operation

1.4. Review and Key-points

Kick-off/ TRR/PTR reviews shall be held.

Review	Purpose	Schedule
Kick-off	<ul style="list-style-type: none"> -Review the requirements of the system -Understand the facility interface 	EDC+10 days
Test Readiness Review	<ul style="list-style-type: none"> - Review test plans, sequences and procedures 	2 weeks before test activity
Post Test result Review	<ul style="list-style-type: none"> - Review the acoustic test results 	1 week after the test ends

The reviews attendance, duration, and documentation may be optimized in view of the above defined goals, in order to avoid unnecessary duplications.

1.5 Management requirements

The Contractor shall implement and maintain a prefect management organization in order to manage and control adequately all the activities of the contract.

The Contractor shall nominate the key persons who perform the essential functions for the execution of tile contract. Any change of key personnel shall be reported to KARI beforehand.

Electronic information exchange shall be implemented according to any of the following production standard:

- MS-Word, MS-PowerPoint, MS-Excel for Windows XP
- Portable Data Format document generated using Adobe Acrobat Software

Documentation transmission may use either Internet, e-mail or hard media (CD-ROM, diskettes). Existing documentation will be kept as is. In any case, formal paper copy shall be delivered.

KARI will exercise its control and monitoring of the Contractor through the progress reports, progress meetings or other meetings, and reviews as defined in this S.O.W. Conference calls can be organized whenever necessary or for efficiency reasons.

The Contractor shall provide a project directory enabling efficient communications and keep it up to date.