

TERMS AND CONDITIONS – Commercial Items Under U.S. Government Contract

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DEFINITIONS - The term "Commercial item" pertaining to these terms and conditions shall be as defined in FAR 2.101 - Definitions, and is incorporated herein by reference.

1. **GENERAL/ACCEPTANCE** - This purchase order (which term shall be deemed to include plans, specifications, regulations, and other documents to the extent that any of the same are incorporated by reference) becomes the exclusive agreement between the parties for the supplies and/or services subject to these terms and conditions. Any of the following shall constitute Seller's unqualified acceptance of this purchase order and these terms and conditions: (a) acknowledgment of this purchase order; (b) furnishing of any part of the supplies/services under this purchase order; (c) acceptance of any payment for the supplies/services or (d) commencement of performance under this purchase order. Unless otherwise stated in Buyer's specifications, the latest revision of applicable standards, specifications, or similar documents as of the date of this purchase order shall apply. Any additional or different terms proposed by Seller are objected to and rejected unless accepted in writing by Buyer.
2. **BUYER'S AUTHORIZED PURCHASING REPRESENTATIVE** - (a) Buyer's Authorized Purchasing Representative is the individual authorized by Buyer's cognizant procurement organization to administer and/or execute the purchase order. The Buyer's Authorized Purchasing Representative has sole authority to make contractual commitments on behalf of Buyer, to provide contractual direction, and to change contractual requirements as defined in the purchase order.
(b) Buyer's engineering, technical personnel and other representatives may from time to time render assistance or give technical advice or discuss or effect an exchange of information with Seller's personnel concerning the supplies or services being provided under this purchase order. No such action shall be deemed to be a change under the "Changes" clause of this purchase order and shall not be the basis for an equitable adjustment.
3. **ASSIGNMENT, SUBCONTRACTING, AND PLACE OF PERFORMANCE** - (a) Neither this purchase order nor any payments hereunder are assignable or transferable, in whole or in part, without Buyer's written approval, which approval will not be unreasonably withheld.
(b) Neither the entirety nor any part of this purchase order may be further subcontracted without the prior written consent of Buyer. This provision shall not apply to purchases of standard commercial articles, including electronic components or raw materials including

casting, forgings, and rough welded structures on which Seller will perform further work.

(c) Seller further agrees that no subcontract placed under this purchase order shall provide for payment on a cost-plus-a-percentage-of-cost-basis and to select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of this purchase order.

(d) Seller shall notify Buyer of any change in the place of performance including but not limited to change in design, manufacturing, process, assembly, integration, or testing location of components or lower subassemblies, with regard to the requirements of this purchase order. Such notification shall be made to the Buyer's Authorized Purchasing Representative not less than 30 days prior to the change to the place of performance. Buyer may charge to Seller any additional cost of inspection or requalification in connection with any change in the place of performance of this purchase order.

4. **CHANGES** - (a) Buyer's Authorized Purchasing Representative may at any time, by written order, without notice to any surety, make changes or additions within the general scope of this purchase order in any one or more of the following: (1) drawings, designs, statement of work or specifications, or other technical documents; (2) method of shipment or packing; (3) time and place of inspection, delivery or acceptance; (4) quantities, where reasonable; (5) delivery schedules, where reasonable; and (6) the amount of Buyer/Government-furnished property. Seller acknowledges any such direction provided by anyone other than Buyer's Authorized Purchasing Representative is of no force and effect and Seller accepts all risks of accepting and/or otherwise proceeding with such unauthorized direction.

(b) If any authorized change causes an increase or decrease in the cost of, or the time required for, performance of any work under this purchase order, whether changed or not changed by any such written order, Seller shall notify Buyer in writing immediately and an appropriate equitable adjustment will be made in the price or time of performance, or both, by written modification of this purchase order. Any claim by Seller for such adjustment must be asserted within fifteen (15) days, or such other period as may be agreed on in writing by the parties, after Seller's receipt of the notice of the change. Seller will make available all supporting documentation for Buyer's examination to allow Buyer, its authorized representatives, and its customer, including the U.S. Government, to verify any claim for adjustment by Seller. If Buyer and Seller are unable to agree upon an equitable adjustment in the event of any change directed by

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Buyer, the matter will be resolved in accordance with the Disputes clause of this purchase order. Pending resolution of any such adjustment, Seller will diligently pursue the performance of the order as changed.

5. **CHOICE OF LAW** - Irrespective of the place of performance, this purchase order shall be governed and construed and all disputes arising under or related to this purchase order shall be resolved according to the law of the state from which this purchase order is issued, without regard to its conflict of laws principles.

6. **COMPLIANCE WITH LAWS AND REGULATIONS** - (a) Seller shall comply with any applicable laws, Executive Orders, or regulations (including export administration regulations).

(b) Seller agrees to indemnify Buyer against any loss, cost, liability or damage by reason of Seller's violation of any applicable laws, Executive Order, or regulation.

(c) Seller agrees that performance of this purchase order is subject to the laws and regulations of the Department of Defense, Department of Energy, or other Federal Government agency, including but not limited to those identified in these terms and conditions. Any knowing 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 this purchase order may be punishable in accordance with applicable Federal statutes.

7. **TERMINATION FOR DEFAULT** - The provisions of FAR 52.249-8, "Default (Fixed-Price Supply and Service)," in effect on the date of this purchase order are incorporated in this paragraph by reference as follows: Subparagraphs (a), (b), (e), and (f), except for the third sentence thereof, (g) and (h). Where necessary to make this FAR provision applicable to this purchase order, "Contractor" shall mean "Seller," "Contracting Officer" shall mean "Buyer" and "Government" shall mean "Buyer" or "Government." If bankruptcy, insolvency, dissolution, receivership or equivalent proceedings shall be instituted by or against Seller, or upon Seller's making any assignment for the benefit of creditors or entering into any such arrangement or upon Seller's suspension of its business or becoming insolvent, Buyer shall have the right to terminate this purchase order in accordance with FAR 52.249-8.

8. **INSPECTION** - (a) Buyer and its customer may inspect and test material, work in progress and supplies at all times and places, during manufacture and otherwise. Buyer's inspection may, in its sole discretion, include physical, visual and/or mechanical review, as well as any documentation necessary to substantiate the meeting of quality requirements or specific requirements set forth in the purchase order. If inspection and test are made on Seller's premises, Seller, without additional charge, shall provide reasonable facilities and assistance for the safety and convenience of the inspectors in performing their duties. Inspections and tests by Buyer shall be performed in such manner as not to unduly delay the work. Buyer may charge to Seller any additional cost of inspection and test when material, work or supplies are not ready at the time such inspection and test is requested by Buyer. In case of rejection, neither Buyer, nor its customer, shall be liable for any reduction in value of samples used in connection with such inspection or test.

(b) The inspection, review or approval by Buyer of any work, or of any drawing, design, or other document, will not be deemed to relieve Seller of any of its obligations under any purchase order, or to constitute a waiver of any defects or nonconformities. The acceptance by Buyer of any supplies or services under any purchase order will not be deemed to limit or affect any warranty or right of indemnity granted by Seller under such purchase order, these terms and conditions or otherwise.

(c) Except as otherwise agreed in writing, all shipments and supplies furnished under this purchase order shall be subject to final inspection and acceptance by Buyer after receipt by Buyer at Buyer's facility or other destination as identified in this purchase order notwithstanding any previous source inspection or

acceptance, the earlier passing of title to Buyer, or any prior payment by Buyer, or any prior inspection of any type. Seller shall maintain an inspection and quality control system acceptable to Buyer and its customer.

9. **RESPONSIBILITY FOR SUPPLIES** - Except as specifically otherwise provided in this purchase order, Seller shall be responsible for supplies meeting the requirements of this purchase order until final inspection and acceptance thereof by Buyer and shall bear all risks as to rejected supplies or supplies requiring correction after notice of rejection notwithstanding any prior acceptance.

10. **SUBSTITUTIONS** - Seller shall not substitute materials or accessories without prior written consent of Buyer.

11. **MATERIAL AUTHENTICITY** - (a) All material delivered under this purchase order shall be authentic and traceable to the original manufacturer. Seller shall provide authenticity and traceability records to Buyer upon request. Seller shall immediately notify Buyer if Seller cannot provide electronic parts, components, and/or assemblies traceable to the original component manufacturer (OCM)/the original equipment manufacturer (OEM). Upon receipt of such notification, Buyer reserves the right to terminate the purchase order at no cost to Buyer or provide specific material validation test and inspection protocol requirements. In the event that Seller delivers items that are determined not to be authentic, Seller shall take corrective action as required by the terms of this purchase order. Seller shall establish and maintain a material authenticity process which ensures the requirements of this clause are met. Seller's obligation to substantiate authenticity shall survive acceptance of and payment for supplies delivered under this purchase order.

(b) If this purchase order is for the (1) supply of electronic parts, (2) supply of end items, components, parts or assemblies containing electronic parts, or (3) provisioning of services where the Seller will supply electronic parts or components, parts, or assemblies containing electronic parts as part of the service then the provisions of paragraphs (a)-(e) of DFARS 252.246-7007, "Contractor Counterfeit Electronic Part Detection and Avoidance System," in effect on the date of this purchase order, including its definition of "electronic parts", are incorporated in this paragraph by reference. Where necessary to make these provisions of DFARS 252.246-7007 applicable to this purchase order "Contracting Officer" shall mean both "Contracting Officer" and "Buyer".

(c) The substance of this clause shall be incorporated into any subcontract or purchase order entered into by Seller for the performance of any part of the work under this purchase order.

12. **DEFECTIVE WORK** - (a) Notwithstanding any prior acceptance, Buyer, at its option, may reject or require prompt correction, or replacement (in place or elsewhere), of any supplies or services which are, in Buyer's judgment, defective in material or workmanship or otherwise fail to meet the drawings, designs, statement of work, specifications or other technical documents, or other requirements of this purchase order.

(b) All supplies furnished under this purchase order shall be subject to inspection at Buyer's facility or other destination as identified in this purchase order notwithstanding any previous source inspection, and Seller shall be given notice of any defects, other than latent defects, within a reasonable time after receipt of the supplies and all records (such as affidavits, test reports, drawings, etc.) required to be furnished.

(c) All services performed under this purchase order shall be performed in accordance with the standards of care and diligence customarily exercised by persons performing such services in the industry.

(d) Buyer may, in addition to any rights it may have by law, prepare for shipment and ship the supplies to Seller, require Seller to remove them, direct their correction in place or, with authorization by Seller, correct them and the expense of any such action, including transportation both ways, if any, shall be borne by Seller.

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If Seller fails promptly to remove such supplies and to proceed promptly to replace or correct them, Buyer may replace or correct such supplies at the expense of Seller, including any excess cost.

(e) If Seller delivers nonconforming services, Buyer may require Seller to promptly correct or replace the nonconforming services. Redelivery to Buyer of any corrected or replaced services shall be at Seller's expense. In addition, Buyer may (i) correct the nonconforming services or (ii) obtain replacement services from another source at Seller's expense. If repair/replacement or reperformance will not correct the defects or is not possible, Buyer may seek an equitable price reduction or adequate consideration for acceptance of nonconforming supplies or services. Buyer must exercise its post-acceptance rights:

- (1) Within a reasonable time after the defect was discovered or should have been discovered; and
- (2) Before any substantial change occurs in the condition of the item, unless the change is due to the defect in the item.

(f) Buyer may recover by set off or otherwise any and all costs, expenses and damages paid, incurred or suffered as a result of or relating to holding, returning, replacing, correcting or rejecting defective or nonconforming supplies or services. Seller shall not again tender rejected or corrected supplies or services unless Seller discloses the former tender and rejection or requirement of correction.

(g) All repair, replacement and other correction and redelivery shall be completed within the original delivery schedule unless otherwise directed by Buyer's Authorized Purchasing Representative.

(h) Seller shall immediately notify Buyer upon discovery of actual or potential nonconformance affecting delivered product.

- 13. DELIVERY** - (a) The parties expressly agree that time is and shall remain a material element of this purchase order and no acts of Buyer, including without limitation, modifications to this purchase order or acceptance of late deliveries, shall constitute a waiver of this clause.

(b) Seller will deliver acceptable supplies and services in strict conformity with any delivery schedule and shipping instructions set forth in the purchase order issued to Seller by Buyer. Unless otherwise provided in this purchase order, delivery in whole or in part shall not be made more than ten (10) days prior to required delivery dates. Buyer may return earlier deliveries at Seller's risk and expense. Seller shall comply with the delivery schedule but shall not make material or production commitments in advance of such time as the Seller reasonably believes necessary to meet the schedule without prior written approval by Buyer. Representatives of Buyer, the Government or both shall at all reasonable times have access to Seller's plant for the purpose of assuring delivery in accordance with the schedule.

(c) If Seller is unable to meet the required delivery schedules for any reason, other than a change directed by Buyer, Buyer shall have the option to: (1) terminate this purchase order, or; (2) fill such purchase order or any portion thereof, from sources other than Seller and to reduce Seller's purchase order quantities accordingly at no increase in unit price, without any penalty to Buyer. Alternatively, Buyer may require Seller to provide consideration for the late delivery. This condition shall not limit Buyer's rights or remedies under the Uniform Commercial Code or the Termination for Default clause of this purchase order.

- 14. QUANTITY** - Buyer need not accept any variation in quantity except as specified in this purchase order. Over-shipments may be returned to Seller at Seller's expense, which shall include a reasonable cost for Buyer's handling, or be retained by Buyer at no increase in price. To the extent that supplies covered by this purchase order are produced in accordance with drawings or specifications that are proprietary to Buyer or to Buyer's customer, Seller shall not manufacture or retain for the purpose of display, or otherwise, any more such supplies, or parts thereof, than are required to be delivered under this purchase order. Any such excess supplies, or parts thereof, shall be delivered free of charge to Buyer at the

designated delivery point at Seller's risk and expense or destroyed and the destruction certified by Seller.

- 15. DISPUTES** - Any dispute arising under this purchase order which is not settled by agreement of the parties will be litigated in the state or federal courts of the state from which the Buyer's purchase order is issued. Pending any decision, appeal or judgment in such proceedings, or the settlement of any dispute arising under this purchase order, Seller shall proceed diligently with the performance of this purchase order unless otherwise directed by Buyer.

- 16. FEDERAL, STATE AND LOCAL TAXES** - Except as may be otherwise provided in this purchase order, the purchase order price includes all applicable Federal, State and local taxes and duties.

- 17. GOVERNMENT OR BUYER PROPERTY** - If, in connection with the performance of this purchase order, any property is furnished to Seller by Buyer or by the Government, Seller shall assume the risk of, and be responsible for, any loss, theft, destruction of or damage to the property while in Seller's possession or control except to the extent that this purchase order, with the prior approval of Buyer or the Government, as applicable, provides for the relief of Seller from such liability. In the absence of such approval, Seller shall return all such property in a condition as good as when received except for reasonable wear and tear for the utilization of such property in accordance with the provisions of the prime contract. Seller shall establish and maintain a system in accordance with the provisions of FAR 52.245-1 for the control of the Government or Buyer owned property. Seller shall also notify Buyer if approval of its property system has been withdrawn by the Government. At all times, Buyer and the Government shall have access to Seller's facilities for the purpose of reviewing its compliance with the management of Government or Buyer property related to this purchase order.

- 18. INDEMNITY AND INSURANCE** - (a) Seller will defend, indemnify and hold harmless Buyer and its affiliates, and their officers, agents, employees, successors and assigns, against any claims, loss, damage or expense, including, without limitation, payment of direct, special, incidental and consequential damage, and expenses of defending claims, including attorneys' fees, for property loss and/or damage, and personal injury and/or death, which may be sustained by third parties and/or by Buyer, its agents, employees or subcontractors, at any tier, which results from Seller's performance or nonperformance of this purchase order except for claims resulting from the sole negligence of Buyer.

Buyer will inform Seller of any claim, demand or suit asserted or instituted against it and, to the extent of Buyer's ability to do so, permit Seller to defend the same or make settlement in respect thereof.

(b) Buyer, at its option, may require Seller to furnish evidence of insurance reasonably satisfactory to Buyer covering the liabilities and indemnification provided above but no acceptance of such evidence by Buyer shall be deemed a waiver or release of such liabilities or duty to indemnify. Seller and its subcontractors, at their sole cost and expense, will at all times, prior to commencement and throughout the period of performance of this purchase order, maintain with reputable insurance companies that are authorized to do business under the laws of the state or states in which the work is being performed, insurance coverage in at least the minimum amounts as follows:

- (1) Worker's Compensation insurance coverage as required by the laws of the state in which the work is performed sufficient to cover all of its general and special employees and such insurance shall provide waiver of subrogation against Buyer.
- (2) Employer Liability insurance in the amount of \$1,000,000.
- (3) Commercial General Liability (CGL) – Combined Single Limit (CSL) \$2,000,000 bodily injury and/or property damage. Coverage shall include premises and operations, products and completed operations and contracts.
- (4) Commercial Automobile Liability (AL) – Combined Single Limit (CSL) \$2,000,000 bodily injury and/or property damage covering all owned, hired and non-owned vehicles.

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Renewal insurance certificates, if applicable, shall be provided to Buyer at least fifteen (15) days prior to the expiration date of the insurance policies.

Additional insurance types and/or limits will be necessary if the work involves extra hazardous operations. The extra hazardous operations include but are not limited to aviation operations or products, nuclear hazard operations, professional engineering advice, large construction projects, hazardous waste, medical care, food service, crane operation, work above ground, work below ground, and demolition or explosives operations.

At Buyer's request, Seller will name Buyer as an additional insured under required liability policies, will provide Buyer a certificate(s) of insurance and provide Buyer ten (10) days' prior written notice of cancellation or material change of any such coverage.

(c) Seller shall comply with the provisions of FAR 52.215-10, 52.215-11, 52.215-12, and 52.215-13 which are incorporated herein by reference to the extent that such clauses are or become applicable to this purchase order. Seller shall indemnify and hold harmless Buyer from any amount, loss and expense, including interest assessed by the Government under 10 U.S.C. § 2306a, by which this purchase order is determined by the Government to have been defectively priced because of Seller's or Seller's subcontractor's failure to comply with such provisions. The rights of the parties under this clause shall survive completion or termination of this purchase order.

- 19. INTELLECTUAL PROPERTY INDEMNITY** - (a) Seller shall indemnify Buyer, Buyer's customer and/or the Government and their respective officers, agents and employees against liability and losses, including costs, for infringement of any United States or foreign patent, copyright, trademark, or other intellectual property arising out of the manufacture or delivery of supplies or performance of services under this purchase order or out of the use or disposal by, or for the account of, Buyer, Buyer's customer and/or the Government of such supplies or services. This indemnity shall not apply unless Seller shall have been informed as soon as practicable by Buyer, Buyer's customer and/or the Government of the suit or action or other proceedings alleging such infringement and shall have been given such opportunity as is afforded by applicable laws, rules or regulations to participate in the defense thereof.

(b) Notwithstanding the above, when this purchase order is performed under the authorization and consent of the Government to infringe United States patents, Seller's liability for Seller's patent infringement under this purchase order shall be coextensive with Buyer's liability.

- 20. INVOICING AND PAYMENT** - When invoices are otherwise required, a separate invoice shall be issued for each shipment and should include the relevant Buyer purchase order number. Unless otherwise specified in this purchase order, no invoice shall be issued prior to shipment of goods and no payment will be made prior to receipt of goods and a correct invoice. Payment due dates, including Buyer's entitlement to take a discount, will be computed from the date of receipt of acceptable supplies at Buyer's facility or the date of receipt of a correct invoice (whichever is later). If Seller is directed under this purchase order to ship supplies to locations other than Buyer's facility, Seller shall notify Buyer's Authorized Purchasing Representative within three (3) business days of completed shipment. Seller understands that Buyer will not issue payment under this purchase order until Buyer verifies receipt of acceptable supplies at the location specified by Buyer and receipt is processed in Buyer's system. Any applicable discount will be taken on the full amount of the invoice. Buyer may set off against any amounts due under Seller's invoices, including: (a) any damages resulting from Seller's default under or breach of any contract (including any purchase order and these terms); (b) any amount owing from Seller to Buyer; or (c) any adjustment for shortage or rejection and any associated costs.

- 21. LIENS** - (a) Seller warrants that it has title to the supplies to be delivered under this purchase order and shall deliver same free of all liens, claims and encumbrances.

(b) Title to all property shall pass to the Buyer upon receipt of items by Buyer. For purposes of this clause, property includes all deliverables, parts, material, inventories, works in progress, special tooling or special test equipment to which Buyer is entitled to acquire title, nondurable tools, jigs, dies, fixtures, molds, patterns, taps, gauges, test equipment and other similar manufacturing aids, drawing and technical data to the extent Seller is required to deliver such under this purchase order.

22. RESERVED

- 23. NEWS OR ADVERTISING RELEASES** - No news release in any way relating to Buyer or Seller concerning this purchase order shall be made by either party to any news media or to the general public without the prior approval of the other party. Seller will not, and will require its suppliers and subcontractors to not, advertise or publish the fact that Buyer has ordered supplies or services from Seller, or the terms or nature of such order. Seller will not, and will cause its employees and other representatives to not, disclose such information in company periodicals, press releases, public lectures, sales or other promotional literature, or otherwise. The parties agree that in the event a news release is so approved and made, such news will recognize Buyer and Seller.

- 24. NOTICE TO BUYER OF POTENTIAL DELAYS** - (a) Whenever Seller has knowledge that any occurrence is delaying or threatens to delay the timely performance of this purchase order, Seller shall immediately give notice, including all relevant information with respect to the delay, to Buyer. Such occurrences shall include, but not be limited to: (1) actual or potential labor disputes or strikes; (2) fires, floods, or unusually severe weather; (3) acts of nature; (4) acts of the Government in either its sovereign or contractual capacity, and any other cause for delay. Neither receipt of such notice by Buyer nor any provision of these terms and conditions will be deemed to be a waiver by Buyer of any of its rights under any purchase order, these terms, at law or otherwise.

(b) Seller shall include the substance of this clause, including this subparagraph (b), in all its purchase orders issued at all tiers under this purchase order.

- 25. OFFSET NOTIFICATION** - This clause shall only apply to purchase orders in excess of fifty thousand dollars (\$50,000.00).

(a) Definition: "Offset" means the obligations that Buyer undertakes, in order to market or sell its products, to assist a customer country in reducing any trade imbalance caused by its purchase of Buyer's products or to meet other customer country national objectives.

(b) To the exclusion of all others, Buyer or its assignees shall be entitled to all benefits or Offset credits which might result from this purchase order. Seller shall provide documentation or information that Buyer or its assignees may reasonably request to substantiate claims for Offset credits.

(c) Seller agrees to use reasonable efforts to identify the foreign content of items that Seller either produces itself or procures from subcontractors for work under this purchase order. Promptly after selection of a non-U.S. subcontractor for work under this purchase order, Seller shall notify Buyer of the name, address, subcontractor point of contact (including telephone number) and dollar value of the subcontract.

(d) Seller shall include the substance of this clause, in favor of Buyer, in its subcontracts issued at all tiers pursuant to this purchase order.

- 26. ORDER OF PRECEDENCE** - The various documents constituting this purchase shall, insofar as is possible, be interpreted so as to be consistent with one another. In the event that a conflict or ambiguity arises in the interpretation of this purchase order, said conflict or ambiguity shall be resolved in accordance with the following order of precedence, with the first listed item having a higher precedence than later listed items: (a) provisions required by statute, regulation or Government contract; (b) typed purchase order form; (c) this

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terms and conditions document; (d) statement of work; (e) specifications; and (f) drawing(s).

27. RESERVED

28. PROTECTION OF INFORMATION - (a) If a separate confidentiality, nondisclosure, or proprietary information agreement exists between Buyer and Seller which relates to the subject matter of this purchase order, then confidential or proprietary information furnished by one party to the other party shall be protected pursuant to such agreement, and paragraphs (b) through (g) of this clause shall not apply.

(b) If no separate confidentiality, nondisclosure, or proprietary information agreement exists between Buyer and Seller, paragraphs (c) through (g) of this clause apply.

(c) For purposes of this clause, "Information" shall mean information disclosed to Seller by Buyer in connection with this purchase order, which is either identified to Seller as being proprietary or which is information a reasonable person would understand to be such information. Examples of Information include, but are not limited to, customer lists, pricing policies, market analyses, business plans or programs, software, specifications, manuals, print-outs, notes and annotations, performance data, designs, drawings, dimensions, processes, data, reports, photographs, and engineering, manufacturing or technical information related to Buyer's products, services, equipment or processes, as well as duplicates, copies or derivative works thereof. Information shall not mean any information previously known to Seller without obligation of confidence, or which becomes publicly disclosed, or which is rightfully received by Seller from a third party without obligation of confidence. The prohibitions in this clause are meant to co-exist with DFARS 252.204-7000, incorporated by reference herein. To the extent there is any conflict with this clause and DFARS 252.204-7000, or other applicable U.S. Government Procurement Regulations incorporated into this Purchase Order, the latter shall, when applicable, take precedence over any conflicting provision to the extent that such regulations so require.

(d) Information furnished to Seller shall remain Buyer's proprietary property, shall be duplicated only as authorized in writing by Buyer, and shall be returned to Buyer upon request or when no longer required for the performance of this purchase order. Seller shall not disclose Information to any third party, and shall take all reasonable precautions to prevent the disclosure of Information to third parties, including any foreign national, firm or country, and foreign nationals employed by or associated with Seller's company except as specifically authorized by Buyer. Seller agrees not to use Information to develop any product, service or system, or to support any third party in the development of any product, service or system.

(e) Data and information provided by Seller shall be considered proprietary only when marked as proprietary. Seller's proprietary data and information will be used by Buyer only upon approval by Seller. Buyer may use unmarked Seller's data and information for any purpose.

(f) Seller's obligations with respect to Information disclosed hereunder prior to the performance in full or termination of this purchase order shall not, except as expressly set forth herein, be affected by such performance in full or termination.

(g) Buyer or its authorized representatives may at any time audit all pertinent books, records and files of Seller in order to verify compliance with this clause. Seller will, in all of its contracts with its suppliers relating to any Buyer purchase order, include provisions which secure for Buyer all of the rights and protections provided for by this clause.

29. STOP-WORK ORDER – In accordance with the provisions of the "Stop-Work Order" clause set forth in FAR 52.242-15 in effect on the date of this purchase order, Buyer may, at any time, by written order to Seller, require Seller to stop all, or any part, of the work called for by any purchase order for a period of ninety (90) days after the order is delivered to Seller, and for any further period to which the parties may agree. Upon receipt of such an order, Seller will immediately take all reasonable steps to minimize the incurrence of costs

allocable to the work covered by the order during the period of work stoppage. Within the indicated 90-day period, Buyer will take the actions prescribed in FAR 52.242-15.

30. TERMINATION FOR CONVENIENCE - Without limiting Buyer's right to terminate this purchase order for default of Seller as provided in this purchase order, Buyer may at any time terminate all or any part of the work under this purchase order and process Seller's claim(s) in accordance with the provisions of the "Termination for the Convenience of the Government (Fixed-Price)" clause set forth in FAR 52.249-2 in effect on the date of this purchase order. Where necessary to make FAR 52.249-2 applicable to this purchase order, "Contractor" shall mean "Seller", "Contracting Officer" shall mean "Buyer", "Government" shall mean "Buyer" except that in subparagraph (b) (8) and at the first occurrence in paragraph (h) it shall mean "Buyer or the Government" and in paragraph (n) it shall mean "Buyer and the Government", paragraphs (d) and (j) are deleted, the period "120 days" in paragraph (c) is changed to "60 days", the period "1 year" in paragraph (e) is changed to "3 months" and the period "90 days" in paragraph (l) is changed to "45 days"; provided, however, that if this purchase order is a first-tier subcontract under a U.S. Government prime contract, the period "1 year" in paragraph (e) is changed to "180 days," or any extension thereto."

31. TOXIC SUBSTANCES CONTROL ACT - Seller warrants that each and every chemical substance delivered under this purchase order shall, at the time of sale, transfer, or delivery, be on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Agency pursuant to Section 8 of the Toxic Substances Control Act (15 U.S.C. § 2601).

32. WARRANTY - Seller warrants and implies that the items delivered hereunder are merchantable and fit for use for the particular purpose described in this purchase order.

33. ENTIRE AGREEMENT - This purchase order, including attachments and documents incorporated herein by reference, constitutes the entire agreement between Buyer and Seller, and supersedes all prior representations, agreements, understandings, and communications between Buyer and Seller. No amendment or modification of this purchase order shall be binding upon either party unless it is set forth in a written instrument signed by authorized representatives of both Buyer and Seller. The rights and remedies afforded to either party pursuant to any part or provision of this purchase order are in addition to any other rights and remedies afforded by other parts or provisions of this purchase order, by law, or otherwise.

34. EXPORT AND IMPORT RELATED REQUIREMENTS –

A. Export Compliance. Performance of this purchase order may involve the use of or access to articles, technical data or software that is subject to export controls under 22 United States Code 2751 – 2799 (Arms Export Control Act) and 22 Code of Federal Regulations 120-130 (International Traffic in Arms Regulations or "ITAR") or 50 United States Code 2401-2420 (Export Administration Act of 1979, as amended), 50 United States Code 1701-1706, (International Emergency Economic Powers Act, as amended), and 15 Code of Federal Regulations 730 – 774 (Export Administration Regulations) and their successor and supplemental laws and regulations (collectively hereinafter referred to as the "Export Laws and Regulations"). Seller represents and warrants that it is either 1) a U.S. Person as that term is defined in the Export Laws and Regulations, or 2) a Foreign Person as that term is defined in the Export Laws and Regulations and has disclosed to Buyer's Representative in writing the country in which it is incorporated/authorized/organized to do business, and all nationalities of any dual or third-country national employees who will require access to the data, articles or services provided hereunder. Seller shall comply with any and all Export Laws and Regulations, and any license(s) issued there under.

1. Registration. If Seller is a U.S. entity and is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense

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services, Seller represents that it is registered with the U.S. Department of State's Directorate of Defense Trade Controls, as required by the ITAR, and it maintains an effective export and import compliance program in accordance with the ITAR.

2. Foreign Persons. Seller shall not re-transfer any export-controlled information (e.g., technical data or software) to any other non-U.S. person or entity (including the Seller's dual and/or third-country national employees) without first complying with all the requirements of the applicable Export Laws and Regulations. Prior to any proposed re-transfer, Seller shall first obtain the written consent of the Buyer. No consent granted by Buyer in response to Seller's request shall relieve Seller of its obligations to comply with the provisions of paragraph A of this clause or the Export Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of paragraph A hereinabove, nor constitute consent for Seller to violate any provision of the Export Laws and Regulations.

B. Political Contributions, Fees and Commissions. If this purchase order is valued in an amount of \$500,000 or more, then in performance of this purchase order, Seller shall not directly or indirectly pay, offer or agree to pay any political contributions or any fees or commissions.

For purposes of this section and pursuant to 22 CFR 130.6, political contribution means any loan, gift, donation or other payment of \$1,000 or more made, or offered or agreed to be made, directly or indirectly, whether in cash or in kind, which is:

1. To or for the benefit of, or at the direction of, any non-U.S. candidate, committee, political party, political faction, or government or governmental subdivision, or any individual elected, appointed or otherwise designated as an employee or officer thereof; and
2. For the solicitation or promotion or otherwise to secure the conclusion of a sale of defense articles or defense services to or for the use of the armed forces of a non-U.S. country or international organization. Taxes, customs duties, license fees, and other charges required to be paid by applicable law or regulation are not regarded as political contributions.

For purposes of this section and pursuant to 22 CFR 130.5, fee or commission means any loan, gift, donation or other payment of \$1,000 or more made, or offered or agreed to be made directly or indirectly, whether in cash or in kind, and whether or not pursuant to a written contract, which is:

1. To or at the direction of any person, irrespective of nationality, whether or not employed by or affiliated with the Seller; and
2. For the solicitation or promotion or otherwise to secure the conclusion of a sale of defense articles or defense services to or for the use of the armed forces of a non-U.S. country or international organization.

C. Import Compliance. Both parties shall comply with all U.S. Customs laws and regulations (e.g., 19 CFR) and all other applicable U.S. government regulations pertaining to importations of goods and materials into the United States.

For International Purchase Orders (purchase orders issued to entities addressed in foreign countries): Specifically, without excluding other regulations, Seller shall comply with and adhere to the commercial invoice requirements detailed in 19 CFR 141 subpart F of the regulations, and provide additional information as requested by the Buyer. Seller shall immediately upon discovery, notify Buyer of any change to the shipment data related to product valuation, quantities shipped, country of origin, port of export and any additional information directed by the Buyer. Seller will timely provide pre-alert shipping information and documentation prior to shipment arrival to the U.S. Buyer will direct Seller where to send pre-alert shipping information and documentation. Pre-alert shipping documentation includes, but is not limited to, a commercial

invoice, airway bill, bill of lading, and other required documentation as directed by U.S. regulations and Buyer.

For Domestic Purchase Orders (purchase orders issued to entities addressed in the United States): Seller shall assume all U.S. import responsibilities, to include designation as U.S. Importer of Record, Customs clearance, duty, taxes, and fees for goods entering into the United States. Unless otherwise agreed in writing, Buyer will not assume any import liabilities for goods procured through a domestic purchase order.

D. 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 this Clause and breach of the warranty set forth in paragraph A or B. Any failure of Seller to comply with the requirements or any breach of the warranty contained in this Clause shall be a material breach of this purchase order.

E. Subcontracts. The substance of this clause shall be incorporated into any lower-tier subcontract or purchase order entered into by the Seller for the performance of any part of the work under this purchase order.

F. Notification. Seller agrees to provide prompt notification to Buyer in the event of changes in circumstances such as ineligibility to contract with U.S. Government, debarment, assignment of consent agreement, and initiation or existence of a U.S. Government investigation, that could affect Seller's performance under this purchase order. Seller further agrees to provide prompt notification to Buyer should any offer, agreement or payment of political contributions, fees or commissions (as defined herein and pursuant to this purchase order) be made in contravention of the prohibition in Section B.

35. RESEARCH INVOLVING HUMAN SUBJECTS - No research involving human subjects, as defined in 45 CFR Part 46, may be performed by Seller on this purchase order without prior written approval of Buyer's Authorized Purchasing Representative. Any Buyer approved research involving human subjects must, at all times; (a) conform to any conditions or restrictions provided in the Buyer's written approval; (b) be guided by "Ethical Principles and Guidelines for the Protection of Human Subjects," The National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, April 18, 1979 ("The Belmont Report"); and (c) remain in full compliance with the applicable regulations of the Government agency or instrumentality funding the research (e.g., 32 CFR Part 219 for the Department of Defense).

36. FIRST TIER SUBCONTRACT REPORTING - If this purchase order is for an amount of \$30,000 or greater and issued pursuant to a government prime contract as a "first-tier subcontract" as that term is defined under FAR 52.204-10, Seller understands that certain information concerning the content of this purchase order is reportable by Buyer under the requirements of FAR 52.204-10 and will be made available to the public. Seller is required as a condition of acceptance of this purchase order to provide necessary information required by FAR 52.204-10, including executive compensation of Seller's top five executives, unless an exception or exemption applies. Failure to provide such information shall be a material breach by Seller.

37. RESERVED

38. RISK OF LOSS - Unless the contract specifically provides otherwise, risk of loss or damage to the supplies provided under this contract shall remain with Seller until delivery FOB destination.

39. COMPLIANCE WITH LAWS UNIQUE TO GOVERNMENT CONTRACTS - Seller agrees to comply with 31 U.S.C. 1352 relating to limitations on the use of appropriated funds to influence certain Federal contracts; 18 U.S.C. 431 relating to officials not to benefit; 40 U.S.C. 3701, *et seq.*, Contract Work Hours and Safety Standards Act; 41 U.S.C. 51-58, Anti-Kickback Act of 1986; 41 U.S.C. 265 and 10 U.S.C. 2409 relating to whistleblower protections; 49 U.S.C.

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40118, Fly American; and 41 U.S.C. 423 relating to procurement integrity.

- 40. NON-WAIVER AND REMEDIES** - A party's failure at any time to enforce any provision of any purchase order shall not constitute a waiver of the provision or prejudice a party's right to enforce that provision at any subsequent time. The parties' rights and remedies as provided in this purchase order are in addition to others provided by law; any failure to state a right or remedy herein does not constitute a waiver of such other rights and remedies.

41. FEDERAL ACQUISITION REGULATION (FAR), DEPARTMENT OF DEFENSE (DoD) FAR SUPPLEMENT (DFARS)

The following clauses set forth in the FAR and DFARS as in effect on the date of this purchase order, unless otherwise noted, are incorporated herein by reference. Where necessary to make the clauses applicable to this purchase order, "Contractor" shall mean "Seller," "Contracting Officer" shall mean "Buyer," and the "Government" shall mean "Buyer" or the "Government" whenever appearing in the clauses, unless otherwise noted. Seller shall include the following clauses in its lower-tier purchase orders as required. If any of the following FAR or DFARS clauses do not apply to a particular purchase order, such clauses are considered to be self-deleting.

a) All Orders

52.203-3 Gratuities

52.203-15 Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009 (applicable if funded in whole or in part with Recovery Act funds)

52.204-9 Personal Identity Verification of Contractor Personnel

52.208-8 Required Sources for Helium and Helium Usage Data

52.211-15 Defense Priority and Allocation Requirements

52.222-21 Prohibition of Segregated Facilities

52.222-26 Equal Opportunity

52.222-41 Service Contract Act of 1965

52.222-50 Combating Trafficking in Persons

52.223-3 Hazardous Material Identification and Material Safety Data

52.223-4 Recovered Material Certification

52.223-15 Energy Efficiency in Energy-Consuming Products

52.225-1 Buy American Act – Supplies

52.225-2 Buy American Act Certificate

52.225-13 Restrictions on Certain Foreign Purchases

52.232-39 Unenforceability of Unauthorized Obligations

52.232-40 Providing Accelerated Payments to Small Business Subcontractors

52.245-1, Alt. 1 Government Property (except in clauses (e)(1),(e)(2)(ii),(e)(3)(i),(f)(1)(ii), the term "Government" shall remain)

52.247-63 Preference for U.S. Flag Air Carriers

52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels

252.203-7002 Requirement to Inform Employees of Whistleblower Rights

252.204-7000 Disclosure of Information

252.204-7009 Limitations on the Use and Disclosure of Third-Party Contractor Reported Cyber Incident Information

252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting (In subparagraph (c)(1)(ii), Seller shall rapidly report any cyber incident to the Department

of Defense (DoD) at <http://dibnet.dod.mil> and to Buyer's Authorized Purchasing Representative within seventy two (72) hours of discovery)

252.204-7014 Limitations on the Use or Disclosure of Information by Litigation Support Contractors

252.204-7015 Disclosure of Information to Litigation Support Contractors

252.204-7008 Compliance with Safeguarding Covered Defense Information Controls

252.225-7001 Buy American Act and Balance of Payments Program. (Applies in lieu of FAR 52.225-1.)

252.225-7007 Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies (applicable if Purchase Order is for item(s) covered by the United States Munitions List)

252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals (OCT 2014) (Paragraphs (c)(6) and (d) are hereby deleted. Upon Seller notification of noncompliance with the terms of this clause and provision of specific information related to the source of the noncompliance, Buyer will facilitate management of the allowance for up to 2% otherwise noncompliant specialty metal content in the end item. The 2% minimal content exception does not apply to and cannot be used to exempt specialty metals contained in high-performance magnets. Upon review of Seller's information, Buyer will advise of the availability of the allowance.)

252.225-7021 Trade Agreements

252.225-7030 Restriction on Acquisition of Carbon Alloy and Armor Steel Plate

252.225-7043 Anti-Terrorism/Force Protection Policy for Defense Contractors Outside the United States

252.227-7015 Technical Data-Commercial Items (the term "Government" shall remain throughout this clause, the term "Contracting Officer" shall mean both "Contracting Officer and Buyer")

252.227-7037 Validation of Restrictive Markings on Technical Data

252.229-7011 Reporting of Foreign Taxes - US Assistance Programs

252.236-7013 Requirement for Competition Opportunity for American Steel Producers, Fabricators, and Manufacturers

252.239-7010 Cloud Computing Services

252.239-7018 Supply Chain Risk

252.244-7000 Subcontracts for Commercial Items

252.246-7003 Notification of Potential Safety Issues

252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System (for paragraphs (a)-(e) the term "Contractor" shall mean "Seller" and the term "Contracting Officer" shall mean both "Contracting Officer" and "Buyer")

252.247-7023 Transportation of Supplies by Sea

252.247-7024 Notification of Transportation of Supplies by Sea

252.249-7002 Notification of Anticipated Contract Termination or Reduction. (Delete paragraph (d) (1) and the first five words of paragraph (d)(2).)

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b) All Orders Greater than \$3,000 (Greater than \$3,500 if Prime Contract dated on or after October 1, 2015)

- 52.222-54 Employment Eligibility Verification
 52.223-18 Encouraging Contractor Policies to Ban Text Messaging While Driving

c) All Orders of \$10,000 and Greater

- 52.222-40 Notification of Employee Rights under the National Labor Relations Act

d) All Orders Greater than \$15,000

- 52.222-36 Equal Opportunity for Workers with Disabilities

e) All Orders of \$100,000 and Greater

- 52.222-35 Equal Opportunity for Veterans

f) All Orders of Greater than \$150,000

- 52.203-6, Alt. I Restrictions on Subcontractor Sales to the Government
 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
 52.203-12 Limitation on Payments to Influence Certain Federal Transactions
 52.203-16 Preventing Personal Conflicts of Interest
 52.203-17 Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights
 52.219-8 Utilization of Small Business Concerns
 252.225-7006 Acquisition of the American Flag
 52.225-7012 Preference For Certain Domestic Commodities

g) All Orders Greater than \$500,000

- 252.226-7001 Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns

h. All Orders of \$500,000 or Greater (\$550,000 or Greater if Prime Contract dated on or after September 28, 2006 through September 30, 2010; \$650,000 or Greater if Prime Contract dated on or after October 1, 2010 through September 30, 2015; \$700,000 or Greater if Prime Contract dated on or after October 1, 2015)

- 52.219-9 Small Business Subcontracting Plan
 252.219-7003 Small Business Subcontracting Plan (*DoD Contracts*)

i) All Orders of \$5,000,000 and Greater and a Period of Performance of greater than 120 days (\$5.5 Million or Greater if Prime Contract dated on or after October 1, 2015)

- 52.203-13 Contractor Code of Business Ethics and Conduct (*Notwithstanding any alterations to this clause to reflect the relationship between Buyer and Seller, all disclosures of violation of the civil False Claims Act or of federal criminal law shall be directed to the Office of the Inspector General of the agency issuing the prime contract, with a copy to the Contracting Officer of the prime contract.*)
 252.203-7003 Agency Office of the Inspector General