



MIDDLE RIVER AIRCRAFT SYSTEMS

MRA Systems Inc. – A Subsidiary of GE

MIDDLE RIVER AIRCRAFT SYSTEMS GENERAL PROVISIONS FOR PURCHASE ORDERS

PART I: APPLICABLE TO THE PURCHASE OF GOODS
PART II: APPLICABLE TO THE PURCHASE OF SERVICES

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(NOTE: If a Purchase Order is placed under a United States Government, Department of Defense or NASA contract, the below listed Appendices I, III, IV and V apply. Appendix II applies to International Purchase Orders. Contact your Buyer for contract/program verification.)

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Revisions to this handbook are shown in *italics (and green-electronically)*.

IMPORTANT INFORMATION: A hard copy of this document may not be the document currently in effect. The current version is always the version on the network.

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3. *From time to time, at MRAS' request, Seller shall provide certificates to MRAS relating to any applicable legal requirements or to update sub-part A of this purchase order, in each case in form and substance satisfactory to MRAS.* 45

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PART I: TERMS AND CONDITIONS FOR THE PURCHASE OF GOODS

1: DEFINITIONS

Purchaser

The party contracting with Seller for Goods and/or services and identified as the purchasing entity on the face of this purchase order.

Government

The United States of America or any department or agency thereof.

Prime Contract

A contract defined by a government contract number in the schedule of this purchase order and under which this purchase order is made.

Seller

The party contracting to perform the work hereunder.

Subcontract *(unless provided otherwise in this purchase order)*

All contracts placed by the Seller or lower tier subcontractors for the specific purpose of performing any portion of the work under this purchase order, and includes but is not limited to purchase orders and changes, or modifications thereto.

FAR

Federal Acquisition Regulation

FAR Supplement

Authorized supplements to the FAR, including the DOD FAR Supplement (DFARS).

Goods

The product supplied by Seller under this purchase order, including without limitations all components, raw materials, and intermediate assemblies thereof.

2: TERMS & CONDITIONS

- A. Either Seller's written acknowledgement or Seller's full or partial performance under this purchase order, whichever occurs first, will constitute acceptance of all terms and conditions contained herein. Any acceptance of this purchase order is limited to acceptance of the express terms of the offer set forth in this purchase order. Any proposal for additional or different terms or any attempt by Seller to vary in any degree any of the terms of this offer in Seller's acceptance or acknowledgement is hereby objected to and rejected, but such proposal shall not operate as a rejection of this offer unless such variances are in the terms of the description, quantity, price or delivery schedule of the Goods but shall be deemed a material alteration thereof, and this offer shall be deemed accepted by the Seller without said additional or different terms. If this purchase order shall be deemed an acceptance of a prior offer by Seller, such acceptance is limited to the express terms set forth in this purchase order.

3: DISPUTE RESOLUTION

- A. Except as specifically provided for in paragraph (h) below, the parties intend to forsake litigation and resolve with finality any and all disputes arising under or related to this purchase order exclusively by the process identified in this article. This article shall remain effective in the event that a petition in bankruptcy is filed by or against a party to this contract or order, or if a party makes an assignment for the benefit of creditors, or if any other insolvency proceeding is commenced against a party. Invocation of this paragraph shall not relieve either party of any obligation, right or duty of performance arising under or related to any purchase order.

- B. Any and all disputes, controversies or claims arising under or relating to this purchase order or the breach, termination or invalidation thereof shall, upon written notice, be referred to a senior management representative from each of the parties who will confer in good faith to attempt to resolve the matter. The party sending the first written notice (the "Initial Notice") shall (1) set forth in detail all of its claims or issues in dispute and (2) designate its representative. The other party shall have five (5) business days to designate its representative and add any other issues or claims for resolution not identified in the Initial Notice. The representatives shall have 30 days from the date of the Initial Notice to resolve the issues identified in the notices. If the representatives are unable to resolve the matter, either party may refer the matter to administered mediation, through the organization of JAMS/Endispute. Such mediation shall be started within 30 days from the date of referral, and the mediation process must be concluded within 30 days from the start date.
- C. If the dispute or claim is not fully resolved pursuant to paragraph b, either party may after 90 days, but not later than 120 days from the date of the initial notice, make a written demand for binding arbitration to be administered by the American Arbitration Association (AAA) by one arbitrator in accordance with its commercial arbitration rules and judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. A party's failure to make a timely demand for arbitration shall result in the forfeiture of all the claims and issues that party identified in its written notice.
- D. The arbitration proceedings shall be conducted in Baltimore, Maryland, and the order shall be interpreted and applied in accordance with the laws of the state of New York without regard to New York's choice of law provisions. Each party will be permitted to take the deposition of one individual, limited to no longer than four hours. No other discovery shall be conducted except by the written agreement of both parties. All fees and expenses of the arbitration shall be shared equally by the parties. However, each party shall bear the expense of its own counsel, experts, witnesses, and preparation and presentation of proofs. The arbitrator shall have no authority to award punitive or other damages beyond the prevailing party's actual damages and shall not, in any event, make any ruling, finding, or award that does not conform to the terms and conditions of the order. The arbitration award shall be in writing and shall specify the factual and legal basis for the award. The right to appeal the award shall be governed by New York law, and any such appeal shall be brought in a court of competent jurisdiction located in Baltimore, Maryland.
- E. Either party may at any time, without inconsistency with this order, seek from a court of competent jurisdiction located in Baltimore, Maryland, any equitable, interim or provisional relief only to avoid irreparable injury.
- F. The parties intend all statements made and documents provided or exchanged in connection with this dispute resolution process to be confidential and neither party shall disclose the existence or content of the dispute or claim, or the results of any dispute resolution process, to third parties other than outside counsel, except with the prior written consent of the other party or pursuant to legal process.
- G. The parties may by written mutual consent agree to dates and times other than those set forth in this article.
- H. The provisions of this article shall not modify or displace the procedures specified in Article 25, Termination for Convenience. In addition, this article shall not apply to and will not bar litigation regarding any claims related to a party's proprietary or intellectual property rights.

4: PACKAGING REQUIREMENTS

- A. General Instructions
 - 1. All Articles are to be packed in accordance with sound commercial standards and accepted practices of the industry to obtain the lowest transportation rates unless

otherwise specified in this Contract, and must provide full protection of material to ultimate destination while conforming to governing classifications.

2. No Separate boxing charges will be allowed.
3. Seller shall be responsible for packing and packaging necessary to withstand transportation hazards and for preparing shipments in accordance with the instructions furnished by Purchaser. Methods of handling, moving, and transporting packages should ensure that shipments arrive at purchaser premises undamaged.
4. The use of expanded polystyrene (foam peanuts) is prohibited.
5. It is a MRAS safety requirement that single containers weighing over 50 pounds must be palletized. Multiple containers weighing over 50 pounds may not be on the same pallet. For more instructions concerning multiple container shipments see 5 and 6 of this remark.
6. Corrugated fiberboard containers 12 inches x 12 inches x 12 inches or smaller cannot weigh more than 25 pounds each.
7. Articles delivered to MRAS prior to the schedule set forth herein may be returned at the Seller's expense.

B. Marking

1. Consignment address as identified on the corresponding purchaser order is to be placed on the top or side of all containers.
2. Markings should be arranged in a manner that ensures that opening and closing the container would not cause loss or damage to the identification.
3. Information required on each P.O. item container (Barcode Label, Packing List or Exterior of Container):
 - a. Purchase order number
 - b. Purchase order item number
 - c. Part number
 - d. Quantity in container
 - e. Total Quantity of shipment (on first container only)
 - f. Container # ___ of ___ (see 5-Multiple Containers)
 - g. Packing list number
 - h. Name of manufacturer
 - i. Made in _____(country of manufacture)(See 19 USC 1304).
 - j. Date of Manufacture (If date sensitive material, i.e., Shelf-life items)
 - k. Release authorization
 - l. Weight of Container (in characters 1½ inches {Min.} in height)
4. Marking media color should contrast the container color
5. Precautionary and handling requirements shall be applied as required. This includes marking for radioactive material and items having a shelf life.
6. Parts on skids, which are not containerized, should be identified using labels visibly located.
7. All returnable containers must be identified as **Returnable**.
8. In the case of **kits** where individual kit components were made in different countries, the country of manufacture must be shown for each separate part number.

C. Packing List (*when bar code labeling is not used*)

1. Will include the information listed in B.3 above.
2. The original should be placed in a waterproof envelope and secured to the marked end of the container or container one if multiple containers. A copy of the packing list is required on each container if multiple containers.
3. A copy of the packing list should be placed on top of the inside of the container or container one if multiple containers.
4. When banded/strapped or shrink-wrapped multiple containers are shipped, the packing list must be accessible without unbanding the shipment.

D. Documentation

1. If applicable, include the following on top of the inside of the container or on top of the inside of container one if multiple containers:
 - a. Certifications
 - b. Inspection Reports
 - c. Resident Release forms from the Designated Supplier Quality Representative (DSRQ)
 - d. Functional Test Reports
 - e. Drawings
 - f. Blue Prints
 2. Boxes containing documents should be marked to identify that the material is inside. (i.e. Drawing/Test Samples Enclosed)
- E. Multiple Containers
1. Multiple Container shipments containing the same Part number, P.O. number, P.O. Item number should be strapped/banded or shrink-wrapped together on one skid or pallet. Any individual containers weighing over 50 pounds must be on their own pallet and have their own bar code label, or packing list.
 2. Each P.O. Item number must be packed separately and each package should display the information as listed in B.3 above.
 3. The Bill of Lading should be annotated **separation of banded or wrapped skids during transit is not allowed.**
 4. The outside of the container/shipment should be marked in bold letters **DO NOT SEPARATE THIS SHIPMENT.**
- F. Overpacked Containers
1. P.O. Item containers having separate packing lists may be placed in an oversize container.
 2. The outside of the container must display all of the P.O. numbers, P.O. Item numbers, and Part numbers contained in the overpacked box.
 3. Multiple containers containing the same part number, P.O. number, P.O. Item number and weighing less than 50 pounds should be overpacked into one container. If the overpack container weight exceeds 50 lbs., it must be palletized. Reference Section A.5.

5: TRANSPORTATION

- A. Unless otherwise stipulated on the face of this purchase order, Goods covered by this purchase order shall be shipped "F.O.B. Seller's Plant," as defined by the New York Uniform Commercial Code (NYUCC). If Goods are to be delivered "F.O.B. Destination," as defined by the NYUCC, transportation charges must be prepaid by Seller. In any event, title to said Goods shall pass to Purchaser on the title passage date (earlier of the Manufacturing Required Date (MRD) or the use date, unless Goods are delinquent to the MRD, in which case title passage shall occur upon arrival of such Goods at the specified delivery location). Purchaser insures all Goods for which it accepts risk of loss while such Goods are in transit. Therefore, Seller shall not declare any insurance value on such Goods shipped via any carrier.
- B. Seller shall release rail or truck shipments at the lowest released valuation permitted in the governing tariff or classification. No charges for unauthorized transportation will be paid by Purchaser. Any unauthorized shipment, which results in excess transportation charges, must be fully prepaid by the Seller. If Seller does not comply with the stated delivery schedule, Purchaser may, in addition to any other right, which Purchaser may have, require delivery by fastest way. The charges resulting from this mode of transportation must be fully prepaid and the full cost of the shipment must be absorbed by the Seller.

6: ANTICIPATION OF DELIVERY SCHEDULE

- A. Unless otherwise agreed to in writing, Seller shall not make material commitments or production arrangements in excess of the amount or in advance of the time necessary to meet firm schedules and those planned schedules that are within lead time.

7: DELAY AND DEFAULT

- A. In the event Seller for any reason anticipates any difficulty in complying with the required delivery date or any of the other requirements of this purchase order, Seller shall promptly notify Purchaser in writing. In the event of a delivery delay, non-delivery or any other default by Seller in meeting the requirements of this purchase order, Purchaser may terminate this purchase order without further compensation to Seller, and Purchaser's rights will be as specified in the New York Uniform Commercial Code. If progress payments have been made under this purchase order, and the purchase order is terminated for default, Purchaser shall have the rights of the US Government set forth in FAR 52.232-16 Progress Payments, including paragraph (h), "Special Terms Regarding Default".

8: PURCHASER'S PROPERTY

- A. All tangible and intangible property, including but not limited to tools, tool drawings, materials, drawings, computer software, documents, information or data of every description furnished to Seller by Purchaser or specifically paid for in whole or in part by Purchaser, and any replacement thereof, or any materials affixed or attached thereto, shall be and remain the personal property of Purchaser, and, unless otherwise agreed to in writing by Purchaser shall be used by Seller solely to render services or provide products to Purchaser. Such property, and whenever practical each individual item thereof, shall be plainly marked or otherwise adequately identified by Seller as being the property of Purchaser or Purchaser's designee, and shall be safely stored separate and apart from Seller's property. Seller shall not substitute any property for Purchaser's property and shall not use such property except in filling Purchaser's purchase orders. Such property while in Seller's custody or control shall be held at Seller's risk and shall be insured by Seller for replacement cost with loss payable to Purchaser. Such property shall be subject to removal at Purchaser's written request, in which event Seller shall prepare such property for shipment and shall deliver it as directed by Purchaser in the same condition as originally received by Seller, reasonable wear and tear excepted, all at Seller's expense. The foregoing shall not be deemed to affect the rights, if any, of the Government in any such property or to grant any rights to Purchaser in conflict with DFARS 252.227-7013, Rights in Technical Data Noncommercial Items, DFARS 252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation, or DFARS 252.27-7015 Technical Data-Commercial Items.
- B. Purchaser hereby grants Seller a license to use the drawings, specifications, computer software, and other data (hereinafter collectively referred to as "Data") furnished or paid for by Purchaser hereunder for the sole purpose of performing this order for Purchaser. All Data is the property of Purchaser and shall not be used, disclosed to others or reproduced for any purpose, including, but not limited to, the design, manufacture or repair of parts or to obtain FAA or other Government approval to do so; provided; however, Seller may provide Data furnished or paid for by Purchaser hereunder to Seller's contractors for the sole purpose of enabling Seller's contractors to assist Seller in performing this purchase order for Purchaser and on condition that Seller's contractors agree in writing for Purchaser's benefit to the terms of paragraphs 8 and 10 and Appendix III hereof. This license is non-assignable, and this license is terminable with or without cause by Purchaser at any time. All Data furnished or paid for by Purchaser shall

be deemed to be proprietary property to Purchaser, whether or not it is marked with any restrictive legend.

- C. Purchaser shall have the right to audit all pertinent books and records of Seller, and to make reasonable inspections of Seller's facilities to verify compliance with section 8.B above and Appendix III.
- D. In the event Seller, without Purchaser's prior written consent and authorization, designs or manufacturers for sale to any person or entity other than Purchaser any hardware that is substantially similar to or can replace or repair a Purchaser or CFMI part, or obtains FAA or other governmental approval for such hardware or repair, the Seller, in any adjudication involving or relating to Purchaser's Data, shall be required to establish by clear and convincing evidence that neither Seller nor any of its employees, contractors or agents used in whole or in part, directly or indirectly any of Purchaser's Data in such design or manufacture or in obtaining FAA or other governmental approval with respect to such hardware or repair.
- E. In the event Seller is notified by Purchaser that Goods ordered under this purchase order are patented, Seller agrees to mark such Goods with any patent numbers or other markings designated by Purchaser, including updates to such numbers or markings.
- F. Special Tooling/Special Test Equipment

Special Tooling (which, for the purposes of this clause, includes Special Test Equipment as appropriate).

1. The Contractor shall utilize Special Tooling/Special Test Equipment in accordance with a Government or MRAS property control system, or otherwise shall adequately care for, maintain, and assure use only as authorized, subject to Federal Acquisition Regulation (FAR) paragraph 45.502. Annually, as requested by the Buyer/Subcontractor Administrator, the Contractor shall submit an inventory list to MRAS, identifying each item of Special Tooling/Special Test Equipment as it appears on this order and certifying its existence and condition on MRAS Form ME 1028. The inventory list will identify those special tools and special test equipment that have become obsolete since the previous inventory.
2. Special tooling, whether furnished by MRAS to the Contractor and identified as MRAS furnished on the face thereof or acquired by Contractor under this Contract, is the property of MRAS and/or the Government.
3. Where the special tooling is MRAS furnished, the Contractor shall inspect and check the special tooling for defects and compliance with Contract requirements before use in performance of this Contract. In the event the Contractor encounters manufacturing difficulties as a result of the use of any special tools furnished to the Contractor by MRAS to accomplish the performance of the work contracted for hereunder, the Contractor shall give MRAS prompt written notice thereof, setting forth the difficulties so encountered. Upon receipt of such notification MRAS, through the cognizant buyer, shall direct the Contractor, in writing, to either 1) return such tooling at MRAS' expense or otherwise dispose of such tooling, or 2) repair or replace such tooling. Upon the written request of the Contractor, MRAS and the Contractor shall enter into negotiation to equitably adjust the price, delivery schedule, or both, in accordance with the procedures provided for in the clause herein entitled "Changes."
4. Where the special tooling is Contractor acquired, the Contractor shall forward to MRAS a complete list of special tools acquired pursuant to this Contract. The list shall include the description of each tool, part number such tool will produce, and estimated cost of each tool. MRAS shall then furnish the Contractor a tool number for each tool and an amendment shall be issued to this Contract incorporating the quantity, description, and number(s) of each special tool manufactured pursuant to this Contract. The Contractor shall permanently identify said tools with the MRAS tool number, part number, purchase order

number, and Prime Contract Number. After acceptance by the Contractor's Quality Control of a reasonable number of parts produced from these special tools, the Contractor shall prepare two (2) copies of a Certificate of Compliance certified by the Contractor's Quality Control specifying that special tools have been identified in accordance with the requirements of this clause. The Contractor shall submit one (1) copy of the Certificate of Compliance together with the tooling invoice to the MRAS Accounting Department. The Contractor shall mail one (1) copy of the Certificate of Compliance to the MRAS buyer. Only invoices having Certificates of Compliance attached shall be processed for payment.

5. Where the special tooling is MRAS furnished, the Contractor shall ship all special tooling to MRAS within thirty (30) days after Contractor has completed and shipped the articles produced under this Contract, unless MRAS has authorized the Contractor in writing to retain such special tooling.
6. Where the special tooling is Contractor acquired, the Contractor shall request disposition of special tooling within ninety (90) days after the Contractor has completed and shipped the articles produced under this Contract. Should this Contract be terminated before completion, then the Contractor must submit inventory schedules as part of any settlement proposal thereunder.
7. In the event that MRAS authorizes the Contractor to retain MRAS furnished or Contractor acquired tools beyond the respective periods noted above, the Contractor shall furnish, ninety (90) days prior to the expiration of any storage period granted under the terms of this Contract, inventory schedules of the aforementioned special tools including condition code and contract number.
8. Prior to the shipment of any tools, as authorized herein, the Contractor's Quality Control Department must account for, and certify the completeness of, each tool and all parts pertaining thereto.

9: CHANGES

- A. Purchaser, at any time, shall have the right to make changes in the quantities, specifications or delivery schedule.
 1. Any such change, which has a significant impact, shall entitle either Seller or Purchaser to an equitable adjustment. However, no additional charge will be allowed unless authorized by Purchaser's written amendment to this purchase order. Information, such as technical direction or guidance provided to Seller by representatives of the Purchaser in connection with the Seller's performance of this purchase order, shall not be construed either as a change within the meaning of this provision or as direction to proceed outside the scope of this order.
 2. If Seller considers that the conduct of any of Purchaser's employees has constituted a change hereunder, Seller shall notify Purchaser immediately in writing as to the nature of the change and its effect on Seller's performance including delivery schedule and the amount to be paid to Seller. In any event, the maximum liability of the Purchaser for obsolescence scrappage, and/or rework resulting from any change shall be limited to the value of the materials and parts in process at the time of the change, to the extent that such parts are within Seller's normal manufacturing cycle required to meet the established released schedule.
- B. Changes in the released schedules will be communicated to the supplier via a part schedules report which will be mailed to the supplier periodically, transmitted via EDI, or made available via a web based application. The part schedules report may reflect both firm released and planning quantities.
- C. Class II engineering changes not resulting in a part number change will be flowed to the supplier via the Class II design change transmittal letter as changes occur. The Class II

design change transmittal letter will contain incorporation/exception directions, and is considered a change in accordance with this Article.

NOTE:

Nothing in this Clause, including any disagreement with Purchaser as to the equitable adjustment to be made, shall excuse Seller from proceeding with the order as changed.

10: SELLER'S INFORMATION

- A. Notwithstanding any document marking to the contrary, any knowledge or information which Seller has disclosed or may hereafter disclose to Purchaser incident to the placing and filling of this purchase order shall not be deemed to be confidential or proprietary information and accordingly Purchaser shall not be liable for any use or disclosure thereof.

11: ASSIGNMENT & CHANGE IN OWNERSHIP

- A. Any assignment or attempt to assign this order without the advance written consent of Purchaser shall be null and void and shall give Purchaser the right to terminate this order for default under Article 7.
- B. If a third party submits a solicited or unsolicited offer to Seller that would result in a Change of Ownership or Control of Seller, as defined below, Seller shall give notice of such offer to Purchaser as early as commercially practical following Seller's receipt of the offer. The notice shall include the identity of the offeror, the date and time of the offer and the conditions of the offer. Before Seller accepts the offer, it shall give Purchaser an opportunity, within a reasonable time, to advise Seller of its objection to the offer. If despite Purchaser's objections, the Change in Ownership and Control occurs, Purchaser has the right at its discretion to terminate this purchase order for default under Article 7 at no cost to Purchaser. In the event of such termination, Seller agrees to render full cooperation to Purchaser in order to minimize disruption to the Purchaser's program. Pending termination or in lieu of termination, Purchaser may require Seller to provide adequate assurance of performance, including, but not limited to the institution of special controls regarding the protection of Purchaser's proprietary information."
 - o For purposes of this sub-paragraph (B), the terms "Change in Ownership or Control" shall mean any of the following: 1)The sale of equity shares controlling 20% or more of the voting rights in Seller or Seller's parent, 2)The sale, lease, transfer or other disposition of substantially all of the assets of Seller or Seller's parent, 3)A merger, reorganization, consolidation, share exchange, recapitalization, business combination, liquidation or dissolution or similar transaction, 4)A tender offer or exchange offer for any of the outstanding shares of capital stock of Seller or Seller's parent, 5)A sale by Seller of the assets relating to the product Seller produces or will produce for Purchaser or 6)Any public disclosure of a proposal or plan or intention to do any of the foregoing.

12: SET-OFF

- A. Purchaser shall be entitled to set off any amount owing from Seller to Purchaser or to any of Purchaser's affiliated companies against any amount payable under this purchase order.

13: WORK ON PURCHASER'S OR IT'S CUSTOMER'S PREMISES

- A. If Seller's work under this purchase order involves operations by Seller on the premises of Purchaser or one of its customers, then:
1. Seller shall comply with all of Purchaser's safety and security procedures and shall take all necessary precautions to prevent the occurrence of any injury to person or property during the progress of such work. Any equipment used on Purchaser's premises shall comply with OSHA 29 CFR 1910.147. Seller shall maintain such public liability, property damage and employees liability and compensation insurance as will protect Purchaser from said risks and from any claims under any applicable workers' compensation and occupational disease acts, and upon Purchaser's request provide Purchaser proof of such insurance.
 2. Seller agrees that all of its employees whom may require access to Purchaser's or its customer's premises to perform work pursuant to this order shall be tested and certified (in writing) to be free from the following illegal or unauthorized drugs prior to being assigned to perform such work:
 - cannabinoid metabolites (marijuana)
 - opiate derivatives (heroin, morphine, codeine)
 - cocaine metabolites (benzoylecgonine, ecgonine)
 - amphetamines (methamphetamines)
 - phencyclidine

In addition, such drug tests shall include screening for prescription drug use. In the event Seller's employee acknowledges use of prescription drugs, or if the drug screening results are positive for prescription drug use, Seller shall not assign such employee to perform work pursuant to any order unless, 1) Seller confirms that there are corresponding documented medical authorizations for use of such prescription drugs; and 2) Seller determines, using appropriately qualified resources, that the employee is fit to perform the work under any order and free of any impairment that would prevent the employee from performing competent and safe work under any order.

3. Seller's employees shall be retested and recertified to be free of these unauthorized drugs after a six (6) month absence from performing work on Purchaser's or its customer's premises.
4. Seller shall comply with any and all federal, state, or local anti-drug, alcohol abuse and/or drug testing statutes or regulations for any of its employees who may be covered by such statutes or regulations. Seller shall have, retain, and be able to provide to Purchaser, upon request, an approved drug and alcohol misuse prevention plan.
5. Seller shall conduct a criminal convictions records investigation of its employees before they are assigned to work on any order that requires the employee to enter Purchaser's premises or the premises of a customer of Purchaser (hereinafter collectively "Purchaser Premises"). A Criminal Convictions Records Investigation shall consist of a records search (documented by a written report retained by the Seller of the results of such search) by the appropriate law enforcement or other local or state agency in each location in which the employee has resided and worked in at least the five years preceding the date of the criminal conviction records investigation. Purchaser reserves the right, at its discretion, to request from Seller documentation of the completion of a criminal convictions records investigation for any employee assigned to work on Purchaser's or its customer's premises. Seller's failure to have completed a criminal convictions investigation of any of its employees in accordance with this clause shall be grounds for immediate expulsion of the Seller and its employees

- from Purchaser's or its customer's premises and Purchaser shall have the right to terminate all orders for default.
6. Seller shall not assign any person to perform work on Purchaser's or its customer's premises that has been:
 - a. convicted of murder; manslaughter; kidnapping; rape; sexual battery or gross sexual imposition; domestic violence; assault; arson; robbery; burglary; theft; embezzlement; fraud; drug possession, manufacturing or trafficking.
 - b. convicted as an adult of any felony, convicted of more than one misdemeanor in the previous two (2) years, or convicted of more than five misdemeanors in the previous five years.
 7. Purchaser may require Seller's employees, before entering Purchaser's or its customer's premises, to complete a criminal convictions questionnaire. In the event that Purchaser has grounds to believe that an employee of Seller has falsified the criminal convictions questionnaire in any way, such person shall not perform work on Purchaser's or its customer's premises.
 8. Seller shall include this clause "Drug Testing and Security Checks" in any subcontract placed pursuant to a Purchaser order with a subcontractor who will perform work on Purchaser's premises.

14: INSPECTION

- A. All Goods or services including, but not limited to, engineering and design/development work, shall comply with all applicable specifications and shall be subject to inspection and test by the Purchaser and its customer at all times and places, including visits during the period of manufacture. If during such inspection non-conforming Goods are detected by Purchaser or Purchaser's customer, mandatory source inspections and part-requalification on the next three consecutive production lots may be required. Upon written notification by Purchaser, Seller shall, at Seller's expense, contract with Purchaser's approved supplier, Unitek, for audit and inspection in accordance with Purchaser's instructions. Any delivery of Goods prior to completion of the required mandatory source inspections will be rejected and returned at Seller's expense. Nothing herein shall relieve Seller from responsibility for defects or failure to meet delivery or other requirements of this Contract.
- B. If any inspection or test is made on the premises of Seller or its supplier, Seller, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties. All inspections and tests on the premises of Seller or its supplier shall be performed in such a manner as not to unduly delay the work.
- C. Purchaser's failure to inspect and accept or reject Goods or services shall neither relieve Seller from responsibility for such Goods or services as are not in accordance with the order requirements nor impose liabilities on Purchaser therefore. The inspection or test of any item by Purchaser shall not relieve Seller from any responsibility regarding defects or other failures to meet order requirements, which may be discovered subsequently.
- D. For all components, Seller shall provide and maintain quality control, inspection, and process control systems acceptable to Purchaser and its customer in accordance with Purchaser's then current specifications for supplier quality product requirements, as applicable. Records of all inspection work by Seller shall be kept complete and available to Purchaser and its customer.

NOTE:

If Quality Clauses are not on the Purchase Order then, Q-341 Quality Clause P900 applies. Click here to view form [Q-341: Quality Assurance Provisions of Purchase Order](#).

- E. If requested by Purchaser, Seller shall support Purchaser's Certified Supplier Program and commit the necessary resources to achieve stated objectives. If a Seller is not eligible to participate as the result of quality performance, has declined to participate in the program, or fails to maintain at least one active DSQR, Seller agrees to participate in a Lot x Lot Acceptance Plan in lieu of participation in the Certified Supplier Program. Sellers required to participate in Lot x Lot Acceptance are directed to contract with Purchaser's approved Field Service Contractor (UNITEK) for this activity at Purchaser's negotiated rates. Purchaser may, at its sole discretion, elect to waive this requirement by providing written notice to Seller. Any waiver of this clause may be revoked by Purchaser upon written notice to Seller.

15: RECORD RETENTION REQUIREMENTS

- A. Seller shall maintain, for four (4) years, purchase order files for supplies, equipment, material, or services including supporting documentation and back-up files including, but not limited to, invoices and memoranda, e.g., memoranda of negotiations showing the principal elements of price negotiations. Product acceptance records, including inspection records, material certifications, and acceptance test records, shall be retained in accordance with FAR subpart 4.7 and Purchaser's then current specifications.

16: RESERVED

17: RELEASE OF INFORMATION

- A. No public release of information regarding this purchase order shall be made without the prior written approval of Purchaser. Purchaser's written approval, if granted, will be subject to any "Acknowledgement of Sponsorship" clause in Purchaser's Government Prime Contract.

18: PARTS COMPLIANCE AND MATERIALS TEST CERTIFICATION

- A. By acceptance of this purchase order, Seller certifies that, except as specifically stated to the contrary on case records per Purchaser's then current specifications. Goods supplied shall conform to all requirements of this purchase order, including referenced specifications in effect as of the date of order placement or as modified pursuant to Article 9 Changes clause, and that Objective Evidence* of conformance and specifications required by this purchase order is on file and available for examination by Purchaser.

NOTE:

Objective Evidence shall mean any statement of fact pertaining to the quality of a product or service based on observations, measurements or tests that can be fully verified. Evidence must be expressed in terms of specific quality requirements or characteristics. These characteristics are identified in drawings, specifications, and other documents, which describe the item, process, or procedure.

- B. If a Supplier is requested to ship a product to MRAS where one or more requirements associated with Engineering and / or Quality are not satisfied, a form Q1017S must be filled out by the supplier and approved by MRAS' management prior to shipment of the product. The form shall be attached to and reference on the Supplier's Certificate of Conformance. Incomplete parts shipped without this form will be returned to the supplier at their expense.

19: NONDISCRIMINATION IN EMPLOYMENT

- A. Seller will not discriminate against any employee or applicant for employment because of race, religion, color, sex, age, disability or national origin. Seller shall comply with Executive Order 11246, which is incorporated by reference.

20: INTELLECTUAL PROPERTY INDEMNITY

- A. Seller shall indemnify and save Purchaser, its affiliates, and its customers harmless from and against any expense or liability, including costs, fees and damages, arising out of any claim, suit or proceeding that the manufacture or furnishing of Goods and/or services under this purchase order, or the use of such Goods (without modification or further combination) or sales of such Goods constitutes infringement of any patent, trade secret or copyright. If an injunction should issue, Seller shall procure for Purchaser, its affiliates, and its customers the rights to continue using said Goods, or modify them in a manner acceptable to Purchaser so they become non-infringing, or with the written approval of Purchaser, remove said Goods and refund the purchase price.

21: STANDARD TERMS OF SETTLEMENT (STS)

- A. Subject to the early payment terms described in this clause, Purchaser shall issue payment to Seller in accordance with its standard terms of settlement -- net (payment of the undiscounted invoice amount) sixty (60) days. At Purchaser's sole discretion, paperless settlement and invoicing may be required. Seller must provide banking information to establish Electronic Funds Transfer (EFT) for U.S. suppliers and wire transfer for non-U.S. suppliers.
- B. Purchaser reserves the right to settle invoices with Seller using Purchaser's accelerated payment program. Seller agrees to accept, in exchange for Purchaser's payment in fifteen (15) days, the invoice amount discounted by 1.5%.

22: EXPORT AND INTERNATIONAL TRAFFIC-IN-ARMS REGULATIONS

- A. Seller agrees to comply with all applicable U.S. Government export regulations, including but not limited to the International Traffic in Arms Regulations (22 CFR Part 120-130) and the Export Administration Regulations (15 CFR Parts 730-774).
- B. In the event Seller is supplying defense articles hereunder, Seller agrees to maintain a valid and current Directorate of Defense Trade Controls ("DDTC") registration and agrees to provide confirmation of registration if requested by Purchaser.
- C. With respect to defense articles and defense services (as defined in Sections 120.6 and 120.9 of the ITAR) furnished hereunder, Seller certifies that it has not paid, offered or agreed to pay, and agrees that it shall not pay, offer or agree to pay, 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 an international organization or non-U.S. Country, any (i) fee, commission, loan, gift, donation or other payment of \$1,000 or more, whether in cash or in kind, or (ii) political contribution (including any loan, gift, donation, rebate, payment of expenses or other payment) to or for the benefit of, or at the direction of, any foreign person or entity (including 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).

Notwithstanding the foregoing, in the event Seller pays, offers or agrees to pay any such fee, commission, loan, gift, donation, political contribution or other payment with respect to such defense articles or defense services, Seller shall provide to the Purchaser, in a timely manner and not later than 20 days after such an event, full disclosure of all

information necessary for the Purchaser to comply fully with Sections 130.9 and 130.10 of the ITAR.)

- D. If Seller intends to conduct work for Purchaser in a non-U.S. country, including but not limited to the use of Seller's own facility outside of the U.S. or the use of a foreign affiliate or unrelated subcontractor, Seller must provide advance written notification to Purchaser. Seller is responsible for compliance with applicable export control laws and regulations and for obtaining all export control licenses required by law or requested by Purchaser.
- E. CITIZENSHIP STATUS: Unless otherwise permitted under U.S. export regulations, only U.S. Persons as defined herein shall be permitted to work on Purchaser's purchase orders. The term "U.S. Person" means any natural person who is a lawful permanent resident as defined by 8 U.S.C. 1101(a)(20) or who is a protected individual as defined by 8 U.S.C. 1324b(a)(3). It also means any corporation, business association, partnership, trust, society or any other entity or group that is incorporated to do business in the United States. It also includes any governmental (federal, state or local) entity.
- F. With regard to all technical data exported to Seller under the authority of a valid export license granted pursuant to 22 CFR 124.13 (Procurement by U.S. persons in foreign countries--Offshore Procurement), Seller agrees to the following:
 - 1. The use of the technical data is limited to the manufacture of the defense articles required by this contract or purchase order only; and
 - 2. Disclosure of the technical data is prohibited to any other person except subcontractors within the same country; and
 - 3. Acquisition of any rights in the data by any foreign person is prohibited; and
 - 4. Any subcontract(s) between the Seller and other foreign persons in the approved country for manufacture of equipment for delivery pursuant to the contract or purchase order contain all the limitations of this paragraph f; and
 - 5. Seller, including subcontractors, shall destroy or return to the Purchaser in the United States all of the technical data exported pursuant to this contract or purchase order upon fulfillment of their terms; and
 - 6. Delivery of the defense articles manufactured abroad must be made only to the Purchaser in the United States or to an agency of the U.S. Government as directed by Purchaser.

23: ENVIRONMENTAL MATTERS

A. Certifications, Representations and Warranties

- 1. Supplier represents, warrants, certifies and covenants that it shall perform all activities required under this purchase order in compliance with all applicable national, EU, state/provincial and local environmental, health and safety laws and regulations;
- 2. Seller represents, warrants, certifies and covenants that it will take appropriate actions to provide a safe and healthy workplace, and to protect local environmental quality in all of its activities, including without limitation, transport.
- 3. Seller represents, warrants, certifies and covenants that each chemical substance constituting or contained in goods sold or otherwise transferred to GE hereunder is on the list of chemical substances compiled and published by (a) the Administrator of the Environmental Protection Agency pursuant to: the Toxic Substances Control Act (15 USC Section 2601 et seq.) as amended; or (b) the European Inventory of Existing Commercial Chemical Substances (EINECS) or the European List of Notified Chemical Substances (ELINCS); or (c) any equivalent lists in any other jurisdictions to which GE informs Seller or Seller knows the goods likely will be shipped to or through. Seller represents, warrants,

certifies and covenants that each chemical substance constituting or contained in goods sold or otherwise transferred to Purchaser is pre-registered if required, and registered if required, under Regulation (EC) No 1907/2006 ("REACH"), is not restricted under Annex XVII of REACH and if subject to authorization under REACH is authorized for Purchaser's use.

4. Seller shall notify Purchaser if it decides not to Preregister or Register substances that will be subject to Preregistration or Registration under REACH and are constituting or contained in goods supplied to Purchaser at least 12 months before their Preregistration or Registration deadline. Seller will monitor the publication by the European Chemicals Agency of the list of substances meeting the criteria for Authorization under REACH (the "candidate list") and immediately notify Purchaser if any of the goods supplied to Purchaser is manufactured by Seller with or contains a substance officially proposed for listing on the candidate list. Seller shall provide Purchaser with the name of the substance as well as with sufficient information to allow Purchaser to safely use the goods or fulfill its own obligations under REACH.
5. Seller represents, warrants, certifies and covenants that none of the goods supplied under this purchase order contains any: (a) lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBB), polybrominated diphenyl ethers (PBDE) or any other hazardous substances the use of which is restricted under EU Directive 2002/95/EC (27 January 2003)(RoHS Directive), as amended; (b) arsenic, asbestos, benzene, polychlorinated biphenyls (PCBs), carbon tetrachloride, beryllium, or radioactive materials; (c) chemical restricted under the Montreal Protocol on ozone-depleting substances; (d) substance listed on the candidate list of the REACH legislation (Regulation (EC) No 1907/2006) or restricted under Annex XVII of REACH; or (e) other chemical the use of which is restricted in any other jurisdictions to which GE informs Seller the goods are likely to be shipped or the Seller knows the goods are likely to be shipped to or through; unless Purchaser expressly agrees otherwise in writing as an addendum to this Purchase Order and Seller identifies an applicable exemption from any relevant legal restriction on the inclusion of such chemicals or hazardous materials in the goods sold or transferred to Purchaser. Upon request from Purchaser and subject to reasonable confidentiality provisions which enable Purchaser to meet its compliance obligations, Seller will provide Purchaser with the chemical composition, including proportions, of any substance, preparation, mixture, alloy or goods supplied under this Purchase Order and any other relevant information or data regarding the properties including without limitation test data and hazard information.
6. Seller represents, warrants, certifies and covenants that, except as specifically listed in a mutually agreed, written addendum to this purchase order, none of the goods supplied under this purchase order are subject to electrical or electronic reuse or recycling take back requirements pursuant to applicable national law.
7. Seller represents, warrants, certifies and covenants that it has established an effective program to ensure that the activities of any suppliers it utilizes to provide any goods or services that will be incorporated into the goods supplied under this purchase order will be conducted in conformance with sub-parts 23. A1 to A8 above.

B. Covenants

1. With respect to any goods or other materials sold or otherwise transferred to Purchaser hereunder, Seller shall provide all relevant information, including without limitation, safety data sheets in the language and the legally required format of the location to which the goods will be shipped and mandated labeling information, required pursuant to applicable requirements such as: (a) the Occupational Safety and Health Act (OSHA) regulations codified at 29 CFR

1910.1200; or (b)REACH or EU Directive 67/548/EC, as amended, if applicable, and (c) any other applicable law, rule or regulation or any similar requirements in any other jurisdictions to which Purchaser informs Seller the goods are likely to be shipped. For each such material, identification shall reference the stock or part number of the delivered Goods. Hazardous materials include, but are not limited to, materials embedded in a delivered Good in such a manner as to present a potential for personal injury or harm or property damage in the course of normal use, repair, accidents or disposal. All safety data sheets and labels required under this section and HAZCOM shall be provided to Middle River Aircraft Systems, 103 Chesapeake Park Plaza, Baltimore, Maryland, 21220.

2. Where applicable, for any goods specifically listed in a mutually agreed written addendum to this purchase order as "electrical or electronic equipment" as indicated in A7 above, Seller agrees to assume responsibility for taking back those goods in the future upon the request of Purchaser and treating or otherwise managing them in accordance with the requirements of applicable national legislation. Seller also agrees to take back as of the date of this purchase order the used goods currently owned by Purchaser or to arrange with a third-party to do so in accordance with all applicable requirements. No additional charge will be sought by Seller and no additional payments will be due from Purchaser for Seller's agreement to undertake these responsibilities.
3. From time to time, at MRAS' request, Seller shall provide certificates to MRAS relating to any applicable legal requirements or to update sub-part A of this purchase order, in each case in form and substance satisfactory to MRAS.

24: CLASSIFIED INFORMATION

- A. Upon completion of work by Seller under this purchase order, Seller shall return to Purchaser all classified information furnished by Purchaser in connection herewith, including all reproductions thereof, then in Seller's possession or control, and Seller shall surrender classified information or materials developed by Seller in connection with this order, unless the information has been destroyed or the retention of the information is authorized in writing by Purchaser or the government.

25: TERMINATION FOR CONVENIENCE

- A. Purchaser, by written notice, may terminate this purchase order, in whole or in part, when it is in Purchaser's interest to do so. Purchaser shall terminate by delivery to Seller of a notice of termination specifying the extent of termination and the effective date.
- B. After receipt of a notice of termination, and except as directed by Purchaser, Seller shall immediately: 1) stop work as directed in the notice; 2) place no further subcontracts or orders for materials, services, or facilities, except as necessary to complete the continued portion of the purchase order; and 3) terminate all Subcontracts to the extent they relate to work terminated. After termination, Seller shall submit a final termination settlement to Purchaser in the form and in the manner prescribed by Purchaser, and in accordance with applicable portions of subparts 49.1, 49.2 and 49.3 of the FAR.
- C. In the event that Purchaser wrongfully terminates this purchase order for default, in whole or in part, such termination becomes a Termination for Convenience under this Article 25.
- D. Seller agrees to waive any claim when a reduction in the quantity on order has an order value, which is under \$1,000.00.
- E. When a change in requirements results in a quantity reduction those quantities will be deleted from the part schedules report on the basis that any quantity with incurred cost will be consumed by future releases. Should the quantity with incurred cost not be consumed, this Article 25 applies.

26: PRIORITY RATINGS

- A. When a priority rating is specified for a Good, this is a rated order certified for national defense use and Seller is required to follow all provisions of the Defense Priorities and Allocations System (DPAS) Regulations (15 CFR 700).

27: SECURITY INTEREST

- A. In the event items will be bailed to Seller or progress payments will be made, Seller hereby grants Purchaser a security interest in equipment, machinery, contract rights, inventory, goods, merchandise and raw materials, whether now existing or hereafter arising, and any replacements, improvements, substitutions, attachments, accessories and accessions thereto or thereon provided by Purchaser or purchased by Seller with progress payments or advances made by Purchaser and to be used by Seller in manufacturing products ordered by Purchaser under this purchase order. Seller agrees to execute and deliver all documents requested by Purchaser to protect and maintain Purchaser's security interest.

28: OFFSET REQUIREMENTS

- A. Seller recognizes, as part of this purchase order, that Purchaser may incur international offset and/or revenue sharing obligations, which could involve Goods, placed under this purchase order. Should any quantity of a Good or Goods placed hereunder become necessary to support such other agreements during the term of this purchase order, Purchaser reserves the right to remove that portion from this purchase order. Any adjustment in forecasted or firm quantities will be pursuant to Article 9, Changes. No adjustment in firm released quantity or schedules will be made within a twelve (12) month delivery period after notification or lead-time away, whichever is longer, as a result of this Article 28.

29: RESERVED

30: RESERVED

31a: EDI (ELECTRONIC DATA INTERCHANGE)

- A. Upon Purchaser's request, Seller shall sign an EDI Trading Partner Agreement with Purchaser within fifteen (15) days from the request date. Following such agreement, the parties shall establish an implementation schedule, which shall call for active EDI communication capability within forty-five (45) days from the EDI Trading Partner Agreement.
- B. Paperless invoicing may be required. Options acceptable to Purchaser include Web-based Invoicing or EDI.

31b: CATIA

- A. Seller agrees to take reasonable action to establish cad/cam (computer aided design/computer aided manufacture) capabilities, specifically utilizing Purchaser's then current software/standards. Upon Purchaser's request, supplier shall implement required plans and activities to facilitate the design, inspection, processing, and/or manufacture of Purchaser products or services utilizing Purchaser's then current software/standards. Within (thirty) 30 days following Purchaser's request, Supplier will advise Purchaser of its plan to establish active CATIA capabilities including milestones which will provide

Purchaser with a clear understanding of the time frame involved. Upon Purchaser's request, all shipment containers for Goods and products to be delivered hereunder shall be labeled in accordance with Purchaser's Bar Code Shipping Label Instructions. Seller shall submit example labels for approval within 60 days of said request. Seller shall designate an individual responsible for compliance to with said instructions and shall act as the Seller's contact for issues concerning bar code labels.

32: BAR CODE SHIPPING LABEL

- A. Upon Purchaser's request, all shipment containers for Goods and products to be delivered hereunder shall be labeled in accordance with Purchaser's Bar Code Shipping Label Instructions. Seller shall submit example labels for approval within 60 days of said request. Seller shall designate an individual responsible for compliance with said instructions and shall act as the Seller's contact for issues concerning bar code labels.

33: MATERIALS SCHEDULING

- A. Upon Purchaser's request, Seller shall work with Purchaser to implement pull production, bin stocking and/or kitting for hardware supplied by Seller. Seller shall provide commitments to Purchaser's schedule via Purchaser's scheduling system within seventy-two (72) hours of a change in Purchaser's production schedule. If the Seller is unable to meet Purchaser's schedule, Seller shall immediately notify Purchaser in advance for proper reconciliation.

34: SELLER'S REPRESENTATIONS AND INDEMNIFICATION

- A. Seller represents, warrants, certifies and covenants that it shall perform all activities required under this purchase order in compliance with all applicable international, national, state and local laws, including, but not limited to environmental, health and safety laws and regulations.
- B. Seller warrants and certifies that any equipment provided under this purchase order complies with OSHA 29 CFR 1910.147.
- C. Goods supplied under this purchase order may be exported worldwide, including countries that prohibit the importation of goods manufactured with child labor or forced, indentured or convict labor. Seller represents, warrants, certifies and covenants that no Goods supplied under this purchase order have been or will be produced using forced, indentured or convict labor, or the labor of persons in violation of the minimum working age laws of the country of manufacture, or in violation of minimum wage, hour of service or overtime laws of the country of manufacture.
- D. If Purchaser determines any of Seller's representations, warranties, certifications or covenants hereunder to be untrue, Purchaser shall have the right to terminate this purchase order without further compensation to Seller, and Seller shall defend, indemnify and hold harmless Purchaser and its affiliates, and Purchaser and its affiliates directors, officers, employees, agents and representatives (Indemnified Party) from and against all claims, losses, loss of use, damages, attorney's fees, actions, liability, demands, judgments, costs and expenses arising from Seller's untrue representations, warranties, certifications and covenants or Seller's failure otherwise to comply with the terms of this purchase order. An Indemnified Party shall have the right to participate in the selection of counsel and Seller shall not enter into any settlement agreement that contains any admission of liability on the part of Purchaser.
- E. From time to time, at Purchaser's request, Seller shall provide certificates to Purchaser in form and substance acceptable to Purchaser relating to the requirements of this Article 34. Seller shall permit Purchaser or its representatives to have reasonable access to the site where work under this order is performed to assess 1) Seller's work quality and

compliance with Purchaser's specifications and 2) Seller's compliance with its representations, warranties, certifications and covenants hereunder.

35: WAIVER

- A. Purchaser's failure to insist on performance of any of the terms or conditions herein or to exercise any right or privilege or Purchaser's waiver of any breach hereunder shall not thereafter waive any other terms, conditions, or privileges, whether of the same or similar type.

36: SEVERABILITY

- A. If any provisions of this PR-279 or any part hereof is are invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, all conditions and provisions of this agreement which can be given effect without such invalid, unlawful or unenforceable provision shall, nevertheless, remain in full force and effect.

37: GRATUITIES

- A. Any officers, employees or agents of Purchaser, the U.S. Government, or Purchaser's customers, are prohibited from soliciting or accepting entertainment, gifts, gratuities, compensation or favors from Seller. Seller shall at all times comply with the requirements of this policy. When Seller has reasonable grounds to believe that a violation of this gratuity policy by Seller or Purchaser's representatives may have occurred, Seller shall promptly report the potential violation to Purchaser by using the Business Practices Offices Hotline (410-682-2959) or by reporting it in writing to MRAS, 103 Chesapeake Park Plaza, Baltimore, Maryland 21220, Attention: Business Practices Office.
- B. For violation of this Article 37 by Seller, this purchase order may be terminated in whole or in part. Purchaser may also require Seller to provide proof that it has implemented internal management controls sufficient to prevent future violations. These rights and remedies of Purchaser are not exclusive and are in addition to any other rights and remedies provided to Purchaser under this purchase order or by law.

38: ACCESS TO PURCHASER'S COMPUTER SYSTEMS

- A. Access to Purchaser's computer systems by Seller's personnel shall include only those persons identified on Purchaser's systems security statement and who have been issued a systems User ID. Purchaser reserves the right to, at any time, verify the citizenship status of all Seller personnel who have access to Purchaser's computer systems. Such access shall be limited by Purchaser to those systems, which in Purchaser's sole discretion, are required for the Seller's personnel to perform assigned work and shall be valid until such access is revoked or surrendered. Such access shall be surrendered by Seller's personnel upon Purchaser's request or upon removal or reassignment by Seller.

39: RESERVED

40: RESERVED

41: REMOVALS OR REPLACEMENTS

- A. Seller agrees that, notwithstanding the provisions of any warranties, expressed or otherwise, negotiated with respect to Goods purchased from Seller by Purchaser or

Purchaser's customer, Seller shall reimburse Purchaser for labor and material cost, including overhead and general and administrative (G&A) expense reasonably incurred by Purchaser in connection with:

1. The unscheduled removal and/or replacement of such Goods or components thereof from a higher level assembly due to failure of such Goods to conform to requirements of this purchase order or defective material, workmanship or design; or
 - Any such removal of said Goods at Seller's request; or
 - Any such removal of said Goods required due to any previously required changes to said Goods, which Seller has failed to incorporate.

This remedy is not exclusive and shall not be in lieu of any other remedy available at law, in equity or under this purchase order.

42: EXCLUDED GOODS AND SERVICES

- A. The United States of America prohibits the importation of Goods or the purchase of services from the following countries: Cuba, Iran, Iraq, Libya, North Korea, territory of Afghanistan controlled by the Taliban, and Yugoslavia (Serbia and Montenegro). No Goods or services from the aforementioned prohibited countries may be used directly or indirectly in the design, manufacture, test, or other methods of providing any of the items (whether Goods, services, or otherwise) covered by this purchase order. Such list can change from time to time and it is Seller's responsibility to ensure compliance with such list at all times. Current information can be obtained by accessing the Internet at URL <http://www.treas.gov/ofac>.

43: GOVERNING LAW

- A. This purchase order shall be governed by the laws of the state of New York, notwithstanding its conflicts of laws rules.

44: SELLER SECURITY AND CRISIS MANAGEMENT POLICY

- A. Seller shall have and comply with a company security and crisis management policy. Upon Purchaser's request, Seller shall provide Purchaser a copy thereof. Seller shall revise and maintain the policy proactively, and as may be requested by Purchaser, in anticipation of security and crisis risks relevant to the Seller's business. Seller's policy, at a minimum, shall identify, and require the taking, by Seller's management and employees, of the measures necessary to do the following:
 1. provide for the physical security of the people working on Seller's premises and others working for or on behalf of Seller;
 2. provide for the physical security of Seller's facilities and physical assets related to the performance of work, including, in particular, the protection of Seller's mission critical equipment and assets;
 3. protect from the loss of, misappropriation of, corruption of, and/or other damage to software related to the performance of work;
 4. protect from the loss of, misappropriation of, corruption of, and/or other damage to Purchaser's and Seller's drawings, technical data, and other proprietary information related to the performance of work;
 5. provide for the prompt recovery -- including through preparation, adoption, and maintenance of a disaster recovery plan -- of facilities, physical assets, software, drawings, technical data, other intellectual property, and the Seller's business operations in the event of a security breach, incident, crisis or other disruption of

Seller's ability to use the necessary facilities, physical assets, software, drawings, technical data, or other intellectual property or to continue operations.

- B. Purchaser reserves the right to inspect Seller's policy, and to conduct on-site audits of Seller's facility and practices to determine whether Seller's policy and Seller's implementation of the policy are reasonably sufficient to protect Purchaser's interests. If Purchaser reasonably determines that Seller's policy and/or policy implementation is/are insufficient to protect Purchaser's property and interests, Purchaser may give Seller notice of such determination. Upon receiving such notice, Seller shall have forty-five (45) days thereafter to make the policy changes and take the implementation actions reasonably requested by Purchaser. Seller's failure to take such actions shall give Purchaser the right to terminate this purchase order immediately without further compensation to Seller.

45. PERSONAL DATA PROTECTION

A. Definitions:

As used throughout this Paragraph 45, the following terms shall have the meaning set forth below.

Purchaser Data - Personal Data and all other information concerning Purchaser, its personnel or clients provided by or on behalf of Purchaser to Contractor; Processed by Contractor; created by Contractor based on information provided by or on behalf of Purchaser or Processed by Contractor; or otherwise maintained by Purchaser or any third party on behalf of Purchaser.

Notices - All filings, communications, notices, press releases or reports related to any Security Breach.

Personal Data - Any information relating to an identified or identifiable individual, including without limitation, name, address, telephone number, e-mail address, business contact information, social security number, driver's license number, financial account number or other financial information, or medical or health-related information.

Process or Processing - Any operation or set of operations performed upon Purchaser Data whether or not by automatic means such as collection, recording, organization, storage, adaptation or alteration, retrieval, accessing, consultation, use, disclosure by transmission, dissemination, or otherwise making available, alignment or combination, blocking, erasure, or destruction.

Security Breach - Any event involving an actual compromise of the security, confidentiality, or integrity of data, including, but not limited to, any unauthorized access or use by a known or unknown 3rd party or an employee of the Service Provider. Security Breach would also include any inadvertent or accidental disclosure by anyone.

- B. Data Processing: Contractor shall Process Purchaser Data only to the extent necessary to perform the services under this purchase order or as otherwise instructed by Purchaser in writing. Contractor agrees to keep Purchaser Data confidential, and agrees to not disclose such Data to third parties without first receiving the express written approval from Purchaser and satisfying its obligations in Section 45(e) below. Contractor further agrees that it will Process Purchaser Data in a manner consistent with federal and state law, including, but not limited to, the American's with Disabilities Act and the Family Medical Leave Act.
- C. Data Security: Access to System: Contractor shall, upon Purchaser's request, provide Purchaser with all information pertaining to its data security systems and procedures (physical, technological and organizational) reasonably required by Purchaser to assess the adequacy (in Purchaser's sole discretion) of such systems and procedures with respect to the services to be provided under this purchase order, and shall comply, subject to applicable law, with Purchaser's Employee Data Protection Standards and Purchaser's Guidelines for Acceptable Use of GE Information Resources.

- D. **Data Security Measures:** Without limiting the foregoing, Contractor shall implement and maintain physical, technical and organizational measures to ensure the security and confidentiality of Purchaser Data in order to prevent, among other things, accidental, unauthorized or unlawful access, use, modification, disclosure, loss, or destruction of Purchaser Data. The security measures taken shall be in compliance with applicable data protection laws and shall be adapted to the risks represented by the Processing and the nature of the Purchaser Data to be Processed, having regard to the state of the art and the cost of implementation.
- E. **Agreements with Third Parties:** In the event that the Purchaser provides the Contractor with express written approval to disclose Purchaser Data to a Third Party, Contractor represents and warrants that, to the extent it provides any Purchaser or Personal Data to any of its suppliers, subcontractors and/or agents (such provision being necessary to Service Provider's performance of Services), it shall maintain with such suppliers, subcontractors and/or agents during the term of this purchase order contractual arrangements obligating such third parties to implement and maintain physical, technical and organizational data security measures consistent with the obligations placed on Contractor in Section 45(d).
- F. **Security Breach Notification:** Contractor shall notify Purchaser in the most expedient time possible and without unreasonable delay of any Security Breach involving any Purchaser or Personal Data. Contractor shall also provide Purchaser with a detailed description of the Security Breach, the type of data that was the subject of the Security Breach, the identity of each affected person, and any other information Purchaser may request concerning such affected persons and the details of the Security Breach, as soon as such information can be collected or otherwise becomes available.
- G. **Security Breach Costs:** Contractor agrees to take action immediately, at its own expense, to investigate the Security Breach and to identify, prevent and mitigate the effects of any such Security Breach, and to carry out any recovery necessary to remedy the impact. Contractor shall, to the extent permitted by applicable law, provide Purchaser with reasonable notice of and the opportunity to comment on and approve the content of all Notices prior to any publication or communication thereof to any third party, except Purchaser shall not have the right to reject any content in a Notice that Contractor must include in the Notice in order to comply with applicable law. Contractor shall pay for or reimburse Purchaser for all costs, losses and expenses relating to any Security Breach, including without limitation, the cost of Notices that Purchaser makes as a result of: (i) any unauthorized access by Contractor or Contractor Personnel of any Purchaser Data; (ii) any unauthorized access by a third party of any Purchaser Data that is Processed on behalf of Purchaser by Contractor where such unauthorized access is proximately caused by Service Provider's breach of this Agreement, negligence or willful misconduct; or (iii) any failure by Contractor to comply with any laws relating to the privacy or security of Purchaser Data.
- H. **Termination of Purchase Order:** Upon termination of this purchase order, for whatever reason, the Contractor shall stop Processing Purchaser Data and shall immediately return to the Purchaser any hard copies of the Purchaser Data in its possession and permanently delete any electronic copies of the Purchaser Data on any of its electronic systems.

PART II: TERMS AND CONDITIONS FOR THE PROCUREMENT OF SERVICES

1: SCOPE, TERMS & CONDITIONS, AND DEFINITIONS

- A. Either Contractor's written acknowledgement or Contractor's full or partial performance under this purchase order, whichever occurs first, will constitute acceptance of all terms and conditions contained herein. Any acceptance of this purchase order is limited to acceptance of the express terms of the offer set forth in this purchase order. Any proposal for additional or different terms or any attempt by Contractor to vary in any degree any of the terms of this offer in Contractor's acceptance or acknowledgement is hereby objected to and rejected, but such proposal shall not operate as a rejection of this offer unless such variances are in the terms of the description, quantity, price or delivery schedule of the goods and or services to be delivered hereunder but shall be deemed a material alteration thereof, and this offer shall be deemed accepted by the Contractor without said additional or different terms. If this purchase order shall be deemed an acceptance of a prior offer by Contractor, such acceptance is limited to the express terms set forth in this purchase order.
- B. These terms and conditions may be invoked in a purchase agreement, between Purchaser and Contractor, against which Purchaser may place multiple purchase orders. Under such circumstances, each purchase order shall constitute a separate and distinct contract between the parties and these terms and conditions shall be in addition to those of such order, and shall be deemed incorporated in each such order. Regardless of whether an order is issued in connection with a purchase agreement invoking these terms or independently of any purchase agreement, these terms and conditions shall supersede and replace all terms and conditions appearing or referred to on the face or on the reverse of any proposal, acknowledgement, or acceptance or any other communication issued by the Contractor in connection with such order.
- C. Definitions

As used throughout these terms and conditions, the following terms shall have the meaning set forth below.

Contractor

The party contracting with Purchaser to perform the work required under a purchase order placed by Purchaser.

Purchaser

The party contracting with Contractor for services and identified as the purchasing entity on the face of this purchase order.

2: NATURE OF SERVICES

- A. Contractor agrees to undertake the performance of all services called for in any order, to pursue the same diligently, and to complete the same within any time limit specified in the order. With respect to each order, the services contracted for shall be those described in the order, and in any statements of work, plans, specifications, general conditions, or other papers attached to or referred to in the order, which together with these terms and conditions are hereafter called the "Contract Papers." Said services shall include the furnishing of all materials, tools, equipment, labor, superintendence and facilities necessary therefore, excepting however, any items which are to be specifically furnished or performed by Purchaser as provided in the Contract Papers. Orders placed in connection with these terms and conditions may relate to work: 1) called for by contracts between Purchaser and the United States Government (hereinafter referred to as

"Government Contracts"; 2) called for by contracts between Purchaser and any other legally constituted body or person; or 3) for Purchaser's own account. Any work relating to Government Contracts will bear the applicable government contract number. All rights conferred on the U.S. Government by these terms and conditions shall apply solely, to Government Contracts where required thereby, and not to other orders.

- B. If this is a subcontract under a Government Contract, [Appendix I](#) of the current revision of Purchaser Terms and Conditions for the Purchase of Good, Part I of form #PR-279, shall apply to this order. Contractor agrees to accept all United States Government FAR and DFAR clauses that are contained in Purchaser's contract with the Government.

3: CONTRACT PRICE

- A. Contractor shall be compensated for all services performed by Contractor for Purchaser in connection with each order in the manner and amount specified on the order. Payment for labor hour contracts will be made in an amount determined by multiplying the total number of hours actually required to perform each type of work by the hourly rate specified in the order for each type of work performed or as the Parties may otherwise agree. However, the total amount shall not exceed the total price specified in the order.
 - 1. The Contractor's normal workweek shall consist of forty (40) hours. Straight time rates apply to all hours worked up to and including forty (40) hours per week, regardless of the actual day or days worked. Overtime rates (as specified in any applicable order) apply to all hours worked in excess of forty (40) hours per week, only when such overtime work is authorized by Purchaser.
 - 2. Premium pay for any off shift work effort (2nd or 3rd shift) will be negotiated separately and before such work begins.
- B. It is expressly understood and agreed that the hourly rate so specified shall include (in addition to the wages or salaries to which the employees of Contractor performing such services shall be entitled) compensation to Contractor for time spent by any general administrative, supervisory or clerical employee; overhead expenses, profit, and any and all other direct or indirect costs or expenses in any manner attributed to the performance of said services except such as are hereinafter specifically provided for. Time spent directly on the job by squad leaders, contract engineers and chief designers shall be billed in accordance with the above schedule.
- C. Contractor shall compute its employees' wages and withhold applicable federal, state and local taxes, and federal social security payments. Contractor shall remit its employee withholdings to the proper government authorities and make employer contributions for FICA and federal and state unemployment insurance payments.
- D. Straight time rates shall be paid for all hours worked on any holiday on which Contractor's employees are requested by Purchaser to work.

4: QUALITY OF WORK

- A. All services performed hereunder shall be subject to the inspection of an engineer, manager or other representative designated by Purchaser and shall be in strict accordance with the requirements of the contract papers. The contractor agrees to use only experienced, trained and qualified employees in the performance of services required by any order and all services performed must be of first class quality and workmanship.

5: BILLING, PAYMENTS, AND STANDARD TERMS OF SETTLEMENT (STS)

- A. Contractor shall submit bills to Purchaser weekly, or as otherwise agreed by Purchaser and Contractor, for the work performed in the preceding week or other period and payment will be made in accordance with Purchaser's standard terms of settlement as set forth herein.

- B. Subject to the early payment terms described in this clause, Purchaser shall issue payment to Contractor in accordance with its standard terms of settlement - (net payment of the undiscounted invoice amount) sixty (60) days. At the sole discretion of Purchaser, paperless settlement and paperless invoicing may be required. Options acceptable to Purchaser include GSN Web Invoicing, Evaluated Receipt Settlement (ERS) and EDI. Contractor must provide banking information to establish Electronic Funds Transfer (EFT) for U.S. suppliers and wire transfer for non-U.S. suppliers.
- C. Purchaser reserves the right to settle invoices with Contractor using Purchaser's accelerated payment program. Contractor agrees to accept, in exchange for Purchaser's payment in fifteen (15) days, the invoice amount discounted by 1.5%.

6: BOOKS AND RECORDS; RECORDS RETENTION

- A. Contractor shall maintain complete and accurate records on a job order basis in connection with the work required under any order and all charges for labor or services will be substantiated by proper time clock cards, time vouchers, or other similar records signed by employees doing work under any order.
- B. Purchaser and, when orders relating to Government Contracts are involved, the United States of America and any department thereof, shall have the right from time to time to inspect and audit, during any reasonable hours, all of the Contractor's books and records concerning the work carried on under any order, including those books and records pertaining to overhead and other general expenses. This Clause survives the expiration of any order placed for five (5) years following the final payment hereunder.
- C. Contractor shall retain, for four years following final payment by Purchaser, all books, records, accounting procedures and practices, and other data related to the performance of work under this order, regardless of type of data and regardless of whether such items are in written form, in the form of computer data, or in any other form. Retained records shall include, but not be limited to records related to labor, supplies, equipment, material, or services purchased and/or used to perform work under this order. For orders relating to Government Contracts, Contractor shall retain records in accordance with FAR Subpart 4.7 - Contractor Records Retention.

7: DATA, PATENTS AND COPYRIGHTS

- A. Purchaser shall be entitled to full ownership of all data, information, inventions, or discoveries, whether patented or unpatented, conceived or first actually reduced to practice in the performance of any order placed by Purchaser with Contractor.
- B. The Contractor agrees to promptly disclose any such data, information, invention or discovery to Purchaser. With respect to any such invention or discovery, the Contractor further agrees that it will cooperate with Purchaser, its officers and agents, in obtaining, at the expense of purchaser with respect to the prosecution thereof, patents on such inventions or discoveries in the name of and for the benefit of Purchaser in the United States and/or foreign countries to the extent that Purchaser may consider desirable. Contractor will procure from its employees, without charge to Purchaser, the execution of all patent applications, assignments and other instruments necessary to the procurement of such patents and to the vesting of title thereto in Purchaser.
- C. Purchaser shall become the sole owner of any and all notes, reports, memoranda, and any other written information made or prepared in connection with any order placed by Purchaser and such material shall not be copyrighted by Contractor. Contractor will not use any material developed by Contractor under any order placed by Purchaser without first obtaining the written consent of Purchaser. All such materials shall be deemed to be works for hire and shall belong exclusively to Purchaser. If by operation of law any of the material is not work made for hire, then Contractor agrees to assign, and hereby assigns, to Purchaser the ownership of such material including all copyrights thereto. Purchaser may obtain and hold in its own name copyrights, registrations, and other protection that

- may be available in such material, and Contractor shall provide any assistance required to perfect such protection.
- D. If the work under any order is in respect of any Government Contracts, Contractor and Purchaser shall comply with the rights in data, patents and copyrights clauses as set forth in the Government Contracts, and unless otherwise specified, the rights of Purchaser shall be those provided in Clauses 7(A), 7(B), and 7(C) above.
 - E. The Contractor agrees that it will cause its employees to execute contracts of employment or other agreements assuring the Contractor the ability to comply fully with the foregoing provisions of this clause.

8: CONTRACTOR'S EMPLOYEES

- A. Contractor represents that no employee assigned to provide services to Purchaser under any order has been employed by the United States Department of Defense (DOD) in a procurement function within two years of the date of their assignment, where Purchaser would be in violation of the Defense Acquisition Improvement Act of 1986 (10 U.S.C. 2397b, 2397c) if Purchaser compensated such employee. Further, Contractor agrees to advise Purchaser in writing of all employees assigned to provide services under any order who previously worked for the DOD in any capacity within two years prior to the date of their assignment, including a description of the duties performed for DOD and their last DOD pay grade. If requested by Purchaser, Contractor will have the Contractor's employee obtain a written opinion from an ethics officer in the individual's former DOD agency that the individual may accept compensation when assigned to perform work for Purchaser.
- B. It is mutually agreed that any of Contractor's personnel performing services under any order shall remain employees of Contractor subject to its right of direction, control and discipline and shall neither become employees of Purchaser nor be entitled to any rights, benefits or privileges of Purchaser employees. As appropriate, Purchaser shall give direction as to the ultimate objective of the project to the contractor. The Contractor is responsible for ensuring that its personnel accomplish the requirements of the project and work consistent with Purchasers pertinent safety regulations and all other reasonable health, safety, environmental and behavioral requirements. The Contractor shall ensure that its personnel adhere to the provisions herein and that they have the requisite knowledge, training and ability to perform work under any order competently and in accordance with applicable laws, regulations and Purchaser company policies. Contractor's personnel performing services under any order will be provided with copies of GE Policies 20.3, 20.4, 20.5 and 20.10 dealing with "Health, Safety, and Environmental Practices", "Business Practices", "Compliance with Antitrust Laws", and "Standards of Conduct in Transactions with the United States Government" as adopted by Purchaser. Compliance with these policies is mandatory, and any failure to comply will be cause for immediate removal of Contractor's involved employee or immediate termination of any order.
- C. Contractor's employees are not authorized, expressly or otherwise, to enter into any agreements or to make any commitments financial or otherwise, for or on behalf of Purchaser. Specifically, no employee of Contractor shall make contact with the DOD or other United States Government agency employees, members of Congress or Congressional employees regarding the continuation, renewal, amendment or modification of a federal contract to Purchaser.
- D. No employee of Contractor shall engage in any other work or business adverse to the interests of Purchaser during the time such employee is assigned to work at or in support of Purchaser.
- E. Contractor agrees to comply with, and to execute for Purchaser, such certifications as may be required by the United States Government pursuant to Section 6 of the Office of Federal Procurement Policy Act Amendments of 1988 ("Procurement Integrity"), and

agrees to report immediately to Purchaser any information concerning a violation or possible violation of the Act or its implementing regulations.

- F. Contractor agrees to disclose to Purchaser whether any of its employees it assigns to Purchaser, whether presently or within the past twelve (12) months, has 1) provided services as a consultant to any branch or department of the United States Government at any level or 2) furnished advice, information, direction or assistance (including marketing or lobbying support) to an offeror or any other contractor in support of the preparation or submission of an offer for a United States Government contract by that offeror. If such disclosure is made, Contractor agrees to execute for Purchaser any certifications required by law in respect of such disclosures.

9: TERMINATION FOR CONVENIENCE

- A. Purchaser shall have the right, at any time, upon written notice to the Contractor, to terminate all or any work required by any order placed hereunder. Upon receipt of notice to terminate, the Contractor shall thereupon cease work upon the order to the extent required. Contractor shall turn over to Purchaser all completed work and work in process, including all designs, drawings, specifications, plans, lists, and other material required or produced in connection with such work. Upon receipt thereof, Purchasers shall reimburse the Contractor upon the basis expressed in the subject order for all work performed under the order up to the date of Contractor's receipt of notice of termination. In the event Purchaser wrongfully terminates this purchase order or otherwise terminates this order such that, in the absence of this clause, such termination could be construed as a default by Purchaser, the Parties agree that such termination shall be construed as a termination for convenience under this Clause.

10: REPORTS

- A. The Contractor shall render progress reports as often as reasonably requested by Purchaser, pertaining to the services performed hereunder, showing time expended daily by each of its personnel for each component of various projects both periodically and cumulatively. Such reports shall be in a form that will enable Purchaser to evaluate the progress made and the schedules to be met, and to keep a current account of time and monies expended upon each and all projects.

11: SECURITY CLASSIFICATION LAWS & REGULATIONS - PRECAUTIONS

- A. Contractor agrees to comply with all applicable security classification laws and regulations of the United States Government, insofar as said laws, rules and regulations pertain to any order hereunder. Such compliance shall include, but not be limited to, taking all reasonable precautions to assure that work performed shall be protected against theft, destruction, or unauthorized disclosures.

12: MODIFICATION

- A. No waiver, alteration or modification of any of the provisions of any order or these terms and conditions shall be binding upon either party unless in writing signed by the duly authorized representative of the party intended to be bound thereby.

13: RESERVED

14: CONTRACTOR'S REPRESENTATIONS AND INDEMNIFICATION

- A. Any goods related to Contractor's services supplied under this purchase order may be exported worldwide, including countries that prohibit the importation of goods manufactured with child labor or forced, indentured or convict labor. Contractor represents, warrants, certifies and covenants that no goods supplied or services provided under this purchase order have been or will be produced or performed using forced, indentured or convict labor, or the labor of persons in violation of the minimum working age laws of the country of manufacture, or in violation of minimum wage, hour of service or overtime laws of the country of manufacture or in violation of minimum wage, hour of service or overtime laws of the country of the country in which the goods will be produced or services will be performed.
- B. If Purchaser determines any of Contractor's representations, warranties, certifications or covenants hereunder to be untrue, Purchaser shall have the right to terminate this purchase order without further compensation to Contractor, and Contractor shall defend, indemnify and hold harmless Purchaser and all of its affiliates, directors, officers, employees, agents, customers and representatives ("Indemnified Party") from and against all claims, losses, loss of use, damages, attorney's fees, actions, liability, demands, judgments, costs and expenses arising out of or resulting from Contractor's untrue or breached representations, warranties, certifications and covenants, from Contractor's (and its subcontractors') negligent acts or omissions, and from Contractor's failure otherwise to comply with the terms of this purchase order. An Indemnified Party shall have the right to participate in the selection of counsel and Contractor shall not enter into any settlement agreement that contains any admission of liability on the part of Purchaser.
- C. From time to time, at Purchaser's request, Contractor shall provide certificates to Purchaser in form and substance acceptable to Purchaser relating to the requirements of this Clause. Contractor shall permit Purchaser or its representatives to have reasonable access to the site where work under this order is performed to assess 1) Contractor's work quality and compliance with Purchaser's specifications and 2) Contractor's compliance with its representations, warranties, certifications and covenants hereunder.

15: DISPUTE RESOLUTION

- A. Except as specifically provided for in paragraph (h) below, the parties intend to forsake litigation and resolve with finality any and all disputes arising under or related to any order exclusively by the process identified in this Clause. This Clause shall remain effective in the event that a petition in bankruptcy is filed by or against either party or if a party makes an assignment for the benefit of creditors, or if any other insolvency proceeding is commenced against a party.
- B. Any and all disputes, controversies or claims arising under or relating to any order or the breach, termination or invalidation thereof shall upon written notice, shall be referred to a senior management representative from each of the parties who will confer in good faith to attempt to resolve the matter. The party sending the first written notice (the "initial notice") shall 1) set forth in detail all of its claims or issues in dispute and 2) designate its representative. The other party shall have five (5) business days to designate its representative and add any other issues or claims for resolution not identified in the initial notice. The representatives shall have 30 days from the date of the initial notice to resolve the issues identified in the notice. If the representatives are unable to resolve the matter, either party may refer the matter to administered mediation, through the organization of JAMS/Endispute. Such mediation shall be started within 30 days from the date of referral, and the mediation process must be concluded within thirty (30) days from the start date.

- C. If the dispute or claim is not fully resolved pursuant to paragraph (B), either party may, after 90 days, but not later than after 120 days from the date of the initial notice, make a written demand for binding arbitration to be administered by the American Arbitration Association (AAA) by one arbitrator in accordance with its commercial arbitration rules (effective as of September 1, 2000). Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. A party's failure to make a timely demand for arbitration shall result in the forfeiture of all the claims and issues that party identified in its written notice.
- D. The arbitration proceedings shall be conducted in Baltimore, Maryland, and the contract shall be interpreted and applied in accordance with the laws of the state of New York without regard to New York's choice of law provisions. Each party will be permitted to take the deposition of one individual, limited to no longer than four hours. No other discovery shall be conducted except by the written agreement of both parties. All fees and expenses of the arbitration shall be shared equally by the parties. However, each party shall bear the expense of its own counsel, experts, witnesses, and preparation and presentation of proofs. The arbitrator shall have no authority to award punitive or other damages beyond the prevailing party's actual damages and shall not, in any event, make any ruling, finding, or award that does not conform to the terms and conditions of the contract. The arbitration award shall be in writing and shall specify the factual and legal basis for the award. The right to appeal the award shall be governed by New York law, and any such appeal shall be brought in a court of general jurisdiction located in Baltimore, Maryland.
- E. Either party may, at any time, without inconsistency with this contract, seek from a court of competent jurisdiction located in Baltimore, Maryland, any equitable, interim or provisional relief only to avoid irreparable injury.
- F. The parties intend all statements made and documents provided or exchanged in connection with this dispute resolution process to be confidential and neither party shall disclose the existence or content of the dispute or claim, or the results of any dispute resolution process, to third parties other than outside counsel, except with the prior written consent of the other party or pursuant to legal process.
- G. The parties may, by written mutual consent, agree to dates and times other than those set forth in this Clause.
- H. The provisions of this Clause shall not modify or displace the procedures specified in Article 9, "Termination for Convenience", and Article 17, "Default". In addition, this clause shall not apply to and will not bar litigation regarding any claims related to a party's proprietary or intellectual property rights.

16: FAIR LABOR STANDARDS ACT

- A. By accepting any order, Contractor represents that the goods or services to be furnished hereunder, were or will be produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended, and unless otherwise agreed in writing, Contractor shall insert a certificate on all invoices submitted in connection with any order stating that the goods or services covered by the invoice were produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended, including section 12(A).

17: DEFAULT

- A. Purchaser may, by written notice of default to Contractor, terminate the whole or any part of any if: (a) either 1) the Contractor fails to perform within the time specified therein or any extension thereof; or 2) the Contractor fails to perform any of the other provisions of any order, or so fails to make progress as to endanger performance of any order in accordance with its terms; and (b) in either of these two circumstances, Contractor does

not cure such failure within a period of ten (10) days after receipt of Purchaser's notice or such longer period as Purchaser may authorize in writing. Upon such termination action, Purchaser may procure, upon such terms and from any source or service provider as it shall deem appropriate, supplies or services similar to those terminated, in which case Contractor shall continue performance of such order to the extent not terminated and shall be liable to Purchaser for any excess costs for Purchaser's procurement of such similar supplies or services. In lieu of termination for default, Purchaser, at its sole discretion, may elect 1) to extend the schedule and/or 2) to waive deficiencies in Contractor's performance, in which case an equitable reduction in the purchase order price shall be negotiated. In the event Contractor, for any reason, anticipates difficulty in complying with the required schedule, or in meeting any of the other requirements of any order, Contractor shall promptly notify Purchaser in writing. The rights and remedies of Purchaser provided in this clause shall not be exclusive and shall be in addition to any other rights and remedies provided by law or under any Purchaser purchase order.

18: CITIZENSHIP STATUS

- A. Only U.S. Citizens, permanent resident aliens or those aliens authorized to be employed in the U.S. shall be permitted to work on Purchaser orders. Contractor certifies to Purchaser that it has 1) confirmed the identity of each individual assigned to work on Purchaser's purchase orders; 2) verified that such individuals are legally entitled to work in the U.S. and are employees of Contractor; and 3) preserved such records as required by the Department of Homeland Security. There may be jobs that require U.S. citizenship because of national security or exposure to classified information. In such cases, each such job will be separately identified by Purchaser as requiring U.S. citizenship and filled accordingly.

19: PURCHASER'S PROPERTY

- A. All tangible and intangible property, including but not limited to tools, tool drawings, materials, drawings, computer software, documents, information or data of every description furnished to Contractor by Purchaser or specifically paid for in whole or in part by Purchaser, and any replacement thereof, or any materials affixed or attached thereto, shall be and remain the personal property of Purchaser, and, unless otherwise agreed to in writing by Purchaser shall be used by Contractor solely to render services or provide products to Purchaser. Such property, and whenever practical each individual item thereof, shall be plainly marked or otherwise adequately identified by Contractor as being the property of Purchaser or Purchaser's designee, and shall be safely stored separate and apart from Contractor's property. Contractor shall not substitute any property for Purchaser's property and shall not use such property except in filling Purchaser's purchase orders. Such property while in Contractor's custody or control shall be held at Contractor's risk and shall be insured by Contractor for replacement cost with loss payable to Purchaser. Such property shall be subject to removal at Purchaser's written request, in which event Contractor shall prepare such property for shipment and shall deliver it as directed by Purchaser in the same condition as originally received by Contractor, reasonable wear and tear excepted, all at Contractor's expense. The foregoing shall not be deemed to affect the rights, if any, of the Government in any such property or to grant any rights to Purchaser in conflict with DFARS 252.227-7013, "Rights in Technical Data Noncommercial Items", DFARS 252.227-7014, "Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation", or DFARS 252.27- 7015, "Technical Data-Commercial Items".
- B. Purchaser hereby grants Contractor a license to use the drawings, specifications, computer software, and other data (hereinafter collectively referred to as "Data") furnished or paid for by Purchaser hereunder for the sole purpose of performing this order for Purchaser. All Data is the property of Purchaser and shall not be used,

- disclosed to others or reproduced for any purpose, including, but not limited to, the design, manufacture or repair of parts or to obtain FAA or other Government approval to do so; provided, however, Contractor may provide Data furnished or paid for by Purchaser hereunder to Contractor's contractors and/or suppliers for the sole purpose of enabling Contractor's contractors and/or suppliers to assist Contractor in performing this purchase order for Purchaser and on condition that Contractor's contractors and/or suppliers agree in writing for Purchaser's benefit to the terms of this paragraphs 19 and 21. This license is non-assignable, and this license is terminable with or without cause by Purchaser at any time. All Data furnished or paid for by Purchaser shall be deemed to be proprietary property to Purchaser, whether or not it is marked with any restrictive legend.
- C. Purchaser shall have the right to audit all pertinent books and records of Contractor, and to make reasonable inspections of Contractor's facilities to verify compliance with Section 19(B) above.
 - D. In the event Contractor, without Purchaser's prior written consent and authorization, designs or manufacturers for sale to any person or entity other than Purchaser any hardware that is substantially similar to or can replace or repair a Purchaser part, or obtains FAA or other governmental approval for such hardware or repair, the Contractor, in any adjudication involving or relating to Purchaser's Data, shall be required to establish by clear and convincing evidence that neither Contractor nor any of its employees, contractors or agents used in whole or in part, directly or indirectly any of Purchaser's Data in such design or manufacture or in obtaining FAA or other governmental approval with respect to such hardware or repair.
 - E. In the event Contractor is notified by Purchaser that Goods ordered under this purchase order are patented, Contractor agrees to mark such Goods with any patent numbers or other markings designated by Purchaser, including updates to such numbers or markings.

20: CHANGES

- A. Purchaser, at any time, shall have the right to make changes in the statement of work, work content, quantities, specifications or delivery schedule. Any such change, which has a significant impact, shall entitle either Contractor or Purchaser to an equitable adjustment. However, no additional charge will be allowed unless authorized by Purchaser's written amendment to this purchase order. Information, such as technical direction or guidance provided to Contractor by representatives of the Purchaser in connection with the Contractor's performance of this purchase order, shall not be construed either as a change within the meaning of this provision or as direction to proceed outside the scope of this order. Nothing in this Clause, including any disagreement with Purchaser as to the equitable adjustment to be made, shall excuse Contractor from proceeding with the order as changed.

21: CONTRACTOR INFORMATION

- A. Notwithstanding any document marking to the contrary, any knowledge or information which Contractor shall have disclosed or may hereafter disclose to Purchaser incident to the placing and filling of any order shall not be deemed to be confidential or proprietary information and accordingly shall be acquired free from any restriction on use or disclosure.

22: ASSIGNMENT AND CHANGE IN OWNERSHIP OR CONTROL

- A. Any assignment or attempt to assign this order without the advance written consent of Purchaser shall be null and void and shall give Purchaser the right to terminate this order for default under Article 17.

- B. If a third party submits a solicited or unsolicited offer to Contractor that would result in a Change of Ownership or Control of Contractor, as defined below, Contractor shall give notice of such offer to Purchaser as early as commercially practical following Contractor's receipt of the offer. The notice shall include the identity of the offeror, the date and time of the offer and the conditions of the offer. Before Contractor accepts the offer, it shall give Purchaser an opportunity, within a reasonable time, to advise Contractor of its objection to the offer. If despite Purchaser's objections, the Change in Ownership or Control occurs, Purchaser has the right at its discretion to terminate this purchase order for default under Article 17 at no cost to Purchaser. In the event of such termination, Contractor agrees to render full cooperation to Purchaser in order to minimize disruption to the Purchaser's program. Pending termination or in lieu of termination, Purchaser may require Contractor to provide adequate assurance of performance, including, but not limited to the institution of special controls regarding the protection of Purchaser's proprietary information.
- o For purposes of sub-paragraph (B), the terms "Change in Ownership or Control" shall mean any of the following: 1)the sale of equity shares controlling 20% or more of the voting rights in Contractor or Contractor's parent, 2)the sale, lease, transfer or other disposition of substantially all of the assets of Contractor or Contractor's parent, 3)a merger, reorganization, consolidation, share exchange, re-capitalization, business combination, liquidation or dissolution or similar transaction, 4)a tender offer or exchange offer for any of the outstanding shares of capital stock of Contractor or Contractor's parent, 5)a sale by Contractor of the assets relating to the product Contractor produces or will produce for Purchaser or 6)any public disclosure of a proposal or plan or intention to do any of the foregoing.

23: SET-OFF

- A. Purchaser shall be entitled to set off any amount, owing at any time from Contractor to Purchaser, any of Purchaser's divisions, or any of Purchaser's affiliated companies against any amount payable at any time by Purchaser in connection with any order.

24: WORK ON PURCHASER'S OR ITS CUSTOMER'S PREMISES

- A. If Contractor's work under any purchase order involves operations by Contractor on the premises of Purchaser or one of its customers, then:
1. Contractor shall comply with all of Purchaser's safety and security procedures and shall take all necessary precautions to prevent the occurrence of any injury to person or property during the progress of such work. Any equipment used on Purchaser's premises regardless of ownership shall comply with OSHA 29 CFR 1910.147. Contractor shall maintain such public liability, property damage and employees liability and compensation insurance as will protect Contractor from said risks and from any claims under any applicable workers' compensation and occupational disease acts, and upon Purchaser's request provide Purchaser proof of such insurance.
 2. Contractor agrees that all of its employees whom may require access to Purchaser's or its customer's premises to perform work pursuant to this order shall be tested and certified (in writing) to be free from the following illegal or unauthorized drugs prior to being assigned to perform such work:
 - cannabinoid metabolites (marijuana)
 - opiate derivatives (heroin, morphine, codeine)
 - cocaine metabolites (benzoylecgonine, ecgonine)
 - amphetamines (methamphetamines) phencyclidine
 3. In addition, such drug tests shall include screening for prescription drug use. In the event Contractor's employee acknowledges use of prescription drugs, or if the drug screening results are positive for prescription drug use, Contractor shall

- not assign such employee to perform work pursuant to any order unless, 1) Contractor confirms that there are corresponding documented medical authorizations for use of such prescription drugs; and 2) Contractor determines, using appropriately qualified resources, that the employee is fit to perform the work under any order and free of any impairment that would prevent the employee from performing competent and safe work under any order.
4. Contractor's employees shall be re-tested and re-certified to be free of these unauthorized drugs after a six (6) month absence from performing work on Purchaser's or its customer's premises.
 5. Contractor shall comply with any and all federal, state, or local anti-drug, alcohol abuse and /or drug testing statutes or regulations for any of its employees that may be covered by such statutes or regulations. Contractor shall have, retain, and be able to provide to Purchaser, upon request, an approved drug and alcohol misuse prevention plan.
 6. Contractor shall conduct a criminal convictions records investigation of its employees before they are assigned to work on any order that requires the employee to enter Purchaser's premises or the premises of a customer of Purchaser (hereinafter collectively "Purchaser's Premises"). A Criminal Convictions Records Investigation shall consist of a records search (documented by a written report retained by the Contractor of the results of such search) by the appropriate law enforcement or other local or state agency in each location in which the employee has resided and worked in at least the seven years preceding the date of the criminal conviction records investigation. Purchaser reserves the right, at its discretion, to request from Contractor documentation of the completion of a criminal convictions records investigation for any employee assigned to work on Purchaser's or its customer's premises. Contractor's failure to have completed a criminal convictions investigation of any of its employees in accordance with this clause shall be grounds for immediate expulsion of the Contractor and its employees from Purchaser's Premises and Purchaser shall have the right to terminate all orders for default.
 7. Contractor shall not assign any person to perform work on Purchaser's Premises that has been:
 1. convicted of murder; manslaughter; kidnapping; rape; sexual battery or gross sexual imposition; domestic violence; assault; arson; robbery; burglary; theft; embezzlement; fraud; drug possession, manufacturing or trafficking.
 2. convicted as an adult of any felony; convicted of more than one misdemeanor in the previous two years; or, convicted of more than five misdemeanors in the previous five years.
 8. Purchaser may require Contractor's employees, before entering Purchaser's Premises, to complete a criminal convictions questionnaire. In the event that Purchaser has grounds to believe that an employee of Contractor has falsified the criminal convictions questionnaire in any way, such person shall not perform work on Purchaser's Premises.
 9. Contractor shall include this Article 24 in any subcontract placed pursuant to a purchase order with a subcontractor who will perform work on Purchaser's or its customer's Premises.
 10. Purchaser reserves the right to deny access to Purchaser's or its customer's premises to any person who appears on government-issued lists of terrorists, suspects, etc., such as the Department of State, Arms Export Control Debarment List; Department of State, Proliferation List; Department of Commerce, Denied Parties List; and Department of Treasury, Specially Designated National List.

25: RELEASE OF INFORMATION

- A. No public release (including without limitation, photographs, films, announcements, and denials or confirmations of the placing of any order) shall be made with respect to any order, or the subject matter thereof, without prior written approval of Purchaser.

26: NONDISCRIMINATION IN EMPLOYMENT

- A. Contractor will comply with Executive Order 11246 and the equal employment opportunity clause in 41 CFR 60-1.4(a) by not discriminating against any employee or applicant for employment because of race, religion, color, sex, age, or national origin. Contractor will further take affirmative action to employ and advance its employees without regard to race, color, religion, sex, age, or national origin.
- B. Contractor will also comply with the affirmative action clauses for veterans and handicapped workers in 41 CFR 60-250 and 41 CFR 60-741 by not discriminating against any employee or applicant for employment because of physical or mental handicap or because he or she is a disabled veteran or veteran of the Vietnam War. Contractor will further take affirmative action to employ and advance its employees without regard to physical or mental handicap or because he or she is a disabled veteran or a veteran of the Vietnam War.
- C. In the event that subcontracting opportunities exceeding \$10,000 exist, contractor will comply with 48 CFR ch. 1 sec. 52.219-8 and 48 CFR ch. 1 sec. 52.219-13 in using best efforts to give small business concerns, small disadvantaged business concerns and woman-owned small businesses the maximum practicable opportunity to participate. In the event that the subcontracting opportunities exceed \$500,000, Contractor will comply with 48 CFR ch. 1 sec. 52.219-9 in adopting a subcontracting plan.

27: INTELLECTUAL PROPERTY INDEMNITY

- A. Contractor shall indemnify and save Purchaser, its affiliates, and its customers harmless from and against any expense or liability, including costs, fees and damages, arising out of any claim, suit or proceeding that the manufacture or furnishing of goods and/or services under this purchase order, or the use of such goods (without modification or further combination) or sales of such goods constitutes infringement of any patent, trade secret or copyright. If an injunction should issue, at Purchaser's option, Contractor shall either 1) procure for Purchaser and its customers the rights to continue using said goods, or 2) modify them in a manner acceptable to Purchaser so they become non-infringing, or 3) remove said goods and refund the purchase price.

28: LABOR NOTICE

- A. The Contractor shall immediately give notice to Purchaser (to be followed by written notices and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Contractor shall use its best efforts to resolve any such complaint, trouble, dispute or controversy.
- B. Contractor warrants that Purchaser shall have no liability or bargaining obligations under any collective bargaining agreement between contractor and its employees. Contractor agrees to give Purchaser copies of any collective bargaining agreements existing between it and its employees and agrees to give Purchaser prompt notice of any union organization with respect to its employees.

29: FORMER EMPLOYEES OF PURCHASER OR ITS AFFILIATES

- A. Assignment to Purchaser's work of any Contractor employee who is a former employee of Purchaser shall require the advance written approval of Purchaser. Contractor shall also not assign to Purchaser's work anyone previously employed by Purchaser or its affiliates without having confirmed satisfactory performance of the individual when employed by Purchaser or its affiliates. The Contractor shall have the individual provide written consent and waiver for Purchaser to release employment information to Contractor.

30: PRIOR AGREEMENTS

- A. This instrument contains the entire agreement between the Contractor and Purchaser with respect to orders, contracts or arrangements made or placed hereafter for services and supersedes all pre-existing understandings, agreements, or arrangements with respect thereto.

31: ACCESS TO PURCHASER'S COMPUTER SYSTEMS

- A. Contractor shall limit access of its personnel and representatives to Purchaser's computer systems to only to those persons identified on Purchaser's systems security statement and who have been issued a systems user id. Purchaser reserves the right to verify, at any time, the citizenship status of any and all Contractor personnel who have access to Purchaser's computer systems. Such access shall be limited by Purchaser to those systems, which in Purchaser's sole discretion, are required for the Contractor's personnel to perform assigned work and shall be valid until such access is revoked or surrendered. Such access shall be surrendered by Contractor's personnel upon Purchaser's request or upon removal or reassignment by Contractor.

32: EXPORT AND INTERNATIONAL TRAFFIC-IN-ARMS REGULATIONS

- A. Contractor agrees to comply with all export regulations and the International Traffic-In-Arms Regulations (ITAR) including, but not limited to, parts 122 entitled "Registration of Manufacturer and Exporter" and 130 entitled "Political Contributions, Fees and Commissions."
- B. With respect to defense articles and services furnished hereunder, contractor agrees that it has not paid, offered or agreed to pay, and agrees that it shall not pay, offer or agree to pay, for the purpose of soliciting, promoting or otherwise to secure the sale of defense articles and services to or for the use of the armed forces of an international organization or non-U.S. Country, any 1) fees or commissions in excess of \$1,000 or 2) political contribution (including any gift, rebate or payment of expenses) to a non-U.S. Person or entity.
- C. In the event Contractor is supplying defense articles in connection with the performances of services under this order, Contractor agrees to maintain a valid and current Office of Defense Trade Controls (ODTC) registration. Contractor shall provide its ODTC registration name (whether registered or not) expiration date to Purchaser and promptly advise Purchaser of any updates or changes to such information, in the format requested by Purchaser.
- D. If Contractor intends to conduct work for Purchaser in a foreign country, including but not limited to the use of Contractor's own facility outside of the United States or the use of a foreign affiliate or unrelated subcontractor, Contractor must provide advance written notification to Purchaser. Customer is responsible for compliance with applicable export control laws and regulations and for obtaining all export control licenses required by law or requested by Purchaser.

33: TRAVEL EXPENSES

- A. Reasonable and genuine travel expenses (coach airfare, mid-sized rental cars, moderately priced hotels, etc.) required for Purchaser's business purposes will be reimbursed upon submittal of receipts for all items \$15.00 and over. All travel expenses must be detailed in an expense account statement and be submitted to Purchaser with the invoice. In addition, all costs defined as unallowable in the FAR part 31.205 must be identified on the expense account statement. Alcohol and premium airfare are examples of common unallowable costs. If additional information on unallowable costs is needed, please contact the Purchaser's Sourcing representative.

34: RESERVED

35: SEVERABILITY

- A. If any provisions of these terms and conditions or any part hereof are invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, all conditions and provisions of these terms and conditions which can be given effect without such invalid, unlawful or unenforceable provision shall, nevertheless, remain in full force and effect.

36: GRATUITIES

- A. Any officers, employees or agents of Purchaser, the United States Government, or Purchaser's customers, are prohibited, with limited exceptions, from soliciting or accepting entertainment, gifts, gratuities, compensation or favors from Contractor. Contractor shall at all times comply with the requirements of this policy. When Contractor has reasonable grounds to believe that a violation of this gratuity policy by Contractor or Purchaser's representatives may have occurred, Contractor shall promptly report the potential violation to Purchaser by using the Business Practices Office's hot line (410-682-2959) or by reporting it in writing to the attention of the Business Practice's Office.
- B. For violation of this Clause by Contractor, this purchase order may be terminated in whole or in part. Purchaser may also require Contractor to provide proof that it has implemented internal management controls sufficient to prevent future violations. These rights and remedies of Purchaser are not exclusive and are in addition to any other rights and remedies provided to Purchaser under this purchase order or by law.

37: PROHIBITED GOODS AND SERVICES

- A. The United States of America prohibits the importation of goods or the purchase of services from the following countries: Cuba, Iran, Iraq, Libya, North Korea, territory of Afghanistan controlled by the Taliban, and Yugoslavia (Serbia and Montenegro). No goods or services from the aforementioned prohibited countries may be used directly or indirectly in the design, manufacture, test, or other methods of providing any of the items (whether goods, services, or otherwise) covered by this purchase order. Such list can change from time to time and it is Contractor's responsibility to ensure compliance with such list at all times. Current information can be obtained by accessing the Internet at URL <http://www.treas.gov/ofac/>.

38: GOVERNING LAW

- A. This purchase order shall be governed by the laws of the State of New York, notwithstanding its conflicts of laws rules.

39: CONTRACTOR SECURITY AND CRISIS MANAGEMENT POLICY

- A. Contractor shall have, and shall comply with, a company security and crisis management policy. Upon Purchaser's request, Contractor shall provide Purchaser a copy thereof. Contractor shall revise and maintain the policy proactively, and as may be requested by Purchaser, in anticipation of security and crisis risks relevant to the Contractor's business. Contractor's policy, at a minimum, shall identify as elements of its policy, and require the taking, by Contractor's management and employees, of the measures described in one (1) - five (5) below. In the performance of any work for Purchaser, Contractor shall take the measures described in one (1) - five (5) below:
 - 1. provide for the physical security of the people working on Contractor's premises, including people working for or on behalf of Contractor, Purchaser, and Purchaser's customers;
 - 2. provide for the physical security of Contractor's facilities and physical assets related to the performance of work, including, the protection of Contractor's mission critical equipment and assets; Contractor shall provide for the physical security of Purchaser's physical assets in its custody and/or in its facilities and protect such physical assets from theft, loss, damage, and/or destruction.
 - 3. protect from the loss of, misappropriation of, corruption of, and/or other damage to software related to the performance of work;
 - 4. protect from the loss of, misappropriation of, corruption of, and/or other damage to Purchaser's, Purchaser's customers', and Contractor's drawings, technical data, and other proprietary information related to the performance of work;
 - 5. provide for the prompt recovery - including through preparation, adoption, and maintenance of a disaster recovery plan - of facilities, physical assets, software, drawings, technical data, other intellectual property, and the Contractor's operations in the event of a security breach, incident, crisis or other disruption of Contractor's ability to use the necessary facilities, physical assets, software, drawings, technical data, or other intellectual property or to continue operations.
- B. Purchaser reserves the right to inspect Contractor's policy and to conduct on-site audits of Contractor's facilities and practices to determine whether Contractor's policy and Contractor's implementation of the policy are reasonably sufficient to protect Purchaser's property and interests. If Purchaser reasonably determines that Contractor's policy and/or policy implementation is/are insufficient to protect Purchaser's property and interests, Purchaser may give Contractor notice of such determination. Upon receiving such notice, Contractor shall have forty-five (45) days thereafter to make the policy changes and take the implementation actions reasonably requested by Purchaser. Contractor's failure to take such actions shall give Purchaser the right to terminate this purchase order immediately without further compensation to Contractor.

40: INSPECTION

- A. All services, including, but not limited to, engineering and design/development work, shall comply with all applicable specifications and shall be subject to inspection and test by the Purchaser and its customer at all times and places. If any inspection or test is made on the premises of Contractor or its supplier, Contractor, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties. All inspections and tests on the premises of Contractor or its supplier shall be performed in as not to unduly delay the work.
- B. Purchaser's failure to inspect services shall neither relieve Contractor from responsibility for such services as are not in accordance with the order requirements nor impose liabilities on Purchaser therefore. The inspection or test of any services by Purchaser shall not relieve Contractor from any responsibility regarding defects or other failures to meet order requirement, which may be discovered subsequently.

41: CLASSIFIED INFORMATION

- A. Upon completion of work by Contractor under this purchase order, Contractor shall return to Purchaser all classified information furnished by Purchaser in connection herewith, including all reproductions thereof, then in Contractor's possession or control, and Contractor shall surrender classified information or materials developed by Contractor in connection with this order, unless the information has been destroyed or the retention of the information is authorized in writing by Purchaser or the government.

42: EDI (ELECTRONIC DATA INTERCHANGE) and PAPERLESS INVOICING

- A. Upon Purchaser's request, and within fifteen (15) days from the date of such request, Contractor shall sign an EDI Trading Partner Agreement with Purchaser. Following such agreement, the parties shall establish an implementation schedule, which shall call for active EDI communication capability within forty-five (45) days from the date of the execution of the EDI Trading Partner Agreement.
- B. Paperless invoicing may be required. Options acceptable to Purchaser include GSN Web Invoicing, Evaluated Receipt Settlement (ERS) and EDI.

43: ENVIRONMENTAL MATTERS

- A. Certifications, Representations and Warranties
 - 1. Supplier represents, warrants, certifies and covenants that it shall perform all activities required under this purchase order in compliance with all applicable national, EU, state/provincial and local environmental, health and safety laws and regulations;
 - 2. Seller represents, warrants, certifies and covenants that it will take appropriate actions to provide a safe and healthy workplace, and to protect local environmental quality in all of its activities, including without limitation, transport.
 - 3. Seller represents, warrants, certifies and covenants that each chemical substance constituting or contained in goods sold or otherwise transferred to GE hereunder is on the list of chemical substances compiled and published by (a) the Administrator of the Environmental Protection Agency pursuant to: the Toxic Substances Control Act (15 USC Section 2601 et seq.) as amended; or (b) the European Inventory of Existing Commercial Chemical Substances (EINECS) or the European List of Notified Chemical Substances (ELINCS); or (c) any equivalent lists in any other jurisdictions to which GE informs Seller or Seller knows the goods likely will be shipped to or through. Seller represents, warrants, certifies and covenants that each chemical substance constituting or contained in goods sold or otherwise transferred to Purchaser is pre-registered if required, and registered if required, under Regulation (EC) No 1907/2006 ("REACH"), is not restricted under Annex XVII of REACH and if subject to authorization under REACH is authorized for Purchaser's use.
 - 4. Seller shall notify Purchaser if it decides not to Preregister or Register substances that will be subject to Preregistration or Registration under REACH and are constituting or contained in goods supplied to Purchaser at least 12 months before their Preregistration or Registration deadline. Seller will monitor the publication by the European Chemicals Agency of the list of substances meeting the criteria for Authorization under REACH (the "candidate list") and immediately notify Purchaser if any of the goods supplied to Purchaser is manufactured by Seller with or contains a substance officially proposed for listing on the candidate list. Seller shall provide Purchaser with the name of the substance as well as with sufficient information to allow Purchaser to safely use the goods or fulfill its own obligations under REACH.

5. Seller represents, warrants, certifies and covenants that none of the goods supplied under this purchase order contains any: (a) lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBB), polybrominated diphenyl ethers (PBDE) or any other hazardous substances the use of which is restricted under EU Directive 2002/95/EC (27 January 2003)(RoHS Directive), as amended; (b) arsenic, asbestos, benzene, polychlorinated biphenyls (PCBs), carbon tetrachloride, beryllium, or radioactive materials; (c) chemical restricted under the Montreal Protocol on ozone-depleting substances; (d) substance listed on the candidate list of the REACH legislation (Regulation (EC) No 1907/2006) or restricted under Annex XVII of REACH; or (e) other chemical the use of which is restricted in any other jurisdictions to which GE informs Seller the goods are likely to be shipped or the Seller knows the goods are likely to be shipped to or through; unless Purchaser expressly agrees otherwise in writing as an addendum to this Purchase Order and Seller identifies an applicable exemption from any relevant legal restriction on the inclusion of such chemicals or hazardous materials in the goods sold or transferred to Purchaser. Upon request from Purchaser and subject to reasonable confidentiality provisions which enable Purchaser to meet its compliance obligations, Seller will provide Purchaser with the chemical composition, including proportions, of any substance, preparation, mixture, alloy or goods supplied under this Purchase Order and any other relevant information or data regarding the properties including without limitation test data and hazard information.
6. Seller represents, warrants, certifies and covenants that, except as specifically listed in a mutually agreed, written addendum to this purchase order, none of the goods supplied under this purchase order are subject to electrical or electronic reuse or recycling take back requirements pursuant to applicable national law.
7. Seller represents, warrants, certifies and covenants that it has established an effective program to ensure that the activities of any suppliers it utilizes to provide any goods or services that will be incorporated into the goods supplied under this purchase order will be conducted in conformance with sub-parts 23. A1 to A8 above.

B. Covenants

1. With respect to any goods or other materials sold or otherwise transferred to Purchaser hereunder, Seller shall provide all relevant information, including without limitation, safety data sheets in the language and the legally required format of the location to which the goods will be shipped and mandated labeling information, required pursuant to applicable requirements such as: (a) the Occupational Safety and Health Act (OSHA) regulations codified at 29 CFR 1910.1200; or (b) REACH or EU Directive 67/548/EC, as amended, if applicable, and (c) any other applicable law, rule or regulation or any similar requirements in any other jurisdictions to which Purchaser informs Seller the goods are likely to be shipped. For each such material, identification shall reference the stock or part number of the delivered Goods. Hazardous materials include, but are not limited to, materials embedded in a delivered Good in such a manner as to present a potential for personal injury or harm or property damage in the course of normal use, repair, accidents or disposal. All safety data sheets and labels required under this section and HAZCOM shall be provided to Middle River Aircraft Systems, 103 Chesapeake Park Plaza, Baltimore, Maryland, 21220.
2. Where applicable, for any goods specifically listed in a mutually agreed written addendum to this purchase order as “electrical or electronic equipment” as indicated in A7 above, Seller agrees to assume responsibility for taking back those goods in the future upon the request of Purchaser and treating or otherwise managing them in accordance with the requirements of applicable national legislation. Seller also agrees to take back as of the date of this

purchase order the used goods currently owned by Purchaser or to arrange with a third-party to do so in accordance with all applicable requirements. No additional charge will be sought by Seller and no additional payments will be due from Purchaser for Seller's agreement to undertake these responsibilities.

3. From time to time, at MRAS' request, Seller shall provide certificates to MRAS relating to any applicable legal requirements or to update sub-part A of this purchase order, in each case in form and substance satisfactory to MRAS.

44: WAIVER

Purchaser's failure to insist on performance of any of the terms or conditions herein or to exercise any right or privilege or Purchaser's waiver of any breach hereunder shall not thereafter waive any other terms, conditions, or privileges, whether of the same or similar type.

45. PERSONAL DATA PROTECTION

A. Definitions:

As used throughout this Paragraph 45, the following terms shall have the meaning set forth below.

Purchaser Data - Personal Data and all other information concerning Purchaser, its personnel or clients provided by or on behalf of Purchaser to Contractor; Processed by Contractor; created by Contractor based on information provided by or on behalf of Purchaser or Processed by Contractor; or otherwise maintained by Purchaser or any third party on behalf of Purchaser.

Notices - All filings, communications, notices, press releases or reports related to any Security Breach.

Personal Data - Any information relating to an identified or identifiable individual, including without limitation, name, address, telephone number, e-mail address, business contact information, social security number, driver's license number, financial account number or other financial information, or medical or health-related information.

Process or Processing - Any operation or set of operations performed upon Purchaser Data whether or not by automatic means such as collection, recording, organization, storage, adaptation or alteration, retrieval, accessing, consultation, use, disclosure by transmission, dissemination, or otherwise making available, alignment or combination, blocking, erasure, or destruction.

Security Breach - Any event involving an actual compromise of the security, confidentiality, or integrity of data, including, but not limited to, any unauthorized access or use by a known or unknown 3rd party or an employee of the Service Provider. Security Breach would also include any inadvertent or accidental disclosure by anyone.

- B. Data Processing: Contractor shall Process Purchaser Data only to the extent necessary to perform the services under this purchase order or as otherwise instructed by Purchaser in writing. Contractor agrees to keep Purchaser Data confidential, and agrees to not disclose such Data to third parties without first receiving the express written approval from Purchaser and satisfying its obligations in Section 45(e) below. Contractor further agrees that it will Process Purchaser Data in a manner consistent with federal and state law, including, but not limited to, the American's with Disabilities Act and the Family Medical Leave Act.
- C. Data Security: Access to System: Contractor shall, upon Purchaser's request, provide Purchaser with all information pertaining to its data security systems and procedures (physical, technological and organizational) reasonably required by Purchaser to assess the adequacy (in Purchaser's sole discretion) of such systems and procedures with respect to the services to be provided under this purchase order, and shall comply, subject to applicable

law, with Purchaser's Employee Data Protection Standards and Purchaser's Guidelines for Acceptable Use of GE Information Resources.

- D. **Data Security Measures:** Without limiting the foregoing, Contractor shall implement and maintain physical, technical and organizational measures to ensure the security and confidentiality of Purchaser Data in order to prevent, among other things, accidental, unauthorized or unlawful access, use, modification, disclosure, loss, or destruction of Purchaser Data. The security measures taken shall be in compliance with applicable data protection laws and shall be adapted to the risks represented by the Processing and the nature of the Purchaser Data to be Processed, having regard to the state of the art and the cost of implementation.
- E. **Agreements with Third Parties:** In the event that the Purchaser provides the Contractor with express written approval to disclose Purchaser Data to a Third Party, Contractor represents and warrants that, to the extent it provides any Purchaser or Personal Data to any of its suppliers, subcontractors and/or agents (such provision being necessary to Service Provider's performance of Services), it shall maintain with such suppliers, subcontractors and/or agents during the term of this purchase order contractual arrangements obligating such third parties to implement and maintain physical, technical and organizational data security measures consistent with the obligations placed on Contractor in Section 45(d).
- F. **Security Breach Notification:** Contractor shall notify Purchaser in the most expedient time possible and without unreasonable delay of any Security Breach involving any Purchaser or Personal Data. Contractor shall also provide Purchaser with a detailed description of the Security Breach, the type of data that was the subject of the Security Breach, the identity of each affected person, and any other information Purchaser may request concerning such affected persons and the details of the Security Breach, as soon as such information can be collected or otherwise becomes available.
- G. **Security Breach Costs:** Contractor agrees to take action immediately, at its own expense, to investigate the Security Breach and to identify, prevent and mitigate the effects of any such Security Breach, and to carry out any recovery necessary to remedy the impact. Contractor shall, to the extent permitted by applicable law, provide Purchaser with reasonable notice of and the opportunity to comment on and approve the content of all Notices prior to any publication or communication thereof to any third party, except Purchaser shall not have the right to reject any content in a Notice that Contractor must include in the Notice in order to comply with applicable law. Contractor shall pay for or reimburse Purchaser for all costs, losses and expenses relating to any Security Breach, including without limitation, the cost of Notices that Purchaser makes as a result of: (i) any unauthorized access by Contractor or Contractor Personnel of any Purchaser Data; (ii) any unauthorized access by a third party of any Purchaser Data that is Processed on behalf of Purchaser by Contractor where such unauthorized access is proximately caused by Service Provider's breach of this Agreement, negligence or willful misconduct; or (iii) any failure by Contractor to comply with any laws relating to the privacy or security of Purchaser Data.
- H. **Termination of Purchase Order:** Upon termination of this purchase order, for whatever reason, the Contractor shall stop Processing Purchaser Data and shall immediately return to the Purchaser any hard copies of the Purchaser Data in its possession and permanently delete any electronic copies of the Purchaser Data on any of its electronic systems.

Appendices

PR-279 Part I

APPENDIX I: "FAR AND DFAR SUPPLEMENT CLAUSES"

Supplementary Terms and Conditions for Government acquisition of non-commercial items.

1. **SUSPENSION/DEBARMENT:** The Seller shall provide immediate notice to Purchaser in the event of being suspended, debarred or declared ineligible by any federal agency, or upon receipt of a notice of proposed debarment during the performance of this order.
2. **DUTY FREE IMPORT:** If a domestic Seller intends to procure any materials from offshore (non U.S.) concerns, and to obtain duty free import under Purchaser's prime contract, Seller must obtain permission from Purchaser and advise Purchaser, in writing, of Seller's offshore order number and value.
3. **ANTI-KICKBACK:** By acceptance of this purchase order, Seller certifies that it has not paid any kickbacks and is in compliance with the Anti-Kickback Act of 1986, 41 U.S.C. 51-58, and further, Seller agrees to indemnify Purchaser and its affiliates for any costs, liabilities or administrative offsets incurred by Purchaser as a result of violations or alleged violations of FAR 52.203-7, "Anti-Kickback Procedures", by Seller, its employees, its subcontractors or their employees.
4. **PRICING:** When costs are a factor in any determination of the price to be paid hereunder, including price adjustments pursuant to Article 9, Changes or any other provision of this purchase order, such cost shall be in accordance with part 31 of the FAR and the DFARS in effect under Purchaser's Prime Contract.
5. **TECHNICAL DATA:** Seller shall indemnify Purchaser and its affiliates for any withholdings, claims, damages and expenses resulting from any assertion by the Government of its rights under DFARS 252.227-7030, "Technical Data - Withholding of Payment" and DFARS 252.246-7001, "Warranty of Data", and arising in whole or in part out of any failure by Seller to deliver technical data or any deficiency in said technical data as delivered, including, but not limited to, the presence of restrictive markings thereon not specifically authorized by this purchase order.
6. **PRICE REDUCTION FOR DEFECTIVE COST OR PRICING:** (applicable to this order or any modification thereof for which cost or pricing data has been required.) If any price, including profit or fee, negotiated in connection with this order or any modification thereof or any cost reimbursable under this order, including modifications thereof, was increased by any significant sums because:
 - a. Seller furnished cost or pricing data which was not accurate, complete and current as certified in Seller's certificate of current cost or pricing data;

A subcontractor of Seller pursuant to the clauses of this purchase order entitled "Subcontractor Cost or Pricing Data--Modifications", or any Subcontract clause therein required, furnished cost or pricing data, which was not accurate, complete and current as certified in Seller's Certificate of Current Cost or Pricing Data;

- b. A subcontractor or prospective subcontractor of Seller furnished cost or pricing data which was required to be accurate, complete and current and to be submitted to support a Subcontract cost estimate furnished by the subcontractor

but which was not accurate, complete and current as of the date certified in the subcontractor's Certificate of Current Cost or Pricing Data; or

- c. If Seller or its subcontractor, or prospective Seller or its subcontractor furnished any data, not within a), b), or c) above, which was not accurate, complete, and current as submitted, then the price or cost shall be reduced accordingly and the purchase order shall be modified in writing as may be necessary to reflect such reduction.

Seller agrees to indemnify Purchaser and its affiliates for any costs, liabilities, and expenses resulting from failure of Seller or any subcontractor or supplier of any tier hereunder, incurred by Purchaser or its affiliates as a result of Seller's or its subcontractor's defective cost or pricing data.

7. **GOVERNMENT PROPERTY/MATERIAL:** All special tooling and special test equipment, the full cost or a substantial portion of which is charged to Purchaser under this purchase order, or is furnished by Purchaser to Seller for performance under this purchase order, shall be controlled and accounted for in accordance with Purchaser's then current tooling supplement, attached hereto as Appendix I. Seller shall provide Purchaser with written notice, at least sixty (60) days in advance, of Seller's intention to acquire or fabricate special test equipment in support of the requirements under this purchase order.

If property/material is provided for use on this purchase order (or charged to a cost reimbursement or time and materials order), Seller shall maintain and administer, in accordance with FAR part 45.5, a program for the utilization, maintenance, protection, preservation and accountability of such property/material, and Seller shall comply with all applicable provisions of FAR part 45 regarding the use, control, and responsibility for such Government property.

8. **GOVERNMENT FACILITIES:** Unless this purchase order authorizes the use of Government-owned facilities, Seller must negotiate the use of Government owned facilities used in the manufacture of Goods purchased hereunder with the appropriate Government agency furnishing Government facilities to Seller. All charges to Purchaser for such use must be concurrently billed as a separate item aside from all other costs.

If this purchase order authorizes rent-free use of Government facilities, Seller agrees that it will not directly or indirectly, through overhead charges or otherwise, seek reimbursement under this purchase order for any rental charge paid by the Seller for the use on other contracts of the facilities referred to herein. Any Subcontract hereunder which authorizes the subcontractor to use Government facilities on a no-charge basis shall contain a provision to the same effect as stated herein.

9. **DIRECT SHIPMENTS TO THE U.S. GOVERNMENT:** If deliveries of Goods including data under this purchase order are to be made directly to the Government, Seller agrees to prepare and distribute the DOD form 250, "Material Inspection and Receiving Report", as set forth in part 53 of DFARS, and to enter thereon the price of all Government Furnished Material (GFM) included in items so delivered to the Government. The Government has agreed that the price of GFM will be made available to Seller by the Government. However, no delivery shall be delayed by reason of failure of the Government to furnish such prices to Seller. Seller shall include a similar provision in each Subcontract hereunder.
10. **PROCUREMENT INTEGRITY:** Seller agrees to comply with the requirements of section 27 of the "Office of Federal Procurement Policy Act" (41 U.S.C. 423), as amended by section 814 of Public Law 101-189, and with the implementing regulations contained in FAR 3.104, and agrees to indemnify Purchaser and its affiliates for any costs and liabilities incurred by Purchaser or its affiliates as a result of violations of the act or

regulations by Seller, its employees, its agents, its consultants, or subcontractors, or their employees.

11. **CONDITIONAL GOVERNMENT SOURCE INSPECTION:** During the performance of this order, Seller's quality control system, inspection system and manufacturing processes are subject to review, verification and analysis by authorized Government representatives. Inspection and release of material covered by this order by a Government representative prior to shipment is not required unless Seller is otherwise notified.
12. **COST ACCOUNTING STANDARDS (CAS):** (applicable when CAS is incorporated specifically in this order.) Seller agrees to indemnify Purchaser and its affiliates for any costs, liabilities, and other expenses, which result from Seller's failure to comply with an applicable cost accounting standard, or failure to comply with Public Laws 91-379 and 100-679.

FAR CLAUSES

The following clauses and those in subsequent appendices in effect on date of the order are hereby incorporated by reference to the extent they apply to Purchaser's contract with the Government. However, in the event of a conflict between the clauses listed below and the Purchaser's Prime Contract, the Purchaser's prime contract shall prevail. Where applicable, the terms "government", "Contracting Officer", and similar terms shall mean Purchaser, and the term "Contractor" and similar terms shall mean Seller. The full text of a clause may be accessed electronically at UR: <http://farsite.hill.af.mil/vffar1.html>.

Appendix 1 Part 1	
FAR Clause #	Description
52.202-1	DEFINITIONS
52.203-3	GRATUITIES
52.203-5	COVENANT AGAINST CONTINGENT FEES (IF ORDER EXCEEDS \$100,000)
52.203-6	RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT (IF ORDER EXCEEDS \$100,000)
52.203-7	ANTI-KICKBACK PROCEDURES(IF ORDER EXCEEDS \$100,000)
52.203-8	CONCILLATION, RECISSION, AND RECOVERY OF FUNNDS FOR ILLEGAL OR IMPROPER ACTIVITY
52.203-10	PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY
52.203-11	CERTIFICATION AND DISCLOSURE REGARDING PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS
52.203-12	LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (IF ORDER EXCEEDS \$100,000)
52.203-13	Contractor Code of Business Ethics and Conduct
52.203-14	DISPLAY OF HOTLINE POSTER(S)
52.204-2	SECURITY REQUIREMENTS
52.204-4	PRINTED OR COPIED DOUBLE-SIDED ON RECYCLED PAPER
52.204-5	WOMEN-OWNED BUSINESS OTHER THAN SMALL BUSINESS
52.204-9	PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL
52.208-8	HELIUM REQUIREMENT FORECAST AND REQUIRED SOURCES FOR HELIUM
52.209-5	CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBAREMENT, AND OTHER RESPONSIBILITY MATTERS
52.209-6	PROTECTING THE GOVERNMENTS INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT
52.211-2	AVAILALBILITY OF SPECIFICAITONS, STANDARDS, AND DATA ITEM DESCRIPTIONS LISTED IN THE ACAUSION STREAMLING AND STANDARDIZATION INFORMATION SYSTEM (ASSIST)
52.211-5	MATERIAL REQUIREMENTS
52.211-15	DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS (IF DPAS RATING INDICATED ON ORDER)
52.211-9002	PRIORITY RATING

52.211-9010	SHIPPING DOCUMENTATION – MIL-STD-129P – TAKES PRECEDENCE OVER SCHEDULE
52.211-9010 Alt 1	SHIPPING LABEL REQUIREMENTS
52.213-9001	EVALUATION FACTOR FOR SOURCE INSPECTION
52.214-26	AUDIT AND RECORDS-SEALED BIDDING (IF ORDER EXCEEDS \$500,000)
52.214-28	SUBCONTRACTOR COST OR PRICING DATA--MODIFICATIONS--SEALED BIDDING (IF ORDER EXCEEDS \$500,000)
52.215-2	AUDIT AND RECORDS-NEGOTIATION (IF ORDER EXCEEDS \$100,000)
52.215-8	ORDER OF PRECEDENCE – UNIFORM CONTRACT FORMAT
52.215-9	CHANGES OR ADDITIONS TO MAKE-OR-BUY PROGRAM
52.215-10	PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA- MODIFICATIONS
52.215-11	PRICE REDUCTION FOR DEFECTIVE COST OR PRINCING DATA - MODIFICATIONS
52.215-12	SUBCONTRACTOR COST OR PRICING DATA (IF ORDER EXCEEDS \$500,000)
52.215-13	SUBCONTRACTOR COST OR PRICING DATA--MODIFICATIONS (IF ORDER EXCEEDS \$500,000)
52.215-14	INTEGRITY OF UNIT PRICES (IF ORDER EXCEEDS \$100,000)
52.215-15	PENSION ADJUSTMENTS AND ASSET REVERSIONS
52.215-19	NOTIFICATION OF OWNERSHIP CHANGES (IF COST OR PRICING DATA WAS REQUIRED)
52.215-20	REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA.
52.215-21	REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA - MODIFICATIONS
52.216-8	FIXED FEE
52.219-1	SMALL BUSINESS PROGRAM REPRESENTATIONS
52.219-4	NOTICE OF PRICE EVALUATION PREFERENCE FOR HUBZone SMALL BUSINESS CONCERNS
52.219-8	UTILIZATION OF SMALL BUSINESS CONCERNS
52.219-9	SMALL BUSINESS SUBCONTRACTING PLAN - ALTERNATE II
52.219-14	LIMITATIONS ON SUBCONTRACTING
52.219-16	LIQUIDATED DAMAGES - SUBCONTRACTING PLAN
52.222-1	NOTICE TO THE GOVERNMENT OF LABOR DISPUTES
52.222-3	CONVICT LABOR
52.222-4	CONTRACT WORK HOURS AND SAFETY STANDARDS ACT--OVERTIME COMPENSATION (IF ORDER EXCEEDS \$100,000)
52.222-18	CERTIFICATION REGARDING KNOWLEDGE OF CHILD LABOR FOR LISTED END PRODUCTS
52.222-19	CHILD LABOR – COOPERATION WITH AUTHORITIES AND REMEDIES
52.222-20	WALSH-HEALEY PUBLIC CONTRACTS ACT
52.222-21	PROHIBITION OF SEGREGATED FACILITIES (IF ORDER EXCEEDS \$10,000)
52.222-22	PREVIOUS CONTRACTS AND COMPLIANCE REPORTS
52.222-24	PREAWARD ON-SITE EQUAL OPPORTUNITY COMPLIANCE EVALUATION
52.222-25	AFFIRMATIVE ACTION COMPLIANCE
52.222-26	EQUAL OPPORTUNITY (IF ORDER EXCEEDS \$10,000)
52.222-35	EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA AND OTHER ELIGIBLE VETERANS (IF ORDER EXCEEDS \$25,000)
52.222-36	AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (APPLIES IF ORDER EXCEEDS \$10,000)
52.222-37	EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA AND OTHER ELIGIBLE VETERANS (IF ORDER EXCEEDS \$25,000)
52.222-39	NOTIFICATION OF EMPLOYEE RIGHTS CONCERNING PAYMENT OF UNION DUES OR FEES
52.222-50	Combating Trafficking in Persons
52.223-3	HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA
52.223-7	NOTICE OF RADIOACTIVE MATERIALS
52.223-11	OZONE DEPLETING SUBSTANCES
52.223-14	TOXIC CHEMICAL RELEASE REPORTING (EXCEPT PARAGRAPH E) (IF ORDER EXCEEDS \$100,000). (IF
52.223-15	ENERGY EFFICIENCY IN ENERGY-CONSUMING PRODUCTS
52.225-1	BUY AMERICAN ACT - BALANCE OF PAYMENTS PROGRAM - SUPPLIES
52.225-3	BUY AMERICAN ACT-NORTH AMERICAN FREE TRADE AGREEMENT-ISRAELI TRADE ACT-BALANCE OF PAYMENTS PROGRAM
52.225-5	TRADE AGREEMENTS

52.225-8	DUTY-FREE ENTRY (IF ORDER IDENTIFIES SUPPLIES TO BE IMPORTED INTO THE U.S.)
52.225-13	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES
52.225-15	EUROPEAN COMMUNITY SANCTIONS ON END PRODUCTS
52.225-16	SANCTIONED EUROPEAN UNION COUNTRY SERVICES
52.226-1	UTILIZATION OF INDIAN ORGANIZATIONS AND INDIAN-OWNED ECONOMIC ENTERPRISES
52.227-1	AUTHORIZATION AND CONSENT AND ALTERNATE I (IF ORDER EXCEEDS \$100,000)
52.227-2	NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT (IF ORDER EXCEEDS \$100,000)
52.227-9	REFUND OF ROYALTIES
52.227-10	FILING OF PATENT APPLICATIONS – CLASSIFIED SUBJECT MATTER
52.227-11	PATENT RIGHTS – RETENTION BY THE CONTRACTOR (SHORT FORM)
52.227-16	ADDITIONAL DATA REQUIREMENTS
52.227-12	AUTHORIZAITON AND CONSENT
52.227-19	COMMERCIAL COMPUTER SOFTWARE LICENSE
52.228-3	WORKER'S COMPENSATION INSURANCE (DEFENSE BASE ACT)
52.228-4	WORKER'S COMPENSATION AND WAR-HAZARD INSURANCE OVERSEAS
52.228-5	INSURANCE - WORK ON A GOVERNMENT INSTALLATION
52.229-3	FEDERAL, STATE AND LOCAL TAXES (COMPETITIVE CONTRACTS)
52.229-4	FEDERAL, STATE AND LOCAL TAXES (NON-COMPETITIVE CONTRACTS)
52.229-5	TAXES - CONTRACTS PERFORMED IN US POSSESSIONS OR PUERTO RICO
52.229-6	TAXES - FOREIGN FIXED-PRICE CONTRACTS
52.229-7	TAXES - FIXED-PRICE CONTRACTS WITH FOREIGN GOVERNMENTS
52.229-9	TAXES – COST REIMBURSEMENT CONTRACTS WITH FOREIGN GOVERNMENTS
52.230-1	COST ACCOUNTING STANDARDS NOTICES AND CERTIFICATIONS
52.232-17	INTEREST
52.232-20	LIMITATION OF COST
52.232-32	PERFORMANCE BASED PAYMENTS
52.237-2	PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT, AND VEGETATION
52.230-2	COST ACCOUNTING STANDARDS
52.230-3	DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES
52.230-5	COST ACCOUNTING STANDARDS - EDUCATIONAL INSTITUTION
52.230-6	ADMINISTRATION OF COST ACCOUNTING STANDARDS (IF ORDER EXCEEDS \$500,000)
52.232-16	PROGRESS PAYMENTS (APPLIES ONLY IF SPECIFIED IN ORDER)
52.234-1	INDUSTRIAL RESOURCES DEVELOPED UNDER DEFENSE PRODUCTION ACT TITLE III
52.242-13	BANKRUPCY
52.242-15	STOP-WORK ORDER
52.243-1	CHANGES – FIXED PRICE
52.243-7	NOTIFICATION OF CHANGES
52.244-2	SUBCONTRACTS
52.244-5	COMPETITION IN SUBCONTRACTING
52.244-6	SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS
52.245-2	GOVERNMENT PROPERTY(FIXED-PRICE CONTRACTS)
52.245-17	SPECIAL TOOLING
52.245-18	SPECIAL TEST EQUIPMENT
52.246-1	CONTRACTOR INSPECTION REQUIREMENTS
52.246-2	INSPECTION OF SUPPLIES – FIXED PRICE
52.246-9104	DESTINATION INSPECTION AND ACCEPTANCE (JAN 1989)
52.247-1	COMMERCIAL BILL OF LADING NOTATIONS (APPLIES ONLY WHERE DIRECT SHIPMENT TO THE GOVERNMENT IS SPECIFIED)
52.247-63	PREFERENCE FOR US-FLAG AIR CARRIERS
52.247-64	PREFERENCE FOR PRIVATELY OWNED US-FLAG COMMERCIAL VESSELS (IF ORDER EXCEEDS \$100,000)
52.247-9012	REQUIREMENTS FOR TREATMENT OF WOOD PACKAGING MATERIAL
52.248-1	VALUE ENGINEERING (IF ORDER EXCEEDS \$100,000)
52.249-8	DEFULT (FIXED PRICE SUPPLY AND SERVICE
52.249-14	EXCUSABLE DELAYS
52.251-18	REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS (PRB) OTHER THAN

	PENSIONS
52.252-1	SOLICITATION PROVISIONS INCORPORATED BY REFERENCE
52.252-2	CLAUSES INCORPORATED BY REFERENCE

DOD FAR SUPPLEMENT (DFARS) CLAUSES

DFARS Clause #	Description
252.203-7001	SPECIAL PROHIBITION ON EMPLOYMENT (IF ORDER EXCEEDS \$100,000)
252.204-7000	DISCLOSURE OF INFORMATION
252.204-7003	CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT
252.205-7000	PROVISION OF INFORMATION TO COOPERATIVE AGREEMENT HOLDERS
252.208-7000	INTENT TO FURNISH PRECIOUS METALS AS GOVERNMENT – FURNISHED MATERIAL
252.209-7000	ACQUISITION FROM SUBCONTRACTORS SUBJECT TO ON-SITE INSPECTION UNDER THE INTERMEDIATE RANGE NUCLEAR FORCES (INF) TREATY (IF ORDER EXCEEDS \$100,000)
252.209-7004	SUBCONTRACTING WITH FIRMS THAT ARE OWNED OR CONTROLLED BY THE GOVERNMENT OF A TERRORIST COUNTRY
252.211-7000	ACQUISITION STREAMLINING (IF ORDER EXCEEDS \$1,000,000)
252.211-7003	ITEM IDENTIFICATION AND VALUATION
252.211-7006	RADIO FREQUENCY IDENTIFICATION
252.215-7000	PRICING ADJUSTMENTS
252.215-7002	COST ESTIMATING SYSTEM REQUIREMENTS
252.215-7003	EXCESSIVE PASS THROUGH CHARGES – IDENTIFICATION OF SUBCONTRACT EFFORT
252.215-7004	EXCESSIVE PASS – THROUGH CHARGES
252.217-7026	IDENTIFICATION OF SOURCES OF SUPPLY
252.219-7003	SMALL, SMALL DISADVANTAGED, AND WOMAN OWNED SMALL BUSINESS SUBCONTRACTING PLAN (DOD CONTRACTS)
252.219-7004	SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED SMALL BUSINESS SUBCONTRACTING PLAN
252.223-7004	EXCESSIVE PASS THROUGH CHARGES
252.223-7007	SAFEGUARDING SENSITIVE CONVENTIONAL ARMS, AMMUNITION, AND EXPLOSIVES
252.223-7001	HAZARD WARNING LABELS
252.225-7000	BUY AMERICAN ACT – BALANCE OF PAYMENTS PROGRAM CERTIFICATE
252.225-7001	BUY AMERICAN ACT AND BALANCE OF PAYMENTS PROGRAM
252.225-7002	QUALIFYING COUNTRY SOURCES AS SUBCONTRACTORS
252.225-7003	REPORT OF INTENDED PERFORMANCE OUTSIDE THE UNITED STATES – SUBMISSION AFTER OFFER
252.225-7004	REPORT OF INTENDED PERFORMANCE OUTSIDE THE UNITED STATES AND CANADA-SUBMISSION AFTER AWARD
252.225-7006	QUARTERLY REPORTING OF ACTUAL CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES
252.225-7007	BUY AMERICAN ACT-TRADE AGREEMENTS-BALANCE OF PAYMENTS PROGRAM
252.225-7009	DUTY-FREE ENTRY - QUALIFYING COUNTRY SUPPLIES (END PRODUCTS AND COMPONENTS)
252.225-7010	DUTY-FREE ENTRY--ADDITIONAL PROVISIONS
252.225-7012	PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES
252.225-7013	DUTY FREE ENTRY
252.225-7014	PREFERENCE FOR DOMESTIC SPECIALTY METALS (WITH ALT I)
252.225-7015	PREFERENCE FOR DOMESTIC HAND OR MEASURING TOOLS
252.225-7016	RESTRICTION ON ACQUISITION OF BALL AND ROLLER BEARINGS
252.225-7021	TRADE AGREEMENTS
252.225-7022	RESTRICTION ON ACQUISITION OF POLYACRYLONITRILE (PAN) BASED CARBON FIBER
252.225-7025	RESTRICTION ON ACQUISITION OF FORGINGS
252.225-7026	REPORTING OF CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES (IF ORDER EXCEEDS \$100,000)

252.225-7027	RESTRICTION ON CONTINGENT FEES FOR FOREIGN MILITARY SALES
252.225-7028	EXCLUSIONARY POLICIES AND PRACTICES OF FOREIGN GOVERNMENTS
252.225-7030	RESTRICTION ON ACQUISITION OF CARBON, ALLOY, AND ARMOR STEEL PLATE
252.225-7032	WAIVER OF UNITED KINGDOM LEVIES (IF ORDER WITH A UNITED KINGDOM FIRM IS OVER \$1,000,000)
252.225-7033	WAIVER OF UNITED KINGDOM LEVIES
252.225-7035	BUY AMERICAN ACT-FREE TRADE AGREEMENTS-BALANCE OF PAYMENTS PROGRAM CERTIFICATE
252.225-7036	BUY AMERICAN ACT-NORTH AMERICAN FREE TRADE AGREEMENT IMPLEMENTATION ACT-BALANCE OF PAYMENTS PROGRAM
252.225-7037	DUTY-FREE ENTRY - ELIGIBLE END PRODUCTS
252.225-7039	(*) CONTRACTOR PERSONNEL AUTHORIZED TO ACCOMPANY US ARMED FORCES DEPLOYED OUTSIDE THE UNITED STATES (*) DFARS TABLE OF CONTENTS INDICATED 252.225-7039 OS "RESERVED" REFERENCE SHOULD BE TO 252.225-7040
252.225-7043	ANTITERRORISM/FORCE PROTECTION FOR DEFENSE CONTRACTORS OUTSIDE THE UNITED STATES
252.226-7001	UTILIZATION OF INDIAN ORGANIZATIONS, INDIAN-OWNED ECONOMIC ENTERPRISES, AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS
252.227-7013	RIGHTS IN TECHNICAL DATA - NONCOMMERCIAL ITEMS
252.227-7014	RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION
252.227-7015	TECHNICAL DATA-COMMERCIAL ITEMS
252.227-7016	RIGHTS IN BID OR PROPOSAL INFORMATION
252.227-7017	IDENTIFICATION AND ASSERTION OF USE, RELEASE, OR DISCLOSURE RESTRICTIONS
252.227-7018	RIGHTS IN NONCOMMERCIAL TECHNICAL DATA AND COMPUTER SOFTWARE--SMALL BUSINESS INNOVATIVE RESEARCH (SBIR) PROGRAM
252.227-7019	VALIDATION OF ASSERTED RESTRICTIONS-COMPUTER SOFTWARE
252.227-7020	RIGHTS IN SPECIAL WORKS
252.227-7021	RIGHTS IN DATA--EXISTING WORKS
252.227-7025	LIMITATIONS ON THE USE OR DISCLOSURE OF GOVERNMENT-FURNISHED INFORMATION MARKED WITH RESTRICTIVE LEGENDS
252.227-7026	DEFERRED DELIVERY OF TECHNICAL DATA OR COMPUTER SOFTWARE (IF DELIVERY OF TECHNICAL DATA IS REQUIRED)
252.227-7027	DEFERRED ORDERING OF TECHNICAL DATA OR COMPUTER SOFTWARE (IF DELIVERY OF TECHNICAL DATA IS REQUIRED)
252.227-7028	TECHNICAL DATA OR COMPUTER SOFTWARE PREVIOUSLY DELIVERED TO THE GOVERNMENT
252.227-7030	TECHNICAL DATA - WITHHOLDING OF PAYMENT
252.227-7032	RIGHTS IN TECHNICAL DATA AND COMPUTER SOFTWARE (FOREIGN)
252.227-7036	DECLARATION OF TECHNICAL DATA CONFORMITY
252.227-7037	VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA
252.227-7038	PATENT RIGHTS – OWNERSHIP BY THE CONTRACTOR (LARGE BUSINESS)
252.227-7039	PATENTS – REPORTING OF SUBJECT INVENTIONS
252.228-7001	GROUND AND FLIGHT RISK (SEP 1996)
252.228-7005	ACCIDENT REPORTING AND INVESTIGATION INVOLVING AIRCRAFT, MISSILES, AND SPACE LAUNCH VEHICLES
252.231-7000	SUPPLEMENTAL COST PRINCIPLES
252.232-7003	FLEXIBLE PROGRESS PAYMENTS (APPLIES ONLY IF SPECIFIED IN ORDER)
252.232-7004	DOD PROGRESS PAYMENT RATES (APPLIES ONLY IF SPECIFIED IN ORDER)
252.234-7001	EARNED VALUE MANAGEMENT SYSTEM (APPLIES ONLY IF SPECIFIED IN ORDER)
252.235-7003	FREQUENCY AUTHORIZATION
252.239-7000	PROTECTION AGAINST COMPROMISING EMANATIONS
252.239-7016	TELECOMMUNICATIONS SECURITY EQUIPMENT, DEVICES, TECHNIQUES, AND SERVICES
252.242-7002	EARNED VALUE MANAGEMENT SYSTEM (APPLIES ONLY IF SPECIFIC IN ORDER)
252.242-7005	COST/SCHEDULE STATUS REPORT (APPLIES ONLY IF 252.234-7001 APPLIES)
252.243-7001	PRICING OF CONTRACT MODIFICATIONS

252.243-7002	REQUEST FOR EQUITABLE ADJUSTMENT
252.244-7000	SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS(DOD CONTRACTS)
252.246-7001	WARRANTY OF DATA (IF ORDER REQUIRES TECHNICAL DATA)
252.246-7003	ITEM IDENTIFICAITON AND VALUATION
252.247-7023	TRANSPORTATION OF SUPPLIES BY SEA (IF ORDER EXCEEDS \$100,000)
252.247-7024	NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA
252.249-7002	NOTIFICATION OF PROPOSED PROGRAM TERMINATION OR REDUCTION (IF ORDER EXCEEDS \$100,000)
252.247-7022	REPRESENTATION OF EXTENT OF TRANSPORTATION BY SEA

NASA FAR SUPPLEMENT CLAUSES

(NOTE: If an order is placed under a National Aeronautics and Space Administration (NASA) Prime Contract, the following NASA FAR Supplement clauses apply:

NASA FAR Clause #	Description
18-52.204-76	SECURITY REQUIREMENTS FOR UNCLASSIFIED AUTOMATED INFORMATION RESOURCES
18-52.208-81	RESTRICTIONS ON PRINTING AND DUPLICATING
18-52.219-74	USE OF RURAL AREA SMALL BUSINESSES
18-52.219-75	SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS SUBCONTRACTING REPORTING
18-52.219-76	NASA SMALL AND DISADVANTAGED BUSINESS GOAL
18-52.223-70	SAFETY AND HEALTH (APPLIES TO ORDERS IN EXCESS OF \$1,000,000 OR THAT INVOLVE USE OF HAZARDOUS MATERIALS OR OPERATIONS)
18-52.227-14	RIGHTS IN DATA - GENERAL
18-52.242-73	NASA CONTRACTOR FINANCIAL MANAGEMENT REPORTING
18-52.244-70	GEOGRAPHIC PARTICIPATION IN THE AEROSPACE PROGRAM (APPLIES TO ORDERS OF \$100,000 OR MORE)
18-52.245-73	FINANCIAL REPORTING OF NASA PROPERTY IN THE CUSTODY OF CONTRACTORS

EXECUTIVE ORDERS

Executive Order #	Description
13201	COMPLIANCE WITH DOL POSTING REQUIREMENT RELATING TO UNION MEMBERSHIP AND DUES; PROVISIONS OF 29 CFR, PART 470 COMPLIANCE

**APPENDIX II:
"INTERNATIONAL ORDERS**

If Seller is located outside of the United States, the preceding terms and conditions are modified as follows:

1. Article 3, "DISPUTE RESOLUTION" is deleted and replaced with the following:
 - o This purchase order shall be interpreted in accordance with the laws of the state of New York, U.S.A. without regard to New York's choice of law provisions. Except as otherwise provided, the United Nations Convention on Contracts for the International Sale of Goods is not applicable to this purchase order. All disputes arising in connection with this purchase order shall be finally settled under the rules of conciliation and arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said rules. The arbitration shall be held in Baltimore, Maryland and any arbitrator's award shall not exceed actual compensatory damages."
2. Article 5, "TRANSPORTATION" is modified to replace the first two sentences of subparagraph (a) with the following language:
 - o "Goods covered by this purchase order shall be shipped in accordance with ICC Incoterms, 2000 Edition. The applicable shipping and delivery Incoterms will be specified on the face of the order."
3. "DELAY AND DEFAULT". The reference to the Uniform Commercial Code is changed to refer to "Article 45 of the United Nations Convention on Contracts for the International Sale of Goods."
4. RESERVED
5. Article 19, "NONDISCRIMINATION IN EMPLOYMENT," is deleted.
6. Article 39, "CITIZENSHIP STATUS," is deleted and replaced with the following:
 - o For data export purposes, only citizens of the country only citizens of the country in which the Seller is located shall be permitted to work on Purchaser purchase orders without prior written approval from Purchaser. Seller shall preserve such records as required by local laws and regulations regarding the citizenship status of Seller's employees."
7. Appendix I. The following clauses are not applicable to international suppliers when work is performed outside the United States and its possessions:
 - o 52.211-15 (applies to rated subcontracts placed with U.S. suppliers)
 - o 52.219-9 52.222-26 52.229-3
 - o 52.222-3 52.222-35 52.229-4
 - o 52.222-4 52.222-36 52.229-5
 - o 52.222-20 52.222-37 252.219-7003
8. ENGLISH LANGUAGE. Except as the parties may otherwise agree, this purchase order, data, notices, shipping invoices, correspondence and other writings shall be written in the English language. In the event of any inconsistency between any terms of this purchase order and any translation thereof into another language, the English language meaning shall control.
9. ANTI-DUMPING. Seller warrants that all sales made hereunder are or will be made at not less than fair value under the United States Anti-Dumping law (19 U.S.C. sec 1673 et. seq.), and Seller will indemnify, defend and hold Purchaser and its affiliates harmless from and against any costs or expenses (including but not limited to any anti-dumping duties which may be imposed) arising out of or in connection with any breach of this warranty.

10. IMPORTER OF RECORD

- a. If Seller is importer of record, Seller agrees that Purchaser will not be a party to the importation of the Goods; that the transaction(s) represented by this purchase order will be consummated subsequent to importation; that Seller will neither cause nor permit Purchaser's name to be shown as "importer of record" on any customs declaration; and that, if the Goods must be returned to Seller, Seller agrees to be U.S. exporter and to comply with all applicable export regulations.
 - b. If Purchaser is the importer of record, Seller shall ship the Goods to the port of entry as advised by Purchaser and show proper broker notification on all shipping waybills. Any additional transportation or clearance charges incurred by Purchaser due to non-adherence to this clause will be the responsibility of Seller.
 - c. Regardless of which party is the importer of record, Seller's shipping cartons and documentation must meet all U.S. customs country of origin marking and invoicing requirements. Seller will be responsible for any fines or liabilities resulting from insufficient, improper or negligent invoicing or marking of shipments.
11. U.S. EXPORTER. If Seller is the U.S. exporter for any U.S. origin bailed or purchased material required by Seller to complete this purchase order, Seller shall be responsible for obtaining any required export license, authorizing a U.S. freight forwarder, and complying with U.S. Export Administration Regulations/International Traffic-in-Arms Regulations. If the Seller requests the Purchaser to export the materials, the Purchaser shall be responsible for procuring the export license, utilizing its duly authorized freight forwarder, and complying with U.S. Export Administration Regulations and International Traffic-In-Arms Regulations.
12. DRAWBACK. If Seller is an importer of record, upon request and where applicable, Seller will provide Purchaser customs form 7543 entitled "Certificate of Delivery" properly executed.
13. RESERVED.
14. TSCA WARRANTY. Regardless of which party is the importer of record, Seller will be responsible for complying with the import restrictions contained in section 13 of the Toxic Substance Control Act (TSCA) 15 U.S.C. 2601 et seq., providing the appropriate TSCA Certification required under 19 CFR 12.121, and any fines or liabilities resulting from breaches of this section.
15. INTELLECTUAL PROPERTY AND EXPORT LICENSES: In connection with the performance of any work under this purchase order, Seller, at its own cost, shall be responsible for: 1) determining whether, and the extent to which, any foreign or U.S. Government-funded intellectual property that was not provided by Purchaser will be used; 2) if any such foreign or U.S. Government-funded intellectual property will be used, obtaining, on behalf of Purchaser, a license under which the foreign or U.S. Government shall grant to Purchaser the unlimited right to use such intellectual property; 3) determining whether, and the extent to which, export licenses are required for export of all deliverables, whether tangible or intangible, under this purchase order from Seller's country to Purchaser; 4) obtaining the required export license.

All of Purchaser's obligations under this purchase order are conditional upon the issuance of intellectual property and/or export licenses by the foreign or U.S. Government granting Purchaser the right to use such foreign or U.S. Government-funded intellectual property and/or to export from Seller's country all deliverables, whether tangible or intangible under this purchase order.

**APPENDIX III:
"SUPPLEMENTARY TERMS AND CONDITIONS FOR ORDERS INVOLVING OR RESULTING
IN EXPERIMENTAL, DEVELOPMENT, RESEARCH WORK, OR ENGINEERING SERVICES
WORK"**

When the request for quote, purchase order, purchase agreement or part schedules (applicable to a line item or schedule) are for government acquisition of commercial items, FAR, DFARS and NASA clauses do not apply.

1. INTELLECTUAL PROPERTY RIGHTS.

- a. If this purchase order is a contract involving or the performance of this purchase order results in experimental, development or research work, or engineering work, Seller hereby assigns and agrees to assign to Purchaser any innovations, inventions, drawings or specifications conceived and/or reduced to practice in the course of or performance of this purchase order and Seller also agrees to assign to Purchaser all intellectual property rights thereto, including patents and copyrights issuing thereon. Seller further agrees to provide reasonable assistance to Purchaser, at Purchaser's expense, for securing all such intellectual property rights. Seller shall be responsible for assuring that its employees have signed appropriate written agreements to secure such rights for Purchaser. Any compensation due Seller's employees shall be paid solely by Seller.
- b. If Seller is a non-profit institution, and if the work being done hereunder is pursuant to a contract with the U.S. Government which contains provisions regarding retention of intellectual property rights of the Seller, Seller shall retain ownership of inventions and Seller hereby grants and agrees to grant to Purchaser an irrevocable, fully paid license under any patents covering inventions conceived and/or reduced to practice in the course of this order, to make, have made, use and sell such inventions with the right to extend such license to Purchaser's customers, including the U.S. Government, and to any of Purchaser's licensees or co-producers of Purchaser products.
- c. If this order is a contract which calls for the delivery of, or results in the creation of, original works of authorship, then all such works, irrespective of the media of expression, shall be deemed to be works made for hire and shall belong exclusively to Purchaser. If by operation of law, any such works are not works made for hire, then Seller agrees to assign and does hereby assign to Purchaser the ownership of such works including all copyrights thereto. Purchaser may apply for, obtain and hold in its own name copyrights, registrations, and other protection that may be available in such works and Seller shall provide any assistance (at Purchaser's expense) required to perfect such protection.

2. DELETED ARTICLES. The following article is not applicable and is deleted:

9. Changes

3. NON-PROFIT INSTITUTIONS.

- a. If Seller is a non-profit institution, any references to indemnification in PR-279 shall be limited to such indemnification as may be permitted by law or regulation.
- b. Article 12, Set Off is not applicable to non-profit institutions.

- c. Article 3, Dispute Resolution, shall be modified to refer to the law of the state under which the non-profit institution is chartered.
 - d. Article 25, Termination for Convenience, is modified to add a reference to FAR 52.249-5, Termination for Convenience of the Government (Educational and Other Nonprofit Institutions), with the following changes: delete paragraph (h), in paragraph (c) change "120 days" to "60 days", and in paragraph (d) change "1 year" to "60 days."
4. APPLICABLE FAR CLAUSES. The following clauses apply:

FAR CLAUSES

FAR Clause #	Description
52.227-10	FILING OF PATENT APPLICATIONS--CLASSIFIED SUBJECT MATTER
52.227-11	PATENT RIGHTS-RETENTION BY THE CONTRACTOR. (SHORT FORM) (APPLIES IF THIS ORDER IS FOR EXPERIMENTAL, DEVELOPMENTAL OR RESEARCH WORK TO BE PERFORMED BY A SMALL BUSINESS FIRM OR NON-PROFIT ORGANIZATION).
52.227-12	PATENT RIGHTS-RETENTION BY THE CONTRACTOR. (LONG FORM) (APPLIES IF THIS ORDER IS FOR EXPERIMENTAL, DEVELOPMENTAL OR RESEARCH WORK NOT COVERED BY 52.227-11)
52.227-13	PATENT RIGHTS-ACQUISITION BY THE GOVERNMENT
52.227-16	ADDITIONAL DATA REQUIREMENTS

DOD FAR SUPPLEMENT (DFARS) CLAUSES

DFARS Clause #	Description
252.227-7034	PATENTS--SUBCONTRACTS
252.227-7039	PATENTS--REPORTING OF SUBJECT INVENTIONS

NASA FAR SUPPLEMENT CLAUSES

(NOTE: If an order is placed under a National Aeronautics and Space Administration (NASA) Prime Contract, the following NASA FAR Supplement clauses apply:

NASA FAR Clause #	Description
18-52.227-11	PATENT RIGHTS-RETENTION BY THE CONTRACTOR (SHORT FORM)
18-52.227-70	NEW TECHNOLOGY (DOES NOT APPLY TO SMALL BUSINESS FIRM OR NONPROFIT ORGANIZATION. SEE 52.227-11)
18-52.227-71	REQUESTS FOR WAIVER OF RIGHTS TO INVENTIONS
18-52.227-72	DESIGNATION OF NEW TECHNOLOGY AND PATENT REPRESENTATIVE
18-52.227-85	INVENTION REPORTING AND RIGHTS - FOREIGN

**APPENDIX IV:
"SUPPLEMENTARY TERMS AND CONDITIONS FOR COST REIMBURSEMENT ORDERS"**

When the request for quote, purchase order, purchase agreement or part schedules (applicable to a line item or schedule) are for government acquisition of commercial items, FAR, DFARS and NASA clauses do not apply.

1. INSPECTION AND NONCONFORMANCE.
 - a. Inspection shall be accomplished in accordance with FAR 52.246-8, Inspection of Research and Development - Cost Reimbursement.
2. TERMS OF SETTLEMENT.

Terms of Settlement, is supplemented by the following: "If this is a cost type purchase order, the frequency of invoicing shall be as stated in the body of this purchase order, and unless otherwise stated, shall not be more frequent than once each thirty (30) calendar days. Invoices will be processed for payment in accordance with Purchaser's standard terms of settlement. Payment will require approval of the invoice by the buyer or a designated representative."

3. MODIFIED ARTICLES.
 - a. Article 9, CHANGES, is deleted and replaced with FAR 52.243-2, alt v., Changes - cost reimbursement.
 - b. In Article 25, TERMINATION FOR CONVENIENCE, is modified to add a reference to FAR 52.249-6, Termination (Cost Reimbursement) with the following changes: deletes paragraphs (e) and (j); in paragraph (d) change "120 days" to "60 days" and in paragraph (f) change "1 year" to "60 days."
4. APPLICABLE FAR CLAUSES. The following clauses apply:

FAR CLAUSES

FAR Clause #	Description
52.216-7	ALLOWABLE COST AND PAYMENT
52.216-8	FIXED FEE
52.216-10	INCENTIVE FEE
52.232-20	LIMITATION OF COST
52.242-1	NOTICE OF INTENT TO DISALLOW COSTS
52.242-15	STOP WORK ORDER (WITH ALT I)
52.249-14	EXCUSABLE DELAYS
52.222-2	PAYMENT FOR OVERTIME PREMIUMS (IF ORDER EXCEEDS \$100,000)
52.228-7	INSURANCE-LIABILITY TO THIRD PERSONS
52.232-22	LIMITATION OF FUNDS
52.245-5	GOVERNMENT PROPERTY (COST REIMBURSEMENT, TIME-AND-MATERIAL, OR LABOR HOUR CONTRACTS): "Government Property" shall mean property of the Purchaser or Government under this clause. Paragraph (g) is rewritten in its entirety to read "Risk of Loss. While in subcontractor's custody or control, subcontractor assumes all risk for loss of or damage to property furnished by Purchaser or the Government and all property furnished by Purchaser or the Government and to property where the Purchaser or the Government acquired title by virtue of this purchase order."

**APPENDIX V:
"SUPPLEMENTARY TERMS AND CONDITIONS FOR GOVERNMENT ACQUISITION OF
COMMERCIAL ITEMS"**

1. "Executive Order 13201 Compliance." - "The contractor agrees to comply with the provisions of 29 CFR part 470."

DOL Posting Requirement Relating to Union Membership and Dues;

On March 29, 2004, the DOL issued its final **Beck** rule requiring federal contractors to post notices informing union-represented employees who have chosen not to join the union that they have the right to refuse to pay that portion of their union dues attributable to expenditures that are not "germane" to the union's representational functions. Examples of "germane" activities include collective bargaining, contract administration, and grievance adjustment. Union activities that are not germane to representational functions include political and charitable activities.

This rule becomes effective on April 28, 2004. Failure to comply with the rule can lead to sanctions that include suspension or termination of existing federal contracts and debarment from future contracts.

**APPENDIX I:
"FAR AND DFAR SUPPLEMENT CLAUSES"**

If Contractor is located outside of the United States, the preceding terms and conditions are modified as follows:

1. RESERVED
2. Clause 8C, a subparagraph of Clause 8, "CONTRACTOR'S EMPLOYEE'S", shall be modified to read as follows: "Contractor's employees are not authorized, expressly or otherwise, to enter into any agreements or make any commitments, financial or otherwise, for or on behalf of Purchaser. Specifically, no employee of contractor shall make contact with the Department of Defense or other United States Government agency employees, members of the United States Congress, Congressional employees or any analogous foreign government agency or employees thereof regarding the continuation, renewal, amendment or modification of a Government Contract between Purchaser and any government or government agency."
3. Clause 15, "DISPUTE RESOLUTION", is deleted and replaced with the following: "DISPUTE RESOLUTION. This order shall be interpreted in accordance with the laws of the state of New York, USA without regard to New York's choice of law provisions. Except as otherwise provided, the United Nations Convention on Contracts for the International Sale of Goods is not applicable to this order. All disputes arising in connection with this order shall be finally settled under the rules of conciliation and arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said rules. The arbitration shall be held in Baltimore, Maryland and any arbitrator's award shall not exceed actual compensatory damages."
4. Clause 16, "FAIR LABOR STANDARDS ACT", shall be deleted.
5. Clause 18, "CITIZENSHIP STATUS", shall be deleted and replaced with the following: "CITIZENSHIP STATUS: For data export purposes, only citizens of the country in which the Contractor is located shall be permitted to work on Purchaser's orders without prior written approval from Purchaser. Contractor shall preserve such records as required by local laws and regulations regarding the citizenship status of Contractor's employees."
6. Clause 26, "NONDISCRIMINATION IN EMPLOYMENT", shall be deleted.
7. Clause 43, "ENVIRONMENTAL MATTERS", shall apply to orders the extent its provisions and/or the legal and regulatory references therein, based on a reasonable interpretation thereof, have extraterritorial application outside of the United States and/or relate to, or arise from, goods, materials, and/or other items to be imported to the United States.

Add the following articles:

1. I-1. ENGLISH LANGUAGE - Except as the parties may otherwise agree, any order, data, notices, shipping invoices, correspondence and other writings issued pursuant to this agreement shall be written in the English language. In the event of any inconsistency between any terms herein and any translation thereof into another language, the English language meaning shall control.
2. I-2. RESERVED
3. I-3. IMPORTER OF RECORD.
 - a. If Contractor is the U.S. Importer of record, Contractor agrees that Purchaser will not be a party to the importation of any product of this order; that the transactions represented by this order will be consummated subsequent to importation; that the Contractor will neither cause nor permit Purchaser's name to be shown as

- "IMPORTER OF RECORD" on any customs declaration; and that, if any product related to the services to be performed hereunder must be returned to Contractor, Contractor agrees to be the U.S. Exporter and to comply with all applicable export regulations.
- b. If Purchaser is the U.S. Importer of record, Contractor shall ship any products related to the services to be performed hereunder to the port of entry as advised by Purchaser and show proper broker notification on all shipping waybills. Any additional transportation or clearance charges incurred by Purchaser due to Contractor's non-adherence to this clause will be the responsibility of Contractor.
 - c. Regardless of which party is the U.S. Importer of Record, Contractor's shipping cartons and documentation must meet all U.S. Customs country of origin marking and invoicing requirements. Contractor will be responsible for any fines or liabilities resulting from insufficient, improper or negligent invoicing or marking of shipments.
4. I-4. U.S. Exporter - If Contractor is the U.S. Exporter for any U.S. Origin bailed or purchased material required by Contractor to complete this order, Contractor shall be responsible for obtaining any required export license, authorizing a U.S. Freight forwarder, and complying with U.S. Export administration regulations/international traffic-in-arms regulations. If Contractor requests Purchaser to export the materials, Purchaser shall be responsible for procuring the export license, utilizing its duly authorized freight forwarder, and complying with U.S. Export Administration Regulations and International Traffic-In-Arms Regulations.

FAR CLAUSES

The following clauses and those in subsequent appendices in effect on date of the order are hereby incorporated by reference to the extent they apply to Purchaser's contract with the Government. However, in the event of a conflict between the clauses listed below and the Purchaser's Prime Contract, the Purchaser's prime contract shall prevail. Where applicable, the terms "government", "Contracting Officer", and similar terms shall mean Purchaser, and the term "Contractor" and similar terms shall mean Seller. The full text of a clause may be accessed electronically at UR: <http://farsite.hill.af.mil/vffar1.html>.

Appendix 1 Part II	
FAR Clause #	Description
52.202-1	DEFINITIONS
52.203-3	GRATUITIES
52.203-5	COVENANT AGAINST CONTINGENT FEES (IF ORDER EXCEEDS \$100,000)
52.203-6	RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT (IF ORDER EXCEEDS \$100,000)
52.203-7	ANTI-KICKBACK PROCEDURES(IF ORDER EXCEEDS \$100,000)
52.203-10	PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY
52.203-12	LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (IF ORDER EXCEEDS \$100,000)
52.204-2	SECURITY REQUIREMENTS
52.204-4	PRINTED OR COPIED DOUBLE-SIDED ON RECYCLED PAPER
52.204-5	WOMEN-OWNED BUSINESS OTHER THAN SMALL BUSINESS
52.209-6	PROTECTING THE GOVERNMENTS INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT
52.211-5	MATERIAL REQUIREMENTS
52.211-15	DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS (IF DPAS RATING INDICATED ON ORDER)

52.214-26	AUDIT AND RECORDS-SEALED BIDDING (IF ORDER EXCEEDS \$500,000)
52.214-28	SUBCONTRACTOR COST OR PRICING DATA--MODIFICATIONS--SEALED BIDDING (IF ORDER EXCEEDS \$500,000)
52.215-2	AUDIT AND RECORDS-NEGOTIATION (IF ORDER EXCEEDS \$100,000)
52.215-9	CHANGES OR ADDITIONS TO MAKE-OR-BUY PROGRAM
52.215-12	SUBCONTRACTOR COST OR PRICING DATA (IF ORDER EXCEEDS \$500,000)
52.215-13	SUBCONTRACTOR COST OR PRICING DATA--MODIFICATIONS (IF ORDER EXCEEDS \$500,000)
52.215-14	INTEGRITY OF UNIT PRICES (IF ORDER EXCEEDS \$100,000)
52.215-15	PENSION ADJUSTMENTS AND ASSET REVERSIONS
52.215-18	REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS
52.215-19	NOTIFICATION OF OWNERSHIP CHANGES (IF COST OR PRICING DATA WAS REQUIRED)
52.215-20	REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA.
52.215-21	REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA - MODIFICATIONS
52.219-1	SMALL BUSINESS PROGRAM REPRESENTATIONS
52.219-1	SMALL BUSINESS PROGRAM REPRESENTATIONS - ALTERNATE I
52.219-4	NOTICE OF PRICE EVALUATION PREFERENCE FOR HUBZone SMALL BUSINESS CONCERNS
52.219-8	UTILIZATION OF SMALL BUSINESS CONCERNS
52.219-9	SMALL BUSINESS SUBCONTRACTING PLAN (IF ORDER EXCEEDS \$500,000)
52.219-9	SMALL BUSINESS SUBCONTRACTING PLAN - ALTERNATE II
52.219-14	LIMITATIONS ON SUBCONTRACTING
52.219-16	LIQUIDATED DAMAGES - SUBCONTRACTING PLAN
52.222-3	CONVICT LABOR
52.222-4	CONTRACT WORK HOURS AND SAFETY STANDARDS ACT--OVERTIME COMPENSATION (IF ORDER EXCEEDS \$100,000)
52.222-20	WALSH-HEALEY PUBLIC CONTRACTS ACT
52.222-21	PROHIBITION OF SEGREGATED FACILITIES (IF ORDER EXCEEDS \$10,000)
52.222-26	EQUAL OPPORTUNITY (IF ORDER EXCEEDS \$10,000)
52.222-35	EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS,VETERANS OF THE VIETNAM ERA AND OTHER ELIGIBLE VETERANS (IF ORDER EXCEEDS \$25,000)
52.222-36	AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (APPLIES IF ORDER EXCEEDS \$10,000)
52.222-37	EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA AND OTHER ELIGIBLE VETERANS (IF ORDER EXCEEDS \$25,000)
52.223-3	HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA
52.223-7	NOTICE OF RADIOACTIVE MATERIALS
52.223-11	OZONE DEPLETING SUBSTANCES
52.223-14	TOXIC CHEMICAL RELEASE REPORTING (EXCEPT PARAGRAPH E) (IF ORDER EXCEEDS \$100,000). (IF
52.225-1	BUY AMERICAN ACT - BALANCE OF PAYMENTS PROGRAM - SUPPLIES
52.225-3	BUY AMERICAN ACT-NORTH AMERICAN FREE TRADE AGREEMENT-ISRAELI TRADE ACT-BALANCE OF PAYMENTS PROGRAM
52.225-5	TRADE AGREEMENTS
52.225-8	DUTY-FREE ENTRY (IF ORDER IDENTIFIES SUPPLIES TO BE IMPORTED INTO THE U.S.)
52.225-13	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES
52.225-15	EUROPEAN COMMUNITY SANCTIONS ON END PRODUCTS
52.225-16	SANCTIONED EUROPEAN UNION COUNTRY SERVICES
52.226-1	UTILIZATION OF INDIAN ORGANIZATIONS AND INDIAN-OWNED ECONOMIC ENTERPRISES
52.227-1	AUTHORIZATION AND CONSENT AND ALTERNATE I (IF ORDER EXCEEDS \$100,000)
52.227-2	NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT (IF ORDER EXCEEDS \$100,000)
52.227-9	REFUND OF ROYALTIES
52.227-10	FILING OF PATENT APPLICATIONS – CLASSIFIED SUBJECT MATTER
52.227-11	PATENT RIGHTS – RETENTION BY THE CONTRACTOR (SHORT FORM)
52.227-16	ADDITIONAL DATA REQUIREMENTS
52.228-3	WORKER'S COMPENSATION INSURANCE (DEFENSE BASE ACT)
52.228-4	WORKER'S COMPENSATION AND WAR-HAZARD INSURANCE OVERSEAS

52.228-5	INSURANCE - WORK ON A GOVERNMENT INSTALLATION
52.229-3	FEDERAL, STATE AND LOCAL TAXES (COMPETITIVE CONTRACTS)
52.229-4	FEDERAL, STATE AND LOCAL TAXES (NON-COMPETITIVE CONTRACTS)
52.229-5	TAXES - CONTRACTS PERFORMED IN US POSSESSIONS OR PUERTO RICO
52.229-6	TAXES - FOREIGN FIXED-PRICE CONTRACTS
52.229-7	TAXES - FIXED-PRICE CONTRACTS WITH FOREIGN GOVERNMENTS
52.230-2	COST ACCOUNTING STANDARDS
52.230-3	DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES
52.230-5	COST ACCOUNTING STANDARDS - EDUCATIONAL INSTITUTION
52.230-6	ADMINISTRATION OF COST ACCOUNTING STANDARDS (IF ORDER EXCEEDS \$500,000)
52.232-16	PROGRESS PAYMENTS (APPLIES ONLY IF SPECIFIED IN ORDER)
52.234-1	INDUSTRIAL RESOURCES DEVELOPED UNDER DEFENSE PRODUCTION ACT TITLE III
52.242-15	STOP-WORK ORDER
52.244-2	SUBCONTRACTS
52.244-5	COMPETITION IN SUBCONTRACTING
52.244-6	SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS
52.245-2	GOVERNMENT PROPERTY(FIXED-PRICE CONTRACTS)
52.245-17	SPECIAL TOOLING
52.245-18	SPECIAL TEST EQUIPMENT
52.247-1	COMMERCIAL BILL OF LADING NOTATIONS (APPLIES ONLY WHERE DIRECT SHIPMENT TO THE GOVERNMENT IS SPECIFIED)
52.247-63	PREFERENCE FOR US-FLAG AIR CARRIERS
52.247-64	PREFERENCE FOR PRIVATELY OWNED US-FLAG COMMERCIAL VESSELS (IF ORDER EXCEEDS \$100,000)
52.248-1	VALUE ENGINEERING (IF ORDER EXCEEDS \$100,000)
52.249-14	EXCUSABLE DELAYS

DOD FAR SUPPLEMENT (DFARS) CLAUSES

DFARS Clause #	Description
252.203-7001	SPECIAL PROHIBITION ON EMPLOYMENT (IF ORDER EXCEEDS \$100,000)
252.204-7000	DISCLOSURE OF INFORMATION
252.205-7000	PROVISION OF INFORMATION TO COOPERATIVE AGREEMENT HOLDERS
252.209-7000	ACQUISITION FROM SUBCONTRACTORS SUBJECT TO ON-SITE INSPECTION UNDER THE INTERMEDIATE RANGE NUCLEAR FORCES (INF) TREATY (IF ORDER EXCEEDS \$100,000)
252.209-7004	SUBCONTRACTING WITH FIRMS THAT ARE OWNED OR CONTROLLED BY THE GOVERNMENT OF A TERRORIST COUNTRY
252.211-7000	ACQUISITION STREAMLINING (IF ORDER EXCEEDS \$1,000,000)
252.215-7000	PRICING ADJUSTMENTS
252.215-7002	COST ESTIMATING SYSTEM REQUIREMENTS
252.215-7003	EXCESSIVE PASS THROUGH CHARGES – IDENTIFICATION OF SUBCONTRACT EFFORT
252.215-7004	EXCESS PASS THROUGH CHARGES
252.217-7026	IDENTIFICATION OF SOURCES OF SUPPLY
252.219-7003	SMALL, SMALL DISADVANTAGED, AND WOMAN OWNED SMALL BUSINESS SUBCONTRACTING PLAN (DOD CONTRACTS)
252.219-7004	SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED SMALL BUSINESS SUBCONTRACTING PLAN
252.223-7001	HAZARD WARNING LABELS
252.225-7001	BUY AMERICAN ACT AND BALANCE OF PAYMENTS PROGRAM
252.225-7002	QUALIFYING COUNTRY SOURCES AS SUBCONTRACTORS
252.225-7004	REPORT OF INTENDED PERFORMANCE OUTSIDE THE UNITED STATES AND CANADA-SUBMISSION AFTER AWARD
252.225-7006	QUARTERLY REPORTING OF ACTUAL CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES
252.225-7007	BUY AMERICAN ACT-TRADE AGREEMENTS-BALANCE OF PAYMENTS PROGRAM
252.225-7009	DUTY-FREE ENTRY - QUALIFYING COUNTRY SUPPLIES (END PRODUCTS AND COMPONENTS)

252.225-7010	DUTY-FREE ENTRY--ADDITIONAL PROVISIONS
252.225-7012	PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES
252.225-7013	DUTY FREE ENTRY
252.225-7014	PREFERENCE FOR DOMESTIC SPECIALTY METALS (WITH ALT I)
252.225-7015	PREFERENCE FOR DOMESTIC HAND OR MEASURING TOOLS
252.225-7016	RESTRICTION ON ACQUISITION OF BALL AND ROLLER BEARINGS
252.225-7021	TRADE AGREEMENTS
252.225-7022	RESTRICTION ON ACQUISITION OF POLYACRYLONITRILE (PAN) BASED CARBON FIBER
252.225-7025	RESTRICTION ON ACQUISITION OF FORGINGS
252.225-7026	REPORTING OF CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES (IF ORDER EXCEEDS \$100,000)
252.225-7027	RESTRICTION ON CONTINGENT FEES FOR FOREIGN MILITARY SALES
252.225-7028	EXCLUSIONARY POLICIES AND PRACTICES OF FOREIGN GOVERNMENTS
252.225-7030	RESTRICTION ON ACQUISITION OF CARBON, ALLOY, AND ARMOR STEEL PLATE
252.225-7032	WAIVER OF UNITED KINGDOM LEVIES (IF ORDER WITH A UNITED KINGDOM FIRM IS OVER \$1,000,000)
252.225-7033	WAIVER OF UNITED KINGDOM LEVIES
252.225-7035	BUY AMERICAN ACT-FREE TRADE AGREEMENTS-BALANCE OF PAYMENTS PROGRAM CERTIFICATE
252.225-7036	BUY AMERICAN ACT-NORTH AMERICAN FREE TRADE AGREEMENT IMPLEMENTATION ACT-BALANCE OF PAYMENTS PROGRAM
252.225-7037	DUTY-FREE ENTRY - ELIGIBLE END PRODUCTS
252.225-7043	ANTITERRORISM/FORCE PROTECTION FOR DEFENSE CONTRACTORS OUTSIDE THE UNITED STATES
252.226-7001	UTILIZATION OF INDIAN ORGANIZATIONS, INDIAN-OWNED ECONOMIC ENTERPRISES, AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS
252.227-7013	RIGHTS IN TECHNICAL DATA - NONCOMMERCIAL ITEMS
252.227-7014	RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION
252.227-7015	TECHNICAL DATA-COMMERCIAL ITEMS
252.227-7016	RIGHTS IN BID OR PROPOSAL INFORMATION
252.227-7017	IDENTIFICATION AND ASSERTION OF USE, RELEASE, OR DISCLOSURE RESTRICTIONS
252.227-7018	RIGHTS IN NONCOMMERCIAL TECHNICAL DATA AND COMPUTER SOFTWARE--SMALL BUSINESS INNOVATIVE RESEARCH (SBIR) PROGRAM
252.227-7019	VALIDATION OF ASSERTED RESTRICTIONS-COMPUTER SOFTWARE
252.227-7020	RIGHTS IN SPECIAL WORKS
252.227-7021	RIGHTS IN DATA--EXISTING WORKS
252.227-7025	LIMITATIONS ON THE USE OR DISCLOSURE OF GOVERNMENT-FURNISHED INFORMATION MARKED WITH RESTRICTIVE LEGENDS
252.227-7026	DEFERRED DELIVERY OF TECHNICAL DATA OR COMPUTER SOFTWARE (IF DELIVERY OF TECHNICAL DATA IS REQUIRED)
252.227-7027	DEFERRED ORDERING OF TECHNICAL DATA OR COMPUTER SOFTWARE (IF DELIVERY OF TECHNICAL DATA IS REQUIRED)
252.227-7028	TECHNICAL DATA OR COMPUTER SOFTWARE PREVIOUSLY DELIVERED TO THE GOVERNMENT
252.227-7030	TECHNICAL DATA - WITHHOLDING OF PAYMENT
252.227-7032	RIGHTS IN TECHNICAL DATA AND COMPUTER SOFTWARE (FOREIGN)
252.227-7036	DECLARATION OF TECHNICAL DATA CONFORMITY
252.227-7037	VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA
252.227-7039	PATENTS – REPORTING OF SUBJECT INVENTIONS
252.231-7000	SUPPLEMENTAL COST PRINCIPLES
252.232-7003	FLEXIBLE PROGRESS PAYMENTS (APPLIES ONLY IF SPECIFIED IN ORDER)
252.232-7004	DOD PROGRESS PAYMENT RATES (APPLIES ONLY IF SPECIFIED IN ORDER)
252.234-7001	EARNED VALUE MANAGEMENT SYSTEM (APPLIES ONLY IF SPECIFIED IN ORDER)
252.235-7003	FREQUENCY AUTHORIZATION
252.242-7005	COST/SCHEDULE STATUS REPORT (APPLIES ONLY IF 252.234-7001 APPLIES)
252.243-7001	PRICING OF CONTRACT MODIFICATIONS
252.244-7000	SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS(DOD CONTRACTS)

252.246-7001	WARRANTY OF DATA (IF ORDER REQUIRES TECHNICAL DATA)
252.247-7023	TRANSPORTATION OF SUPPLIES BY SEA (IF ORDER EXCEEDS \$100,000)
252.247-7024	NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA
252.249-7002	NOTIFICATION OF PROPOSED PROGRAM TERMINATION OR REDUCTION (IF ORDER EXCEEDS \$100,000)

NASA FAR SUPPLEMENT CLAUSES

(NOTE: If an order is placed under a National Aeronautics and Space Administration (NASA) Prime Contract, the following NASA FAR Supplement clauses apply:

NASA FAR Clause #	Description
18-52.204-76	SECURITY REQUIREMENTS FOR UNCLASSIFIED AUTOMATED INFORMATION RESOURCES
18-52.208-81	RESTRICTIONS ON PRINTING AND DUPLICATING
18-52.219-74	USE OF RURAL AREA SMALL BUSINESSES
18-52.219-75	SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS SUBCONTRACTING REPORTING
18-52.223-70	SAFETY AND HEALTH (APPLIES TO ORDERS IN EXCESS OF \$1,000,000 OR THAT INVOLVE USE OF HAZARDOUS MATERIALS OR OPERATIONS)
18-52.227-14	RIGHTS IN DATA - GENERAL
18-52.242-73	NASA CONTRACTOR FINANCIAL MANAGEMENT REPORTING
18-52.244-70	GEOGRAPHIC PARTICIPATION IN THE AEROSPACE PROGRAM (APPLIES TO ORDERS OF \$100,000 OR MORE)
18-52.245-73	FINANCIAL REPORTING OF NASA PROPERTY IN THE CUSTODY OF CONTRACTORS

EXECUTIVE ORDERS

Executive Order #	Description
13201	COMPLIANCE WITH DOL POSTING REQUIREMENT RELATING TO UNION MEMBERSHIP AND DUES; PROVISIONS OF 29 CFR, PART 470 COMPLIANCE

**APPENDIX II:
"SUPPLEMENTARY TERMS AND CONDITIONS FOR GOVERNMENT ACQUISITION OF
COMMERCIAL ITEMS"**

1. "Executive Order 13201 Compliance." - "The contractor agrees to comply with the provisions of 29 CFR part 470."

DOL Posting Requirement Relating to Union Membership and Dues;

On March 29, 2004, the DOL issued its final **Beck** rule requiring federal contractors to post notices informing union-represented employees who have chosen not to join the union that they have the right to refuse to pay that portion of their union dues attributable to expenditures that are not "germane" to the union's representational functions. Examples of "germane" activities include collective bargaining, contract administration, and grievance adjustment. Union activities that are not germane to representational functions include political and charitable activities.

This rule becomes effective on April 28, 2004. Failure to comply with the rule can lead to sanctions that include suspension or termination of existing federal contracts and debarment from future contracts.

**APPENDIX III:
"SUPPLEMENTARY TERMS AND CONDITIONS FOR ORDERS INVOLVING OR RESULTING
IN EXPERIMENTAL, DEVELOPMENT, RESEARCH WORK, OR ENGINEERING SERVICES
WORK"**

When the request for quote, purchase order, purchase agreement or part schedules (applicable to a line item or schedule) are for government acquisition of commercial items, FAR, DFARS and NASA clauses do not apply.

4. INTELLECTUAL PROPERTY RIGHTS.

- a. If this purchase order is a contract involving or the performance of this purchase order results in experimental, development or research work, or engineering work, Seller hereby assigns and agrees to assign to Purchaser any innovations, inventions, drawings or specifications conceived and/or reduced to practice in the course of or performance of this purchase order and Seller also agrees to assign to Purchaser all intellectual property rights thereto, including patents and copyrights issuing thereon. Seller further agrees to provide reasonable assistance to Purchaser, at Purchaser's expense, for securing all such intellectual property rights. Seller shall be responsible for assuring that its employees have signed appropriate written agreements to secure such rights for Purchaser. Any compensation due Seller's employees shall be paid solely by Seller.
- b. If Seller is a non-profit institution, and if the work being done hereunder is pursuant to a contract with the U.S. Government which contains provisions regarding retention of intellectual property rights of the Seller, Seller shall retain ownership of inventions and Seller hereby grants and agrees to grant to Purchaser an irrevocable, fully paid license under any patents covering inventions conceived and/or reduced to practice in the course of this order, to make, have made, use and sell such inventions with the right to extend such license to Purchaser's customers, including the U.S. Government, and to any of Purchaser's licensees or co-producers of Purchaser products.
- c. If this order is a contract which calls for the delivery of, or results in the creation of, original works of authorship, then all such works, irrespective of the media of expression, shall be deemed to be works made for hire and shall belong exclusively to Purchaser. If by operation of law, any such works are not works made for hire, then Seller agrees to assign and does hereby assign to Purchaser the ownership of such works including all copyrights thereto. Purchaser may apply for, obtain and hold in its own name copyrights, registrations, and other protection that may be available in such works and Seller shall provide any assistance (at Purchaser's expense) required to perfect such protection.

5. DELETED ARTICLES. The following article is not applicable and is deleted:

9. Changes

6. NON-PROFIT INSTITUTIONS.

- a. If Seller is a non-profit institution, any references to indemnification in PR-279 shall be limited to such indemnification as may be permitted by law or regulation.
- b. Article 12, Set Off is not applicable to non-profit institutions.

- c. Article 3, Dispute Resolution, shall be modified to refer to the law of the state under which the non-profit institution is chartered.
- d. Article 25, Termination for Convenience, is modified to add a reference to FAR 52.249-5, Termination for Convenience of the Government (Educational and Other Nonprofit Institutions), with the following changes: delete paragraph (h), in paragraph (c) change "120 days" to "60 days", and in paragraph (d) change "1 year" to "60 days."

5. APPLICABLE FAR CLAUSES. The following clauses apply:

FAR CLAUSES

FAR Clause #	Description
52.227-10	FILING OF PATENT APPLICATIONS--CLASSIFIED SUBJECT MATTER
52.227-11	PATENT RIGHTS-RETENTION BY THE CONTRACTOR. (SHORT FORM) (APPLIES IF THIS ORDER IS FOR EXPERIMENTAL, DEVELOPMENTAL OR RESEARCH WORK TO BE PERFORMED BY A SMALL BUSINESS FIRM OR NON-PROFIT ORGANIZATION).
52.227-12	PATENT RIGHTS-RETENTION BY THE CONTRACTOR. (LONG FORM) (APPLIES IF THIS ORDER IS FOR EXPERIMENTAL, DEVELOPMENTAL OR RESEARCH WORK NOT COVERED BY 52.227-11)
52.227-13	PATENT RIGHTS-ACQUISITION BY THE GOVERNMENT
52.227-16	ADDITIONAL DATA REQUIREMENTS

DOD FAR SUPPLEMENT (DFARS) CLAUSES

DFARS Clause #	Description
252.227-7034	PATENTS--SUBCONTRACTS
252.227-7039	PATENTS--REPORTING OF SUBJECT INVENTIONS

NASA FAR SUPPLEMENT CLAUSES

(NOTE: If an order is placed under a National Aeronautics and Space Administration (NASA) Prime Contract, the following NASA FAR Supplement clauses apply:

NASA FAR Clause #	Description
18-52.227-11	PATENT RIGHTS-RETENTION BY THE CONTRACTOR (SHORT FORM)
18-52.227-70	NEW TECHNOLOGY (DOES NOT APPLY TO SMALL BUSINESS FIRM OR NONPROFIT ORGANIZATION. SEE 52.227-11)
18-52.227-71	REQUESTS FOR WAIVER OF RIGHTS TO INVENTIONS
18-52.227-72	DESIGNATION OF NEW TECHNOLOGY AND PATENT REPRESENTATIVE
18-52.227-85	INVENTION REPORTING AND RIGHTS - FOREIGN

**APPENDIX IV:
"SUPPLEMENTARY TERMS AND CONDITIONS FOR COST REIMBURSEMENT ORDERS"**

When the request for quote, purchase order, purchase agreement or part schedules (applicable to a line item or schedule) are for government acquisition of commercial items, FAR, DFARS and NASA clauses do not apply.

- 5. INSPECTION AND NONCONFORMANCE.
 - a. Inspection shall be accomplished in accordance with FAR 52.246-8, Inspection of Research and Development - Cost Reimbursement.
- 6. TERMS OF SETTLEMENT.

Terms of Settlement, is supplemented by the following: "If this is a cost type purchase order, the frequency of invoicing shall be as stated in the body of this purchase order, and unless otherwise stated, shall not be more frequent than once each thirty (30) calendar days. Invoices will be processed for payment in accordance with Purchaser's standard terms of settlement. Payment will require approval of the invoice by the buyer or a designated representative."

- 7. MODIFIED ARTICLES.
 - a. Article 9, CHANGES, is deleted and replaced with FAR 52.243-2, alt v., Changes - cost reimbursement.
 - b. In Article 25, TERMINATION FOR CONVENIENCE, is modified to add a reference to FAR 52.249-6, Termination (Cost Reimbursement) with the following changes: deletes paragraphs (e) and (j); in paragraph (d) change "120 days" to "60 days" and in paragraph (f) change "1 year" to "60 days."
- 8. APPLICABLE FAR CLAUSES. The following clauses apply:

FAR CLAUSES

FAR Clause #	Description
52.216-7	ALLOWABLE COST AND PAYMENT
52.216-8	FIXED FEE
52.216-10	INCENTIVE FEE
52.232-20	LIMITATION OF COST
52.242-1	NOTICE OF INTENT TO DISALLOW COSTS
52.242-15	STOP WORK ORDER (WITH ALT I)
52.249-14	EXCUSABLE DELAYS
52.222-2	PAYMENT FOR OVERTIME PREMIUMS (IF ORDER EXCEEDS \$100,000)
52.228-7	INSURANCE-LIABILITY TO THIRD PERSONS
52.232-22	LIMITATION OF FUNDS
52.245-5	GOVERNMENT PROPERTY (COST REIMBURSEMENT, TIME-AND-MATERIAL, OR LABOR HOUR CONTRACTS): "Government Property" shall mean property of the Purchaser or Government under this clause. Paragraph (g) is rewritten in its entirety to read "Risk of Loss. While in subcontractor's custody or control, subcontractor assumes all risk for loss of or damage to property furnished by Purchaser or the Government and all property furnished by Purchaser or the Government and to property where the Purchaser or the Government acquired title by virtue of this purchase order."

**APPENDIX V:
"SUPPLEMENTARY TERMS AND CONDITIONS FOR GOVERNMENT ACQUISITION OF
COMMERCIAL ITEMS"**

2. "Executive Order 13201 Compliance." - "The contractor agrees to comply with the provisions of 29 CFR part 470."

DOL Posting Requirement Relating to Union Membership and Dues;

On March 29, 2004, the DOL issued its final **Beck** rule requiring federal contractors to post notices informing union-represented employees who have chosen not to join the union that they have the right to refuse to pay that portion of their union dues attributable to expenditures that are not "germane" to the union's representational functions. Examples of "germane" activities include collective bargaining, contract administration, and grievance adjustment. Union activities that are not germane to representational functions include political and charitable activities.

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