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1. DEFINITIONS

- a. **"Acceptance or Accept"** means the verification by Buyer that the delivered Products and/or Services meet required specifications, standards and/or criteria as set forth in the Order.
- b. **"Authorized Representative"** means the person authorized by Buyer's cognizant purchasing organization to administer and/or execute this Order and who has sole authority to make contractual commitments on behalf of Buyer, to provide contractual direction, and to change contractual requirements of this Order.
- c. **"Buyer"** means Airbus U.S. Space and Defense, Inc.
- d. **"Data"** means recorded information, regardless of form or method of recording, which includes, but is not limited to, technical data and trade secrets. The term does not include financial, administrative, cost, pricing or management information and does not include subject inventions.
- e. **"Defense Article"** shall have the meaning defined in ITAR 22 C.F.R. § 120.32.
- f. **"Defense Service"** shall have the meaning defined in ITAR 22 C.F.R. § 120.33.
- g. **"Order"** means the instrument of contracting, including these terms and conditions and all other referenced documents, and any subsequent changes or modifications.
- h. **"Party/Parties"** means Buyer and Seller individually/collectively.
- i. **"Product(s)"** means the contracted-for items and associated deliverables described in this Order.
- j. **"Seller"** means the Party with whom Buyer is contracting under this Order.
- k. **"Service(s)"** means Seller's time and effort, including any items, articles, Data, or similar materials provided to Buyer which are incidental to the performance of the Service.
- l. **"Technical Data"** means recorded information, regardless of the form or method of the recording, of a scientific or technical nature (including computer software documentation). Technical Data also includes unclassified and Classified Information as defined in the International Traffic in Arms Regulations (ITAR) 22 Code of Federal Regulations (C.F.R.) § 120.33 and "Technology", as defined in the Export Administration Regulations (EAR) Part 772 and Supplement 2 to Part 774.
- m. **"U.S.G."** means the federal government of the United States of America and its Executive Departments, Military.

2. ORDER ACCEPTANCE

- a. This Order serves as the Buyer's offer to Seller to purchase the Products and/or Services described within this Order. Any additional terms proposed in Seller's Acceptance of Buyer's offer including, but not limited to, shrink-wrapped or click-through terms not specifically negotiated and identified on the Order, which add to, vary from, or conflict with the terms herein are hereby objected to by Buyer. Any such proposed terms shall be void and the terms herein shall constitute the complete and exclusive statement of the terms and conditions of the Order between the Parties.
- b. Any revisions to the terms and conditions herein shall only be applicable when completed through a written modification to the Order, executed by the authorized representatives of both Parties, subject to the provisions of the Changes clause herein.

If after Acceptance of the Order, or at any time during the performance of this Order, Seller believes that any portion of this Order is inaccurate, inconsistent or incomplete, Seller shall promptly notify Buyer in writing identifying any discrepancies and requesting resolution.

3. ORDER OF PRECEDENCE

In the event of any inconsistency between any parts of this Order, the inconsistency shall be resolved by giving precedence in the following order:

- a. Change Order Document
- b. Order Document
- c. Order Terms and Conditions (including any referenced Addenda)
- d. Mandatory flow down provisions required by Buyer's U.S.G. customer
- e. Statement of Work
- f. Specifications/Drawings

- g. Quality/Mission Assurance Requirements

4. ASSIGNMENT

Seller shall not assign or transfer, in whole or in part, this Order or any of its rights, payments, claims or interests without Buyer's prior, written consent. Any purported assignment in contravention of this clause shall be deemed null and void.

5. SUBCONTRACTING

Seller will notify Buyer in writing in advance if Seller intends to replace any subcontractors previously disclosed to the Buyer prior to Seller beginning performance or at any time during the performance of this Order. This notification requirement shall not apply to authorized distributors, dealers, jobbers, or industrial suppliers, nor shall it apply to purchases of standard commercial articles or raw materials including castings, forgings, and rough welded structures on which Seller will perform further work. Seller is fully responsible to the Buyer and liable for the proper performance of all work performed by its subcontractors.

6. INVOICING AND PAYMENT

- a. Seller shall ensure invoices conform to the preparation and submission instructions within the Order.
- b. Payment terms are NET30 unless otherwise identified in the Order. Payment of Seller's invoices shall be subject to adjustment for any amounts found to have been improperly invoiced
- c. Buyer shall make each payment in accordance with the payment terms included in the Order.
- d. All amounts accrued and made payable by the Buyer to the Seller under this Order shall be invoiced in full no later than ninety (90) days from the contractual performance end date or after final payment of Seller's Final Termination Proposal, if any, whichever is later (The "Limitation Period"). Unless otherwise mutually agreed to by the Parties, Seller hereby agrees to release and discharge the Buyer, its officers, agents, and employees, successors and assigns of and from all liabilities, obligations, and claims arising out of or under this Order, where such are submitted after Seller's receipt of final payment
- e. Payments by one Party to the other shall be made to the designated financial account at an office or branch of a regulated bank located in the United States. To prevent and detect fraudulent and unauthorized payment instructions, each Party shall implement and maintain multifactor authentication and other reasonable security measures on its network systems accounts, including any Ariba Network account, and any email accounts, including cloud-based email accounts such as Microsoft 365, through which payment instructions could be transmitted. Neither Party shall be responsible to pay the other Party for any misdirected payments or other damages or losses attributable to the other Party's failure to use multifactor authentication and other reasonable security measures.

7. WITHHOLDING OF PAYMENT

If any Product or Service is not delivered within the time specified by this Order, or is deficient upon delivery, Buyer may, until such Product or Service is delivered or deficiencies are corrected, withhold full payment to Seller of Product(s) and/or Service (s) at issue. Payments shall not be withheld, nor any other action taken pursuant to this clause, where Seller's failure to make timely delivery arises out of causes beyond the control and without the fault or negligence of Seller and Seller's subcontractors under the parameters of the "Termination for Default" and "Excusable Delay" clauses of this Order. The withholding of any amount, or subsequent payment thereof, to Seller shall not be construed as a waiver of any rights accruing to the Buyer under this Order.

8. DEFECTIVE WORK

- a. Notwithstanding any Acceptance, Buyer may reject or require prompt correction of any Products or Services which are, in Buyer's judgement, defective in material or workmanship or otherwise fail to meet the drawings, designs, statement of work, specifications, technical documents, or other requirements of this Order.
- b. Seller shall immediately notify Buyer upon discovery of actual or potential defects/non-conformance affecting delivery of Products or performance of Services.
- c. If defective or nonconforming Products or Services are discovered by either Party, Buyer may unilaterally take any of the following actions:
 1. Accept all or part of the defective or non-conforming Products or Services at an equitable price reduction or credit against any amounts that may be owed to Seller under this Order;
 2. Reject all or any part of a delivery or performance of defective or non-conforming Products or Services and demand delivery of conforming Products or re-performance of Services. All rejected Products shall be shipped back to Seller at Seller's expense and any re-performance of defective or nonconforming Services shall be at no additional cost to Buyer. Any rejected Products or non-conforming Services shall not thereafter be delivered to Buyer or tendered for Acceptance unless the former rejection or requirement for correction is disclosed;
 3. If Seller is unable to re-perform or correct defective or nonconforming Products or Services, or if the Parties cannot otherwise agree on a reasonable solution, Buyer may Terminate this Order for default in whole or in part.
- d. Seller shall not have any obligation under this Defective Work clause for any non-conformances caused by:
 1. failure of the Buyer to operate, handle, use, store or maintain the Product, or any part thereof in accordance with Seller's users' manual and/or handling, maintenance and storage plans;
 2. loss or damage by the Buyer;
 3. modifications, repairs or alterations to the Product, or any part thereof made by Buyer or a third party without the prior written authorization of Seller; or

9. WARRANTY

- a. Seller expressly warrants that the Products and Services provided hereunder shall be free from defects, shall be of good materials and workmanship, shall conform to all requirements of this Order, are merchantable and fit for the intended purposes of this Order, and shall be free of claims of any third party.
- b. The foregoing warranties shall survive inspection and Acceptance of, and payment for, the Products and Services provided hereunder and shall remain in effect for each Product furnished or Service performed and shall be valid for the Buyer, its successors, assigns, and customers. These warranties shall not be deemed to limit any additional warranties provided to Buyer by Seller, nor limit Buyer's rights or Seller's obligations under any other provision of this Order. No warranties are waived by Buyer supplying, reviewing, commenting upon, or approving plans, specifications, or Data, issuing changes to this Order, or inspecting or Acceptance of the Product(s) or Service(s) or both.
- c. If Buyer determines any of the the Product(s), and/or Service(s) do not meet the applicable parameters of the warranties and guarantees specified herein, Buyer may return such Product(s) to Seller at Seller's expense, for correction or replacement. If repair, replacement, or re-performance of the Product(s) and/or Service(s) is not timely, Buyer may elect to return, repair, or replace at Seller's expense. Any corrected, replaced, or repaired Product(s) or re-performed Service(s) shall be subject to the provisions of this Clause for the remaining Warranty Period. Should Buyer's customer require Acceptance of the Product(s) or Service(s) or both not conforming to this warranty, the Seller shall pay consideration to Buyer, including but not limited to a refund or equitable reduction in price.
- d. Unless otherwise stated in the Order, the above warranties shall extend for twelve (12) months from transfer of title by Buyer to Buyer's customer or launch by Buyer's customer, whichever occurs first.
- e. Seller shall not have any warranty obligation under this Warranty clause for any non-conformances caused by:
 1. failure of the Buyer to operate, handle, use, store or maintain the Product, or any part thereof in accordance with Seller's users' manual and/or handling, maintenance and storage plans;

2. loss or damage to the Product, or any part thereof, not caused by Seller after passing of risk of loss or of damage to the Buyer;
3. modifications, repairs or alterations to the Product, or any part thereof made by the Buyer or a third party without the prior written authorization of Seller;
4. reasons that are beyond the control of, and without the fault or negligence of the Seller and Seller's subcontractors, including but not limited to damage, crash, explosion, misuse, or failures induced through interaction with Buyer Property or other third-party equipment for which Seller is not responsible.

10. CHANGES

- a. Changes to the terms and conditions of this Order may be made only by written agreement of the Parties, except where the Buyer's customer requires a unilateral changes clause in the customer contract/agreement. In such cases, the Buyer shall have the right to make a unilateral change in the Order and the Seller shall have the right, where applicable, to submit a request for equitable adjustment in accordance with this Changes clause.
- b. If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this Order, whether or not changed by the Order, the Parties shall work in good faith to negotiate an equitable adjustment in the contract price, and/or the delivery schedule, and shall modify the contract to reflect the agreed upon changes.
- c. The Seller must assert its right to an adjustment under this clause within thirty (30) days from the date of receipt of the written order. However, if the Buyer decides that the facts justify it, the Buyer may receive and act upon a proposal submitted before final payment of the contract.
- d. If the Seller's proposal includes the cost of property made obsolete or excess by the change, the Buyer shall have the right to prescribe the manner of the disposition of the property.
- e. Failure to agree to any adjustment shall be a dispute under the Disputes clause of the Order. However, nothing within the Disputes clause shall excuse the Seller from proceeding with the contract as changed.
- f. Buyer's engineering, technical personnel and other representatives may from time-to-time render assistance or give technical advice or discuss issues or engage in an exchange of information with Seller's personnel concerning the Products or Services hereunder. No such action shall be deemed a request for a change, nor shall it be the basis for an equitable adjustment, and no such action shall relieve Seller of its obligations under this Order.

11. GOVERNING LAW

Both Parties agree that, irrespective of the place of performance of this Order, this Order will be governed, construed, and interpreted according to the law of the State of Delaware, without regard to its conflict of laws or choice of law rules or principles, except that any provision of this Order incorporated from the Federal Acquisition Regulation (FAR) or any agency regulation that supplements the FAR shall be governed by the federal common law of government contracts. The 1980 United Nations Convention on Contracts for the International Sale of Goods and its related instruments will not apply to this Order.

12. DISPUTES

- a. Any dispute arising under or in connection with this Order with respect to the rights, duties, or obligations of the Parties shall be submitted in writing for resolution to ascending levels of management of the respective Parties.
- b. If a dispute cannot be resolved to both Parties' mutual satisfaction after good faith negotiations, and within ninety (90) days from the date the written claim is received by the other Party, or such additional time as the Parties agree upon in writing, either Party may bring suit only in the state or federal court located in the State of Delaware. Seller consents to personal jurisdiction for this purpose in the State of Delaware.
- c. Pending any prosecution, appeal, or final decision referred to in this clause, or the settlement of

- any dispute arising under this Order, both Parties shall proceed diligently, with their respective obligations under this Order.
- d. To the maximum extent permitted by law, the Parties waive any right to a jury trial.
 - e. In no event shall Seller acquire any direct claim, or direct course of action against the U.S.G. except as authorized by law.

13. TERMINATION FOR CONVENIENCE

- a. This Order inclusive of any and all rights granted, and obligations assumed herein, may be terminated in whole or in part by Buyer providing written notice to Seller where the Buyer has determined that a termination is in its best interest.
- b. Upon receipt of a notice of termination, the Seller shall immediately stop work on the terminated portion of this Order and notify any applicable subcontractors of the same. Any property in the Seller or Seller's subcontractors' possession at the time of the termination in which the Buyer may have or acquire an interest in shall be adequately protected.
- c. As directed by Buyer, Seller shall transfer title and possession to Buyer of any Product(s), partial or complete that have been paid for under the Order. Buyer also reserves the right to require Seller to transfer title and deliver any products that have been developed and/or purchased by the Buyer in support of this Order with payment to be made to Buyer for any such items. With approval or ratification to the extent required by Buyer, Seller shall settle all outstanding liabilities and termination settlement proposals arising from the termination of Seller's subcontracts; the approval or ratification will be final for purposes of this clause.
- d. Seller shall submit a termination settlement proposal within ninety (90) days after the effective date of the termination notice incorporating all claims of Seller in the form and with the certification prescribed by Buyer. Seller and Buyer may agree upon the whole or any part of the amount to be paid due to the termination, after which the Order shall be amended, and Seller paid the agreed upon termination settlement amount. In no event shall payment to Seller exceed the total Order price for the work performed under the Order as reduced by the amount of payments previously made.
- e. Unless otherwise provided in this Order, Seller shall maintain all records and documents relating to the terminated portion of this Order for three (3) years after final settlement. This includes all books and other evidence bearing on Seller's costs and expenses under this Order. Should the Parties fail to agree on the termination settlement amount, Seller shall make these records and documents related to the termination settlement proposal available to a mutually agreed neutral third party, at Seller's office, at all reasonable times, without any direct charge.

14. TERMINATION FOR DEFAULT

- a. Subject to paragraphs c. and d. below, Buyer may immediately terminate this Order in whole or in part, by written notice of default to Seller if Seller:
 - 1. Fails to deliver the Products or to perform the Services within the time specified in this Order except where the Parties have agreed in writing to an extension, or such delays are subject to the Excusable Delays clause of the Order;
 - 2. Fails to make progress so as to endanger performance of this Order or to perform any of the other provisions of this Order. Where progress encroaches on performance success, Buyer may issue a cure notice to Seller requiring response and rectification of delays within a period of ten (10) days of receipt of the notice from Buyer. Failure to provide timely response and adequate resolution may result in Termination for Default; or
 - 3. Becomes insolvent or makes a general assignment for the benefit of creditors, files or has filed against it a petition of bankruptcy, pursues any other remedy under any other law relating to the relief for debtors or in the event a trustee or receiver is appointed for Seller's property or business; or assignment.
- b. If Buyer terminates this Order in whole or in part, it may acquire, under the terms and in the manner, Buyer considers appropriate, Products or Services similar to those terminated. Seller shall be liable to Buyer for any excess costs for those reprocured Products or Services up to the price of the incomplete Products or Services and for any and all rights and remedies provided by law.

- c. If the failure to perform is caused by the default of a subcontractor of Seller at any tier, and if the cause of the default is beyond the control of both Seller and subcontractor, and without the fault or negligence of either, Seller shall not be liable for any excess costs for failure to perform, unless the subcontracted Products or Services were obtainable from other sources in sufficient time for Seller to meet the required delivery schedule.
- d. If this Order is terminated for default, Buyer may require Seller to transfer title and deliver to Buyer any Products, partial or complete that have been paid for under the Order. Buyer also reserves the right to require Seller to transfer title and deliver any products that have been developed and/or purchased by the Buyer in support of this Order with payment to be made to Buyer for any such items. Upon direction of Buyer, Seller shall also protect and preserve property in its possession in which Buyer has an interest.
- e. Buyer shall pay the Order price for completed Products delivered or Services performed and Accepted. Seller and Buyer shall agree on the amount of payment for the protection and preservation of the property.
- f. Pursuant to this clause, Buyer shall, at its option, have the right to offset, or appropriate and apply payment or performance of any obligation, sum or amount owed to Buyer under this Order.
- g. The rights and remedies of Buyer in this clause are in addition to any other rights and remedies provided by law or under this Order.

15. PROPERTY, RISK OF LOSS AND TITLE TRANSFERS

- a. Property and Risk of Loss
 - 1. Buyer Property: Title to property furnished to Seller by Buyer, if any, shall remain with Buyer ("Buyer Property"). Seller shall not alter or use such Buyer Property for any purpose other than as specified in this Order. Seller shall assume the risk of, and be responsible for, any loss, theft, destruction of, or damage to Buyer Property, to the extent of Seller's fault or negligence, while in Seller's possession or control. Seller shall therefore be responsible for making such repairs or replacement of Buyer Property at no cost to Buyer.
Seller shall return, as necessary and/or required by this Order, all such Buyer Property in a condition as good as when received, except for reasonable wear and tear, and prior to or as part of final inspection, Acceptance and title transfer of Product under this Order.
 - 2. Seller Property: Title to property furnished to Buyer by Seller, if any, shall remain with Seller ("Seller Property"), including Products before final delivery, inspection and Acceptance by Buyer and title transfer of Seller Property to Buyer under this Order. Buyer shall not alter or use such Seller Property for any purpose other than as specified in this Order. Buyer shall assume the risk of, and be responsible for, any loss, theft, destruction of or damage to Seller Property, to the extent of Buyer's fault or negligence, while in Buyer's possession or control. Buyer shall therefore be responsible for making such repairs or replacement of Seller Property at no cost to Seller.
Buyer shall return, as necessary or required in this Order, all such Seller Property in a condition as good as when received except for reasonable wear and tear, prior to or as part of final inspection, Acceptance and title transfer of Products under this Order.
 - 3. U.S. Government Property: Each Party, to the extent of its fault or negligence, shall assume the risk of, and be responsible for, any loss, theft, destruction of or damage to U.S. Government property, if any, while in each Party's possession or control during performance of this Order.
- b. Transfer of Product Property Title and Risk of Loss
 - 1. Title to the Products, and risk of loss of or damage to the Products, shall pass from Seller to Buyer upon the completion of the delivery, inspection and Acceptance of each Product by Buyer (i.e., Pre-Ship Readiness Review (PSRR) as defined in the Order).
 - 2. Title to any other deliverables, if any, and risk of loss of or damage to such other deliverables, shall pass to the Buyer at delivery, inspection and Acceptance of each deliverable by Buyer.
 - 3. For the avoidance of doubt, this clause is not applicable to and does not address intellectual property rights, which are addressed separately in this Order.
 - 4. In the event that, at the time title is due to transfer with respect to property or a Product in accordance with the Order and this clause, any undisputed sum due and payable to Seller with respect to such property or Product has not been paid, then title for such delivered property or

Product may be withheld by the Seller and transferred to the Buyer when all such undisputed sums due with respect to such property or Product have been paid by the Buyer.

16. TAXES AND DUTIES

The price of this Order includes all applicable foreign and domestic federal, state, and local taxes, duties, tariffs, and similar fees ("Taxes") levied upon, or measured by, the sale, the sales price, or use of Products and/or the performance of Services associated with this Order. Seller shall separately list on its invoice (or voucher) any Taxes. Buyer shall provide, upon reasonable request by Seller, and only when applicable, documentation including but not limited to, resale certificates, in support of Buyer's application for tax exempt status and duty-free entry treatment of the Products and their components.

17. INFORMATION OF BUYER AND SELLER

- a. Unless expressly stated otherwise herein, the exchange of information under this Order shall be governed by this Order and in particular, this clause, which supersedes any prior agreement between Buyer and Seller to protect information relating to the purpose of this Order.
- b. "Proprietary Information" means information disclosed by either Party, including their subcontractors, suppliers, and agents, who are subject to confidentiality obligations at least as restrictive as those in this Order (hereinafter the "Disclosing Party") to support performance of this Order that is provided or otherwise made available to the other Party (hereinafter the "Receiving Party"), and is marked proprietary. Information accessed or made available in electronic form shall be considered Proprietary Information if: (A) any display of the information also displays a proprietary legend or (B) if such information is accessed or made available to the Receiving Party via a secure website or portal. Orally or visually disclosed information shall be deemed Proprietary Information only if identified as proprietary at the time of disclosure and summarized and confirmed in a written and labeled description delivered to the Receiving Party within thirty (30) days.
- c. The Receiving Party shall hold all Proprietary Information in confidence, maintain any restrictive markings on the Proprietary Information, and restrict disclosure thereof to only its employees, officers, subcontractors, suppliers, contract labor, advisors, and agents who have a need to know so that the Receiving Party may perform its obligations under this Order and are under obligations to hold such information in confidence under terms and conditions at least as restrictive as the terms and conditions of this Order.
- d. The Receiving Party agrees to use the Disclosing Party's Proprietary Information only for purposes necessary for performing the Receiving Party's obligations under this Order and shall not use the Disclosing Party's Proprietary Information for the benefit of any other Party. Seller further grants to Buyer a non-exclusive right to use any information received from Seller, including Seller's Proprietary Information, for Buyer's performance of this Order and Buyer's higher tier contract(s). That right shall remain in place until the completion of Buyer's higher tier contract(s).
- e. Except as required for the performance of this Order and for Buyer in support of its higher tier contract(s) (subject to a Party's data rights or use restrictions), the Receiving Party may make no use, either directly or indirectly, of the Disclosing Party's Proprietary Information without the prior written consent of the Disclosing Party. Upon the Disclosing Party's request, the Receiving Party shall destroy or transfer to Disclosing Party's all existing copies of Disclosing Party's Proprietary Information, such destruction must be certified to the Providing Party. The Recipient Party shall not be required to destroy any system back-up media such as copies of any computer records or files containing Proprietary Information that have been created pursuant to automatic archiving or back-up procedures on secured central storage servers and that cannot reasonably be deleted.
- f. Exceptions. The Buyer and Seller shall not be liable hereunder for use or disclosure of Proprietary Information which occur after such Proprietary Information:
 1. is or becomes publicly known through no wrongful act of the Receiving Party; or
 2. is known to or in the possession of the Receiving Party without restriction on disclosure or use through no wrongful act of the Receiving Party, as evidenced by competent proof; or
 3. is rightfully received by the Receiving Party from a third party without restriction and without breach of this Order; or

4. is independently developed by the Receiving Party without the use of or reference to the Proprietary Information.
- g. In addition, the Receiving Party shall not be liable hereunder for use or disclosure of Proprietary Information if such Proprietary Information is disclosed to satisfy a legal order by a court of competent jurisdiction or governmental action; provided, however, that the Receiving Party shall first advise the Disclosing Party within sufficient time prior to the disclosure so that the Disclosing Party has the opportunity to seek appropriate relief from the court or governmental order, and provided further that the Receiving Party shall disclose only those portions of the Proprietary Information legally required to be disclosed and request confidential treatment of the Proprietary Information by the court or governmental entity.
- h. Unless specified as a deliverable in this Order, all documents and other tangible media transferred by a Party ("Transferring Party") in connection with this Order, together with any copies thereof, are and remain the property of the Transferring Party.
- i. Neither the existence of this Order nor the disclosure hereunder of either Party's Information or any other information shall be construed as granting expressly, by implication, by estoppel or otherwise, a license under any invention or patent now or hereafter owned or controlled by either Party or Buyer's customer, except as specifically set forth herein.
- j. The Receiving Party agrees that the Disclosing Party's Proprietary Information is valuable and unique, and that the loss resulting from unauthorized disclosure thereof may cause irreparable injury to the Disclosing Party, which may not be adequately compensated in money damages. The Receiving Party, therefore, expressly agrees that the Disclosing Party shall be entitled to seek preliminary and permanent injunctive relief to secure specific performance and to prevent a breach or threatened breach and/or other equitable relief, in addition to any other remedies available to the Disclosing Party for breach of this clause.
- k. A Party's obligations with respect to Proprietary Information shall survive any termination or expiration of this Order.

18. INTELLECTUAL PROPERTY RIGHTS

- a. Under this Order, Buyer obtains the Products purchased hereunder. Buyer shall have the right to install, test, integrate, maintain and use the Products, and to transfer the Products and such limited rights to Buyer's customers (subject to a Party's data rights or use restrictions). All other rights are expressly reserved by Seller. Unless otherwise specifically described in this Order, Seller, or its licensors, retain all right, title, and interest in and to the inventions, invention disclosures, systems, methods, processes, apparatuses, devices, compositions, designs, information, Technical Data, drawings, copyrights, works of authorship, patent applications, patents, trademark rights, designations of source or origin, know-how, discoveries, improvements, technology, mask works, trade secrets, domain names, trade dress, moral rights, related intellectual property, and intangible and proprietary rights throughout the world (whether or not registered or patented in any jurisdiction), relating to the Products and any associated information disclosed to Buyer ("Intellectual Property"); and Buyer retains its rights, title and interest in any Buyer's Intellectual Property, provided, however, that Seller shall have the right to install, test, integrate, maintain and use any Buyer furnished or provided property to the extent necessary to carry out its obligations under this Order.
- b. Seller does not grant Buyer or any third party any license or right whatsoever in Seller's Intellectual Property, and this Order does not grant any rights to Buyer, whether by implication, estoppel, or otherwise, other than those rights specifically described herein or required in Buyer's customer contract/agreement in accordance with the FAR and any agency supplements included therein. Buyer shall not: (i) decompile, reverse engineer, disassemble, trace or otherwise analyze the Products, their content, operation, or functionality; (ii) modify, adapt, or create derivative works based on the Products; or (iii) other than in accordance with this clause, disclose any proprietary information regarding the Seller's Intellectual Property to any other persons or entities without Seller's prior written approval.
- c. Except as otherwise provided in this Order, Buyer agrees that only Seller or its authorized representatives or agents are authorized to make modifications or repairs to the Products.
- d. Except as provided herein or otherwise expressly agreed in writing, any use of Seller's Intellectual Property outside the scope of this Order by Buyer will be at Buyer's sole risk and without any liability by Seller.

19. INTELLECTUAL PROPERTY INFRINGEMENT - WARRANTY AND INDEMNITY

- a. Seller warrants that the performance of Seller under this Order, including any Services provided by Seller to Buyer, and the sale, use, or incorporation into manufactured Products by Seller of all machines, devices, material, software, and firmware which are not of Buyer's design, composition, or manufacture and are acquired by Seller shall be free and clear of infringement of any valid patent, copyright, trademark, mask works, or other proprietary rights.
- b. Seller shall indemnify, defend, and hold harmless Buyer, its directors, officers, employees, consultants, agents, affiliates, successors, permitted assigns and customers ("Indemnitees") from and against all claims, suits, actions, awards (including, but not limited to, awards based on intentional infringement of patents known at the time of such infringement, exceeding actual damages and/or including attorney's fees and/or costs), liabilities, damages, costs and attorney's fees related to the actual or alleged infringement of any U.S. or foreign intellectual property right (including, but not limited to, any right in a patent, trademark, copyright, industrial design or semiconductor mask work, or based on misappropriation or wrongful use of information or documents) and arising out of the performance of Seller under this Order or the manufacture, sale or use of Products delivered by Seller under this Order, or the provision of Services by Seller under this Order, by either Buyer or Buyer's customer ("Infringement Claims"). Buyer and/or its customer will duly notify Seller of any such Infringement Claim and Seller will, at its own expense, fully defend such Infringement Claim on behalf of the Indemnitees. If the Seller exercises its right to undertake its defense of the claim, demand or suit, the Indemnitees shall have the right to participate fully in such defense with legal counsel of its choosing at Indemnitee's expense. Seller may not settle, compromise or consent to the entry of any judgment in respect thereof, without Indemnitees' prior written consent, unless such settlement, compromise or consent: (i) includes an unconditional release of Indemnitees from all liability arising out of such claim, demand or suit, (ii) is solely monetary in nature, and (iii) does not include an admission of fault by Indemnitees or otherwise adversely affect Indemnitees. If Indemnitees fails to indemnify, defend and hold harmless Indemnitees as provided in this clause, then Indemnitees shall pay for any damages, reasonable attorney's fees, and any other fees, costs, and expenses that may be incurred by Indemnitees in the defense and/or prosecution of any action to enforce the provisions of this clause.
- c. Seller will have no obligation under this clause with regard to any infringement arising from (a) the compliance of Seller's new Product design with formal specifications issued by Buyer where infringement could not be avoided in complying with such specifications or (b) use or sale of Products for other than their intended application in combination with other items when such infringement would not have occurred from the use or sale of those Products solely for the purpose for which they were designed or sold by Seller.
- d. If the manufacture, use or sale of a Product delivered by Seller under this Order is enjoined as a result of a suit, Seller, at no expense to Buyer, shall obtain for Buyer and its customer the right to use and sell the Product or shall substitute an equivalent Product and extend this indemnification thereto.
- e. Notwithstanding the foregoing, when this Order is performed under the authorization and consent of the U.S.G. to infringe U.S. Patents, Seller's liability for U.S. patent infringement under this Order shall be coextensive with Buyer's liability.

20. INDEMNIFICATION

- a. Employees: Seller shall indemnify, defend, and hold harmless the Buyer, its directors, officers, employees, consultants, agents, affiliates, successors, and permitted assigns (collectively, "Indemnified Party") for the personal injury or property damage of Buyer's employees, arising out of or in connection with the work to be performed and occurring during performance of this Order, and regardless of the fault or negligence of Seller.
- b. Third Party Personal Injury or Property Damage: Seller shall indemnify, defend, and hold harmless Buyer for the personal injury or property damage of third parties arising out of, or in connection with, the work to be performed and occurring during performance of this Order.
- c. Seller Violations of Law: Seller shall indemnify, defend, and hold harmless the Buyer from and against costs, losses, expenses, damages, claims, suits, or liability for Seller's violations of applicable laws

arising out of, or in connection with, the work to be performed under and occurring during performance of this Order.

- d. Defense by Indemnifying Party: The Indemnified Party will inform the Party indemnifying (the "Indemnifying Party") of any claim, demand or suit asserted or instituted against the Indemnified Party and permit the Indemnifying Party, at its own expense on behalf of the Indemnified Party, to defend the same or make settlement in respect thereof as described below. If the Indemnifying Party exercises its right to undertake its defense of the claim, demand or suit, the Indemnified Party shall have the right to participate fully in such defense with legal counsel of its choosing at Indemnified Party's expense. Indemnifying Party may not settle, compromise or consent to the entry of any judgment in respect thereof, without Indemnified Party's prior written consent, unless such settlement, compromise or consent: (i) includes an unconditional release of Indemnified Party from all liability arising out of such claim, demand or suit, (ii) is solely monetary in nature, and (iii) does not include an admission of fault by Indemnified Party or otherwise adversely affect Indemnified Party. If Indemnifying Party fails to indemnify, defend and hold harmless Indemnified Party as provided in this clause, then Indemnifying Party shall pay for any damages, reasonable attorney's fees, and any other fees, costs, and expenses that may be incurred by Indemnified Party in the defense and/or prosecution of any action to enforce the provisions of this clause.

21. INSURANCE

- a. Seller and its subcontractors, at their sole cost and expense, will at all times, prior to commencement and throughout the period of performance of this Order, maintain with reputable insurance companies that are authorized to do business under the laws of the state(s) in which the work is being performed, insurance coverage in the minimum amounts as indicated below.
1. Worker's Compensation insurance coverage (or Defense Base Act (DBA), Longshore and Harbor Worker Compensation Act (LS&H), or local equivalent outside the U.S.) as required by the laws of the state in which the work is performed, and such insurance shall provide waiver of subrogation against Buyer.
 2. Employer Liability insurance in the amount of \$1,000,000.
 3. Commercial General Liability (CGL) (ISO form CG 0001 12/04 or equivalent) with a Combined Single Limit (CSL) of \$2,000,000 bodily injury and/or property damage. Coverage shall include, but not necessarily be limited to, premises and operations, Products and completed operations and contracts.
 4. Automobile Liability (AL) with a CSL of \$2,000,000 bodily injury and/or property damage covering all owned, hired and non-owned vehicles.
 5. If work involves Aviation or Spacecraft Products, Aviation Products Liability with a CSL of \$100,000,000. In addition, for any Seller who will be responsible for Spacecraft Products in their care, custody and control, Building and Property Insurance with adequate limits to cover all such Spacecraft Products on Buyer's behalf, a limit of at least the value of the Spacecraft Products.
 6. Such other insurance as Buyer may require as set forth in this Order or an attachment hereto.
 7. Limits required may be met by any combination of primary and umbrella/excess insurance.
 8. Any deductible or self-insured retention amount or other similar obligation under the policies shall be the sole responsibility of the Seller.
 9. The insurance required under this Order must be placed with insurers rated "A-" or better by A.M. Best Company, Inc.
 10. The duty to defend, indemnify, and hold harmless Buyer under this Order shall not be limited by the insurance required in this Order.
- b. The insurance required in this Order shall include the following provisions:
1. Seller shall waive the insurer's rights of recovery and subrogation against Buyer;
 2. The insurance required in items 2,3,4 and 5 above shall name Buyer as an additional insured;
 3. Seller's insurance coverage shall be primary (i.e., pay first) as respects any insurance, self-insurance or self-retention maintained by Buyer and any insurance, self-insurance or self-retention maintained by Buyer shall be excess of Seller's insurance;
 4. Severability of interests wording in all policies and endorsements;
 5. The legal defense provided to Buyer under the policy and any endorsements must be free of any

- conflicts of interest, even if retention of separate legal counsel for Buyer is necessary;
6. The insolvency or bankruptcy of the insured Seller shall not release the insurer from payment under the policy, even when such insolvency or bankruptcy prevents the insured Seller from meeting the retention limit under the policy.
 - c. If requested, Seller shall provide a Certificate of Insurance to the Buyer's Authorized Representative evidencing Seller's compliance with these requirements. Seller shall also furnish renewed certificates upon request of Buyer's Authorized Representative.

22. EXCUSABLE DELAYS

Except for a default of Seller's subcontractor at any tier, neither Buyer nor Seller shall be liable for any failure to perform due to any cause beyond its reasonable control and without its fault or negligence. Such causes include but are not limited to: (1) acts of God or of the public enemy; (2) acts or failure of any government in either its sovereign or contractual capacity; (3) fires, floods, epidemics, pandemic, terrorism, quarantine restrictions, strikes, freight embargoes, nuclear incident, or any other act or event beyond reasonable control and without the fault of either Party or its subcontractors. In the event that performance of this Order is hindered, delayed, threatened to be delayed, or adversely affected by causes of the types described above, then the Party whose performance is so affected shall immediately notify the other Party's Authorized Representative in writing, including all relevant information with respect thereof, and shall likewise notify promptly of any subsequent change in the circumstances. The Parties shall work in good faith to agree upon adjustments to the delivery or performance schedules, as reasonably required, due to the existence of such cause. Where the Parties cannot mutually agree to an adjustment or the delivery/schedule is impacted to a degree unacceptable to the Buyer, the Buyer may terminate the Order for convenience.

23. COMPLIANCE WITH LAWS

- a. Seller shall comply with all applicable federal, state, and local laws, rules, regulations, and ordinances.
- b. Environmental Health and Safety Performance. Seller represents, warrants and covenants that:
 1. Seller shall maintain environmental, health and safety management systems as appropriate to ensure compliance with applicable federal, state and local requirements.
- c. Anti-Corruption Compliance. Seller represents, warrants and covenants that:
 1. It has not and will not, directly or indirectly, pay, promise, offer, or authorize the payment of any money or anything of value in connection with this Order to: (i) an officer, employee, agent or representative of any government, including any department, agency, or instrumentality thereof or any person acting in an official capacity thereof; (ii) a candidate for political office, any political party or any official of a political party; or (iii) any other person or entity while knowing, or having reason to know, that all or any portion of such payment or thing of value will be offered, given or promised, directly or indirectly, to any person or entity for the purpose of assisting Buyer in obtaining or retaining business, or an improper business advantage. Without limiting the generality of the foregoing, Seller shall not directly or indirectly, pay, promise, offer, or authorize the payment of any facilitating payment intended to expedite or secure performance of a routine governmental action, such as, customs clearance on behalf of Buyer.
 2. No gifts, travel expenses, business courtesies, hospitalities or entertainment of any nature have been or will be accepted or made in connection with this Order where the intent was, or is, to unlawfully influence the recipient of the gift, travel expense, business courtesy, hospitality or entertainment. Seller also represents that any gifts, travel expenses, business courtesies, hospitalities or entertainment offered or provided shall meet the following conditions:
 - i. be permitted under the U.S. Foreign Corrupt Practices Act (FCPA) and the laws and regulations of the country in which this Order will be performed;
 - ii. be consistent with applicable social and ethical standards and accepted business practices;
 - iii. be of such limited value as not to be deemed a bribe, payoff or any other form of improper inducement or payment.

3. Breach of any of the foregoing provisions of subparagraphs c.1 and c.2. of this clause by Seller shall be considered an irreparable material breach of this Order and shall entitle Buyer to terminate this Order for cause immediately without compensation to Seller.
- d. Seller shall comply with the requirements of 41 CFR 60-1.4(a). This regulation applies to all Orders regardless of value of the Order, and Seller shall flow this clause to all lower tier suppliers. This regulation prohibits discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin.
- e. The Seller hereby undertakes to comply at all times with all applicable laws and regulations and to inform the Buyer of any changes in any applicable laws or regulations in the territory, its place of incorporation and/or principal place of business or in any other jurisdiction that might affect in whole or in part the Seller's ability to perform the Services or receive the remuneration.
- f. In particular, the Seller, its executives, employees, and agents, and any individuals or companies that may be involved in performing for the Seller, to the extent authorized within the Order, shall comply with any applicable International Anti-Corruption Laws, including by refraining from:
 1. Offering, promising, arranging for or paying, either directly or indirectly, anything of value (including but not limited to monies, gifts and entertainment and special favors) to any individuals, including Public Officials, for the purpose of improperly inducing that individual to perform or fail to perform his/her official duties, or to assist the Service Provider or the Buyer in obtaining business, retaining business or securing any improper advantage;
 2. Offering or paying Facilitation Payments.
 3. Engaging in any action, or allowing an act to take place, which could, as a result of the enforcement of the Applicable International anti-Corruption Laws: (a) render the Buyer or its representatives, employees or shareholders liable; or (b) lead to the commencement of investigations or legal or administrative proceedings against the Buyer or its representatives, employees or shareholders in any jurisdiction.
- g. The Seller shall report immediately to the Buyer any violation of the Applicable International anti-Corruption Laws with respect to the Services provided by itself or its Affiliates, Subsidiaries, executives, employees, agents or any individuals or companies that may be involved in performing the Services.
- h. The Seller shall cooperate fully with the Buyer in connection with any matter relating to or arising from the Order and shall provide truthful, accurate and complete information to the Buyer if and when required by it, including but not limited to, supplemental anti-corruption due diligence, (re-)certifications, training sessions, and audits as foreseen by the Order, applicable Policies and/or applicable International Anti-Corruption Laws.
- i. When performing its Services for the Buyer, the Seller shall refrain from seeking, accepting, or paying for any information, including but not limited to any non-public information regarding competitors, tenders and technical specifications, bids or bid prices, which was obtained in violation of applicable International Anti-Corruption Laws, other applicable laws or regulations or professional or commercial ethics rules.
- j. The Seller shall indemnify the Buyer against any and all losses, claims, costs, damages or expenses incurred by the Buyer or for which the Buyer may become liable, arising directly or indirectly from a breach by the Seller of any of its obligations under the Order.

24. EXPORT/IMPORT AND SANCTIONS COMPLIANCE

- a. Export and Sanctions Compliance.
General. Performance of this Order may involve the use of or access to articles, Technical Data, Technology or software that is subject to export controls under 22 United States Code 2751 – 2799aa-2 (Arms Export Control Act) and 22 C.F.R. 120-130 (International Traffic in Arms Regulations or "ITAR") or 50 United States Code 4801 – 4826 (Export Control Reform Act of 2018), 15 C.F.R. 730-774 (Export Administration Regulations), 50 United States Code 1701-1708, (International Emergency Economic Powers Act, as amended), and their successor and supplemental laws and regulations, or may implicate U.S. sanctions laws and regulations, including those administered by the U.S. Department of Treasury Office of Foreign Assets Control in 31 C.F.R. 500-599, and their successor and supplemental laws and regulations (collectively hereinafter referred to as the "Export and Sanctions Laws and Regulations"). The Parties shall comply with any and all Export and Sanctions



- Laws and Regulations, and any authorization(s) issued thereunder.
- b. Registration.
If a Party is a U.S. entity and is engaged in the business of either exporting or manufacturing (whether exporting or not) Defense Articles or furnishing Defense Services, each Party represents that it shall maintain an active registration with the U.S. Department of State's Directorate of Defense Trade Controls, as required by the ITAR, throughout the performance of this Order, and that it maintains an effective export and import compliance program in accordance with the ITAR.
- c. Export Jurisdiction/Classification.
Seller shall provide the applicable Export Control Classification Number ("ECCN") or ITAR USML categorization for all Products furnished by Seller to Buyer, except when Seller is manufacturing to Buyer's design. If Seller is not the original equipment manufacturer or design authority, Seller shall reasonably attempt to obtain the ECCN or ITAR classification information from its source of supply. Seller will include the ECCN or ITAR designation on its packing slips and shipping documentation and provide to Buyer on Buyer's request.
- d. Import Compliance.
Seller shall comply with all U.S. Customs and Border Protection laws and regulations (e.g., 19 C.F.R., et seq.) and all other applicable U.S.G. regulations pertaining to importations of Products and materials into the United States under this Order. Seller shall assume all U.S. import responsibilities, to include designation as U.S. Importer of Record, Customs clearance, duty, permits, licenses, taxes, and fees for Products entering into the United States under this Order, except as otherwise agreed between the Parties in writing. Unless otherwise agreed in writing, Buyer will not assume any import liabilities for Products and materials procured through this Order. Seller shall obtain the written consent of Buyer prior to causing Products to be shipped directly (i.e., "drop shipped") from the premises of any non-U.S. supplier to Buyer's facility.

25. NOTIFICATION OF STATUS CHANGES

- a. By Accepting this Order, Seller represents that all Seller qualification and business information, representations and certifications applicable to this Order remain valid.
- b. Seller agrees to provide prompt notification to Buyer's Authorized Representative of any event or change in circumstances that could affect Seller's performance under this Order.
- c. Seller shall notify Buyer of any proposed change in Control within thirty (30) days prior to such event. The notice shall describe in reasonable detail the proposed transaction structure and any proposed changes to management, operations, domicile, key locations, the board of directors and/or ownership (along with a commitment to cooperate with Buyer and provide additional information reasonably requested related to such proposed change in Control). Seller shall not effect a change in Control without prior, written consent from Buyer, such consent not to be unreasonably withheld. For purposes of this Order, "Control" means the power, directly or indirectly, to (a) vote more than fifty percent of the securities that have ordinary voting power for the election of Seller's directors; or (b) direct, or cause the direction of, the management and policies of Seller whether by voting power, contract, or otherwise. If a Person or Entity obtains Control by acquiring more than fifty percent of the securities that have ordinary voting power for the election of Seller's directors, that acquisition may be accomplished by one or multiple transfers. For purposes of this Order, "Person or Entity" means a natural person, corporation, limited partnership, general partnership, limited liability company, limited liability partnership, joint stock company, joint venture, association, company, trust, or other organization, whether or not a legal entity, and a government or agency or political subdivision of that entity.
- d. Seller shall notify Buyer of any pending or contemplated future action to discontinue Products purchased pursuant to this Order and shall allow Buyer to submit a forecast of expected annual usage prior to Seller finalizing its decision to discontinue the Products. Seller shall provide Buyer with a "Last Time Buy Notice" at least twelve (12) months prior to the actual discontinuance for Seller's consideration, which Seller can accept or reject at Seller's sole discretion.
- e. Failure to provide the notice under this clause shall be deemed a material breach of this Order.

26. RELEASE OF INFORMATION AND ADVERTISING

- a. Except as required by law, neither Party shall release to anyone outside its organization, with the exception of Buyer's customer, any information, or confirmation or denial of same, with respect to this Order without the prior written approval of the other Party. This restriction does not apply to the Parties' advertising of its own products and capabilities. Requests for approval shall be made to the other Party at least fifteen (15) days before the proposed date for release and shall identify the specific information to be released, the medium to be used, and the purpose for the release. Additionally, neither Party shall use the name of the other Party or any other trade name, any Products, parts thereof or replicas of Products, or in any other way identify the other Party in any advertisement, display, news release, or other disclosure without the other Party's prior written consent. The Parties agree that in the event a news release is so approved and made, such news will recognize both Parties.
- b. The Seller agrees to insert the substance of this clause, including this sentence, in any lower tier subcontract. Seller shall submit requests for subcontractor authorization to the Buyer.

27. PARTIAL INVALIDITY, NONWAIVER, REMEDIES

- a. If any provision in this Order is or becomes void or unenforceable by force or operation of law, or is deemed invalid, the void, unenforceable or invalid portion shall be severable, and the remaining terms and conditions shall remain in full force and effect.
- b. A Party's failure at any time to enforce any provision of this Order shall not constitute a waiver of the provision or prejudice a Party's right to enforce that provision at any subsequent time.
- c. Each of the rights and remedies reserved by either Party in this Order shall be cumulative and additional to any other or further remedies provided in law or equity or in this Order.

28. RELATIONSHIP OF THE PARTIES

The relationship of Seller to Buyer shall be that of an independent contractor and nothing herein contained shall be construed as creating any employer/employee, agency, or other relationship of any kind. Seller's employees, agents and/or representatives (hereinafter "Employees") performing under this Order shall at all times be under Seller's direction and control and Seller shall so inform them. Seller shall pay all wages, salaries, and other amounts due its Employees in connection with this Order and shall be responsible for all reports and obligations for its Employees, including, but not limited to, social security and income tax withholdings, unemployment compensation, worker's compensation, and equal employment opportunity reporting. Under no circumstance shall Seller be deemed an agent or representative of Buyer or authorized to commit Buyer in any way.

29. ANTI-TRAFFICKING IN PERSONS

- a. Seller is prohibited from engaging in activities that support or promote trafficking in persons, including, but not limited to, any of the following:
 1. Trafficking in persons, including, but not limited to the following:
 - a. sex trafficking; or
 - b. the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, debt bondage, or slavery.
 2. The procurement of a commercial sex act;
 3. The use of forced labor in the performance of company business;
 4. The use of misleading or fraudulent recruitment activities;
 5. Charging employees recruitment fees;
 6. Failing to pay for the return transportation at the end of employment for an employee who is not a national of the country in which the work is taking place and who was brought into that country for the purpose of working;

7. Providing or arranging housing that fails to meet the host country housing and safety standards; or
 8. If required, failing to provide an employment contract, recruitment agreement, or similar work document in writing, in the individual's native language and prior to the individual departing from his or her country of origin.
- b. Seller represents and warrants that it shall abide by and comply with the requirements of this clause. Further, Seller shall require its employees, agents, contract laborers and subcontractors to abide by and comply with the requirements of this clause.
 - c. Whenever Seller has knowledge, whether substantiated or not, that any actual or suspected violation of this clause has occurred, Seller shall immediately give written notice to Buyer's Authorized Representative and provide all relevant information including, but not limited to, the nature of the actual or suspected violation.
 - d. Seller shall provide its full cooperation during any subsequent investigation of the actual or suspected violation by Buyer, Buyer's representative, or cognizant government agency. Seller's cooperation shall include, but not be limited to, permitting inspection of its work sites, offices, and documentation, as necessary to support any investigation.

30. SUSPENSION OF WORK

- a. Buyer may, by written notification to Seller, require Seller to suspend or delay all, or any part of the work called for by this Order, in good faith for business reasons, for a maximum of sixty (60) days, and for any further period to which the Parties may agree. The Buyer's notification of suspension shall be specifically identified as issued under this clause and shall provide the length of the suspension or delay period that will be limited to the extent possible.
 1. Upon receipt of such notice, Seller shall take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the suspension, including mitigating or suspending Seller's suppliers to the extent practicable. Buyer does not intend to issue suspension notices unless necessary for ultimate program success and will work in good faith with Seller to mitigate and minimize any such delays to the extent possible (e.g., re-prioritizing work schedules or limiting commodity buys that are re-usable or re-sellable, etc.)
- b. If a suspension notice issued under this clause is cancelled in writing by Buyer or the period of that suspension expires, Seller shall resume work as soon as practicable, and Seller shall promptly notify Buyer if any delay is anticipated in resuming work. Upon the expiration or termination of a suspension, Buyer shall make an equitable adjustment in accordance with the principles of the Changes clause in the schedule, price, or both, irrespective of whether Buyer's customer makes an equitable adjustment to its prime agreement, and this Order shall be modified in writing accordingly if (1) the suspension results in an increase in the time required for, or in Seller's cost properly allocable to, the performance of any part of this Order; and (2) Seller asserts its rights to the adjustment within thirty (30) days after the end of the period of suspension.

31. COUNTERFEIT PARTS

- a. This clause is applicable to all Orders. If DFARS 252.246-7007 and DFARS 252.246-7008 are also applicable to this Order, the provisions of paragraphs (a) – (e) of DFARS 252.246-7007, including its definition of "electronic parts," are incorporated in this paragraph by reference and "Contracting Officer" shall mean "Buyer". Seller shall establish and maintain a counterfeit parts process that ensures the requirements of these clauses or other authenticity requirements in this Order are met. Seller's obligation to substantiate authenticity shall survive Acceptance of and payment for Products delivered under this Order.
- b. Seller shall not furnish suspect counterfeit or counterfeit parts to Buyer under this Order. All material delivered under this Order shall be authentic and traceable to the original manufacturer. Seller shall provide authenticity and traceability records to Buyer upon request. Electronic parts shall not be acquired from brokers unless approved in advance in writing by Buyer. Seller shall immediately notify Buyer if Seller cannot provide parts, components, and/or assemblies traceable to the original component manufacturer or the original equipment manufacturer. Upon receipt of such notification, Buyer reserves the right to terminate this Order at no cost to Buyer or require specific material validation test and

- inspection protocol requirements to Seller.
- c. Seller shall immediately notify Buyer in writing if Seller becomes aware of, or has reason to suspect that, any part, component or end item, purchased from Seller for delivery to Buyer, contains counterfeit parts or suspect counterfeit parts. If suspect counterfeit or counterfeit parts are identified in any of the Products delivered hereunder, such items will be impounded by Buyer. Seller shall promptly replace such suspect/counterfeit parts with parts acceptable to the Buyer. Seller shall be liable for all costs relating to the removal and replacement of said parts, including without limitation Buyer's external and internal costs of removing such suspect/counterfeit parts, of reinserting replacement parts and of any testing or validation necessitated by the reinstallation of Seller's Products after suspect/counterfeit parts have been exchanged. Buyer's remedies described herein shall not be limited by any other clause agreed upon between Buyer and Seller in this Order and are in addition to any remedies Buyer may have at law, equity or otherwise under this Order. At Buyer's request, Seller shall return any removed suspect counterfeit or counterfeit parts to Buyer in order that Buyer may turn such parts over to its U.S.G. customer for further investigation. For purposes of this clause, Seller agrees that any U.S.G. directive/information or GIDEP alert, indicating that such parts are suspect counterfeit or counterfeit, shall be deemed definitive evidence that Seller's Products contain suspect counterfeit or counterfeit parts.
 - d. Seller agrees to insert the substance of this clause, including this sentence, in any lower tier subcontract.

32. COMPLETE AGREEMENT

This Order together with all attachments, exhibits, and other items specifically referenced in or attached to this Order is the Parties' final expression of their agreement and is the complete and exclusive statement of all terms and conditions of agreement. This Order supersedes and cancels all prior understandings, proposals, communications, whether oral or written, and agreements between the Parties, whether such understandings, proposals, communications, and agreements were written or oral, concerning the matters addressed in this Order. No course of prior dealings between the Parties, and no usage of trade, shall be relevant to supplement or explain any term used in this Order. The descriptive headings contained in this Order are for convenience of reference only and in no way define, limit or describe the scope or intent of this Order.

33. CODE OF CONDUCT

Seller shall implement and comply with a code of conduct ("Seller Code of Conduct") equivalent to the Airbus U.S. Supplier Code of Conduct (available upon request). The Airbus Code of Conduct follows the global principles established by the International Forum of Business Ethical Conduct (IFBEC). These principles affirm the aerospace and defense industries' commitment to ethical business behavior and a uniform set of standards. The Seller Code of Conduct shall address at a minimum its business conduct as it relates to zero tolerance of corruption, use of advisors, management of conflicts of interest and respect for proprietary information.

34. RESPONSE TO AUDIT

Neither Party shall be prohibited from providing copies of this Order, including any other document incorporated into this Order, to federal, state or other regulatory agencies as requested by either its auditor or government auditors to comply with auditing procedures.

1. Seller shall notify Buyer in advance of information release and identify the receiving auditing agency (unless otherwise prohibited by law).
2. Seller shall maintain relevant financial records for a period not to exceed three (3) years after expiration of the term of this Order

35. INSPECTION

- a. Buyer and its customer may, with adequate notification, inspect and test material, work in progress, Products and/or Services at all reasonable times and places during manufacture and otherwise. No

- inspection (including source inspection), test, approval (including design approval), or Acceptance of Products or Services, or failure to inspect and Accept or reject Products or Services, shall relieve Seller from responsibility for any defects or other failure of the Products and/or Services to meet the requirements of this Order, or for latent defects, fraud, such gross mistakes that amount to fraud, or Seller's warranty obligations, nor impose liability on Buyer.
- b. Seller shall maintain all inspection and quality control requirements agreed to in the Order.
 - c. Final inspection and Acceptance by Buyer shall be at point of receipt by Buyer, unless otherwise specified in this Order.

36. CONFLICT MINERALS

If Seller is providing Products to Buyer under this Order, Seller shall use commercially reasonable efforts to:

- e. identify whether such Products contain tin, tantalum, gold or tungsten;
- f. determine whether any such minerals originated in covered countries, as defined in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"); and
- g. perform appropriate due diligence on its supply chain in support of Buyer's obligations under the Act.

In addition, Seller shall, as soon as reasonably practicable following the completion of the calendar year, provide a completed Conflict Minerals Reporting Template, using the form found at <http://www.responsiblemineralsinitiative.org/conflict-minerals-reporting-template/>. If requested, Seller will promptly provide information or representations that Buyer reasonably believes are required to meet Buyer's conflict minerals compliance obligations.

37. SELLER'S EMPLOYEES

- a. Employees of Seller who perform Services under this Order shall be citizens of the U.S., its possessions or territories, or lawful permanent residents as defined by 8 U.S.C. 1101(a)(20), or protected individuals as defined by 8 U.S.C. 1324b(a)(3). Seller shall provide certification of compliance upon Buyer request. Seller shall promptly notify Buyer of any changes to the certification. Failure to provide the certification, or notice of changes, may result in termination of this Order for default.
- b. Seller represents and warrants that Seller is an expert, fully competent in all phases of the work involved in producing and supporting all Products and performing all Services purchased under this Order. Buyer may reasonably require Seller to remove from Buyer's or Buyer's customer's premises any employee, agent, or representative of Seller, or any of its subcontractors and Buyer may request the replacement of any personnel who fail to perform to Buyer's satisfaction.

38. INFORMATION SECURITY

- a. Definitions
 1. **"Information Security Incident"** means (i) any actual or suspected incident involving Seller Information System Seller that may involve Buyer's Sensitive Information, or (ii) any actual or suspected unauthorized access to, use, or disclosure of Buyer's Sensitive Information.
 2. **"Information"** means any communication or representation of knowledge such as facts, Data, or opinions, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual.
 3. **"Information System"** means a discrete set of Information resources that collect, process, maintain, use, share, disseminate, or dispose Information.
 4. **"Seller Information System"** is defined as any Information System owned and/or operated by Seller or owned/operated by a third party on behalf of Seller that collects, processes, maintains, uses, shares, disseminates, or disposes Information.

"Sensitive Information" means any Information that is collected, processed, maintained, used, shared, or disseminated in connection with this Order that requires protection to ensure its confidentiality, integrity and availability including, but not limited to, any Buyer and third party proprietary Information (identified as such), Personal Information, Covered Defense Information

as defined in DFARS 252.204-7012 and Controlled Unclassified Information (CUI) defined in the National Archives and Records Administration (NARA) Registry, available at <https://www.archives.gov/cui/registry/category-list>.

5. **“Countermeasures”** means actions, devices, procedures, techniques, or other measures that reduce the vulnerability of an Information System.
- b. Reasonable and Appropriate Security Controls
 6. Seller shall apply reasonable and appropriate administrative, technical, physical, organizational, and operational safeguards and operations including Countermeasures to protect Sensitive Information against accidental and unlawful destruction, alteration, and unauthorized or improper disclosure or access regardless of whether such Sensitive Information is on Seller's internal systems or a cloud environment.
 7. If Seller's performance of the Order involves the transmission, storage, or processing of Sensitive Information on an Information System, the Seller shall at a minimum apply the following security controls:
 - A. Basic Safeguarding Controls from FAR 52.204-21, regardless of whether FAR 52.204-21 applies to this Order:
 - i. Limit information system access to authorized users, processes acting on behalf of authorized users, or devices (including other information systems).
 - ii. Limit information system access to the types of transactions and functions that authorized users are permitted to execute.
 - iii. Verify and control/limit connections to and use of external information systems.
 - iv. Control information posted or processed on publicly accessible information systems.
 - v. Identify information system users, processes acting on behalf of users, or devices.
 - vi. Authenticate (or verify) the identities of those users, processes, or devices, as a prerequisite to allowing access to organizational information systems.
 - vii. Sanitize or destroy Information System media containing Sensitive Information before disposal or release for reuse.
 - viii. Limit physical access to organizational information systems, equipment, and the respective operating environments to authorized individuals.
 - ix. Escort visitors and monitor visitor activity; maintain audit logs of physical access; and control and manage physical access devices.
 - x. Monitor, control, and protect organizational communications (i.e., information transmitted or received by organizational information systems) at the external boundaries and key internal boundaries of the Information Systems.
 - xi. Implement subnetworks for publicly accessible system components that are physically or logically separated from internal networks.
 - xii. Identify, report, and correct information and information system flaws in a timely manner.
 - xiii. Provide protection from malicious code at appropriate locations within information systems.
 - xiv. Update malicious code protection mechanisms when new releases are available.
 - xv. Perform periodic scans of the information system and real-time scans of files from external sources as files are downloaded, opened, or executed.
 - B. Additional Basic Security Controls
 - i. Establish and enforce security configuration settings for information technology Products employed in Seller's systems.
 - ii. Establish and maintain Data protection processes and systems to adequately protect Sensitive Information, including pertaining to destruction methods employed, how audit and system log information is protected, and having the capability to encrypt Sensitive Information during transmission.
 - iii. Ensure that risks identified in scans performed under this this clause are promptly addressed.
- c. Information Security Incident Response and Notification
 1. Seller must have documented processes that address Information Security Incidents. These processes should be a set of written instructions and Countermeasures that include, but are not limited to: detecting, responding to, and limiting the effects of an Information Security Incident. The Seller shall make a copy of these written instructions and Countermeasures available to Buyer

- upon request.
2. Within seventy-two (72) hours of discovery of an Information Security Incident, Seller shall notify Buyer's Authorized Representative and Buyer's Cyber Security Operations Center (CSOC) at (877) 615-3535 of any Information Security Incident. At Seller's expense, Seller will (i) immediately investigate any Information Security Incident, (ii) make all reasonable efforts to secure Sensitive Information and mitigate the impact of the Information Security Incident, (iii) provide timely and relevant information to Buyer about the Information Security Incident on an ongoing basis, and (iv) cooperate as applicable with Buyer to provide notice to affected third parties.
 3. This clause does not relieve Seller of any other applicable safeguarding requirements, remedies, or obligations regarding the protection of Sensitive Information required by this Order or local, federal, state or other governmental agencies or departments, including but not limited to FAR 52.204-21 or DFARS 252.204-7012.
 - d. Seller shall respond promptly and appropriately to any inquiries from Buyer related to compliance with this clause to include documentation and/or independent evidence of the effectiveness of implemented controls, processes and Countermeasures discussed above.
 - e. Seller shall provide prior written notification of material changes to any Seller Information System that affect Seller's compliance with this clause, including any new third-party agreements that will store, process or transmit Buyer's Sensitive Information on behalf of Seller.