

- 1. ACCEPTANCE OF CONTRACT.** These General Provisions of Purchase are hereby incorporated into the attached proposed purchase contract (the "Purchase Contract") and, together with all other terms and conditions set forth in the Purchase Contract (collectively, this "Contract"), is Buyer's offer to purchase the goods and any related services and/or deliverables (collectively, the "Goods") described in this Contract from the party identified in the Purchase Contract ("Seller"). "Buyer" is defined as AC&A Enterprises, LLC DBA Applied Composites Lake Forest or, Applied Composites Engineering, Inc. DBA Applied Composites Indianapolis or, San Diego Composites, Inc. DBA Applied Composites San Diego or, Alliance Spacesystems, LLC DBA Applied Composites Los Alamitos. Acceptance is strictly limited to the terms and conditions in this Contract. Unless specifically agreed to in writing by Buyer's Authorized Procurement Representative, Buyer objects to, and is not bound by, any term or condition that differs from or adds to this Contract. Seller's commencement of performance or acceptance of this Contract in any manner shall conclusively evidence acceptance of this Contract as written. Seller's provision of the Goods shall be governed solely by this Contract. Buyer and Seller are referred to herein as a "Party" or collectively as the "Parties."

Except as authorized herein, no amendment or modification of this Contract shall bind either Party unless it is in writing and is signed by the authorized representatives of the Parties.

2. SCHEDULE.

- a. Time is expressly made of the essence herein. Seller shall strictly adhere to the shipment or delivery schedules specified in this Contract. In the event of any anticipated or actual delay, including but not limited to delays attributed to labor disputes, Seller shall: (i) promptly notify Buyer in writing of the reasons for the delay and the actions being taken to overcome or minimize the delay; (ii) provide Buyer with a written recovery schedule; and (iii) if requested by Buyer, ship via air or other expedited routing, at no additional cost to Buyer, to avoid or minimize delay to the maximum extent possible. Seller is expected to meet delivery performance requirements as communicated through periodic Supplier Scorecards.
- b. Seller shall not deliver Goods more than two (2) weeks prior to the scheduled delivery dates unless authorized in writing by Buyer's Authorized Procurement Representative.
- c. Buyer shall, at no additional cost, retain Goods furnished in excess of the specified quantity or in excess of any allowable overage unless, within forty-five (45) days of shipment, Seller requests return of such excess Goods. In the event of such request, Seller shall reimburse Buyer for reasonable costs associated with storage and return of the excess Goods.

3. PACKING AND SHIPPING.

- a. Seller shall pack the Goods to prevent damage and deterioration. Unless otherwise set forth in this Contract, Seller shall comply with carrier tariffs. Unless this Contract specifies otherwise, the price set forth in the Purchase Contract (the "Contract Price") includes shipping charges for Goods sold F.O.B. destination. Unless otherwise specified in this Contract, Goods sold F.O.B. place of shipment shall be forwarded collect. Seller shall make no declaration concerning the value of the Goods shipped except on Goods where the tariff rating is dependent upon released or declared value. In such event, Seller shall release or declare such value at the maximum value within the lowest rating. Buyer may charge Seller for damage to or deterioration of any Goods resulting from improper packing or packaging.
- b. Unless this Contract specifies otherwise, Seller will ship the Goods in accordance with the following instructions:
 - (i) Shipments by Seller or its subcontractors must include packing sheets containing Buyer's contract number, line item number, description and quantity of Goods shipped, part number or size, if applicable, and appropriate evidence of inspections. A shipment containing hazardous and nonhazardous materials must have separate packing sheets for the hazardous and nonhazardous materials. Seller shall not include vermiculite or other hazardous substance in any packing material included with the Goods. Items shipped on the same day will be consolidated on one bill of lading or airbill unless Buyer's Authorized Procurement Representative authorizes otherwise. The shipping documents will describe the material according to the applicable classification and/or tariff. The total number of shipping containers will be referenced on all shipping documents. Originals of all Government bills of lading will be surrendered to the origin carrier at the time of shipment.
 - (ii) Seller will not insure any F.O.B. origin shipment unless authorized by Buyer.
 - (iii) Seller will label each shipping container with the contract number and the number that each container represents of the total number being shipped (e.g., box 1 of 2, box 2 of 2).
 - (iv) Buyer will select the carrier and mode of transportation for all shipments where freight costs will be charged to Buyer.
 - (v) Seller will include copies of documentation supporting prepaid freight charges (e.g., carrier invoices or UPS shipping log/manifest), if any, with its invoices.
 - (vi) If Seller is unable to comply with the shipping instructions in this Contract, Seller will contact Buyer's Authorized Procurement Representative.

- 4. QUALITY CONTROL.** Seller shall establish and maintain a quality control system acceptable to Buyer for the Goods purchased under this Contract. Seller is expected to meet quality performance requirements as communicated through periodic Supplier Scorecards. Seller shall permit Buyer to review procedures, practices, processes and related documents to determine such acceptability. Required quality clauses will be listed on the Purchase Contract. Unless directed within the specific quality clauses, the remaining shelf life (of any shelf-life sensitive product) shall not be less than 75% of the original specified shelf life (i.e. a product having a specified shelf life of twelve (12) months shall be delivered with a remaining shelf life of not less than nine (9) months).
- 5. SELLER'S NOTICE OF DISCREPANCIES.** Seller shall notify Buyer in writing when discrepancies in Seller's process, including any violation of or deviation from Seller's approved inspection/quality control system, or Goods are discovered or suspected regarding Goods delivered or to be delivered under this Contract, including the quality and specific identity of any impacted Goods.
- 6. INSPECTION/OBSERVATION.**
- At no additional cost to Buyer, Goods shall be subject to inspection, surveillance and test at reasonable times and places, including Seller's subcontractors' locations. Buyer has the right to visit Seller's and Seller's subcontractors' locations during operating hours to inspect, review and assess process and performance under this Contract, including, but not limited to, production, schedule, and quality. Any Buyer representative shall be allowed access to all areas used for the performance of this Contract. Buyer shall perform inspections, surveillance and tests so as not to unduly delay the work to be performed under this Contract ("Work").
 - Seller hereby grants to Buyer, Buyer's customer(s)/customer(s)' representative(s) or the pertinent Government/regulatory agency, such as the Federal Aviation Administration, the right to make an inspection and observe the performance as it applied to the Goods being ordered. Inspection or observation shall not exclude any warranties with respect to articles furnished under this Contract. These inspections and observations shall not be used by Seller as evidence of product quality, nor shall they preclude subsequent rejection.
 - Seller shall maintain an inspection system acceptable to Buyer for the Goods purchased under this Contract.
 - If Buyer performs an inspection, surveillance, review or test on the premises of Seller or its subcontractors, Seller shall furnish, and require its subcontractors to furnish, without additional charge, reasonable facilities and assistance for the safe and convenient performance of these duties.
- 7. ACCEPTANCE AND REJECTION.**
- Buyer shall accept the Goods or give Seller notice of rejection due to any defect or nonconformance within ten (10) working days after the date of delivery. No payment, prior test or inspection, or passage of title, any failure or delay in performing any of the foregoing, or failure to discover any defect or other nonconformance shall relieve Seller of any obligations under this Contract or impair any rights or remedies of Buyer, including revocation of acceptance.
 - If Seller delivers non-conforming Goods, Buyer may at its option and at Seller's expense (i) require Seller to promptly correct or replace the Goods; (ii) return the Goods for credit or refund; (iii) correct the Goods itself; or (iv) obtain replacement Goods from another source. Return to Seller of defective or non-conforming Goods and redelivery to Buyer of corrected or replaced Goods shall be at Seller's expense.
 - Seller shall not redeliver corrected or rejected Goods without disclosing the former rejection or requirement for correction. Seller shall disclose any corrective action taken. Repair, replacement and other correction and redelivery shall be completed as Buyer's Authorized Procurement Representative may reasonably direct.
 - All costs and expenses and loss of value incurred as a result of or in connection with nonconformance and repair, replacement or other correction may be recovered from Seller by equitable reduction in the Contract Price or credit against any amounts that may be owed to Seller under this Contract or otherwise.
- 8. WARRANTY.**
- Seller warrants that:
 - The Goods furnished under this Contract shall conform to all specifications and requirements of this Contract and shall be free from defects in materials and workmanship;
 - To the extent Goods are not manufactured pursuant to detailed designs and specifications furnished by Buyer, the Goods shall be free from design and specification defects;
 - The Goods shall not infringe any patent, copyright, trademark, or other proprietary right of any third party or misappropriate any trade secret of any third party;
 - The Goods shall be free from liens or encumbrances;
 - The Goods shall not contain any viruses, malicious code, trojan horse, worm, bomb, self-help code, back door, or other software code or routine designed to: (a) damage, destroy or alter any software or hardware; (b) reveal, damage, destroy, or alter any data; (c) disable any computer program automatically; or (d) permit unauthorized access to any software or hardware; and

- (vi) The Goods shall not contain any third-party software (including software that may be considered free software or open-sourced software) that: (a) may require any software to be published, accessed or otherwise made available without the consent of Buyer; or (b) may require distribution, copying or modification of any software free of charge.
- b. This warranty shall begin upon Buyer's final acceptance of the Goods and shall survive inspection, test and acceptance of, and payment for, the Goods. This warranty shall run to Buyer and its successors, assigns and customer(s). Such warranty shall extend for a period of one (1) year from Buyer's final acceptance of the Goods or such other period as set forth elsewhere in this Contract. Goods required to be corrected or replaced shall be subject to this Article and the "Inspection" Article of this Contract in the same manner and to the same extent as Goods originally delivered under this contract, but only as to the corrected or replaced part or parts thereof. Even if the Parties disagree about the existence of a breach of this warranty, Seller shall promptly comply with Buyer's direction to: (i) repair, rework or replace the Goods, or (ii) furnish any materials or parts and installation instructions required to successfully correct the defect or nonconformance. If the Parties later determine that Seller did not breach this warranty, the Parties shall equitably adjust the Contract Price.

9. TAXES. Unless this Contract specifies otherwise, the Contract Price includes, and Seller is liable for and shall pay, all taxes, impositions, charges and exactions imposed on or measured by this Contract except for applicable sales and use taxes that are separately stated on Seller's invoice. The Contract Price shall not include any taxes, impositions, charges or exactions for which Buyer has furnished a valid exemption certificate or other evidence of exemption.

10. INVOICES AND PAYMENT.

- (i) Unless otherwise authorized by Buyer's Authorized Procurement Representative, Seller shall issue a separate original invoice for each delivery of Goods that shall include Buyer's contract number and line item number. Seller shall forward its invoice to the address specified elsewhere in this Contract. Unless freight or other charges are itemized, Buyer may take any offered discount on the full amount of the invoice.
- (ii) Payment due date, including discount periods, shall be computed from the later of the scheduled delivery of Goods date, the actual delivery of Goods date or the date of receipt of a correct invoice.
- (iii) Payment shall be deemed made on the date Buyer's check is mailed or payment is otherwise tendered. Seller shall promptly repay Buyer any amounts paid in excess of amounts due Seller.
- (iv) Unless otherwise provided, terms of payment shall be net forty-five (45) days from the latest of the following: (1) Buyer's receipt of Seller's proper invoice; (2) scheduled delivery date of the Work; or (3) actual delivery of the Work.
- (v) Each payment made shall be subject to reduction to the extent of the amount which is found by Buyer or Seller not to have been properly payable and shall also be subject to overpayment. Seller shall promptly notify Buyer of any such overpayment found by Seller.
- (vi) Buyer shall have a right to recoup or set off, as the case may be, against payments due or at issue under this Contract or any other contract between the Parties.
- (vii) All invoices shall be submitted (by email or physical mail) to the attention of Buyer's Accounts Payable, at the following address, as applicable:

Applied Composites – Lake Forest,
25671 Commercentre Dr.
Lake Forest, CA 92630

Attention: Accounts Payable, Email: AP.ACLF@appliedcomposites.com

Applied Composites – Indianapolis,
705 S Girls School Rd.
Indianapolis, IN 46231

Attention: Accounts Payable, Email: AP.ACIN@appliedcomposites.com

Applied Composites – San Diego,
9220 Activity Rd.
San Diego, CA 92126

Attention: Accounts Payable, Email: AP.ACSD@appliedcomposites.com

Applied Composites – Los Alamitos,
4398 Corporate Center Drive
Los Alamitos, CA 90720

Attention: Accounts Payable, Email: AP.ACLA@appliedcomposites.com

11. CHANGES.

- a. Buyer's Authorized Procurement Representative may, without notice to sureties and in writing, direct changes within the general scope of this Contract in any of the following: (i) technical requirements and descriptions, specifications, statement of work, drawings or designs; (ii) shipment or packing methods; (iii) place of delivery, inspection or acceptance; (iv) reasonable adjustments in quantities or delivery schedules or both; (v) amount of Buyer-furnished property; (vi) terms and conditions of this Contract required to meet Buyer's obligations under its customer prime contracts or subcontracts; and if this Contract includes services, (vii) description of services to be performed; (viii) time of performance (e.g., hours of the day, days of the week, etc.); and (ix) place of performance. Seller shall comply immediately with such direction. Except for the rights granted to Buyer under this Article, a change pursuant to this Article shall not give rise to nor authorize any other modification of or amendment to the terms and conditions of this Contract.
- b. If such change increases or decreases the cost or time required to perform this Contract, Buyer and Seller shall negotiate an equitable adjustment in the Contract Price or schedule, or both, to reflect the increase or decrease. Buyer shall modify this Contract in writing accordingly. Unless otherwise agreed in writing, Seller must assert any claim for adjustment to Buyer's Authorized Procurement Representative in writing within twenty (20) days, and deliver a fully supported proposal to Buyer's Authorized Procurement Representative within forty-five (45) days, after Seller's receipt of such direction. Buyer may, at its sole discretion, consider any claim regardless of when asserted. If Seller's proposal includes the cost of property made obsolete or excess by the change, Buyer may direct the disposition of the property. Seller has the burden to support the amount of Seller's claim for equitable adjustment. Buyer may examine Seller's pertinent books and records to verify the amount of Seller's claim. Failure of the Parties to agree upon any adjustment shall not excuse Seller from performing in accordance with Buyer's direction.
- c. If Seller considers that Buyer's conduct constitutes a change, Seller shall notify Buyer's Authorized Procurement Representative immediately in writing as to the nature of such conduct and its effect upon Seller's performance. Pending direction from Buyer's Authorized Procurement Representative, Seller shall take no action to implement any such change.

12. DISPUTES. Any dispute that arises under or is related to this Contract that cannot be settled by mutual agreement of the Parties may be decided by a court of competent jurisdiction. Pending final resolution of any dispute, Seller shall proceed with performance of this Contract according to Buyer's instructions so long as Buyer continues to pay amounts not in dispute.

13. FORCE MAJEURE. Seller shall not be liable for excess re-procurement costs pursuant to the "Cancellation for Default" Article of this Contract, incurred by Buyer because of any failure to perform this Contract under its terms if the failure arises from causes beyond the control and without the fault or negligence of Seller. Examples of these causes are (a) acts of God or of the public enemy, (b) acts of the Government in its sovereign or contractual capacity, (c) fires, (d) floods, (e) epidemics or pandemics, (f) quarantine restrictions, (g) strikes, (h) freight embargoes; or (i) unusually severe weather. In each instance, the failure to perform must be beyond the control and without the fault or negligence of Seller. If the Seller's failure is caused by the failure of a subcontractor of Seller and if such failure arises out of causes beyond the reasonable control of both, and if such delay is without the fault or negligence of either, Seller shall not be liable for excess re-procurement costs unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Seller to meet the required delivery schedules. Seller shall notify Buyer in writing within ten (10) days after the beginning of any such cause(s). In all cases, Seller shall use reasonable efforts to avoid or minimize all such failures, including exercising work-around plans or obtaining the Goods from other sources; otherwise Seller shall be liable for excess re-procurement costs.

14. TERMINATION FOR CONVENIENCE. Buyer may terminate all or part of this Contract for its sole convenience. In the event of such termination, Seller shall immediately stop all Work hereunder and shall immediately cause any and all of its suppliers and subcontractors to stop Work. Subject to the terms of this Contract, within ninety (90) days after the effective date of termination, Seller may submit to Buyer a claim reflecting the percentage of the Work performed prior to the effective date of termination, plus reasonable charges that Seller can demonstrate to the satisfaction of Buyer using its standard record keeping system have resulted from termination. Seller shall not be paid for any Work performed or costs incurred which reasonably could have been avoided. Further, Seller shall not be paid, and in no event shall Buyer be obligated to pay, lost or anticipated profits or unabsorbed indirect costs or overhead. In no event shall Buyer be obligated to pay Seller any amount in excess of the Contract Price. The provisions of this Article shall not limit or affect the rights of Buyer to cancel this Contract for default. Seller shall continue all Work not terminated.

15. CANCELLATION FOR DEFAULT.

- a. Buyer may, by written notice to Seller, cancel all or part of this Contract: (i) if Seller fails to deliver the Goods within the time specified by this Contract or any written extension; (ii) if Seller fails to perform any other provision of this Contract or fails to make progress, so as to endanger performance of this Contract, and, in either of these two circumstances, does not cure the failure within ten (10) days after receipt of notice from Buyer specifying the failure; (iii) in the event of Seller's bankruptcy, suspension of business, insolvency, appointment of a receiver for Seller's property or business, or any assignment, reorganization or arrangement by Seller for the benefit of its creditors; or (iv) if Buyer in good faith determines that Seller's ability to perform any Work or to provide Goods in accordance with this Contract is impaired.
- b. Seller shall continue Work not canceled. If Buyer cancels all or part of this Contract, Seller shall be liable for Buyer's excess re-procurement costs.
- c. Buyer may require Seller to transfer title and deliver to Buyer, as directed by Buyer, any (i) completed Goods, and (ii) any partially completed Goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and contract rights (collectively, "Manufacturing Materials") that Seller has specifically produced or acquired for the canceled portion of this Contract. Upon direction from Buyer, Seller shall also protect and preserve property in its possession in which Buyer or its customer(s) has an interest.
- d. Buyer shall pay the Contract Price for Goods accepted. Payment for Manufacturing Materials accepted by Buyer and for the protection and preservation of property shall be at a price determined in accordance with the "Termination for Convenience" Article of this Contract, except that Seller shall not be entitled to lost or anticipated profits or unabsorbed indirect costs or overhead. Buyer may withhold from any amount due under this Contract any sum Buyer determines to be necessary to protect Buyer or Buyer's customer(s) against loss because of outstanding liens or claims of former lien holders.
- e. If, after cancellation under this Article, it is determined that Seller was not in default, the rights and remedies of the Parties shall be as if the Contract had been terminated according to the "Termination for Convenience" Article of this Contract.

16. ASSIGNMENT, DELEGATION, SUBCONTRACTING, AND CHANGE OF CONTROL. Seller shall not assign (whether voluntary, involuntary, by merger, consolidation, dissolution, operation of law, transfer, or any other manner) any of its rights or interest in this Contract or subcontract for all or substantially all of its performance of this Contract, without Buyer's prior written consent. Seller shall not delegate any of its duties or obligations under this Contract. Seller may assign its right to monies due or to become due. Any attempt to assign or delegate in violation of this Article is void. No assignment, delegation or subcontracting by Seller, with or without Buyer's consent, shall relieve Seller of any of its obligations under this Contract or prejudice any of Buyer's rights against Seller whether arising before or after the date of any assignment. Seller must notify Buyer of any change of control, which means a transaction or series of related transactions in which a person, or a group of related persons, acquires from Seller's equityholders more than fifty percent (50%) of the outstanding voting power of Seller. This Article does not limit Seller's ability to purchase standard commercial supplies or raw materials.

17. PUBLICITY. Without Buyer's prior written approval, Seller shall not, and shall require that its subcontractors at any tier shall not, release any publicity, advertisement, news release or denial or confirmation of same regarding this Contract or the Goods or program to which it pertains. Seller shall be responsible to Buyer for any breach of such obligation by any subcontractor.

18. PROPERTY MANAGEMENT. Seller shall clearly mark, maintain an inventory of, and keep segregated or identifiable all of Buyer's property and all property to which Buyer acquires an interest by virtue of this Contract. Seller assumes all risk of loss, destruction or damage of such property while in Seller's possession, custody or control, including any transfer to Seller's subcontractors. Upon request, Seller shall provide Buyer with adequate proof of insurance against such risk of loss. Seller shall not use such property other than in performance of this Contract without Buyer's prior written consent. Seller shall notify Buyer's Authorized Procurement Representative if Buyer's property is lost, damaged or destroyed. As directed by Buyer, upon completion, termination or cancellation of this Contract, Seller shall deliver such property, to the extent not incorporated in delivered Goods, to Buyer in good condition subject to ordinary wear and tear and normal manufacturing losses. Nothing in this Article limits Seller's use, in its direct contracts with the Government, of property in which the Government has an interest.

19. PATENT, TRADEMARK AND COPYRIGHT INDEMNITY. Seller will indemnify, defend and hold harmless Buyer and its customer(s) from 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 attorneys' fees and/or costs), liabilities, damages, costs and attorneys' fees related to the actual or alleged infringement of any United States or foreign intellectual property right (including, but not limited to, any right in a patent, copyright, industrial design or semiconductor mask work, or based on misappropriation or wrongful use of information or documents) and arising out of the manufacture, sale or use of Goods by either Buyer or its customer(s). Buyer and/or its customer(s) will duly notify Seller of any such claim, suit or action; and Seller will, at its own expense, fully defend such claim, suit or action on behalf of indemnitees. Seller will have no obligation under this Article with regard to any infringement arising from (a) Seller's

compliance with formal specifications issued by Buyer where infringement could not be avoided in complying with such specifications or (b) use or sale of Goods in combination with other items when such infringement would not have occurred from the use or sale of those Goods solely for the purpose for which they were designed or sold by Seller. For purposes of this article only, the term Buyer will include Applied Composite Holdings, LLC and its parent company AC&A Ultimate Holdings, LLC, its affiliates and its and their officers, agents and employees.

20. CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION AND MATERIALS.

- a. Buyer and Seller shall each keep confidential and protect from unauthorized use and disclosure all (i) confidential, proprietary and/or trade secret information; (ii) tangible items and software containing, conveying or embodying such information; and (iii) tooling identified as being subject to this Article and obtained, directly or indirectly, from the other Party in connection with this Contract or other agreement referencing this Contract, including Buyer's contract with its customer(s), if any, (collectively referred to as "Proprietary Information and Materials"). Proprietary Information and Materials shall not include information that is, as evidenced by competent records provided by the receiving Party, (iv) at the time of disclosure, or subsequently becomes, lawfully in the public domain through no act or failure by the receiving Party, (v) lawfully disclosed to the receiving Party by a third party who had the right to disclose such information or materials without breach of any confidentiality obligation or duty to the disclosing Party, (vi) rightfully known by the receiving Party without restrictions prior to the date of disclosure, (vii) generally known in the trade or industry prior to disclosure hereunder, or (viii) developed by the receiving Party independently without use of or reference to the disclosing Party's Proprietary Information and Materials.
- b. Buyer and Seller shall each use Proprietary Information and Materials of the other only in performance of and for purpose of this Contract, other contracts between the Parties, and Buyer's contract with its customer(s), if any. However, despite any other obligations or restrictions imposed by this Article or any prior agreement, Buyer shall have the right to use and reproduce Seller's Proprietary Information and Materials for purposes internal to Buyer, regardless of when disclosed. Buyer shall further have the right to use, disclose, reproduce and make derivative works of Seller's Proprietary Information and Materials (i) to fulfill Buyer's obligations under this Contract, and (ii) for the purposes of testing, certifying, using, selling or supporting any Goods delivered under this Contract or other contracts with Seller and Buyer's contract with its customer(s), if any. Any such use, disclosure, reproduction or derivative work by Buyer shall, whenever appropriate, include a restrictive legend suitable for the particular circumstances. The restrictions on disclosure or use of Proprietary Information and Materials shall apply to all materials derived by the receiving Party or others on its behalf from the disclosing Party's Proprietary Information and Materials. In addition to disclosure permitted hereunder, a receiving Party may disclose received Proprietary Information and Materials in response to a law, statute, regulation, subpoena or court order duly issued in a judicial or legislative process, provided that the receiving Party has used reasonable effort to give the disclosing Party advance written notice of any such disclosure requirement and reasonably cooperates with the disclosing Party in protecting against any such disclosure and/or obtaining a protective order narrowing its scope. Upon Buyer's request at any time, and in any event upon the completion, termination or cancellation of this Contract, Seller shall return to Buyer all of Buyer's Proprietary Information and Materials and all materials derived therefrom, unless specifically directed otherwise in writing by Buyer. Seller shall not, without the prior written authorization of Buyer, sell or otherwise dispose of (as scrap or otherwise) any Goods, parts or other materials containing, conveying, embodying or made in accordance with or by reference to any Proprietary Information and Materials of Buyer. Prior to disposing of such Goods, parts or other materials as scrap, Seller shall render them unusable. Buyer shall have the right to audit Seller's compliance with this Article.
- c. Seller may disclose Proprietary Information and Materials of Buyer to its subcontractors as required for the performance of this Contract, provided that each such subcontractor first agrees in writing to the same obligations imposed upon Seller under this Article. Seller shall be liable to Buyer for any breach of such obligation by such subcontractor.
- d. The provisions of this Article are effective notwithstanding the application of any restrictive legends or notices to Proprietary Information and Materials. The provisions of this Article shall survive the performance, completion, termination or cancellation of this Contract.

- 21. FINANCIAL RECORDS AND AUDIT.** Seller shall retain all financial records and documents pertaining to the Goods for a period of no less than ten (10) years after final payment. Such records and documents shall date back to the time this Contract was issued and shall include without limitation, catalogs, price lists, invoices, underlying data and basis for cost estimates, and inventory records. Buyer shall have the right to examine, reproduce and audit all Seller's records related to pricing, incurred costs and proposed costs associated with any proposals (prior to or after contract award), invoices or claims provided, however should the Seller deny the Buyer verification or audit rights for indirect cost and direct labor rates. Those cost elements will be subject to verification and audit through the U.S. Government. In the event the U.S. Government is unwilling or unable to perform such audit, the audit shall be conducted by a mutually agreed-upon third party. The report resulting from any such review or audit by the U.S. Government or mutually agreed-upon third party shall be released in a timely manner to the Buyer at a level of detail consistent with Seller's invoice, claim or proposal, to the satisfaction of Buyer. The cost, if any, of such U.S. Government or third-party verification and audit shall be borne by Seller.

- 22. RETENTION OF RECORDS.** Unless otherwise stated, Seller shall maintain, on file at Seller's facility, Quality records traceable to the conformance of product/part numbers delivered to AC. Seller shall make such records available to regulatory authorities and AC's authorized representatives. Seller shall retain such records for a period of not less than ten (10) years from the date of shipment under each applicable Order for all product/part numbers unless otherwise specified on the Order. Seller shall maintain all records related to the current first article inspection (FAI) for ten (10) years past final delivery of the last Product covered by the FAI. At the expiration of such period set forth above and prior to any disposal of records, Seller shall notify AC of records to be disposed of and AC reserves the right to request delivery of such records. In the event AC chooses to exercise this right, Seller shall promptly deliver such records to AC at no additional cost on media agreed to by both parties.
- 23. NEW MATERIAL.**
The Work to be delivered hereunder shall consist of new material, not used, or reconditioned, remanufactured, or of such age as to impair its usefulness or safety.
- 24. RIGHTS OF BUYER'S CUSTOMER(S) AND REGULATORS TO PERFORM INSPECTION, SURVEILLANCE AND TESTING.** Buyer's rights to perform inspections, surveillance and tests and to review procedures, practices, processes and related documents related to quality assurance, quality control, flight safety and configuration control shall extend to the customer(s) of Buyer that are departments, agencies or instrumentalities of the U.S. Government, including the U.S. Government Federal Aviation Administration and any successor agency or instrumentality of the U.S. Government. Buyer may also, at Buyer's option, by prior written notice from Buyer's Authorized Procurement Representative, extend such rights to other customer(s) of Buyer and to agencies or instrumentalities of foreign governments equivalent in purpose to the Federal Aviation Administration. Seller shall cooperate with any such U.S. Government-directed or Buyer-directed inspection, surveillance, test or review without additional charge to Buyer. Nothing in this Contract shall be interpreted to limit U.S. Government access to Seller's facilities pursuant to law or regulation.
- 25. GRATUITIES.** Seller warrants that neither it nor any of its employees, agents, or representatives have offered or given, or will offer or give, any gratuities to Buyer's employees, agents or representatives for the purpose of securing this Contract or securing favorable treatment under this Contract.
- 26. INDEPENDENT CONTRACTOR RELATIONSHIP.** Seller is an independent contractor in all its operations and activities hereunder. The employees used by Seller to perform under this Contract shall be Seller's employees exclusively without any relationship whatsoever to Buyer.
- 27. NO WAIVER; RIGHTS AND REMEDIES.**
- Any failures, delays or forbearances by Buyer in insisting upon or enforcing any provisions of this Contract, or in exercising any rights or remedies under this Contract, shall not be construed as a waiver or relinquishment of any such provisions, rights or remedies; rather, the same shall remain in full force and effect.
 - Except as otherwise limited in this Contract, the rights and remedies set forth herein are cumulative and in addition to any other rights or remedies that Buyer may have at law or in equity. If any provision of this Contract is or becomes void or unenforceable by law, the remainder shall be valid and enforceable. Seller acknowledges and agrees that money damages would not be an adequate remedy for any actual, anticipatory or threatened breach of this Contract by Seller with respect to its delivery of the Goods to Buyer.
 - Seller agrees that Buyer approvals of Seller's technical and quality specifications, drawings plans, procedures, reports, and other submissions shall not relieve Seller from its obligations to perform all requirements of this Contract.
 - Buyer may at any time deduct or set off Seller's claims for money due or to become due from Buyer against any claims that Buyer has or may have arising out of this Contract or other transactions between Buyer and Seller.
- 28. ELECTRONIC CONTRACTING.** The parties agree that if this Contract is transmitted electronically neither party shall contest the validity of this Contract, or any acknowledgement thereof, on the basis that this Contract or acknowledgement contains an electronic signature.
- 29. TRADE CONTROL COMPLIANCE.**
- The Parties shall comply with all export and import laws, regulations, decrees, orders, and policies of the U.S. Government including but not limited to the Export Administration Regulations ("EAR") of the U.S. Department of Commerce, the International Traffic in Arm Regulations ("ITAR") of the U.S. Department of State, the U.S. Customs & Border Protection Regulations, the Harmonizing Traffic Schedule, and the anti-boycott and embargo regulations and guidelines as set forth in the EAR and in the U.S. Department of the Treasury, Office of Foreign Assets Control (collectively, "Trade Control Laws").
 - Seller shall control the disclosure of, and access to, controlled items or technical data provided by Buyer related to performance of this Contract in compliance with all applicable Trade Control Laws. Seller shall not transfer (to include transfer to foreign persons

employed by or associated with, or under contract with Seller, or Seller's sub-tier suppliers or Seller's non-U.S. subsidiaries) any export controlled item, data or services, without providing advance written notice to Buyer and obtaining the required export and /or import authority.

- c. Subject to applicable Trade Control Laws, Seller shall provide Buyer with export control classification of any commodity or technology including software.
- d. Seller represents that it maintains an effective export/import control compliance program in accordance with all applicable Trade Control Laws. A copy of process control documents and other documents reasonably requested by Buyer related to Seller's compliance with applicable Trade Control Laws shall be made available to Buyer upon request.
- e. Seller shall promptly notify Buyer if Seller is, or becomes, listed in any Denied Parties List or if Seller's export privileges are otherwise denied, suspended or revoked in whole or in part by any Government entity.
- f. Seller shall timely inform Buyer of any actual or alleged violations of any applicable Trade Control Laws, including any suits, actions, proceedings, notices, citations, inquires, or other communications from any government agency concerning any actual or alleged violations, in Seller's performance under this Contract, and shall comply with reasonable requests from Buyer for information regarding any such violations.
- g. Seller shall incorporate into any contracts with its sub-tier suppliers obligations no less restrictive than those set forth in this Article requiring compliance with all applicable Trade Control Laws.

30. INDEMNITY AGAINST CLAIMS.

- a. Seller shall keep its Work and all items supplied by it hereunder free and clear of all liens and encumbrances, including mechanic's liens, in any way arising from performance of this Contract by Seller or any of its suppliers or subcontractors.
- b. Seller shall, without limitation, indemnify and save Buyer and its customer(s) and their respective officers, directors, employees and agents harmless from and against (i) all claims (including claims under workers' compensation or occupational disease laws) and resulting costs, expenses and liability which arise from personal injury, death, or property loss or damage attributed to, or caused by, the Goods, services or other items supplied by Seller pursuant to this Contract, including, without limitation, latent defects in such Goods, services or other items, except to the extent that such injury, death, loss or damage is caused solely and directly by the negligence of Buyer; and (ii) all claims (including resulting costs, expenses and liability) by the employees of Seller or any of its subcontractors.

31. INSURANCE.

- a. Seller and its subcontractors shall maintain for the performance of this Contract the following insurance coverages:
 - (1) Workers' compensation insurance meeting the statutory requirements in effect in the geographical location where Work will be performed;
 - (2) Employer's liability covering disease in the amount of at least One-Million Dollars (\$1,000,000) per each accident or per each employee;
 - (3) Commercial general liability including products liability and completed operations liability in the amount of at least One-Million Dollars (\$1,000,000) per occurrence and at least Two-Million Dollars (\$2,000,000) in the aggregate annually, or in such higher amounts as Buyer may require;
 - (4) Automobile liability insurance covering third-party bodily injury and property damage with a minimum of One-Million Dollars (\$1,000,000) per occurrence limit, or in such higher amounts as Buyer may require; and
 - (5) Such other insurance as Buyer may require.
- b. Seller shall provide Buyer with at least thirty (30)-days advance written notice prior to the effective date of any cancellation or change in the term or coverage of any of Seller's required insurance coverage, provided that such notice shall not relieve Seller of its obligations to maintain the required insurance coverage. If requested by Buyer, Seller shall provide a "Certificate of Insurance" evidencing Seller's compliance with these requirements. Insurance maintained pursuant to this Article shall be considered primary as respects the interest of Buyer and is not contributory with any insurance which Buyer may carry. "Subcontractor" as used in this Article shall include Seller's subcontractors at any tier. Seller's obligations herein for procuring and maintaining insurance coverage are freestanding and are not affected by any other language in this Contract.

- 32. GOVERNING LAW.** This Contract and any disputes arising out of, or relating to, this Contract shall be governed by and construed in accordance with the laws of the State of California for the Los Alamitos, San Diego, and Lake Forest facilities, and in accordance with the laws of the State of Indiana for the Indianapolis facility, without regard to the conflict of law rules thereof.
- 33. CUSTOMER CLAUSES.** Clauses applicable to this Contract from Buyer's contract with its customer(s), if any, are incorporated elsewhere in this Contract, either by attachment to this document or by some other means.
- 34. GOVERNMENT CLAUSES.** Should this Contract be under a U.S. Government Prime Contract, the FAR and DFARS clauses listed in **Appendix A** are incorporated into this Contract. Additional Government clauses applicable to this Contract from Buyer's contract with its customer(s), if any, are incorporated elsewhere in this Contract, either by attachment to this document or by some other means.
- 35. PRIORITY RATING.** If so identified, this Contract is a "rated order" certified for national defense, emergency preparedness, and energy program use, and Seller shall follow all the requirements of the Defense Priority and Allocation System Regulations (15 C.F.R. Part 700).
- 36. SEVERABILITY.** Each clause/article, paragraph and subparagraph of this Contract is severable, and if one or more of them are declared invalid, or unenforceable by a court of competent jurisdiction, those provisions will be enforced to the maximum extent permissible and the remaining provisions of this Contract will remain in full force and effect.
- 37. SUSPENSION OF WORK.**
- a. Buyer's Authorized Procurement Representative may, by written order, suspend all or part of the Work to be performed under this Contract for a period not to exceed one-hundred (100) days. Within such period of any suspension of Work, Buyer shall: (i) cancel the suspension of work order; (ii) terminate this Contract in accordance with the "Termination for Convenience" Article of this Contract; (iii) cancel this Contract in accordance with the "Cancellation for Default" Article of this Contract; or (iv) extend the stop-work period.
 - b. Seller shall resume Work whenever a suspension is canceled. Buyer and Seller shall negotiate an equitable adjustment in the Contract Price or schedule or both if: (i) this Contract is not canceled or terminated; (ii) the suspension results in a change in Seller's cost of performance or ability to meet the Contract delivery schedule; and (iii) Seller submits a claim for adjustment within twenty (20) days after the suspension is canceled.
- 38. ACCESS TO PLANTS AND PROPERTIES.** Where Seller is either entering or performing Work at premises owned or controlled by Buyer or Buyer's customer(s) or obtaining access electronically to Buyer systems or information, Seller shall comply with: (i) all the rules and regulations established by Buyer or Buyer's customer(s); and (ii) Buyer's request for information and documentation to validate citizenship or immigration status of Seller's personnel and subcontract personnel. In addition, Seller acknowledges that Buyer may perform routine background checks on Seller personnel. Seller shall include the substance of this Article, including this flow-down requirement, in all subcontracts awarded by Seller for Work under this Contract.
- 39. COUNTERFEIT GOODS.**
- a. Seller shall not furnish Counterfeit Goods to Buyer, which for purposes of this Article are defined as Goods or separately identifiable items or components of Goods that: (i) are an authorized copy or substitute of an Original Equipment Manufacturer (collectively "OEM") item; (ii) are not traceable to an OEM sufficient to ensure authenticity in OEM design and manufacture; (iii) do not contain proper external or internal materials or components required by the OEM or are not constructed in accordance with OEM design; (iv) have been reworked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OEM design but not disclosed as such or are represented as OEM authentic or new; or (v) have not passed successfully OEM-required testing, verification, screening, and quality control processes. Notwithstanding the forgoing, Goods or items that contain modifications, repairs, rework, or re-marking as a result of Seller's or its subcontractor's design authority, material review procedures, quality control processes or parts management plan, and that have not been misrepresented or mismarked without legal right to do so, shall not be deemed Counterfeit Goods. Counterfeit Goods shall be deemed nonconforming to this Contract.
 - b. Seller shall implement an appropriate strategy to ensure that Goods furnished to Buyer under this Contract are not Counterfeit Goods. Seller's strategy shall include, but not be limited to, the direct procurement of items from OEM or authorized suppliers, conducting approved testing or inspection to ensure the authenticity of items, and, when items are to be procured from non-authorized suppliers, obtaining appropriate certificates of conformance that provide one or more of the following: (i) the OEM's original certificate of conformance for the item; (ii) sufficient records providing unbroken supply chain traceability to the OEM; or (iii) test or inspection records demonstrating the item's authenticity.

- c. If Seller becomes aware or suspects that it has furnished Counterfeit Goods to Buyer under this Contract, Seller promptly, but in no case later than thirty (30) days from discovery, shall notify Buyer and replace, at Seller's expense, such Counterfeit Goods with OEM or Buyer-approved Goods that conform to the requirements of this Contract. Seller shall be liable for all costs related to the replacement of Counterfeit Goods and any testing or validation necessitated by the installation of authentic Goods after Counterfeit Goods have been replaced.
- d. Seller bears responsibility for procuring authentic Goods or items from its subcontractors and shall ensure that all such subcontractors comply with the requirements of this Article.

The rights of Buyer in this clause are in addition to any other rights provided by law or under this Contract.

- 40. ENVIRONMENTAL HEALTH AND SAFETY PERFORMANCE.** Seller acknowledges and accepts full and sole responsibility to maintain an environment, health and safety management system ("EMS") appropriate for its business throughout the performance of this Contract. Buyer expects that Seller's EMS will promote health and safety, environmental stewardship, and pollution prevention by appropriate source reduction strategies. Seller shall convey the requirement of this Article to its suppliers. Seller shall not deliver Goods that contain any asbestos mineral fibers.
- 41. ENTIRE AGREEMENT.** This Contract contains the entire agreement of the Parties and supersedes any and all prior and contemporaneous agreements, understandings and communications between Buyer and Seller related to the subject matter of this Contract. This Contract prevails over any conflicting or additional terms of any quote, order, invoice, or other communications, whether written or oral. No amendment or modification of this Contract shall bind either Party unless it is in writing and is signed by Buyer's Authorized Procurement Representative and an authorized representative of Seller.
- 42. ORDER OF PRECEDENCE.** If there is a conflict between the terms of this Contract and the Purchase Contract, the following order of precedence applies: (a) the articles of this Contract, (b) the Purchase Contract, and (c) the attachments, schedules, or exhibits to this Contract.

APPENDIX A: CLAUSES APPLICABLE TO ALL U.S. GOVERNMENT PRIME SUBCONTRACTS

The Federal Acquisition Regulation (FAR) clauses and Defense Federal Acquisition Regulation Supplement (DFARS) clauses referenced below are incorporated herein by reference with the same force and effect as if they were given in full text and are applicable, including any notes following the clause citation, to this Contract

FEDERAL ACQUISITION REGULATION (FAR) CLAUSES

52.202-1	DEFINITIONS
52.203-3 ¹	GRATUITIES (Applies when the Order exceeds the Simplified Acquisition Threshold "SAT")
52.203-5	COVENANT AGAINST CONTINGENT FEES (Applies when the Order exceeds the SAT)
52.203-6	RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT (Applies when the Order exceeds the SAT)
52.203-7	ANTI-KICKBACK PROCEDURES (Applies when the Order exceeds the SAT; Note: Paragraph (c)(1) is excluded; In paragraph (c)(4) replace "The contracting officer may" with "To the extent the Contracting Officer has made an offset and directed Purchaser to withhold an amount, Purchaser may...")
52.203-10	PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY (Applies when the Order exceeds the SAT)
52.203-12 ¹	LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (Applies when the Order exceeds \$150,000)
52.203-13 ¹	CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT (Applies when the Order exceeds \$5,500,000 and the period of performance exceeds 120 days)
52.203-14	DISPLAY OF HOTLINE POSTER(S) (Applies when the Order exceeds \$5,500,000)
52.203-15	WHISTLEBLOWER PROTECTIONS UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
52.203-17 ¹	CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS
52.203-18 ¹	PROHIBITION ON CONTRACTING WITH ENTITIES THAT REQUIRE CERTAIN INTERNAL CONFIDENTIALITY AGREEMENTS OR STATEMENTS—REPRESENTATION
52.203-19 ¹	PROHIBITION ON REQUIRING CERTAIN INTERNAL CONFIDENTIALITY AGREEMENTS OR STATEMENTS
52.204-2 ¹	SECURITY REQUIREMENTS (Applies when the Order involves access to classified information)
52.204-7	SYSTEM FOR AWARD MANAGEMENT
52.204-9 ¹	PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL (Applies when Seller's employees are required to have routine physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system)
52.204-10 ¹	REPORTING EXECUTIVE COMPENSATION AND FIRST TIER SUBCONTRACT AWARDS (Note: Seller agrees to timely provide information requested by Purchaser pursuant to this clause, and acknowledges that such information will be made publicly available)
52.204-21 ¹	BASIC SAFEGUARDING OF CONTRACTOR INFORMATION SYSTEMS
52.204-23 ¹	PROHIBITION ON CONTRACTING FOR HARDWARE, SOFTWARE, AND SERVICES DEVELOPED OR PROVIDED BY KASPERSKY LAB AND OTHER COVERED ENTITIES
52.204-24 ¹	REPRESENTATION REGARDING CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT
52.204-25 ¹	PROHIBITION ON CONTRACTING FOR CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT (Seller shall also send to Purchaser all required notifications to the U.S. Government)
52.204-26 ¹	COVERED TELECOMMUNICATIONS EQUIPMENT OR SERVICES-REPRESENTATION
52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (Applies when the Order exceeds \$35,000)
52.211-5	MATERIAL REQUIREMENTS
52.211-15 ¹	DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS (Applies when the Order is rated, see Remark 218)

- 52.212-4¹ CONTRACT TERMS AND CONDITIONS – COMMERCIAL ITEMS (Applies when Purchaser has notified Seller in writing that the Goods or Services are a commercial item as defined in 2.101; Note: only paragraph (I) applies)
- 52.212-5¹ CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS—COMMERCIAL ITEMS.
- 52.215-2 AUDIT AND RECORDS—NEGOTIATION (Applies when the Order exceeds the SAT)
- 52.215-10 PRICE REDUCTION FOR DEFECTIVE CERTIFIED COST OR PRICING DATA (Applies when certified cost or pricing data is required)
- 52.215-11 PRICE REDUCTION FOR DEFECTIVE CERTIFIED COST OR PRICING DATA—MODIFICATIONS (Applies when certified cost or pricing data is required for the pricing of contract modifications)
- 52.215-12 SUBCONTRACTOR CERTIFIED COST OR PRICING DATA (Applies when certified cost or pricing data is required)
- 52.215-13 SUBCONTRACTOR CERTIFIED COST OR PRICING DATA – MODIFICATIONS (Applies when certified cost or pricing data is required)
- 52.215-14 INTEGRITY OF UNIT PRICES (Applies when the Order exceeds the SAT)
- 52.215-15 PENSION ADJUSTMENTS AND ASSET REVERSIONS (Applies when certified cost or pricing data is required or when any preaward or postaward cost determinations will be subject to part 31)
- 52.215-18 REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS (Applies when certified cost or pricing data is required or when any preaward or postaward cost determinations will be subject to part 31)
- 52.215-19 NOTIFICATION OF OWNERSHIP CHANGES (Applies when certified cost or pricing data is required or when any preaward or postaward cost determinations will be subject to part 31)
- 52.215-21 REQUIREMENTS FOR CERTIFIED COST OR PRICING DATA AND DATA OTHER THAN CERTIFIED COST OR PRICING DATA—MODIFICATIONS
- 52.215-22 LIMITATIONS ON PASS-THROUGH CHARGES – IDENTIFICATION OF SUBCONTRACT EFFORT (Applies when 52.215-23 is included)
- 52.215-23 LIMITATIONS ON PASS-THROUGH CHARGES (For civilian agencies, applies when the Order exceeds the SAT and is a cost-reimbursement contract; for Department of Defense, applies to cost-reimbursement and fixed-price Orders (except those identified in 15.408(n)(2)(i)(B)(2)) that exceed the certified cost or pricing data threshold)
- 52.216-4 LIMITATION OF GOVERNMENT LIABILITY
- 52.216-25 CONTRACT DEFINITIZATION
- 52.219-8¹ UTILIZATION OF SMALL BUSINESS CONCERNS (Applies when the Order exceeds the SAT)
- 52.219-9 SMALL BUSINESS CONTRACTING PLAN (Applies when the Order exceeds \$700,000 and 52.219-8 is required)
- 52.222-4 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT – OVERTIME COMPENSATION (Applies when the Order exceeds \$150,000 and may require or involve the employment of laborers or mechanics)
- 52.222-19 CHILD LABOR – COOPERATION WITH AUTHORITIES AND REMEDIES
- 52.222-20 WALSH-HEALEY PUBLIC CONTRACTS ACT (Applies when the Order exceeds \$15,000)
- 52.222-21¹ PROHIBITION OF SEGREGATED FACILITIES (Applies when 52.222-26 is applicable)
- 52.222-26¹ EQUAL OPPORTUNITY (Applies when the Order exceeds \$10,000 unless an exemption applies)
- 52.222-35¹ EQUAL OPPORTUNITY FOR VETERANS (Applies when the Order exceeds \$150,000 unless an exemption applies)
- 52.222-36¹ AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (Applies when the Order exceeds \$15,000 unless an exemption applies)
- 52.222-37¹ EMPLOYMENT REPORTS ON VETERANS (Applies when the Order exceeds \$150,000 unless an exemption applies)
- 52.222-40¹ NOTIFICATION OF EMPLOYEE RIGHTS UNDER THE NATIONAL LABOR RELATIONS ACT (Applies when the Order exceeds \$10,000)

- 52.222-50¹ COMBATting TRAFFICKING IN PERSONS (Paragraph (h) *Compliance Plan*, applies to any portion of the contract that: (i) is for supplies, other than commercially available off-the-shelf items, acquired outside the United States, or services to be performed outside the United States; and (ii) has an estimated value that exceeds \$500,000. The Seller shall also report the information required in paragraph (d)(1-2) to Purchaser.)
- 52.222-54¹ EMPLOYMENT ELIGIBILITY VERIFICATION (Applies when the Order is for Services)
- 52.222-56¹ CERTIFICATION REGARDING TRAFFICKING IN PERSONS COMPLIANCE PLAN (Applies if it is possible that at least \$500,000 of the value of the contract may be performed outside the United States and the acquisition is not entirely for commercially available off-the-shelf items)
- 52.222-62¹ PAID SICK LEAVE UNDER EXECUTIVE ORDER 13706 (Applies when SCLS or Wage Rate Requirements are applicable, and the Order is to be performed in whole or in part in the United States)
- 52.223-3¹ HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA (Applies when Seller is delivering hazardous materials)
- 52.223-15 ENERGY EFFICIENCY IN ENERGY-CONSUMING PRODUCTS (Applies when products listed in the ENERGY STAR® Program or FEMP will be provided to Purchaser)
- 52.223-18¹ ENCOURAGING CONTRACTOR POLICIES TO BAN TEXT MESSAGING WHILE DRIVING
- 52.224-3¹ PRIVACY TRAINING
- 52.225-1¹ BUY-AMERICAN ACT-SUPPLIES
- 52.225-2¹ BUY AMERICAN ACT CERTIFICATE (Applies when 52.225-1 applies)
- 52.225-5¹ TRADE AGREEMENTS
- 52.225-8¹ DUTY-FREE ENTRY (Applies when Goods will be imported into the Customs Territory of the United States)
- 52.225-13¹ RESTRICTIONS ON CERTAIN FOREIGN PURCHASES
- 52.225-18 PLACE OF MANUFACTURE
- 52.225-25 PROHIBITION ON CONTRACTING WITH ENTITIES ENGAGING IN CERTAIN ACTIVITIES
- 52.227-1¹ AUTHORIZATION AND CONSENT (Applies when the Order exceeds the SAT)
- 52.227-2¹ NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT (Applies when the Order exceeds the SAT and 52.227-1 is included)
- 52.227-9 REFUND OF ROYALTIES
- 52.227-10 FILING OF PATENT APPLICATIONS--CLASSIFIED SUBJECT MATTER (Applies when the Order covers or is likely to cover classified subject matter)
- 52.228-5 INSURANCE – WORK ON A GOVERNMENT INSTALLATION (Applies when the Order exceeds the SAT and the Order will require work on a Government installation)
- 52.230-2 COST ACCOUNTING STANDARDS (Applies when the Order is subject to CAS)
- 52.230-3 DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES (Applies when the Order is
- 52.230-4 DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES – FOREIGN CONCERNS (Applies when the Order is subject to CAS and Seller is located outside of the U.S.)
- 52.230-5 COST ACCOUNTING STANDARDS – EDUCATIONAL INSTITUTIONS (Applies when the Order is
- 52.230-6 ADMINISTRATION OF COST ACCOUNTING STANDARDS (Applies when the Order is subject to CAS)
- 52.232-1 PAYMENTS
- 52.232-16 PROGRESS PAYMENTS (Applies when the Order provides for progress payments to Seller)
- 52.232-39 UNENFORCEABILITY OF UNAUTHORIZED OBLIGATIONS
- 52.232-40¹ PROVIDING ACCELERATED PAYMENTS TO SMALL BUSINESS SUBCONTRACTORS (Applies when Seller subcontracts with small business subcontractors and Seller receives accelerated payments from Purchaser)
- 52.234-1 INDUSTRIAL RESOURCES DEVELOPED UNDER DEFENSE PRODUCTIONS ACT TITLE III
- 52.242-15 STOP-WORK ORDER
- 52.244-5 COMPETITION IN SUBCONTRACTING

- 52.244-6¹ SUBCONTRACTS FOR COMMERCIAL ITEMS
- 52.245-1¹ GOVERNMENT PROPERTY (Note: All Government Property shall be controlled and accounted for in accordance with Purchaser's Tooling Supplement, Remark E21)
- 52.245-9¹ USE AND CHARGES (Note: Seller shall request authorization to use Government Property in support of efforts under a contract number other than the contract number to which it is assigned),
- 52.246-26 REPORTING NONCONFORMING ITEMS (Applies when Order is for (1) an item subject to higher level quality standards in accordance with the clause at 52.246-11, Higher Level Contract Quality Requirement, (2) critical items the failure of which is likely to result in hazardous or unsafe conditions for individuals using, maintaining, or depending upon the supplies or services, or an item that is likely to prevent performance of a vital agency mission, (3) electronic parts or end items, components, parts or materials containing electronic parts, whether or not covered by (1) and (2), if the subcontract exceeds the SAT and is placed under a DoD contract, and (4) services where Seller shall furnish any such items.)
- 52.247-1 COMMERCIAL BILL OF LADING NOTATIONS (Applies when the Order will be cost-reimbursement or fixed-price f.o.b. origin)
- 52.247-63 PREFERENCE FOR U.S.-FLAG AIR CARRIERS (Applies when the Order may involve international air transportation)
- 52.247-64¹ PREFERENCE FOR PRIVATELY OWNED U.S.-FLAG COMMERCIAL VESSELS (Applies when Goods are to be shipped by ocean vessel unless exempted under paragraph (e)(4))
- 52.248-1 VALUE ENGINEERING (Applies when the Order exceeds \$150,000)
- 52.249-2 TERMINATION FOR CONVENIENCE (Applies in lieu of the Termination for Convenience clause in the body of this Agreement) (In paragraph (c) change "120 days" to "60 days," and in paragraph (e) change "90 days" to "45 days")
- 52.249-8 TERMINATION FOR DEFAULT (Applies in lieu of the Termination for Default clause in the body of this Agreement) (In paragraph (a)(2) change "10 days" to "7 days")

FOR ORDERS PLACED UNDER A DEPARTMENT OF DEFENSE (DOD) CONTRACT, THE FOLLOWING DOD FAR SUPPLEMENT CLAUSES APPLY IN ADDITION TO (OR IN LIEU OF WHERE NOTED) THE FAR CLAUSES ABOVE :

- 252.203-7001 PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE-CONTRACT-RELATED FELONIES (Applies when the Order exceeds the SAT)
- 252.203-7002¹ REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS
- 252.203-7003¹ AGENCY OFFICE OF THE INSPECTOR GENERAL (As referenced in FAR 52.203-13)
- 252.203-7004 DISPLAY OF HOTLINE POSTERS (Applies when the Order exceeds \$5,500,000 in lieu of FAR 52.203-14)
- 252.204-7000 DISCLOSURE OF INFORMATION
- 252.204-7004¹ ANTITERRORISM AWARENESS TRAINING FOR CONTRACTORS (Applies when subcontractor requires routine physical access to a Federally-controlled facility or military installation)
- 252.204-7008¹ COMPLIANCE WITH SAFEGUARDING COVERED DEFENSE CONTROLS
- 252.204-7009¹ LIMITATIONS ON THE USE OR DISCLOSURE OF THIRD-PARTY CONTRACTOR REPORTED CYBER INCIDENT INFORMATION (Applies when the Order involves services that include support for the Government's activities related to safeguarding covered defense information and cyber incident reporting)
- 252.204-7012¹ SAFEGUARDING COVERED DEFENSE INFORMATION AND CYBER INCIDENT REPORTING (Applies when the Seller has covered defense information resident on or transiting through Seller's unclassified information systems. Seller shall also send to Purchaser all required notifications to the U.S. Government)
- 252.204-7014¹ LIMITATIONS ON THE USE OR DISCLOSURE OF INFORMATION BY LITIGATION SUPPORT CONTRACTORS
- 252.204-7015¹ DISCLOSURE OF INFORMATION TO LITIGATION SUPPORT CONTRACTORS
- 252.204-7016¹ COVERED DEFENSE TELECOMMUNICATIONS EQUIPMENT OR SERVICES—REPRESENTATION
- 252.204-7017¹ PROHIBITION ON THE ACQUISITION OF COVERED DEFENSE TELECOMMUNICATIONS EQUIPMENT OR SERVICES—REPRESENTATION
- 252.204-7018¹ PROHIBITION ON THE ACQUISITION OF COVERED DEFENSE TELECOMMUNICATIONS EQUIPMENT OR SERVICE
- 252.204-7019¹ NOTICE OF NIST SP 800-171 ASSESSMENT REQUIREMENTS
- 252.204-7020¹ NIST SP 800-171 DOD ASSESSMENT REQUIREMENTS (Applies when Seller has information systems that are required to comply with NIST SP 800-171 in accordance with DFARS clause at 252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting; not applicable to Orders for COTS items)
- 252.204-7021¹ CONTRACTOR COMPLIANCE WITH THE CYBERSECURITY MATURITY MODEL CERTIFICATION LEVEL REQUIREMENT (if the requirement document or statement of work requires a contractor to have a specific CMMC level; not applicable to Orders for COTS items)
- 252.208-7000 INTENT TO FURNISH PRECIOUS METALS AS GOVERNMENT-FURNISHED MATERIAL (Applies unless Buyer knows that the item being purchased contains no precious metals)
- 252.209-7004 SUBCONTRACTING WITH FIRMS THAT ARE OWNED OR CONTROLLED BY THE GOVERNMENT OF A TERRORIST COUNTRY
- 252.211-7003¹ ITEM IDENTIFICATION AND VALUATION (Applies when the Order involves Goods for which unique item identification is required in accordance with paragraph (c)(1))
- 252.211-7007¹ REPORTING OF GOVERNMENT-FURNISHED PROPERTY (IAW DFARS 211.274-6(b), DFARS 212.301(f)(iv))
- 252.215-7008¹ ONLY ONE OFFER (Applies when the Order exceeds the SAT and the Seller is not the Canadian Commercial Corporation)
- 252.215-7010¹ REQUIREMENTS FOR CERTIFIED COST OR PRICING DATA AND DATA OTHER THAN CERTIFIED COST OR PRICING DATA (Applies when the Order will exceed the SAT and in lieu of FAR 52.215-20)
- 252.219-7003¹ SMALL BUSINESS SUBCONTRACTING PLAN (DOD CONTRACTS) (Applies when FAR 52.219-9 applies)
- 252.219-7004¹ SMALL BUSINESS SUBCONTRACTING PLAN (TEST PROGRAM).
- 252.222-7006 RESTRICTIONS ON THE USE OF MANDATORY ARBITRATION AGREEMENTS COMBATING RACE AND SEX STEREOTYPING (DEVIATION 2021-O0001) (Applies when FAR 52.222-26 is included)
- 252.222-7999¹
- 252.223-7006¹ PROHIBITION ON STORAGE, TREATMENT, AND DISPOSAL OF TOXIC OR HAZARDOUS MATERIALS
- 252.223-7008¹ PROHIBITION OF HEXAVALENT CHROMIUM (Applies when the Order is for supplies, maintenance and repair services, or construction materials)
- 252.225-7000¹ BUY AMERICAN – BALANCE OF PAYMENTS PROGRAM CERTIFICATE (Applies in lieu of FAR 52.225-2)

252.225-7001 ¹	BUY AMERICAN ACT AND BALANCE OF PAYMENTS PROGRAM (Applies in lieu of FAR 52.225-1)
252.225-7002	QUALIFYING COUNTRY SOURCES AS SUBCONTRACTORS
252.225-7007 ¹	PROHIBITION ON ACQUISITION OF UNITED STATES MUNITIONS LIST ITEMS FROM COMMUNIST CHINESE MILITARY COMPANIES (Applies when the Order involves Goods covered by the U.S. Munitions List or the 600 series of the Commerce Control List)
252.225-7009 ¹	RESTRICTION ON ACQUISITION OF CERTAIN ARTICLES CONTAINING SPECIALTY METALS (Applies when the Goods contain specialty metals; Note: Use of exceptions not permitted without advance Seller notification and prior Purchaser approval. Paragraph (d) of this clause is excluded)
252.225-7012 ¹	PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES
252.225-7013 ¹	DUTY-FREE ENTRY (Applies in lieu of 52.225-8)
252.225-7015	RESTRICTION ON ACQUISITION OF HAND OR MEASURING TOOLS (Applies when the Order exceeds the SAT and requires delivery of hand or measuring tools)
252.225-7016 ¹	RESTRICTION ON ACQUISITION OF BALL AND ROLLER BEARINGS (Applies when the Order requires Seller to provide a ball and roller bearing that that is not incorporated into a higher level assembly)
252.225-7020 ¹	TRADE AGREEMENTS CERTIFICATE (Applies when DFARS 252.225-7021 applies)
252.225-7021 ¹	TRADE AGREEMENTS (Applies in lieu of FAR 52.225-5)
252.225-7025	RESTRICTION ON ACQUISITION OF FORGINGS
252.225-7028 ¹	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 - EVALUATION OF OFFERS
252.225-7033	WAIVER OF UNITED KINGDOM LEVIES
252.225-7035	BUY AMERICAN ACT- FREE TRADE AGREEMENT - BALANCE OF PAYMENTS (Applies when DFARS 252.225-7036 applies and in lieu of FAR 52.225-4)
252.225-7036	BUY AMERICAN ACT- FREE TRADE AGREEMENT - BALANCE OF PAYMENTS (Applies in lieu of FAR 52.225-3)
252.225-7037	EVALUATION OF OFFERS FOR AIR CIRCUIT BREAKERS
252.225-7038 ¹	RESTRICTION ON ACQUISITION OF AIR CIRCUIT BREAKERS
252.225-7048 ¹	EXPORT-CONTROLLED ITEMS
252.225-7052 ¹	RESTRICTION ON ACQUISITION OF CERTAIN MAGNETS, TANTALUM AND TUNGSTEN
252.226-7001 ¹	UTILIZATION OF INDIAN ORGANIZATIONS, INDIAN-OWNED ECONOMIC ENTERPRISES, AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS (Applies when the Order exceeds \$500,000)
252.227-7013 ¹	RIGHTS IN TECHNICAL DATA-NONCOMMERCIAL ITEMS (Applies when technical data is specified to be delivered under the Order)
252.227-7014 ¹	RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION (Applies when Seller is required to deliver noncommercial computer software or computer software documentation)
252.227-7015 ¹	TECHNICAL DATA—COMMERCIAL ITEMS
252.227-7016 ¹	RIGHTS IN BID OR PROPOSAL INFORMATION
252.227-7017 ¹	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 ¹	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 ¹	DEFERRED DELIVERY OF TECHNICAL DATA OR COMPUTER SOFTWARE
252.227-7027 ¹	DEFERRED ORDERING OF TECHNICAL DATA OR COMPUTER SOFTWARE
252.227-7028	TECHNICAL DATA OR COMPUTER SOFTWARE PREVIOUSLY DELIVERED TO THE GOVERNMENT
252.227-7030 ¹	TECHNICAL DATA—WITHHOLDING OF PAYMENT (Applies when technical data is specified to be delivered under the Order)
252.227-7032	RIGHTS IN TECHNICAL DATA AND COMPUTER SOFTWARE (FOREIGN)
252.227-7037 ¹	VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA (Applies when technical data is specified to be delivered under the Agreement)

252.227-7038	PATENT RIGHTS-OWNERSHIP BY THE CONTRACTOR (LARGE BUSINESS)
252.227-7039	PATENTS--REPORTING OF SUBJECT INVENTIONS
252.232-7017 ¹	ACCELERATING PAYMENTS TO SMALL BUSINESS SUBCONTRACTORS—PROHIBITION ON FEES AND CONSIDERATION (Applies in all subcontracts with small business concerns)
252.232-7004	DOD PROGRESS PAYMENT RATES
252.234-7002	EARNED VALUE MANAGEMENT SYSTEM (Applies in lieu of FAR 52.234-4)
252.235-7003 ¹	FREQUENCY AUTHORIZATION
252.239-7010 ¹	REQUIREMENT FOR COMPETITION OPPORTUNITY FOR AMERICAN STEEL PRODUCERS, FABRICATORS, AND MANUFACTURERS
252.239-7018 ¹	CLOUD COMPUTING SERVICES
	SUPPLY CHAIN RISK
252.243-7001	PRICING OF CONTRACT MODIFICATIONS
252.243-7002 ¹	REQUESTS FOR EQUITABLE ADJUSTMENT
252.244-7000 ¹	SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (DOD CONTRACTS)
252.245-7001 ¹	TAGGING, LABELING, AND MARKING OF GOVERNMENT-FURNISHED PROPERTY (IAW DFARS 245.107(2))
252.245-7002 ¹	REPORTING LOSS OF GOVERNMENT PROPERTY (IAW DFARS 245.107(3))
252.245-7003 ¹	CONTRACTOR PROPERTY MANAGEMENT SYSTEM ADMINISTRATION (IAW DFARS 245.107(4))
252.246-7001 ¹	WARRANTY OF DATA (Applies when technical data is specified to be delivered under the Order)
252.246-7003 ¹	NOTIFICATION OF POTENTIAL SAFETY ISSUES
252.246-7007 ¹	CONTRACTOR COUNTERFEIT ELECTRONIC PART DETECTION AND AVOIDANCE SYSTEM
252.246-7008 ¹	SOURCES OF ELECTRONIC PARTS
252.247-7003 ¹	PASS THROUGH OF MOTOR CARRIER FUEL SURCHARGE ADJUSTMENT TO COST BEARER
252.247-7023 ¹	TRANSPORTATION OF SUPPLIES BY SEA
252.249-7002 ¹	NOTIFICATION OF ANTICIPATED CONTRACT TERMINATION OR REDUCTION

¹ If Buyer has notified Seller in writing that the Goods or Services are a commercial item as defined in FAR 2.101, then only these clauses apply.