



Commercial Item And Service Terms And Conditions

1. **ORDER:** This Order constitutes Buyer's offer to purchase the materials, services and articles, all of which are herein called "articles" described elsewhere in this Order, in accordance with its provisions which include the provisions set forth on the face of this Order, the provisions attached hereto, and the provisions incorporated herein by reference. Acceptance of this Order is expressly limited to the provisions hereof. Signing and returning the acknowledgement copy of this Order (if attached hereto) or, in any event, delivery or performance in whole or in part of the articles to be furnished hereunder shall constitute acceptance of this Order.
2. **INVOICES:** On the date of shipment, the Seller shall submit an invoice for each shipment to include only one purchase order and clearly describe each item included therein. All invoices shall provide sufficient information to facilitate payment processing to include: Order Number, Line Item, Packing Slip #, Billing Period (for services), Part Number, Description, Quantity, Unit of Measure, Unit Price, Extended Price, Total Price, Freight/Shipping Charges, and Sales Tax unless Order is Tax-exempt. Invoices should be sent via E-mail to AP@princeservice.com unless otherwise stated on the Order.
3. **CASH DISCOUNT AND PRICES:** Payment terms and discount period, if any provided for on the invoice or Order, shall commence based on the latest of the following: receipt of invoice, receipt of product on dock, or correction of identified deficiencies in delivered product. Discount, if any, will be applied to the gross amount of the invoice, unless terms specifically provide otherwise.
4. **TAXES:** Unless provided to the contrary, the price(s) on the Order DO NOT include any taxes. The Seller shall invoice for all applicable federal, state and local taxes unless Buyer claims tax exempt status on the Order.
5. **SHIPPING INSTRUCTIONS:** Seller shall make every reasonable effort to reduce the cost of freight. Seller shall (a) not deliver ahead of schedule unless authorized by Buyer, (b) describe shipment in accordance with the carrier's tariffs to obtain the lowest freight rate, (c) not insure or declare value on shipments beyond FOB Point, (d) not split delivery of line item quantities (unless authorized on the order), and (d) consolidate all shipments to be forwarded on one day. Seller shall mark/label all containers for traceability. When a shipment is subject to freight rates, the Seller shall annotate the bill of lading, air bill or express receipt to show that the shipment is released at the maximum value which applies to the lowest rate provided in the applicable carrier's tariffs Seller shall be responsible for all shipping/freight cost for return of non-conforming or excess material.
6. **PACKING AND EXTRAS:** Transportation, packaging, packing or returnable containers charges shall not be allowed unless authorized in advance on the Order. Seller shall prepare and pack the articles to prevent damage and deterioration in accordance with best commercial practices, and in compliance with carrier tariffs, and Buyer's specifications if any. Each article shall be individually bagged and tagged with part number and quantity (as appropriate). Highly polished or finished articles and precision parts shall be properly protected against atmospheric deterioration. The Seller shall be responsible for replacement of any articles damaged because of improper packaging by the Seller. Each shipment shall be accompanied by packing slip that includes, at minimum, the Buyer's Order Number, Order Line Item, Part Number, Descriptions, Quantity shipped, and Unit of Measure. Packing slip should also indicate if there are multiple packages and if so, how many.
7. **HAZARDOUS MATERIALS:** Seller shall list any hazardous material to be delivered under this contract. A hazardous material is any item or agent (biological, chemical, radiological, and/or physical), which has the potential to cause harm to humans, animals, or the environment, either by itself or through interaction with other factors. The hazardous material shall be properly identified and include any applicable identification number, such as part number, National Stock Number or Special Item Number. This information shall also be included on the Material Safety Data Sheet submitted under this contract. This list must be updated during performance of the contract whenever the



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Contractor determines that any other material to be delivered under this contract is hazardous. If, after award, there is a change in the composition of the item(s) or a revision to Federal Standard No. 313, which renders incomplete or inaccurate the data submitted under paragraph (d) of this clause, the Contractor shall promptly notify the Contracting Officer and resubmit the data. Neither the requirements of this clause nor any act or failure to act by the Buyer shall relieve the Seller of any responsibility or liability for the safety of Buyer's personnel or property. Nothing contained in this clause shall relieve the Seller from complying with applicable Federal, State, and local laws, codes, ordinances, and regulations (including the obtaining of licenses and permits) in connection with hazardous material. The Buyer shall have the right to use, duplicate and disclose any data to which this clause is applicable for the purpose of (a) apprising personnel of the hazards to which they may be exposed in using, handling, packaging, transporting, or disposing of hazardous materials, (b) obtaining medical treatment for those affected by the material, and (c) have others use, duplicate, and disclose the data for the Buyer for these purposes.

8. **TITLE:** Except if title has heretofore passed to Buyer or Buyer's customers under other provisions of this Order, title to the articles shall pass to Buyer upon delivery of the articles to the FOB point defined in the Order.
9. **SPECIFICATIONS:** All articles ordered to Buyer's specifications shall comply with such specifications current as of the date of this Order unless otherwise specified by Buyer.
10. **COUNTERFEIT PARTS:** The Seller shall implement Counterfeit Parts Detection and Avoidance Systems (Reference DFAR 252.246-7007 for definitions). The Seller shall only deliver new and authentic product to the Buyer. The Seller shall maintain electronic part traceability tracking of the supply chain back to the original manufacturer, whether the electronic parts are supplied as discrete electronic parts or are contained in assemblies (Reference 252.246-7007). Seller shall utilize only the original manufacturer or have the express written authority of the original manufacturer or current design activity. Use of any other sources must be approved in advance and in writing by the Buyer. Counterfeit and suspect counterfeit parts shall not be returned to the Seller or otherwise returned to the Supply chain until such time that the parts are determined to be authentic. When the Buyer becomes aware of (or has reason to suspect that) any electronic part, or end item, component, part, or assembly containing electronic parts has been delivered to the Buyer, they will confiscate and quarantine them, and will report them to the PSM Customer and/or Government Contracting Officer and to the Government-Industry Data Exchange Program (GIDEP). The Seller shall promptly replace such Counterfeit Parts/assembly with parts acceptable to the Buyer, and the Seller shall be liable for all costs relating to the removal and replacement of said parts. The Buyer reserves all contractual rights and remedies to address grievances and detrimental impacts caused by Counterfeit/Substandard parts. The Seller shall flow down the substance of this clause to all its subcontractors.
11. **WARRANTY:** Unless otherwise agreed to in writing by the parties, Seller warrants that all items ordered to specifications will conform thereto and to any drawings, samples, or other description furnished or adopted by Buyer, or if not ordered to specifications, will be fit and sufficient for the purpose intended, and that all articles will be merchantable of good material and workmanship and free from defect. Such warranties, together with Seller's service warranties and guarantees, if any, shall survive inspection, test, acceptance of, and payment of the articles and shall run to Buyer, its successors, assigns, and customers. Except for latent defects, fraud or such gross mistakes of Seller as amount to fraud, notice of any defect or nonconformity must be given by Buyer to Seller within one (1) year after delivery, or one (1) year after receipt of satisfactory qualification test reports, if required thereunder, whichever is later. Buyer may, at its option, either return for credit or refund or require prompt correction or replacement of the defective or nonconforming article or part thereof. Return to Seller of any defective or nonconforming article and delivery to Buyer of any corrected or replaced articles shall be at Seller's expense. Seller shall not replace the defective or nonconforming articles with reworked or repaired articles unless authorized by the Buyer. Articles required to be corrected or replaced shall be subject to the provisions of this clause and the clause hereof entitled



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“Inspection” in the same manner and to the same extent as articles originally delivered under this Order, but only as to the corrected or replaced part or parts thereof.

- 12. INSPECTION:** Buyer and Buyer’s customer each reserve the right to inspect and/or test any or all work included in this Order at Seller’s facility, at all times and places, including the period of manufacture. Seller is required to reserve the right of Buyer, Buyer’s customer and regulatory authorities, if applicable, to perform verification at Seller’s lower-tier subcontractor facilities to the extent necessary to assure product conformance. If any inspection or test is made on Seller’s or Seller’s subcontractor premises, Seller, at no additional charge, shall provide reasonable facilities, assistance and applicable documentation for the safety and convenience of Buyer and Buyer’s customers. Such inspections and test will be performed in such a manner as not to unduly delay the work. Buyer verification shall not, in any way, replace Seller’s source inspection or relieve the Seller of the responsibility for ensuring product quality. All articles are also subject to final inspection and acceptance at Buyer’s plant notwithstanding any payments or other prior inspections. Buyer’s count of items is conclusive.
- 13. BUYER APPROVALS AND REVIEWS:** The review or approval by Buyer of any work hereunder or of any designs, drawings, specifications or other documents prepared hereunder shall not relieve Seller of any of its obligations under this Order, nor excuse or constitute a waiver of any defects or nonconformities in any articles furnished under this Order, nor change, modify or otherwise affect any of the provisions of this Order, including, but not limited to, the prices and delivery schedules contained herein.
- 14. CANCELLATION:** Buyer shall have the right to cancel this Order or any part thereof at any time: (a) Without Cause -- In case of cancellation by Buyer of all or any part of this Order without cause, Seller shall be entitled to its costs already incurred in the performance of the work canceled, plus (unless Seller would have sustained a loss on the entire Order had it been completed) a reasonable profit on such costs, which together may not exceed the contract price of the work canceled, plus Seller’s reasonable costs of settlement. Any cancellation claim must be submitted to Buyer within sixty (60) days after the effective date of cancellation. The provisions of this subparagraph shall not limit or affect the right of Buyer to cancel this Order for breach of contract and shall not apply to a breach of contract. (b) Breach of Contract -- If Seller fails to cure any material failure to perform, discharge or fulfill its obligations under this Order including, but not limited to, failure to make any delivery in accordance with the agreed delivery date or schedule or otherwise fails to observe or comply with any of the other instructions, terms, conditions or warranties applicable to this Order within ten (10) days after receipt of a written notice from Buyer that Buyer considers Seller to be in default under this Order, or fails to make progress so as to endanger performance of this Order or in the event of any proceedings by or against Seller in bankruptcy or insolvency or appointment of a receiver or trustee or an assignment for the benefit of creditors, Buyer may, in addition to any other right or remedy provided by this Order or by law, cancel all or any part of this Order by written notice to Seller without any liability by Buyer to Seller on account thereof. Notwithstanding the aforementioned, this clause shall not apply if this Order is issued in support of a Government Prime Contract and is not a commercial item pursuant to Federal Acquisition Regulation (FAR) Part 12. Instead, the applicable FAR Termination Clauses shall govern.
- 15. TERMINATION, BREACH OF CONTRACT, DAMAGES:** Buyer may, by notice in writing, direct Seller to terminate this order or work under this order in whole or in part at any time and such termination shall not constitute a default. In such event, unless Seller shall have defaulted or be in default in performance hereof, Buyer and Seller shall have the rights and obligations contained in the Termination Clause for Subcontracts, set forth in Subpart 49.502 (e) of the FAR as amended to the date of this order, which clause is hereby incorporated by reference and made a part thereof. The insolvency or adjudication of bankruptcy of, or the filing of a voluntary petition in bankruptcy, or the making of an assignment for the benefit of creditors by, either party, shall be a material breach hereof. In no event shall Seller be entitled to anticipatory profits, or to special or consequential damages. In the event of Seller’s default or potential inability to perform this order, Seller agrees upon demand by Buyer to deliver to Buyer the raw materials



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and work in process. Notwithstanding the foregoing, if standard commercial items are involved, Buyer at all times shall have the right to terminate this contract at its convenience in whole or in part, without any obligation or liability other than payment for items delivered prior to such termination. Buyer shall have the further right to charge to Seller the Buyer's excess cost of re-procurement of items the same or similar to those ordered hereunder unless Seller's failure to perform and timely delivery are excusable hereunder.

16. RIGHTS IN INTELLECTUAL PROPERTY: All information, inventions, software, databases, works of authorship, and data, regardless of form, generated in performance of or delivered under this Order (collectively "Work Product") shall be the sole property of Buyer, providing that nothing in the terms and conditions shall be construed or interpreted to limit or restrict rights of Government in regard to data or tooling it owns or has rights to use, including right to authorize subcontractor right to use data or tooling in direct contracts between subcontractor and Government. For purposes of copyright law, all Work Product shall be regarded as a "work for hire." In the event such Work Product may be ineligible for treatment as a work for hire or that copyright in such Work Product does not vest in Buyer by law, Seller hereby assigns all rights, title and interest in the same to Buyer. If Seller provides professional services and regularly uses its own software systems to perform such professional services, then ownership of improvements to such software systems made by Seller during performance, and unrelated to and not dictated by Buyer's business needs and information, shall be retained by Seller. Buyer shall, however, enjoy a fully paid-up, royalty-free, unrestricted, world-wide, irrevocable, nonexclusive license to practice such improvements. Improvements to such systems derived from Buyer or dictated by Buyer's business needs or information shall be owned by Buyer pursuant to the terms herein.

Any information provided to Seller by Buyer shall be and remain the sole property of Buyer. Seller agrees to keep all Buyer information and any Work Product confidential in accordance with Article 22.

All information, software, databases, works of authorship, and data, regardless of form, previously authored, developed or created by Seller prior to entering into this Order and used in connection with this Order shall be and remain the sole property of the Seller, with the proviso that Buyer is licensed to provide the same to its customers and to use, sell, copy, display, perform and create derivative works of any materials included with or incorporated in anything delivered by Seller to Buyer in connection with this Order. Seller hereby assigns to Buyer the entire right, title, and interest, worldwide, in any invention conceived or first actually reduced to practice in performing this Order. Seller hereby grants to Buyer a fully paid-up, royalty-free, unrestricted, world-wide, irrevocable, nonexclusive license to make, use, sell and offer for sale any invention which is not conceived or first actually reduced to practice in performing this Order, but which is described, necessary for full use and enjoyment of, or incorporated in anything delivered by Seller to Buyer in connection with this Order.

For inventions conceived or first actually reduced to practice under this Order, Seller shall furnish Buyer with notice and information sufficient for Buyer to file and prosecute patent applications, and Seller will cooperate in executing all documents incident to such filing and prosecution. In connection with the licenses granted under this Order, Seller shall furnish any information, data or code necessary to enable Buyer to use and fully enjoy such license(s). Final payment shall not be due hereunder until after receipt by Buyer of such complete invention information, or certification that there is no such information, and receipt of all deliverables.

17. INFRINGEMENT INDEMNITY: Seller hereby indemnifies Buyer, its successors, assigns, agents, customers and, users of any work product and/or Articles against loss, damage, or liability, including costs and expenses and attorneys' fees, which may be incurred on account of any suit, claim, judgment, or demand involving infringement or alleged infringement of any intellectual property rights in the manufacture, use, or disposition of any Work Product hereunder, provided Buyer shall notify Seller of any suit instituted against it, and to the full extent of its ability to do so, shall permit Seller to participate in the defense of same or to make settlement in respect thereto. Buyer does not grant



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indemnity to Seller for infringement of any intellectual property rights, including patent, copyright, trademark, trade secret, mask works, or data rights.

- 18. FORCE MAJEURE:** Neither party shall be liable for damages for delay in delivery arising out of causes beyond its reasonable control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy, acts of any Government authority, fires, floods, epidemics, quarantine restrictions, strikes, embargoes, or unusually severe weather. If the delay is caused by the delay of a subcontractor of Seller and if such delay arises out of causes beyond the reasonable control of both Seller and the subcontractor, and without fault or negligence of either of them, Seller shall not be liable to Buyer in damages unless the articles or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Seller to meet the required delivery schedule. Seller will notify Buyer in writing within ten (10) days after the beginning of any such cause.
- 19. ASSIGNMENT:** Neither this Order nor any rights or obligations herein may be assigned by Seller nor may Seller subcontract in whole, or substantially in whole, the performance of its duties hereunder without, in either case, Buyer's prior written consent. The terms and conditions of this Order shall bind any permitted successors and assigns of Seller. Any consent by Buyer to assignment shall not be deemed to waive Buyer's right to recoupment and/or set off of claims arising out of this or any other transactions with Seller, its divisions, affiliates or subsidiaries, or to settle or adjust matters with Seller without notice to permitted successors and assigns.
- 20. CHANGES:** The Buyer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in any one or more of the following: A) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the Buyer in accordance with the drawings, designs, or specifications. B) Method of shipment or packing. C) Place of delivery. 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 contract, whether or not changed by the order, the Buyer will make an equitable adjustment in the contract price, the delivery schedule, or both, and will modify the contract. The Seller may assert its right to an adjustment under this clause within 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. If the Seller's proposal includes the cost of property made obsolete or excess by the change, the Buyer will have the right to prescribe the manner of the disposition of the property. Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, nothing in this clause shall excuse the Seller from proceeding with the contract as changed.
- 21. STOP WORK:** Buyer may, at any time, by written order to the Seller, require Seller to stop all or any part of the work called for by this Order for a period of ninety (90) days and for any further period to which the parties may agree. Upon receipt of the stop work order, Seller shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by this Order. At the expiration of the stop work order, Buyer shall either cancel the stop work order or cancel this Order as provided in the Cancellation clause of this Order. Notwithstanding the aforementioned, this clause shall not apply if this Order is issued in support of a Government Prime Contract and is not a commercial item pursuant to FAR Part 12. Instead, the applicable FAR clauses shall govern.
- 22. CONFIDENTIAL OR PROPRIETARY INFORMATION:** Seller shall keep confidential and otherwise protect from disclosure all information obtained from Buyer in connection with this Order and identified as confidential or proprietary, providing that nothing in the terms and conditions shall be construed or interpreted to limit or restrict rights of Government in regard to data it owns or has rights to use, including right to authorize subcontractor right to use data in direct contracts between subcontractor and Government. Unless otherwise expressly authorized herein or by Buyer, Seller shall use such information, and any other information provided by Buyer thereunder, only in the performance of and for the purpose of this Order. (a) Upon Buyer's request, and in any event upon the completion, or



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cancellation of this Order, Seller shall return all such information to Buyer or make such other disposition thereof as directed by Buyer. In all subcontracts and purchase orders issued by Seller for performance of work related to this Order, Seller shall, with the prior written approval of Buyer, be permitted to disclose Buyer information under the same obligations as are contained in this clause. (b) Seller shall be liable to Buyer for any loss of the information. (c) Any information which Seller may disclose to Buyer with respect to the design, manufacture, sale, or use of the articles covered by this Order shall be deemed to have been disclosed as part of the consideration for this Order, and Seller shall not assert any claim against Buyer by reason of Buyer's use thereof. (d) The ownership of any information disclosed by a party hereunder shall remain in that party. These obligations of non-disclosure shall exist and continue until five (5) years from the date of the end of the Order term.

- 23. BUYER'S PROPERTY:** (a) All property used by Seller in connection with this Order which is owned, furnished, charged to, or paid for by Buyer including, but not limited to, materials, tools, dies, jigs, molds, patterns, fixtures, equipment, drawings and other technical information, specifications, and any replacement thereof, shall be and remain the property of Buyer subject to removal and inspection by Buyer at any time without cost or expense to Buyer and Buyer shall have free access to Seller's premises for the purpose of inspecting or removing such property. All such property shall be identified and marked as Buyer's property, used only for this Order and adequately insured by Seller at its expense for Buyer's protection. Seller shall assume all liability for and maintain and repair such property and return the same to Buyer in its original condition, except for reasonable wear and tear, and when such property is no longer required hereunder, Seller shall furnish Buyer with a list thereof and shall comply with any Buyer disposition instructions applicable thereto. Buyer shall not be obligated to pay any invoices for tooling until the first article produced therefrom shall have been received and accepted. (b) Materials furnished by Buyer on other than a charge basis in connection with this Order shall be deemed to be held by Seller as Bailee thereof. Seller agrees to pay Buyer's replacement cost for all such material spoiled or otherwise not satisfactorily accounted for over and above 2% thereof allowable for scrap loss. Notwithstanding the aforementioned, this clause shall not apply if this Order is issued in support of a Government Prime Contract and is not a commercial item pursuant to FAR Part 12. Instead, the applicable FAR clauses shall govern.
- 24. GRATUITIES:** Seller warrants that neither it nor any of its employees, agents or representatives has offered or given any gratuities to Buyer's employees, agents or representatives with a view toward securing this Order or securing favorable treatment with respect thereto.
- 25. RELEASE OF NEWS INFORMATION AND ADVERTISING:** Seller shall not, without the prior written consent of Buyer: (a) make any news release, public announcement, denial, or confirmation of all or any part of the subject matter of this Order, or (b) in any manner advertise or publish the fact that Buyer has placed this Order,
- 26. NOTICE TO BUYER OF LABOR DISPUTES:** (a) Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Order, Seller shall immediately give notice thereof, including all relevant information, with respect thereto, to Buyer. (b) Seller agrees to insert the substance of this clause, including this paragraph (b), in any subcontract hereunder to which a labor dispute may delay the timely performance of this Order.
- 27. CHOICE OF LAW:** This Order shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, including its provisions of the Uniform Commercial Code, but specifically excluding such state's conflict of law provisions and the provisions of the 1980 U.N. Convention on Contracts for the International Sale of Goods. Any claim involving the Government shall be governed by and construed and enforced in accordance with Federal Law.



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28. COMPLIANCE WITH LAWS:

- a. In the performance of this order, Seller shall comply with all applicable Federal, State and Local laws, ordinances, rules and regulations. The Contractor agrees to comply with 31 U.S.C. 1352 relating to limitations on the use of appropriated funds to influence certain Federal contracts; 18 U.S.C. 431 relating to officials not to benefit; 40 U.S.C. chapter 37, Contract Work Hours and Safety Standards; 41 U.S.C. chapter 87, Kickbacks; 41 U.S.C. 4712 and 10 U.S.C. 2409 relating to whistleblower protections; 49 U.S.C. 40118, Fly American; and 41 U.S.C. chapter 21 relating to procurement integrity.

29. SEVERABILITY: If any covenant, agreement, term or provision of this Order, or the application thereof to any situations or circumstances, shall be deemed by a court of competent jurisdiction as invalid or unenforceable, the remainder of this Order, or the application of such covenant, agreement, term or provision to situations or circumstances other than those as to which it is invalid or unenforceable, shall not be affected.

30. RIGHTS, REMEDIES AND WAIVER: The rights and remedies provided Buyer herein shall be cumulative, and in addition to any other rights and remedies provided by law or equity. A waiver of a breach of any provision hereof shall not constitute a waiver of any other breach.

31. DISPUTES: In the event that any claim or controversy arising out of this Order cannot be settled by the parties themselves, the parties agree to attempt in good faith to resolve such claim or controversy by mediation, in accordance with the CPR Mediation Procedure of the Center for Public Resources (CPR) Institute for Dispute Resolution. Any dispute which is not settled by agreement of the parties or by such mediation may be settled by appropriate legal proceedings. Pending any decision, appeal or judgment in such proceedings or other settlement of any dispute arising under this Order, Seller shall proceed diligently with the performance of this Order in accordance with the decision of Buyer. If the work covered by this Order relates to a prime contract with the United States and is within the jurisdiction of a Department or Agency of the United States, all references to dispute procedures in Government clauses incorporated by reference shall be deemed to be superseded by this Article 31. "Disputes" clause. Except as expressly set forth in the document, and unless granted Government Contracting Officer's expressed consent, subcontractor shall not direct a claim or legal course of action against the Government.

32. SUBCONTRACTS: No subcontract shall be made by the Seller with any other party for furnishing any of the completed or substantially completed articles, spare parts, or work, herein contracted for, without the prior written approval of the Buyer.

33. U.S. EXPORT CONTROL LAWS AND REGULATIONS: (a) Seller agrees to comply with all applicable U.S. export control laws and regulations, specifically including, but not limited to, the requirements of the Arms Export Control Act, 22 U.S.C. 2751-2794, including the International Traffic in Arms Regulation (ITAR), 22 C.F.R. 120 et seq.; and the Export Administration Act, 50 U.S.C. 2401-2420, including the Export Administration Regulations, 15 C.F.R. 730-774; including the requirement for obtaining any export license or agreement, if applicable. Without limiting the foregoing, Seller agrees that it will not transfer any export controlled item, data, or services, to include transfer to foreign persons employed by or associated with, or under contract to Seller or Seller's lower-tier suppliers, without the authority of an export license, agreement, or applicable exemption or exception. (b) If this order requires the Buyer to issue drawings or data marked as *data whose export is restricted by the Arms Export Control Act*, the Seller by accepting this order certifies that it has on file with the U.S./Canada Joint Certification Office, Defense Logistics Information Service, a current DD Form 2345. Seller agrees that it shall handle "controlled data" in accordance with its Militarily Critical Technical Data Agreement (DD2345). (c) Seller shall be responsible for all losses, costs, claims, causes of action, damages, liabilities and expense, including attorneys' fees, all expense



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of litigation and/or settlement, and court costs, arising from any act or omission of Seller, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this Article 33.

- 34. RISK:** Seller assumes all risks for loss or damage: (a) until delivery of and acceptance by Buyer at FOB point. (b) of property of, or death or bodily injury of, third parties; (c) on returns of excess quantities, premature deliveries, or rejects regardless of the FOB point; (d) of materials or property furnished to the Seller by Buyer and/or Government; (e) to Buyer arising out of any failure by Seller to comply with applicable Federal, State and Local laws and regulation.
- 35. INSURANCE:** (a) **Commercial General Liability.** Seller shall carry and maintain, throughout the period when work is performed and until final acceptance by Buyer, Commercial General Liability insurance with available limits of not less than \$1,000,000 per occurrence for bodily injury and property damage combined. Such insurance shall contain coverage for all premises and operations, broad form property damage, contractual liability, and goods and completed-operations insurance with limits of not less than \$1,000,000 per occurrence for a minimum of twenty-four (24) months after final acceptance of the work by Buyer. Such insurance shall not be maintained on a per-project basis unless the Seller does not have blanket coverage. (b) **Automobile Liability.** If licensed vehicles will be used in connection with the performance of the work, Seller shall carry and maintain throughout the period when work is performed and until final acceptance by Buyer, Business Automobile Liability insurance covering all vehicles, whether owned, hired, rented, borrowed or otherwise, with available limits of not less than \$1,000,000 per occurrence combined single limit for bodily injury and property damage. (c) **Workers' Compensation and Employers' Liability.** Throughout the period when work is performed and until final acceptance by Buyer, Seller shall cover or maintain insurance in accordance with the applicable laws relating to Workers' Compensation (and Employers' Liability with limits not less than \$1,000,000 per incident) with respect to all of their respective employees working on or about Buyer's premises. If Buyer is required by any applicable law to pay any Workers' Compensation premiums with respect to an employee of Seller, Seller shall reimburse Buyer for such payment. (d) **Certificates of Insurance.** Prior to commencement of the work, and if requested by Buyer, Seller shall provide for Buyer's review and approval certificates of insurance reflecting full compliance with the requirements set forth above. Such certificates shall be kept current and in compliance throughout the period when work is being performed and until final acceptance by Buyer, and shall provide for thirty (30) days advance written notice to Buyer in the event of cancellation. Failure of Seller to furnish certificates of insurance, or to procure and maintain the insurance required herein or failure of Buyer to request such certificates, endorsements or other proof of coverage shall not constitute a waiver of Seller's obligations hereunder.
- 36. REPORTING EXECUTIVE COMPENSATION AND FIRST-TIER SUBCONTRACT AWARD:** When required by the Buyer's Prime Contract, as specified on the Order, for order over \$25,000, the Seller shall submit the Offertory's Certification relative to FAR 52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards. The Seller's failure to comply will be deemed a default in performance and shall be subject to Article 15, Termination, Breach of Contract, Damages.
- 37. ENTIRE AGREEMENT AND AMENDMENTS:** This Order constitutes the entire understanding and agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations and agreements with respect thereto. No amendment or change of any kind shall be binding upon Buyer unless in writing and signed by an authorized representative of Buyer's purchasing department.



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38. ADDITIONAL PROVISIONS IF A GOVERNMENT PRIME CONTRACT IS APPLICABLE:

The following Federal Acquisition Regulation (FAR) and Department of Defense (DoD) FAR Supplement (DFARS) clauses, and as modified by Federal Acquisition Circulars and Defense Acquisition Circulars respectively, on the date of the Prime Contract set forth on the face of this Order, are hereby incorporated by reference and made a part hereof:

“Offeror” or “Contractor” or “Prime Contractor” shall mean “Seller” “Government” shall mean “Buyer”
“Contracting Officer” shall mean “Buyer’s Authorized Representative” “Contract” or “Schedule” shall mean this “Purchase Order” or “Subcontract”

The Subcontract/Supplier is required to flow down the appropriate FAR and DFAR clauses to its sub-tier suppliers in order to protect the interests of the U. S. Government. The clauses should be tailored based on the Buyer’s Order. If the Buyer’s Order does not contain a particular FAR or DFARS clause, it cannot be flowed down to a sub-tier supplier. The terms and conditions of the contract between the Subcontractor/Supplier and its sub-tier suppliers must also provide protection to the Government’s legal interests.

- 52.203-3 Gratuities (Apr 1984)
 (“Government” shall mean “Government”)
- 52.203-13 Contractor Code of Business Ethics and Conduct (Apr 2010)
- 52.203-19 Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (Jan 2017)
- 52.204-2 Security Requirements (Aug 1996)
- 52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards (Jul 2013) This clause applies to all contracts with a value of \$25,000 or more.
- 52.209-6 Protecting the Government’s Interest When Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment (Aug 2013)
 (“Government” shall mean “Government”)
- 52.209-10 Prohibition on Contracting with Inverted Domestic Corporations (Dec 2014)
- 52.211-14 Notice of Priority Rating for National Defense Use (Apr 2008)
- 52.211-15 Defense Priority and Allocation Requirements (Apr 2008)
- 52.212-5 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS -- COMMERCIAL ITEMS (DEVIATION 2013-O0019) (JAN 2017)
- 52.222-1 Notice to the Government of Labor Disputes (Feb 1997)
- 52.222-3 Convict Labor (Jun 2003)
- 52.222-19 Child Labor – Cooperation with Authorities and Remedies (Jan 2014) (“Government” shall mean “Government”)
- 52.222-21 Prohibition of Segregated Facilities (APR 2015)
- 52.222-26 Equal Opportunity Sep 2016)
- 52.222-37 Employment Reports on Veterans (Feb 2016)
- 52.222-40 Notification of Employee Rights Under the National Labor Relations Act (Dec 2010)
- 52.222-41 Service Contract Labor Standards (May 2014)
- 52.222-50 Combating Trafficking in Persons (Mar 2015)
- 52.222-51 Exemptions from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment – requirements (May 2014)
- 52.222-53 Exemption from Application of The Service Contract Labor Standards to Contracts for Certain Services – Requirements (May 2014)
- 52.223-3 Hazardous Material Identification & Material Safety Data (Jan 1997)



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52.223-18	Encouraging Contractor Policies to Ban Text Messaging While Driving (Aug 2011)
52.225-1	Buy American Act – Supplies (May 2014)
52.225-2	Buy American Act – Certificate (May 2014)
52.225-3	Buy American Act – North American Free Trade Agreement – Israeli Trade Act (May 2014)
52.225-4	Buy American Act – North American Free Trade Agreement – Israeli Trade Act – Certificate (May 2014)
52.225-5	Trade Agreements (Nov 2013)
52.225-6	Trade Agreements – Certificate (May 2014)
52.225-13	Restrictions on Certain Foreign Purchases (Jun 2008)
52.225-19	Contractor Personnel in a Designated Operational Area or Supporting a Diplomatic or Consular Mission Outside the United States (Mar 2008)
52.227-1	Authorization and Consent (Dec 2007) (“Government” shall mean “Government”)
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement (Dec 2007) (“Government” shall mean “Government”)
52.227-9	Refund of Royalties (Apr 1984)
52.227-14	Rights in Data – General (May 2014) (“Government” shall mean “Government”)
52.228-3	Workers’ Compensation Insurance (Defense Base Act) (Jul 2014)
52.228-5	Insurance – Work on a Government Installation (Jan 1997)
52.229-3	Federal, State and Local Taxes (Feb 2013)
52.229-4	Federal, State and Local Taxes (State and Local Adjustments) (Feb 2013)
52.232-1	Payments (Apr 1984)
52.232-8	Discounts for Prompt Payment (Feb 2000)
52.232-25	Prompt Payment (Jan 2017)
52.233-1	Disputes (May 2014)
52.233-3	Protest After Award (Aug 1996)
52.236-13	Accident Prevention (Nov 1991)
52.242-15	Stop-Work Order (Aug 1989)



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- 52.244-6 Subcontracts for Commercial Items (Oct 2014)
- 52.247-64 Preference for Privately Owned US-Flag Commercial Vehicles (Feb 2006)
- 252.203-7002 Requirements to Inform Employees of Whistleblower Rights (Sep 2013)
- 252.204-7000 Disclosure of Information (Oct 2016)
- 252.204-7008 Compliance with Safeguarding Covered Defense Information Controls (Oct 2016)
- 252.204-7009 Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information (Oct 2016)
- 252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting (Oct 2016)
- 252.204-7014 Limitations on the Use or Disclosure of Information by Litigation Support Contractors (May 2016)
- 252.204-7015 Disclosure of Information to Litigation Support Contractors (May 2016)
("Government" shall mean "Government and Buyer")
- 252.223-7006 Prohibition on Storage, Treatment, and Disposal of Toxic or Hazardous Materials (Sep 2014)
- 252.223-7008 Prohibition of Hexavalent Chromium (Jun 2013)
- 252.225-7002 Qualifying Country Sources as Subcontractors (Dec 2012)
- 252.225-7007 Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies (Sep 2006)
- 252.225-7008 Restriction on Acquisition of Specialty Metals (Mar 2013)
- 252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals (Oct 2014)
(Excluding flow down of paragraph (d) and (e)(1))
- 252.225-7010 Commercial Derivative Military Article – Specialty Metal Compliance Certificate (Jul 2009)
- 252.225-7011 Restriction on Acquisition of Supercomputers (Jun 2005)
- 252.225-7012 Preference for Certain Domestic Commodities (Feb 2013)
- 252.225-7013 Duty-Free Entry (Nov 2014)
- 252.225-7015 Restriction on Acquisition of Hand or Measuring Tools (Jun 2005)
- 252.225-7025 Restriction on Acquisition of Forgings (Dec 2009)
- 252.225-7048 Export Controlled Items (Jun 2013)
- 252.227-7013 Rights in Technical Data – Non Commercial Items (Feb 2014)
("Government" shall mean "Government")
- 252.227-7015 Technical Data – Commercial Items (Feb 2014)
("Government" shall mean "Government")
- 252.227-7017 Identification and Assertion of Use Release or Disclosure Restrictions (Jan 2011)
("Government" shall mean "Government")
- 252.227-7019 Validation of Asserted Restrictions – Computer Software (Sep 2016)
("Government" shall mean "Government")
- 252.227-7025 Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends (May 2013)
- 252.227-7030 Technical Data – Withholding of Payment (Mar 2000)
("Government" shall mean "Government")
- 252.227-7032 Rights in Technical Data and Computer Software (Foreign) (Jun 1975)
("Government" shall mean "Government")
- 252.227-7037 Validation of Restrictive Markings on Technical Data (Sep 2016)
("Government" shall mean "Government", and "Contracting Officer" shall mean "Contracting Officer")
- 252.228-7005 Accident Reporting & Investigation Involving Aircraft, Missiles & Space Launch Vehicles (Dec 1991)
- 252.229-7014 Taxes – Foreign Contracts in Afghanistan (Dec 2015)
- 252.239-7018 Supply Chain Risk (Nov 2013)



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- 252.243-7001 Pricing of Contract Modifications (Dec 1991)
- 252.245-7001 Tagging, Labeling, and Marking of Government-Furnished Property (Apr 2012)
- 252.245-7004 Reporting, Reutilization, and Disposal (May 2013)
- 252.246-7003 Notification of Potential Safety Issues (Jun 2013)
- 252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System (May 2014)
- 252.247-7003 Pass-Through of Motor Carrier Fuel Surcharge Adjustment to the Cost Bearer (Apr 2014)
- 252.247-7023 Transportation of Supplies by Sea – Alternate I (Apr 2014) (paragraphs (a) through (e) of this clause and paragraph (h)).

Applicable if the Contract exceeds \$15,000:

- 52.222-20 Contracts For Material, Suppliers, Articles, and Equipment Exceeding \$15,000 (May 2014)
- 52.222-36 Affirmative Action for Workers with Disabilities (Jul 2014)

Applicable if the Contract exceeding \$50,000:

- 252.225-7993 Prohibition on Providing Funds to the Enemy (Deviation 2015-00016) (Sep 2015)

Applicable if the Contract exceeding \$100,000:

- 252.225-7994 Additional Access To contractor and Subcontractor Records in the United States Central Command Theater of Operations (Deviation 2015-00013) (Mar 2015)

Applicable if the Contract exceeds the Simplified Acquisition Procedures threshold identified in the FAR:

- 52.203-6 Restrictions on Subcontractor Sales to the Government (Sep 2006) (“Government” shall mean “Government”)
- 52.203-7 Anti-Kickback Procedures (May 2014)
- 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (Sep 2007)
- 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (Oct 2010)
- 52.203-16 Preventing Personal Conflict of Interest (Dec 2011)
- 52.203-17 Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights (Apr 2014)
- 52.222-4 Contract Work Hours and Safety Standards Act – Overtime Compensation (May 2014)
- 52.222-35 Equal Opportunity for Veterans (Oct 2015)
- 252.247-7023 Transportation of Supplies by Sea – Alternate I (Apr 2014) (including paragraph (h))

Applicable if the Contract includes Government Property:

- 52.245-1 Government Property (Apr 2012)
- 52.245-2 Government Property Installation Operation Services (Apr 2012)

Applicable if the Contract exceeds \$10 million):

- 52.222-24 Preaward On-Site Equal Opportunity Compliance Evaluation (Feb 1999) (if 52.222-26 applies and is not for construction)

39. ALTERATIONS: (Intentionally left blank)