



# Vendor/Supplier Terms and Conditions

**1. Acceptance of Purchase Order** – Agreement by Seller to furnish the materials, parts, and products (“goods”) or services, including the products resulting from services hereby ordered, or its commencement of such performance, or acceptance of any payment, shall constitute Seller’s unqualified acceptance of this Purchase Order subject to these terms and conditions.

Buyer will not be bound to any prices or delivery to which it has not specifically agreed in writing. Any terms or conditions proposed by Seller inconsistent with or in addition to the terms and conditions herein contained shall be void and of no effect unless specifically agreed to by Buyer in writing. Modifications hereof or additions hereto, to be effective, must be made in writing and be signed by Buyer’ s Purchasing Representative. These terms and conditions, together with any referenced exhibits, attachments or other documents, constitute the entire agreement between the Parties with respect to the subject matter of this Purchase Order, and supersede any prior or contemporaneous written or oral agreements pertaining thereto.

**2. Shipping Instructions** – Risk of Loss (a) Seller shall be responsible for ensuring the proper packaging of goods hereunder. No charges will be allowed for packing, crating, freight, local cartage, and/or any other services unless so specified in this Purchase Order. (b) Seller shall at all times comply with Buyer’ s written shipping instructions. Unless otherwise directed, all items shipped on the same day from and to a single location must be consolidated on one bill of lading or air bill, as appropriate. Seller shall submit all required shipping papers to Buyer prior to final payment. Title to goods furnished under this Purchase Order shall pass to Buyer upon formal acceptance,

regardless of when or where Buyer takes physical possession, unless the Purchase Order specifically provides for earlier passage of title. (c) For goods purchased F.O.B. Origin (as "F.O.B. the place of shipment" is described in the Uniform Commercial Code Section 2-319), Seller shall bear the expense of and risk of loss of, or damage to, the goods until the goods are put into the possession of the carrier designated by Buyer. Seller shall not insure and not declare a value except when transportation rates are based on "released value," in which instance Seller shall annotate on the bill of lading the lowest released value provided in applicable tariffs. (d) For goods purchased F.O.B. Destination (as "F.O.B. the place of destination" is described in the Uniform Commercial Code Section 2-319) Seller shall bear the expense of transport of, and risk of loss or damage to, the goods to the named place. (e) Purchase Order number(s) must appear on all correspondence, shipping labels, and shipping documents, including all packing sheets, bills of lading, air bills, and invoices.

**3. Delivery – Notice of Delay – Obsolescence** (a) On time performance is a material condition of this Purchase Order and failure to perform according to the delivery schedule in this Purchase Order, if unexcused, shall be considered a material breach. Acceptance of late deliveries shall not constitute waiver of this provision. Buyer also reserves the right to refuse or return at Seller's risk and expense shipments made in excess of this Purchase Order or in advance of required schedules, or to defer payment on advance deliveries until scheduled delivery dates. (b) Seller shall notify Buyer in writing immediately of any actual or potential delay to the performance of this Purchase Order. Such notice shall include a proposed revised schedule but such notice and proposal or Buyer's receipt or acceptance thereof shall not constitute a waiver to Buyer's rights and remedies hereunder. (c) During performance of this Purchase Order, Seller shall notify Buyer of any planned obsolescence of the good(s) set out in this Purchase Order.

**4. Termination for Convenience** (a) Buyer may, by written notice, terminate this Purchase Order for convenience and without cause, in whole or in part, at any time, and such termination shall not constitute default. In the event of partial termination, Seller is

not excused from performance of the non-terminated balance of work under the Purchase Order. (b) In the event of termination for convenience by Buyer, Seller shall be reimbursed for actual, reasonable, substantiated, and allocable costs, plus a reasonable profit for work performed to date of termination. Any termination settlement proposal shall be submitted to Buyer promptly, but no later than ninety (90) days from the effective date of the termination. In no event shall the amount of any settlement be in excess of the Purchase Order value. Buyer may take immediate possession of all goods, complete or incomplete, and all products resulting from services upon written notice of termination to Seller.

**5. Termination for Default** (a) Buyer may, after providing Seller with ten (10) calendar days written notice, and upon Seller's failure to cure such default in that ten (10) day period ("Cure Period"), terminate this Purchase Order in whole or in part at any time by notice in writing for (i) breach of any one or more of its terms, (ii) failure to deliver goods or services within the time specified by this Purchase Order or any written extension, (iii) failure to make progress so as to endanger performance of this Purchase Order, or (iv) failure to provide adequate assurance of future performance; provided, however, there shall be no Cure Period for default related to failure to meet the delivery schedule or defaults incapable of cure. Buyer may also terminate this Purchase Order in whole or in part without a Cure Period in the event of Seller's 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. In the event of partial termination, Seller is not excused from performance of the nonterminated balance of work under the Purchase Order. (b) In the event of Seller's default hereunder, Buyer may exercise any or all rights and remedies accruing to it, both at law, including without limitation, those set forth in Article 2 of the Uniform Commercial Code, or in equity, including but not limited to, Seller's liability for Buyer's excess procurement costs for goods or services. (c) If this Purchase Order is terminated for default, Buyer may require Seller to transfer title to, and deliver to Buyer, as directed by Buyer, any (1) completed supplies, and (2) partially completed supplies and materials, parts, tools,

dies, jigs, fixtures, plans, drawings, information, and contract rights that Seller has specifically produced or acquired for the terminated portion of this Purchase Order. Upon direction of Buyer, Seller shall also protect and preserve property in its possession in which Buyer has an interest.

**6. Force Majeure** Except for a default of Seller's subcontractor at any tier, neither Buyer nor Seller shall be liable for any failure to perform due to any cause beyond their reasonable control and without their fault or negligence. Such causes include, but are not limited to, acts of God or of the public enemy, acts of the government in its sovereign or contractual capacity, fires, floods, epidemics, terrorism, quarantine restrictions, strikes, freight embargoes, and unusually severe weather. In the event that performance of this Purchase Order is hindered, delayed or adversely affected by causes of the type described above ("Force Majeure"), then the Party whose performance is so affected shall so notify the other Party's authorized representative in writing and, at Buyer's option, this Purchase Order may be completed with such adjustments to delivery schedule as may reasonably be required by the existence of Force Majeure

**7. Disputes and Governing Law** (a) Either party may submit a dispute to a court of competent jurisdiction provided that the Parties' senior management representatives have first attempted in good faith to negotiate a resolution for a period of no less than ten (10) business days following written notice from the Party claiming dispute. To the extent permitted by applicable law, the Parties waive any right they may have to a trial by jury. Notwithstanding the above, either Party may seek injunctive or other equitable relief in any court of competent jurisdiction at any time. (b) Pending resolution or settlement of any dispute arising under this Purchase Order, Seller will proceed diligently as directed by Buyer with the performance of this Purchase Order. Irrespective of the place of performance, this Purchase Order shall be governed and construed in accordance with the laws of the State within the United States from which this Purchase Order is issued by Buyer, without regard to its conflicts of laws provisions, except that any provision in this Purchase Order that is: (i) incorporated in full text or by reference

from the Federal Acquisition Regulation (FAR) or; (ii) incorporated in full text or by reference from any agency regulation that implements or supplements the FAR or; (iii) that is substantially based on any such agency regulation or FAR provision, shall be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, boards of contracts appeals, and quasi-judicial agencies of the United States Government. The provisions of the "United Nations Convention on Contracts for International Sale of Goods" shall not apply to this Purchase Order, including any amendments or changes to this Purchase Order.

**8. Remedies** (a) Except as otherwise provided herein, the rights and remedies of both Parties hereunder shall be in addition to their rights and remedies at law or in equity. Failure of either Party to enforce any of its rights shall not constitute a waiver of such rights or of any other rights and 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. (b) Buyer shall be entitled at all times to set off any amount owing at any time from Seller to Buyer, against any amount payable at any time by Buyer to Seller.

**9. Proprietary Rights** (a) Unless otherwise expressly agreed in a contemporaneous or subsequent writing to the contrary or otherwise expressly set forth in this Purchase Order, all specifications, information, data, drawings, software and other items supplied to Buyer by Seller shall be disclosed to Buyer on a nonproprietary basis and may be used and/or disclosed by Buyer without restriction. (b) Unless otherwise expressly agreed in a contemporaneous or subsequent writing to the contrary or otherwise expressly set forth in this Purchase Order, all specifications, information, data, drawings, software and other items which are (i) supplied to Seller by Buyer or (ii) obtained or developed by Seller in the performance of this Purchase Order or paid for by Buyer shall be proprietary to Buyer, shall be used only for purposes of providing goods or services to Buyer pursuant to this Purchase Order, and shall not be disclosed to any third party without Buyer's express written consent. All such items supplied by Buyer or obtained by Seller in performance of this Purchase Order or paid for by Buyer

shall be promptly provided to Buyer on request or upon completion of this Purchase Order. (c) Unless otherwise expressly agreed in a contemporaneous or subsequent writing to the contrary or otherwise expressly set forth in this Purchase Order, any invention or intellectual property first made or conceived by Seller in the performance of this Purchase Order or which is derived from or based on the use of information supplied by Buyer (collectively, the "Foreground IP") shall be considered to be the property of Buyer. Seller hereby assigns its rights in the Foreground IP to Buyer and shall execute such documents necessary to perfect Buyer's title thereto. Unless otherwise expressly agreed in a contemporaneous or subsequent writing to the contrary or otherwise expressly set forth in this Purchase Order, any work performed pursuant to this Purchase Order which includes any copyright interest shall be considered a "work made for hire". To the extent any of such works do not qualify as a "work made for hire", Seller hereby assigns to Buyer all its intellectual property rights, including its copyright rights, in such works effective immediately upon creation of such works, including when they are first fixed in a tangible medium. (d) With respect to any applicable FAR and DFARS clauses incorporated into this Purchase Order relating to license rights in noncommercial technical data and noncommercial computer software and / or noncommercial computer software documentation, Seller grants to Buyer the right to use, disclose, transfer, copy, modify, combine, integrate or make derivative works of any such noncommercial technical data, noncommercial computer software and/or noncommercial computer software documentation delivered under this Purchase Order, to the extent necessary, and for such period as is required, for Buyer to complete its performance under Buyer's U.S. Government programs. If such computer software or computer software documentation is supplied by Seller to Buyer under this Purchase Order, and such computer software and computer software documentation is for future delivery to Buyer's customers, Buyer shall be permitted to do the following: (i) transfer the computer software, the computer software documentation and licenses granted to Buyer's customers for such period of time as Buyer's customers shall use such computer software or software documentation; (ii) modify the computer software or

computer software documentation or combine it with other software subject to the proviso that those portions of the modified software which incorporate the original software are subject to the same license rights as the original software; (iii) grant access to the use of the computer software and computer software documentation to Buyer's affiliates, consultants, subcontractors, team members, customers, and similar parties and to their respective employees in connection with Buyer's and Buyer's customer's authorized uses thereof. Such access is provided on the condition that prior to such access all such parties have suitable obligations in place protecting Seller's rights in the computer software or computer software documentation which are in substance consistent with the provisions of this Purchase Order. (e) Notwithstanding anything to the contrary in this Section 9, applicable U.S. Government Procurement Regulations incorporated into this Purchase Order shall, when applicable, take precedence over any conflicting provision of this Section 9 to the extent that such Regulations so require. The incorporation by reference of such U.S. Government Regulations dealing with subcontractor's rights in Technical Data, subject inventions, copyrights, software, and similar intellectual property are not intended to, and shall not, unless otherwise required by applicable law, obviate or modify any greater rights which Seller may have previously granted to Buyer pursuant to prior agreements between the Parties.

**10. Buyer's Property** (a) All drawings, tools, jigs, dies, fixtures, materials, and other property supplied or paid for by Buyer shall be and remain the property of Buyer and shall be returned to Buyer upon Buyer's request. (b) All such items shall be used only in the performance of work under this Purchase Order unless Buyer consents otherwise in writing. (c) Goods made in accordance with Buyer's specifications and drawings shall not be furnished or quoted by Seller to any other person or concern without Buyer's prior written consent. (d) Seller shall have the obligation to maintain any and all property furnished by Buyer to Seller and all property to which Buyer acquires an interest by this Purchase Order and shall be responsible for all loss or damage to said property except for normal wear and tear. Seller shall report the root cause and all pertinent facts as soon as they become known, and corrective action taken to prevent recurrence, at no



additional cost to Buyer. (e) Upon request, Seller shall provide Buyer with adequate proof of insurance against such risk of loss or damage. (f) Seller shall clearly mark, maintain in inventory, and keep segregated or identifiable all of Buyer's property.

**11. Release of Information** Seller shall not publish, distribute, or use any information developed under or about the existence of this Purchase Order, or use the Ace Electronics name (or the name of any division, affiliate or subsidiary thereof), logo, trademark, service mark, or trade dress for the purpose of advertising, making a news release, creating a business reference, creating a website content or for goods or service endorsement without prior written approval of Buyer.

**12. Order of Precedence** (a) In the event of any inconsistency or conflict between or among the provisions of this Purchase Order, such inconsistency or conflict shall, subject to Section 9(e) above, be resolved by the following descending order of preference: 1. Order-specific text on the Purchase Order; 2. Documents incorporated by reference on the Purchase Order which apply to the Purchase Order as a whole and not to a specific line item therein and not otherwise referenced in this Section 12; 3. These General Terms and Conditions of Purchase and Supplements thereto; 4. Statement of Work; and 5. Specifications attached hereto or incorporated by reference (see Paragraph 12(b) below). (b) Buyer's specifications, including but not limited to Ace Electronics Quality Notes, shall prevail over those of the United States Government, and both of the foregoing shall prevail over specifications of Seller. In the event of conflict between specifications, drawings, samples, designated type, part number, or catalog description, the specifications shall govern over drawings, drawings over samples, whether or not approved by Buyer, and samples over designated type, part number, or catalog description. In cases of ambiguity in the specifications, drawings, or other requirements of this Purchase Order, Seller must, before proceeding, consult Buyer, whose written interpretation shall be final.

**13. Warranty** (a) Seller warrants that the goods shall be (i) new (ii) free from defects in workmanship, materials, and design and (iii) in accordance with all the requirements of this Purchase Order. Seller further warrants that the performance of work and services



shall conform with the requirements of this Purchase Order and to high professional standards. (b) Unless Buyer expressly identifies the goods that are procured under this Purchase Order as nontechnical and for Buyer's internal use only, Seller warrants without limitation as to time that the goods delivered pursuant to this Purchase Order shall (i) be and only contain materials obtained directly from the Original Component Manufacturer (OCM) or the Original Equipment Manufacturer (OEM) (collectively, the Original Manufacturer (OM)) or an authorized OM reseller or distributor (collectively, an Authorized Distributor); (ii) not be or contain Counterfeit Items or Suspect Counterfeit Items, as defined below; and (iii) contain only authentic, unaltered OM labels and other markings. Seller shall obtain and retain all documentation required to fully trace the distribution and sale of the goods delivered hereunder back to the relevant OM, and, on request of Buyer, shall provide such authenticating documentation. Counterfeit Item means an unlawful or unauthorized reproduction, substitution, alteration, or the false identification of grade, serial number, lot number, date code, or performance characteristic, that has been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified item from the OM, an Authorized Distributor, or an Aftermarket Manufacturer as defined in SAE AS5553 "Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition" (Authorized Aftermarket Manufacturer) or DFARS 252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System. Distributors are to disclose if they are not authorized for the parts they are supplying or if the parts are not direct from OEM/OCM. A Suspect Counterfeit Item means an item for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the item is authentic. Seller warrants that it will not act as or engage an independent distributor, non-authorized distributor, non-franchised distributor, non-authorized supplier, or non-authorized reseller (collectively, Broker), to assist it in delivering goods pursuant to this Purchase Order unless the Buyer provides prior written approval to do so. Any Seller request to procure from a Broker shall include complete and compelling support for such request and shall include all actions completed by Seller to ensure the goods thus

procured are not Counterfeit Items. When so authorized by Buyer, Seller shall be responsible for counterfeit risk mitigation testing and providing traceability identifiers (i.e. Date Code / Lot Code, Serial number) for Broker procured parts, and identifying items delivered to Buyer that contain such parts. Seller shall include the substance of this Section 13 (b), including this flow down requirement, in procurements for goods at all tiers. (c) Unless Buyer expressly identifies the goods that are procured under this Purchase Order as nontechnical and for Buyer's internal use only, Seller further warrants that it has and shall maintain a Counterfeit Item risk mitigation process, internally and with its suppliers, (reference SAE AS5553 and AS6174), for goods delivered hereunder, and in accordance with the standards or instructions set forth in this Purchase Order. Buyer shall have the right to audit, inspect, and / or approve the processes at any time before or after delivery of the goods ordered hereunder. Seller shall provide evidence of the Seller's risk mitigation process to Buyer upon request. Buyer shall have the right to require changes to the processes to conform with Buyer's defined standards, if any. Failure of the Seller or any of its subcontractors to conform to the above process specifications and provisions may result in the termination of this Purchase Order. Seller and Seller's subcontractors that are allowed access to the US Government Industry Data Exchange Program (GIDEP) shall participate in monitoring GIDEP reports and Seller shall act on GIDEP reports that affect product delivered to Buyer. Seller shall immediately notify Buyer with the pertinent facts if Seller becomes aware of or suspects that items delivered for the Purchase Order are, or contain, suspect or confirmed counterfeit items. If a good delivered hereunder is discovered to be a Counterfeit Item or Suspect Counterfeit Item, Buyer shall have the right to quarantine the good for further investigation. Buyer's investigation may include the participation of third parties or governmental investigative agencies as required by law or regulations by Buyer's customer, or by Buyer, in its sole discretion. The Seller and/or the Seller's subcontractors shall cooperate in good faith with any investigation conducted by Buyer. Upon Buyer's request, Seller shall provide Buyer certificates of conformance with respect to the goods delivered. Buyer shall not be required to return

the good during the investigation process and thereafter if not found to be authentic. Buyer shall not be liable for payment to Seller of the price of any Suspect Counterfeit Items until determined to be authentic. If Buyer determines in its sole discretion that there is credible evidence that a good delivered under this Purchase Order constitutes a Counterfeit Item or Suspect Counterfeit Item, Seller, or its subcontractor, shall, if directed by Buyer to do so, issue a GIDEP alert and shall ensure suspect or confirmed Counterfeit Items are not delivered to Buyer. Buyer reserves its right to issue its own GIDEP alert if Buyer concludes, in its sole estimation, that a good is a Counterfeit Item or Suspect Counterfeit Item. Seller shall include the substance of this Section 13 (c), including this flow down requirement, in procurements for goods at all tiers. (d) Seller warrants without limitation as to time that any hardware, software and firmware goods delivered under this Purchase Order: (i) shall not contain any viruses, malicious code, Trojan horse, worm, time 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; (ii) shall not contain any third party software (including software that may be considered free software or open source 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; and (iii) shall not infringe any patent, copyright, trademark, or other proprietary right of any third party or misappropriate any trade secret of any third party. (e) These warranty entitlements shall inure to the benefit of both Buyer and Buyer's customers. As used in this Purchase Order, Buyer's customer(s) shall include its direct and indirect customers such as direct sale end-users, higher-tier subcontractors, prime contractors and the ultimate user under relevant prime contract(s). (f) Seller shall be liable for and save Buyer harmless from any loss, damage, or expense that Buyer may suffer from breach of any of these warranties. Remedies shall be at Buyer's election, including, but not limited to, the prompt repair, replacement, or reimbursement of the purchase price of nonconforming

goods and, in the case of services either the prompt correction of the defective services at no cost or reimbursement of the amounts paid for such services. Return to Seller of defective or nonconforming goods and redelivery to Buyer of repaired or replaced goods shall be at Seller's expense. Goods or services required to be corrected, repaired or replaced shall be subject to this Section and the Inspection Section of this Purchase Order in the same manner and to the same extent as goods or services originally delivered under this Purchase Order, but only as to the repaired or replaced goods or parts thereof or the corrected service thereof. Seller shall promptly comply with Buyer's direction to (i) repair, rework, or replace the goods, (ii) furnish any material or parts and installation required to successfully correct the defect or nonconformance or (iii) successfully correct the defective or nonconforming service.

**14. Inspection** (a) All goods and services shall be subject to inspection and test at all reasonable times and places by Buyer or Buyer's customer before, during, and after performance and delivery. Buyer may require Seller to repair, replace or reimburse the purchase price of rejected goods or Buyer may accept any goods and upon discovery of nonconformance, may reject or keep and rework any such goods not so conforming. Cost of repair, rework, replacement, inspection, transportation, repackaging, and/or reinspection by Buyer shall be at Seller's expense. Buyer's acceptance of goods or services shall not be deemed to diminish Buyer's rights or be final or binding on Buyer if latent defects, fraud, or misrepresentation on the part of Seller exists. (b) Seller will provide reasonable support and access to Buyer in the inspection and test of the goods and services without additional charge. (c) Neither Buyer's inspection nor Buyer's failure to inspect shall relieve Seller of any responsibility to perform according to the terms of this Purchase Order. Notwithstanding any other provision of the Purchase Order, the risk of loss of, or damage to, nonconforming goods remains with Seller until cure or acceptance.

**15. Changes** Buyer shall have the right by written notice to suspend or stop work or to make changes from time to time in the services to be rendered or the goods to be furnished by Seller hereunder or the delivery schedule. If such suspension, stoppage, or

changes cause an increase or decrease in the cost of performance of this Purchase Order or in the time required for its performance, an equitable adjustment shall be negotiated promptly and the Purchase Order shall be modified in writing accordingly. Any claim by Seller for adjustment under this Paragraph 15(a) must be asserted in writing within twenty (20) days from the date of receipt by Seller of notification of the change or suspension and shall be followed as soon as practicable with specification of the amount claimed and supporting cost figures. Failure to agree to any such change shall be resolved in accordance with Section 7 Disputes and Governing law herein. However, nothing herein shall excuse Seller from proceeding with this Purchase Order as changed pending resolution of the claim.

**16. Infringement** Seller represents and warrants that all goods and services (for purposes of this Section 16 hereinafter “items”), provided by Seller pursuant to this Purchase Order, which are not of Buyer’ s design, do not infringe or misappropriate any third party intellectual property rights and that any use or sale of such items by Buyer or any of Buyer’ s customers shall be free from any claims of infringement. Seller shall indemnify and hold Buyer, and its customers harmless from any and all expenses, liability, and loss of any kind (including all costs and expenses including attorneys’ fees) arising out of claims, suits, or actions alleging such infringement, which claims, suits, or actions Seller, hereby, agrees to defend, at Seller’ s expense, if requested to do so by Buyer. Moreover, Seller may replace or modify infringing items with comparable items acceptable to Buyer of substantially the same form, fit, and function so as to remove the source of infringement, and Seller’ s obligations under this Purchase Order including those contained in Section 13 and in this Section 16 shall apply to the replacement and modified items. If the use or sale of any of the above items is enjoined as a result of such claim, suit or action, Seller, at no expense to Buyer, shall obtain for Buyer and its customers the right to use and sell said item.

**17. Taxes and Drawback** (a) Unless this Purchase Order specifies otherwise, if any goods are imported into the United States pursuant to this Purchase Order, Seller shall pay all duties, taxes, and fees imposed as a result of such importation. The prices shall

not include any duties, taxes, or fees for which Buyer has furnished a valid exemption certificate or other evidence of exemption. The price may include applicable sales and use taxes that are separately stated on Seller's invoice, but Seller retains the responsibility to remit taxes collected from Buyer to the relevant tax authority. To the extent that Buyer is required to do so under applicable law or tax regulations, Buyer may deduct from any payments due to Seller pursuant to this Purchase Order such taxes as Buyer is required to withhold from such payments and to pay to the relevant tax authorities; provided, however, that Buyer provides Seller with relevant tax receipts or other suitable documentation evidencing the payment of such taxes promptly after such taxes are paid. (b) Any refund, credit, or rebate of any import duties, taxes, or fees (including any drawback claim) shall inure solely to Buyer's benefit and shall be assigned to Buyer by Seller. Seller shall reasonably assist Buyer in Buyer's effort to realize any such available amounts.

**18. Assignments, Subcontracting, Organizational Changes, and Place of**

**Performance** (a) Seller may not assign any rights, delegate any of its obligations due or to become due under this Purchase Order or subcontract all or substantially all of its obligations under this Purchase Order, without the prior written consent of Buyer. Any such purported assignment, delegation, or subcontracting by Seller without such consent shall be void. Buyer may assign this Purchase Order to (i) any affiliated company, (ii) any successor in interest, or (iii) Buyer's customer. (b) Seller shall promptly notify Buyer in writing of any Seller name or ownership changes, or mergers or acquisitions. (c) Seller shall not change the place of performance under this Purchase Order without Buyer's prior written consent.

**19. Compliance with Law (a) Compliance with Laws.** Seller warrants that the goods to be furnished and the services to be rendered under this Purchase Order shall be manufactured, sold, used and rendered in compliance with all relevant federal, state, local law, orders, rules, ordinances, and regulations, including but not limited to: 1. all U.S. laws and regulations; 2. the laws and regulations of Seller's place of performance; 3. the United States Foreign Corrupt Practices Act, 15 U.S.C. § 78 et seq. (the "FCPA"),

and other Anti-Corruption Requirements as defined in paragraph 19(b), below; 4. applicable international prohibitions on child labor; 5. the Fair Labor Standards Act of 1938, as amended (the "FLSA"), and of regulations and orders of the United States Department of Labor under the FLSA; 6. the Anti-Kickback Act of 1986; 7. the latest Occupational Safety and Health Act of 1970 (OSHA) requirements; and 8. U.S. Department of Transportation regulations on hazardous materials and any other pertinent federal, state, or local statutes, laws, rules, or regulations. (b) Anti-Corruption Requirements. Seller acknowledges that its actions may subject it and Buyer to liability under the United States Foreign Corrupt Practices Act, 15 U.S.C. § 78 et seq. (the "FCPA"), the UK Bribery Act 2010, the anti-corruption laws, regulations, and policies of the home country of any supplier to this Purchase Order, the United States of America, and/or the anti-corruption laws, regulations, and policies of any other country with jurisdiction over the activities performed pursuant to this Purchase Order (together and individually hereinafter referred to as the "Anti-Corruption Requirements"); and 9. The EU General Data Protection Regulation (GDPR) (c) Anti-Corruption Representation and Warranty. Seller represents and warrants to, and covenants and agrees with, Buyer that: 1. Seller is familiar with the prohibitions under the Anti-Corruption Requirements, and, in particular, it is familiar with the requirements described in clause 19(c)(3). 2. No compensation payable hereunder has been used, nor will be used, for any activity or purpose where a reasonable belief exists that the Anti-Corruption Requirements would be violated or that Seller or Buyer would be exposed to liability under the Anti-Corruption Requirements. 3. In connection with its performance of this Purchase Order, Seller has not, and has not either agreed to or directly or indirectly, offered, paid, given, promised to pay or give, or authorized the payment or giving of any money, gift, loan, fee, reward, advantage or anything of value, and will not either agree to or directly or indirectly, offer, pay, give, promise to pay or give, or authorize the payment or giving of any money, gift, loan, fee, reward, advantage, or anything of value to: (i) (A) any officer or employee of a foreign government or any department or agency thereof, (iv) any relative, close associate, agent or representative of a Government Official, Customer



Personnel, or Restricted Person, for the purpose of: (A) influencing or attempting to influence any act or decision of any Government Official, Customer Personnel, or Restricted Person acting in an official capacity, or influencing or attempting to influence any Government Official, Customer Personnel, or Restricted Person to do or omit to do any act in violation of his, her or its lawful duty, obligation or responsibility; (B) inducing or attempting to induce a Government Official, Customer Personnel or Restricted Person to use his, her, or its influence to affect or influence any act or decision of a customer, a foreign government, a foreign agency, a public international organization or department thereof, or any entity, enterprise or organization controlled by a foreign government, a foreign agency or a public international organization (C) rewarding a Government Official, Customer Personnel, or Restricted Person for doing or forbearing to do anything in respect of any matter or transaction; or (D) assisting Seller or Buyer in obtaining or retaining business, improving profitability or revenues of Buyer or Seller, or receiving any improper advantage by securing business, or directing business for, with, or to any person. 4. None of Seller's principals, consultants, subcontractors, officers, directors, shareholders, employees, or agents is a Government Official, Customer Personnel, or Restricted Person unless approved by Buyer. Neither Seller nor any of its principals, consultants, subcontractors, shareholders, directors, officers, employees or agents has performed or will perform any act which Buyer could reasonably believe would constitute a violation of the Anti-Corruption Requirements or which Buyer could reasonably believe would cause Buyer to be in violation of the Anti-Corruption Requirements, or present a credible risk, as determined by Buyer, of a violation of the Anti-Corruption Requirements. 5. If at any time Seller becomes aware of information or circumstances that suggest any of the representations, warranties, and covenants referenced in this Section 19 may not be accurate, it shall notify Buyer immediately in writing, but not more than seven (7) days after becoming aware of such circumstances. 6. No Government Official, Customer Personnel, or Restricted Person has a right to share directly or indirectly in any compensation payable under this Purchase Order. No payment will be made hereunder to any person other than Seller; and no payment will

be made to Seller under this Purchase Order other than the payment of the compensation in accordance with the terms hereof. 7. In connection with this Purchase Order Seller shall maintain books, records, and accounts, which in reasonable detail, accurately and fairly reflect the transactions and asset dispositions of Seller and allow Buyer to maintain accurate books and records and comply with the requirements for internal management controls set forth in the Anti-Corruption Requirements as well as relevant U.S. laws and regulations. 8. Any modification or amendment to this Purchase Order shall be deemed a re-certification of the accuracy and truthfulness of the foregoing representations and warranties of this Section. 9. Seller's price quotations and invoice prices shall accurately and fairly reflect the commensurate value of the goods and services provided under this Purchase Order. 10. Seller shall cooperate with, and provide assistance to, Buyer in implementing adequate due diligence procedures in connection with the selection and retention of consultants and subcontractors by Buyer or Seller. (d) Anti-Kickback Act of 1986. Seller warrants that it and its officers, employees or representatives (i) have complied with the Anti-Kickback Act of 1986 and has not offered or given and will not offer or give to any employee, agent, or representative of Buyer any gratuity or any kickback within the meaning of the Anti-Kickback Act of 1986 and (ii) have not, for the purpose of improperly obtaining or rewarding favorable treatment in connection with the award of this Purchase Order to Seller from Buyer: (1) provided, attempted to provide, or offered to provide any kickback; (2) solicited, accepted, or attempted to accept any kickback; or (3) included, directly or indirectly, the amount of any kickback prohibited by (1) or (2) of this Section in the price charged by Seller to Buyer under this Purchase Order. Any breach of this warranty shall constitute a material breach of this Purchase Order. For purposes of this Section, the term "kickback" means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to Buyer or Buyer's officers, employees or representatives, including any of their family members, subcontractors, or subcontractor employees, for the purpose of improperly obtaining or rewarding favorable treatment in connection with this Purchase Order. Any

breach of this warranty shall be a material breach of each and every contract between Buyer and Seller. (e) For Purchase Orders placed in support of and charged to a U.S. Government ("Government") prime contract or higher-tier subcontract for an item meeting the Federal Acquisition Regulation (FAR) definition of a commercial item, the following provisions and clauses set forth in the FAR or the Defense Federal Acquisition Regulation Supplement (DFARS) shall apply. The version of each FAR and DFARS provision or clause shall be the version in effect as of the date of the prime contract. Such FAR and DFARS provisions and clauses are incorporated herein, unless made inapplicable by a corresponding note in this Section 19(e), with the same force and effect as if given in full text. Upon Seller's request, Buyer's Purchasing Representative will make their full text available. Also, the full text of a FAR or DFARS provision or clause may be accessed electronically at these addresses: <http://farsite.hill.af.mil/> or <http://www.acq.osd.mil/dpap/sitemap.html>. In all clauses listed herein, terms shall be revised to suitably identify the party to establish Seller's obligations to Buyer and to the Government; and to enable Buyer to meet its obligations under its prime contract. Without limiting the generality of the foregoing, and except where further clarified or modified below, the term "Government" and equivalent phrases shall mean "Buyer", the term "Contracting Officer" shall mean "Buyer's Purchasing Representative", the term "Contractor" or "Offeror" shall mean "Seller", "Subcontractor" shall mean "Seller's Subcontractor" under this Purchase Order, and the term "Contract" shall mean this "Purchase Order". For the avoidance of doubt, the words "Government" and "Contracting Officer" do not change: (1) when a right, act, authorization or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or duly authorized representative, such as in FAR 52.227-1 and FAR 52.227-2 and (2) when title to property is to be transferred directly to the Government. Nothing in this Purchase Order grants Seller a direct right of action against the Government. If any of the following FAR or DFARS clauses do not apply to this Purchase Order, such clauses are considered to be self-deleting. Seller shall incorporate into each lower tier contract issued in support of this Purchase Order all applicable FAR and DFARS

clauses in accordance with the flow down requirements specified in such clauses. A. THE FOLLOWING FAR CLAUSES ARE APPLICABLE TO PURCHASE ORDERS FOR COMMERCIAL ITEMS UNDER ALL GOVERNMENT CONTRACTS: 1. 52.203-7 “Anti-Kickback Procedures” (Excepting paragraph (c)(1)) (Applicable to Purchase Orders that exceed \$150,000 or the dollar threshold in effect as of the date of the prime contract.) 2. 52.203-12 “Limitation on Payments to Influence Certain Federal Transactions” (Applicable to Purchase Orders exceeding \$150,000 or the dollar threshold in effect as of the date of the prime contract.) 3. 52.203-13 “Contractor Code of Business Ethics and Conduct” (Applicable to Purchase Orders (i) that have a value more than \$5,000,000 or the dollar threshold in effect as of the date of the prime contract; and (ii) that have a performance period of more than 120 days.) (In Paragraph (b)(3)(i), the meaning of “agency office of the Inspector General” and “Contracting Officer” does not change, in Paragraph (b)(3)(ii) the meaning of “Government” does not change, and in Paragraphs (b)(3)(iii) and (c)(2)(ii)(F), the meaning of “OIG of the ordering agency”, “IG of the agency” “agency OIG” and “Contracting Officer” do not change.) 4. 52.203-17 “Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights” (Applicable to Purchase Orders over the simplified acquisition threshold under prime contracts awarded by civilian agencies other than NASA and the Coast Guard.) 5. 52.203–18 “Prohibition on Contracting with Entities that Require Certain Internal Confidentiality Agreements or Statements—Representation” (Applicable to solicitations, regardless of dollar value, when the clause is in Buyer’s customer’s solicitation.) 6. 52.203–19 “Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements” (Applicable to Purchase Orders, regardless of dollar value, when the clause is in Buyer’s prime contract.) 7. 52.204-10 “Reporting Executive Compensation and First-Tier Subcontract Awards” (Applicable to Purchase Orders (i) of \$25,000 or more or (ii) the dollar threshold in effect as of the date of the prime contract and when Buyer is the Prime Contractor.) (The usual substitution of the parties is not applicable to this clause. Seller shall report to Buyer the information required under the clause.) 8. 52.204–21 “Basic Safeguarding of Covered Contractor Information Systems”

(Applicable to Purchase Orders, other than those for commercially available off-the-shelf items, in which Seller may have Federal contract information residing in or transiting through its information system.) 9. 52.209-6 “Protecting the Government’s Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment” (Applicable to Purchase Orders exceeding \$30,000 or the dollar threshold in effect as of the date of the prime contract.) 10. 52.215-22 “Limitations on Pass-Through Charges – Identification of Subcontract Effort” (Applicable to solicitations for Purchase Orders that will incorporate FAR clause 52.215-23 or 52.215-23 Alt I.) 11. 52.215-23 & Alt I “Limitations on Pass – Through Charges” (Include Alternate I if it is Included in the prime contract) (Under other than DoD prime contracts, applicable to time and material and labor hour Purchase Orders that exceed the simplified acquisition threshold; and under DoD prime contracts, applicable to time and material, labor hour, and fixed price Purchase Orders, except those identified in FAR 15.408(n)(2)(i)(B)(2), that exceed the threshold for obtaining cost or pricing data in accordance with FAR 15.403-4.) 12. 52.219-8 “Utilization of Small Business Concerns” 13. 52.222-21 “Prohibition of Segregated Facilities” (Applicable to Purchase Orders exceeding \$10,000 or the dollar threshold in effect as of the date of the prime contract.) 14. 52.222-26 “Equal Opportunity” (Applicable to Purchase Orders exceeding \$10,000 or the dollar threshold in effect as of the date of the prime contract.) 15. 52.222-35 “Equal Opportunity for Veterans” (Applicable to Purchase Orders of \$100,000 or more, or the dollar threshold in effect as of the date of the prime contract.) 16. 52.222-36 “Affirmative Action for Workers with Disabilities” (Applicable to Purchase Orders exceeding \$15,000 or the dollar threshold in effect as of the date of the prime contract.) 17. 52.222-37 “Employment Reports on Veterans” (Applicable to Purchase Orders of \$100,000 or more, or the dollar threshold in effect as of the date of the prime contract.) 18. 52.222-40 “Notification of Employee Rights Under the National Labor Relations Act” (Applicable to Purchase Orders that exceed \$10,000 or the dollar threshold in effect as of the date of the prime contract and are issued under prime contracts resulting from Solicitations issued after December 12, 2010.) 19. 52.222-41 “Service Contract Labor Standards”

(Applicable to Purchase Orders that are subject to the Service Contract Labor Standards statute.) 20. 52.222-50 “Combating Trafficking in Persons” 21. 52.222-54 “Employment Eligibility Verification” (Applicable to Purchase Orders (i) for construction or commercial or noncommercial services (except commercial services that are part of a purchase of a COTS item, or an item that would be a COTS item, but for minor modifications, performed by the COTS provider, and that are normally provided for that COTS item); (ii) has a value more than \$3,000 or the dollar threshold in effect as of the date of the prime contract; and (iii) includes work performed in the United States.) 22. 52.222-55 “Minimum Wages Under Executive Order 13658” (Applicable to Purchase Orders regardless of dollar value, that are subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, and are to be performed in whole or in part in the United States.) 23. 52.222–62 “Paid Sick Leave Under Executive Order 13706” (Applicable to Purchase Orders, regardless of dollar value, that are subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute and are to be performed in whole or in part in the United States.) 24. 52.223-7 “Notice of Radioactive Materials” (Insert 45 days in the blank in paragraph (a) of the clause unless otherwise indicated in the Purchase Order.) 25. 52.224–3 “Privacy Training” (Applicable to Purchase Orders, regardless of dollar value, when Seller’s employees will (i) have access to a system of records; (ii) create, collect, use, process, store, maintain, disseminate, disclose, dispose, or otherwise handle personally identifiable information; or (iii) Design, develop, maintain, or operate a system of records.) 26. 52.225-1 “Buy American – Supplies” (Not applicable to Purchase Orders for commercially available off-the-shelf items (COTS) as defined at FAR 2.101.) 27. 52.225-26 “Contractors Performing Private Security Functions Outside the United States” (Applicable to Purchase Orders issued under (i) DoD contracts that that will be performed in areas of contingency operations, combat operations, as designated by the Secretary of Defense, or other significant military operations, as designated by the Secretary of Defense upon agreement of the Secretary of State or (ii) non-DoD contracts that will be performed in areas of Combat operations, as designated

by the Secretary of Defense, or other significant military operations, upon agreement of the Secretaries of Defense and State that the clause applies in that area.) 28. 52.232-40 "Providing Accelerated Payments to Small Business Subcontractors" (Applicable to Purchase Orders awarded after December 26, 2013 to small business when Buyer receives Accelerated Payments under its prime contract.) 29. 52.244-6 "Subcontracts for Commercial Items" 30. 52.247-64 "Preference for Privately Owned U.S.-Flag Commercial Vessels" B. THE FOLLOWING DFARS CLAUSES ARE APPLICABLE TO PURCHASE ORDERS FOR COMMERCIAL ITEMS UNDER DoD CONTRACTS: 1. 252.203-7002 "Requirement to Inform Employees of Whistleblower Rights" 2. 252.204-7012 "Safeguarding of Unclassified Controlled Technical Information" (Applicable to Purchase Orders under DoD contracts awarded after November 17, 2013 and before August 26, 2015.) 3. 252.204-7012 "Safeguarding Covered Defense Information and Cyber Incident Reporting" (Applicable to Purchase Orders under DoD contracts awarded after August 25, 2015 and before October 8, 2015.) 4. 252.204-7012 "Safeguarding Covered Defense Information and Cyber Incident Reporting" (DEVIATION 2016-O0001) (Applicable to Purchase Orders under DoD contracts awarded after October 7, 2015 and before December 30, 2015.) 5. 252.204-7012 "Safeguarding Covered Defense Information and Cyber Incident Reporting" (INTERIM RULE 12/30/2015) (Applicable to Purchase Orders under DoD contracts awarded after December 29, 2015 and before October 21, 2016 for operationally critical support, or for which Purchase Order performance will involve a covered contractor information system.) 6. 252.204-7012 "Safeguarding Covered Defense Information and Cyber Incident Reporting" (FINAL RULE 10/21/2016) (Applicable to Purchase Orders under DoD contracts awarded after October 20, 2016 for operationally critical support, or for which Purchase Order performance will involve covered defense information.) 7. 252.204-7015 "Disclosure of Information to Litigation Support Contractors" 8. 252.211-7003 "Item Unique Identification and Valuation" (Seller's obligations under this clause are limited to cooperating with Buyer's efforts to comply with this clause, including granting Buyer access to Seller's deliverables at its facilities and to appropriate property



records.) 9. 252.223-7008 “Prohibition of Hexavalent Chromium” (Applicable to all Purchase Orders for supplies, maintenance and repair services, or construction materials.) 10. 252.225-7008 “Restriction on Acquisition of Specialty Metals” (Applicable to Purchase Orders for the delivery of specialty metals as end items to Buyer or Seller to the extent necessary to ensure compliance of the end products that Buyer will deliver to the Government when DFARS clause 252.225-7009 is in the prime contract.) 11. 252.225-7009 “Restriction on Acquisition of Certain Articles Containing Specialty Metals” (excluding paragraph (d) and paragraph (e)(1) which are deleted from this clause). (Applicable to Purchase Orders for items containing specialty metals to ensure compliance of the end products that Buyer will deliver to the Government under prime contracts awarded, or modified to include the clause, after July 28, 2009 according to the clause.) 12. 252.225-7040 “Contractor Personnel Authorized to Accompany U.S. Armed Forces Deployed Outside the United States” (Applicable to Purchase Orders that will be performed when Seller’s personnel or Seller’s subcontractors are supporting U.S. Armed Forces deployed outside the United States in contingency operations, peace operations consistent with Joint Publication 3-07.3, or other military operations or military exercises, when designated by the Combatant Commander or as directed by the Secretary of Defense.) 13. 252.225-7048 “Export-Controlled Items” 14. 252.227-7013 “Rights in Technical Data Noncommercial Items” (Applicable whenever any technical data for commercial items developed in part at Government expense will be provided for delivery to the Government under this Purchase Order.) 15. 252.227-7015 “Technical Data – Commercial Items” (Applicable whenever any technical data related to commercial items developed in any part at private expense will be provided under this Purchase Order for delivery to the Government.) 16. 252.227-7037 “Validation of Restrictive Markings on Technical Data” (Applicable to Purchase Orders requiring the delivery of technical data.) 17. 252.239-7010 “Cloud Computing Services” (Applicable to Purchase Orders that involve or may involve cloud services) 18. 252.239-7018 “Supply Chain Risk” (Applicable to Purchase Orders involving the development or delivery of any information technology under DoD contracts awarded after November 18, 2013.)

19. 252.244-7000 “Subcontracts for Commercial Items and Commercial Components (DoD Contracts)” 20. 252.246-7003 “Notification of Potential Safety Issues” (Applicable to Purchase Orders for (i) parts defined as critical safety items in accordance with this clause; (ii) systems and subsystems, assemblies, and subassemblies integral to a system; and (iii) repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system.) 21. 252.246–7007 “Contractor Counterfeit Electronic Part Detection and Avoidance System” (Applicable to Purchase Orders when the goods or services include electronic parts or assemblies containing electronic parts. This clause applies to all Sellers, at all tiers, without regard to whether the Seller itself is subject to CAS.) 22. 252.246-7008 “Sources of Electronic Parts” (Applicable to Purchase Orders when the goods or services include electronic parts or assemblies containing electronic parts. This clause applies to all Sellers, at all tiers, without regard to whether the Seller itself is subject to CAS.) 23. 252.247-7023 “Transportation of Supplies by Sea” 24. 252.247-7024 “Notification of Transportation of Supplies by Sea” (f) Registrations, Licenses, and Permits. Seller warrants that it has and shall maintain all registrations and licenses and shall obtain permits as required to perform the work hereunder. (g) Seller agrees to defend, indemnify, and save Buyer harmless from any loss, damage, fine, penalty, or expense that Buyer may suffer as a result of Seller’s failure to comply with the warranties and certifications in this Section 19 and the Dodd-Frank Wall Street Reform and Consumer Protection Act.

**20. Responsibility and Insurance** (a) Seller shall maintain, and require its subcontractors to maintain, the insurance coverages that are specified as required in this Purchase Order or, if none are specified, the following minimum insurance coverage and limits: Statutory Workers’ Compensation coverage and Employers’ Liability with a limit of \$500,000; Commercial General Liability (including bodily injury and property damage, products / completed operations coverage and contractual liability coverage) with a limit of \$1,000,000 per occurrence. When applicable to Seller’s performance on the Purchase Order, Seller shall also maintain, and cause its

subcontractors to maintain, (i) Automobile Liability coverage with a limit of \$1,000,000 per accident; and (ii) Professional Liability covering the services provided by Seller under this Purchase Order. Upon Buyer's request, Seller shall (1) provide Buyer with certificates of insurance evidencing required insurance, (2) arrange for a waiver of subrogation in favor of Buyer, and / or (3) in the case of the Commercial General Liability and Automobile Liability policies direct that Buyer be added as an additional insured. (b) If work is to be performed on premises owned or controlled by Buyer, then Seller shall comply with all the rules and regulations established by Buyer for access to and activities in and around premises owned or controlled by Buyer. Seller shall be responsible for the actions and failure to act of all parties retained by, through, or under Seller in connection with the performance of this Purchase Order.

**21. Indemnity Against Claims** (a) Seller shall keep its work and all goods supplied by it hereunder and Buyer premises free and clear of all liens and encumbrances, including mechanic's liens, in any way arising from performance of this Purchase Order by Seller or by any of its vendors or subcontractors. Seller may be required by Buyer to provide a satisfactory release of liens as a condition of final payment. (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 or other equivalent laws in Seller's country) and resulting costs, expenses (including attorney fees and costs) and liability which arise from personal injury, death, or property loss or damage attributed to, or caused by, the goods supplied, or the services performed by Seller pursuant to this Purchase Order, including, without limitation, latent defects in such goods and/or services, 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.

**22. Currency and Offsets** (a) Payment will be in United States dollars unless otherwise agreed to by specific reference in this Purchase Order. (b) Seller agrees to identify and

retain for Buyer's use any rights to offset credits generated by its suppliers and subcontractors arising out of or resulting from this Purchase Order. Seller shall provide a copy of each purchase order or subcontract placed with a foreign source under this Purchase Order in support of Buyer's rights to offset credit. Seller shall execute all necessary documents to evidence Buyer's right to use or assign any offset credits. Buyer reserves the right to assign offset credits generated through Seller's efforts under this Purchase Order to third parties. Seller shall include the substance of this Paragraph 22(b), in favor of Buyer, in its subcontracts issued at all tiers pursuant to this Purchase Order.

**23. Export/Import Controls** (a) Seller hereby certifies that it will comply with U.S. export and import controls laws and regulations, including but not limited to the International Traffic in Arms Regulations ("ITAR") (22 CFR 120 et seq.), the Export Administration Regulations ("EAR") (15 CFR Part 730-774), the regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") (31 CFR Part 500-598), the regulations administered by the U.S. Department of Justice, Bureau of Alcohol, Tobacco, Firearms, and Explosives ("ATF") found in 27 CFR Chapter II, and all other applicable U.S. Government regulations relating to the importation of goods into the United States (including, but not limited to, the regulations administered by U.S. Customs and Border Protection ("CBP") at 19 CFR 0 et seq. and other import regulations promulgated by other U.S. agencies which may be enforced by CBP)(collectively "U.S. export and import control laws and regulations"). If Seller engages in the United States in the business of either manufacturing, exporting, or brokering in ITAR-controlled defense articles or furnishing ITAR-controlled defense services, Seller hereby certifies that it has registered with the U.S. Department of State Directorate of Defense Trade Controls ("DDTC"). (b) Seller shall control the disclosure, export, reexport, transfer and retransfer of, and access to, any hardware, software, controlled technical data, technology, and/or services (collectively referred to as "items") received under this Purchase Order to ensure that any such disclosure, export, reexport, transfer or retransfer is undertaken in accordance with U.S. export control

laws and regulations. Seller agrees that no controlled items provided by Buyer in connection with this Purchase Order shall be provided to any person or entity unless the transfer is expressly permitted by a U.S. Government license or other authorization, or is otherwise in accordance with applicable laws and regulations. It shall be the responsibility of Seller to be cognizant of (including by requesting such information from Buyer if needed) the proper jurisdiction and classification under the ITAR and/or EAR of the items provided by Buyer prior to any release to a third party, including foreign affiliates or employees. If a final jurisdiction and classification determination for items provided by the Buyer has not been provided, Seller cannot export or otherwise release the information to a foreign person until a final jurisdiction and classification is approved by Buyer and any applicable export authorizations are obtained. For items subject to the ITAR, this responsibility includes Seller's cognizance of the ITAR controls applicable to any technical data or defense service furnished to Seller by Buyer, including when exported to Seller from the United States in furtherance of Buyer's technical assistance, manufacturing license agreement or other ITAR authorization prescribing ITAR jurisdiction of any defense article which may be produced or manufactured by Seller from such technical data or defense service. (c) Seller shall notify Buyer if any deliverable under this Purchase Order, for which the Buyer is not the design authority, is subject to U.S. export and import controls laws and regulations described in Paragraph 23(a). Before providing Buyer any deliverable subject to the EAR or the ITAR, Seller shall provide in writing to the Buyer's Procurement Representative the export classification of any such item or controlled data, including the export classification of any: (i) dual use goods and technology subject to the EAR, including any embedded ITAR controlled or EAR 500 or 600 series' item or technology; (ii) defense article, including any technical data, controlled by the ITAR; (iii) item or technology controlled by the EU List of Dual Use Items or by other applicable national export control lists. Subsequent to the initial disclosure above, Seller shall timely notify the Buyer's Procurement Representative in writing of any changes to the export classification information of the item or controlled data. Seller represents that an official authorized to

bind the Seller has determined that the Seller or the designer, manufacturer, supplier or other source of the deliverable has properly determined their export classification. (d) Seller hereby warrants that neither Seller, nor any parent, subsidiary, affiliate, or lower-tier subcontractor is listed on any Restricted Party List of an agency of the U.S. Government, any applicable non-U.S. Government, or international organization, or any applicable state, local government, or municipality, nor are their export privileges denied, suspended or revoked. For purposes of this provision, "Restricted Party List" is defined to include the U.S. Government's Denied Persons List, Unverified List, Entity List, Nonproliferation Sanctions List, AECA Debarred List, Specially Designated Nationals (SDN) List, Sectoral Sanctions Identifications (SSI) List, Foreign Sanctions Evaders List, Excluded Parties List, Palestinian Legislative Council (PLC) List, or other similar lists issued by the U.S. Government or a non-U.S. government, or international organization, or any state or local government, or municipality that relates to export controls, economic sanctions, or anti-corruption. Seller shall immediately notify Buyer if Seller, or any parent, subsidiary, affiliate, or lower-tier subcontractor is added to any such Restricted Party List or if any of their export privileges become denied, suspended, or revoked. Seller shall not deal with any Restricted Party in relation to this purchase order. Seller shall notify Buyer of any known or suspected violations of export or import control laws or regulations related to any Restricted Party involving this purchase order, or the initiation or existence of any U.S. Government investigation into same. (e) If the items provided by Seller are shipped from outside the United States, they may also be subject to the export and import control laws and regulations of the exporting country. Seller shall abide by all applicable export and import control laws and regulations of that country, to the extent consistent with U.S. law. (f) Unless this Purchase Order provides otherwise, for any goods imported into the United States pursuant to this Purchase Order, Seller shall obtain all necessary import and/or export authorizations. If Buyer seeks any import and/or export authorizations for the goods or items into which the goods are incorporated, or seeks to confirm compliance with applicable laws and regulations, Seller will provide Buyer with appropriate information as necessary. (g)

Seller shall promptly notify Buyer of any known or suspected violation of export or import control laws or regulations, or the initiation or existence of any U.S. Government investigation into same. Additionally, where Buyer transfers items to Seller under a U.S. Government export authorization, Seller shall promptly notify Buyer of any changed circumstance that may require Buyer to seek a new authorization, or a revision or amendment to an existing authorization, or that may impact Seller's ability to perform under this contract (including but not limited to a change in name or ownership, the desired addition of a non-U.S. dual or foreign national employee, or the desired addition of a new subcontractor and/or affiliate). Seller shall comply with requests from Buyer for additional information regarding any such changed circumstance, known or suspected violation, or U.S. Government investigation. (h) If this Purchase Order forms the whole or a part of a sale by Buyer of defense articles or defense services being sold in support of a Foreign Military Sale or commercially to or for the use of the armed forces of a foreign country or international organization, Seller shall within ten (10) days of being requested by Buyer to do so, with respect to all Purchase Orders received by the Seller's legal entity to date in relation to the Ace Electronics Purchase Orders, certify that pursuant to "International Traffic in Arms Regulations Certificate and Reporting of Political Contributions, Fees or Commissions," in furtherance of the requirements stipulated in Part 130 of the ITAR, 22 C.F.R. §§130.9 and 130.10. (i) Seller shall not engage in any subcontracts relating to this Purchase Order except in accordance with the terms and conditions of Section 18, Assignments, Subcontracting, Organizational Changes, and Place of Manufacture, and as compliant with U.S. export and import controls laws and regulations, and any authorizations granted thereunder. If Seller is authorized by Buyer to engage in subcontracting for procurements related to this Purchase Order, Seller shall incorporate into its subcontracts the provisions of Section 23 requiring compliance with U.S. and other applicable export and import control laws and regulations. (j) Unless this Purchase Order specifies otherwise, if any goods are imported into the United States pursuant to this Purchase Order, Buyer shall not serve as Importer of Record. Seller is responsible for complying with all relevant import laws



and regulations to the extent consistent with U.S. law, including Customs clearance and payment of any and all duties, taxes, and fees. (k) Where Seller is a recipient of any items received pursuant to a U.S. export license, Technical Assistance Agreement (“TAA”), Manufacturing License Agreement (“MLA”), or other export authorization, Seller will abide by all provisos, requirements, and restrictions related to the applicable authorization. Seller will provide to Buyer accurate and complete records relating to all activities for which such records are required under TAAs and MLAs, such as but without limitation (i) Non-disclosure Agreements for sub licensees, (ii) Non-transfer and Use Certificates (DSP-83) for exports of Significant Military Equipment or classified equipment or technical data, and (iii) sales data to support annual sales reports. Seller will immediately notify Buyer of any change in circumstance that may require an amendment to an existing authorization or the obtaining of a new authorization. Buyer shall not be responsible for delays in U.S. import or export of controlled items supplied hereunder by Buyer resulting from a lack of necessary documentation from Seller or Seller’s country. (l) Seller shall indemnify Buyer for all liabilities, penalties, losses, damages, costs or expenses that may be imposed on or incurred by Buyer in connection with any violations of non-U.S. or U.S. export or import control laws and regulations, by Seller, its officers, employees, agents, Sellers or subcontractors at any tier.

**24. Severability** If any provision of this Purchase Order or application thereof is found invalid, illegal or unenforceable by law, the remainder of this Purchase Order will remain valid, enforceable and in full force and effect, and the Parties will negotiate in good faith to substitute a provision of like economic intent and effect.

**25. Standards of Business Ethics and Conduct** By the acceptance of this Purchase Order, Seller represents that it has not participated in any conduct in connection with this Purchase Order that violates the standards of ethical fair dealing or, alternatively, the equivalent business ethics and conduct standards of Seller. If, at any time, Buyer determines that Seller is in violation of the applicable Standards of Business Ethics and

Conduct, Buyer may cancel this Purchase Order upon written notice to Seller and Buyer shall have no further obligation to Seller.

**26. Priority Rating** If so identified, this Purchase Order is a “rated order” certified for national defense use, and Seller shall follow all the requirements of the Defense Priorities and Allocation System Regulation (15 C.F.R. Part 700).

**27. Survivability** Seller’s obligations that by their very nature must survive expiration, termination or completion of this Purchase Order, including but not limited to obligations under the Termination for Convenience, Termination for Default, Proprietary Rights, Release of Information, Warranty, Infringement, Taxes and Drawback, Compliance with Law, Responsibility and Insurance, Indemnity Against Claims, Export/Import Controls, Electronic Transmissions, Buyer’s Access to Seller Records and Facilities, Quality Requirements Flow Down, and Information Technology Assurance provisions of this Purchase Order, shall survive expiration, termination, or completion of this Purchase Order.

**28. Electronic Transmissions** (a) The Parties agree that this Purchase Order, if transmitted electronically and the electronic signatures thereon are authenticated; that neither Party shall contest the validity of such on the basis that this Purchase Order was electronically transmitted or contains an electronic signature. (b) Seller shall, at Buyer’s request and Seller’s expense, send and receive business transactions by electronic means using Web-based technologies. Such Web-based technologies for electronic transmissions may include, but not be limited to: (a) email; (b) the Internet directly between Buyer and Seller; (c) electronic marketplace or portal (“EXOSTAR”); and (d) Buyer’s current and future electronic data interchange (“EDI”) systems. When using either EXOSTAR or Buyer’s EDI systems the standard terms and conditions which may be a part of such systems shall be supplemented by, and superseded to the extent inconsistent with, these General Terms and Conditions of Purchase.

**29. Buyer’s Access to Seller Records and Facilities** Seller shall maintain general records relating to this Purchase Order for a minimum period of four years after completion of this Purchase Order or for such longer period as required by law or this

Purchase Order. In order to assess Seller's work quality, compliance with this Purchase Order, and / or Seller's overall financial condition, Buyer or its authorized agents and representatives shall have the right during normal business hours and with adequate notice to inspect all relevant records, materials, tooling, and furnished property relating to any of Seller's obligations under this Purchase Order.

**30. Quality Requirements Flow Down** Seller shall require lower-tier suppliers to comply with quality assurance requirements comparable to those contained in this Purchase Order. Seller shall assume responsibility for the quality of all procured material and workmanship. Seller shall include this clause in its subcontracts with lower-tier suppliers and require lower-tier suppliers to flow down this clause to their lower-tier suppliers.

**31. Information Technology Assurance** Seller shall maintain data protection processes and systems sufficient to adequately protect specifications, information, data, drawings, software, and other items which are (i) supplied to Seller by Buyer, or (ii) obtained or developed by Seller in the performance of this Purchase Order or paid for by Buyer (collectively, "Buyer Data"), and to comply with any law or regulation applicable to such data, including General Data Privacy Regulation ("GDPR"). If an event occurs whereby Seller knows, or reasonably believes, that Buyer Data has been actually or potentially disclosed to, or accessed or acquired by, an unauthorized individual or individuals ("Security Incident"), Seller shall (i) use commercially reasonable efforts to investigate, contain, and remediate the Security Incident, and (ii) notify Buyer in writing promptly, but not later than seventy-two (72) hours after discovering the Security Incident. Seller's notification to Buyer of a Security Incident shall include sending an email to supplier [info@aceelectronics.com](mailto:info@aceelectronics.com) and Seller shall encrypt emails to Ace Electronics regarding Security Incidents using industry standard encryption methods. The obligations contained in this Section are in addition to, and do not alter, Seller's obligations under applicable U.S. Government Procurement Regulations.

**32. Additional regulations** Seller shall purchase materials and perform operations such as to remain in compliance with the following:

REACH: Registration, Evaluation, Authorization and Restriction of Chemicals

RoHS 2 Ref: Directive 2002/95/EC RoHS Directive and with Directive 2011/65/EU of the European Parliament and of the Council of 8 June 2011

Prop 65: Safe Drinking Water and Toxic Enforcement Act of 1986

Conflict Minerals: Avoid using materials (specifically conflict minerals) obtained from Democratic Republic of the Congo (DRC) or adjoining country, which means a country that shares an internationally recognized border with the Democratic Republic of the Congo.

## Revision history

Document ID	Title	Effective date
FRM-300-005	Supplier Terms and Conditions	8/26/2021
FRM-300-005	Supplier Terms and Conditions	1/25/2022

## Approval Section

Title	Authorized Signatures	Date
Originator	Sue Di Vila	1/25/2022
Department Head	Sue Di Vila	1/25/2022
Revised by	Stephen Weber	1/25/2022
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