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# **TERMS AND CONDITIONS OF PURCHASE ORDERS**

## **MAGNETIC SEAL, LLC. MISSION**

To find better ways to generate sustained success for our customers, team members, and suppliers by continually advancing our engineering, quality, and manufacturing expertise in providing proven sealing solutions.

## **MAGNETIC SEAL, LLC. VISION**

To be recognized globally as the trusted supplier of innovative sealing solutions for maximizing critical system reliability.

## **SCOPE**

This manual contains General Terms and Conditions of Purchase Orders as well as contractual Supplier Quality Assurance Requirements that appear on all Magnetic Seal, LLC. (MSC) Purchase Orders. The Terms and Conditions herein, as well as the Supplier Quality Assurance Requirements as applicable per supplier, will be flown on MSC Purchase Orders for all suppliers that contribute materials, products, and/or services to MSC.

The order of precedence for documents applicable to MSC Purchase Orders (POs) is the following:

- (a) Purchase Orders
- (b) Engineering Drawings
- (c) MSC Documents and Specifications
- (d) Industry Specifications (if applicable)

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### **General Terms and Conditions of Purchase**

All purchases by Buyer are subject to the following terms and conditions and those on the face of any Order. In event of a conflict, the terms on the face of an Order shall have precedence over the provisions in these General Terms and Conditions of Purchase (“Terms”).

1. **DEFINITIONS:** The following definitions apply unless otherwise specifically stated.
  - **“Buyer”** – Ducommun Incorporated, Ducommun LaBarge Technologies, Inc., and/or Ducommun AeroStructures, Inc., and their subsidiaries (Magnetic Seal LLC) and affiliated companies as applicable with respect to any Order.
  - **“Confidential Information”** – All information disclosed by the disclosing party (the “Discloser”) to the receiving party (the “Recipient”) in written or other tangible form and identified as proprietary and/or confidential, using an appropriate legend, marking, stamp or other clear and conspicuous written identification or, if the information is orally or visually disclosed, which is identified as proprietary and/or

confidential at the time of disclosure. Only information in good faith believed to be proprietary and/or confidential by the Discloser shall be identified as such. Confidential Information shall not include information that (a) is or becomes part of the public domain through no fault of Recipient, (b) is known to Recipient prior to receipt from Discloser, (c) is disclosed to Recipient after receipt thereof from Discloser by a third party that has the right to disclose such information without restriction, or (d) is independently developed by Recipient without the use of or reference to Confidential Information.

- **“Contracting Officer”** – The Government contracting officer for the Prime Contract authorized representative.
  - **“FAR”** – The Federal Acquisition Regulations and the Department of Defense supplement thereto.
  - **“Goods”** – The processes, products, or services supplied or provided by Seller to Buyer pursuant to these Terms, an Order, or other agreement between the parties.
  - **“Government”** – The federal government of the United States and its administrative agencies.
  - **“Indemnitee”** – The person(s) or entity who, is to be indemnified or protected by the other pursuant to these Terms or other agreement between the parties.
  - **“Order”** – A purchase order or the purchase order schedule releases issued by Buyer or any other contract between Buyer and Seller for Goods, and which incorporates by reference Buyer’s quality requirements as set forth at <https://www.ducommun.com/dco/supplierlinks.aspx>.
  - **“Prime Contract”** – the Government contract under which an Order is issued, if any.
  - **“Seller”** – the legal entity which contracts with Buyer to provide Goods and/or services hereunder.
2. **ACCEPTANCE:** Seller’s acknowledgment of an Order, commencement of work on the Goods ordered or shipment of such Goods, whichever occurs first, shall be deemed Seller’s acceptance of the Order. Any acceptance of an Order is limited to the express terms and conditions thereof. Any additional or different terms contained in Seller’s purchase orders, invoices or other attempt by Seller to vary in any degree any of the terms of the Order is hereby rejected and shall be null and void. Any such additional terms shall be deemed a material alteration of the terms and conditions of the Order, and the Order shall be deemed accepted by Seller without said additional or different terms. The following order of precedence shall apply: (a) any Long Term Agreement (“LTA”) and/or supply agreement between the parties, including any supplemental terms included or incorporated by reference in such LTA or supply agreement, (b) the terms and conditions contained in an Order, and (c) these Terms. Acknowledgment showing expected shipping date must be made in writing within 48 hours of receipt of order.
  3. **PRICES:** Buyer shall not be required to pay for the Goods at prices higher than those specified in an Order. Unless otherwise indicated on the face of an Order, the prices specified in an Order include all taxes, duties, fees and assessments by any governmental authority. No additional charges by Seller for transportation, storage, drayage, insurance, boxing, packing, or crating will be allowed unless specified in the Order or agreed to by Buyer in writing. Seller warrants that the prices for the Goods sold to Buyer under the Order are no less favorable than those currently extended to any other customer of Seller for comparable or like Goods in equal or lesser quantities. In the event Seller reduces its price for such Goods during the term of an Order, Seller agrees to reduce the prices under any Order accordingly and credit the difference to Buyer.
  4. **DELIVERY:** The terms of delivery are “FOB Destination, Freight Pre-Paid (equivalent to CIP, Incoterms 2020)” to the destination named on the Order or as stated in the Order. Time is of the essence with respect to Seller’s obligations pertaining to delivery dates, specifications and quantities set forth in the Order. Deliveries are to be made both in quantities and at times specified in the Order, or alternatively, in such quantities and at times as specified pursuant to Buyer’s written instruction. Shipments in greater or lesser quantities than ordered may be returned at Seller’s expense unless written acceptance of such quantities is issued by Buyer. Should Seller experience or anticipate any delay in performing the Order, Seller shall immediately notify Buyer of such delay, its expected duration and the reasons thereof. Neither such notification nor an acknowledgement by Buyer shall constitute

a waiver of the Order's delivery schedule. If Seller's deliveries fail to meet specified delivery schedules, Buyer, without limiting its other rights or remedies, may either direct expedited routing or charge excess costs including cover and any incidentals incurred thereby to Seller or cancel all or part of the Order without cost to Buyer and/or receive a credit (which may be used, at Buyer's sole election, to set off and reduce amounts due under the current or any future Order) equal to three percent (3%) of the total payments due under the Order if the delivery is thirty (30) days or more late, with an additional three percent (3%) discount for each additional thirty (30) days during which Seller has not fully and timely satisfied the delivery requirements under the Order. Goods which are delivered in advance of scheduled delivery dates are delivered at the risk of Seller and may, at Buyer's option, be returned at Seller's expense for proper delivery and/or have payment therefore withheld by Buyer until the date that the Goods are actually scheduled for delivery unless both parties mutually agree to other recourse.

5. **INVOICES AND PAYMENT:** Upon delivery of the Goods or the performance of services ordered, Seller shall issue an invoice for each such Order containing such information as Buyer may reasonably request. Invoices shall be paid by Buyer, NET ninety (90) days from the date of invoice receipt, on its next regularly scheduled accounts payable payment date following such net terms unless otherwise agreed upon by Buyer and Seller during time of purchase as reflected on Buyer's Order.
6. **PACKING AND SHIPMENT:** Unless otherwise specified, all Goods are to be packed in accordance with Buyer's specifications and, generally, in accordance with good commercial practice. A complete packing list shall be enclosed with all shipments. Seller shall mark containers or packages with necessary lifting, loading, and shipping information, including the Order number, item number, dates of shipment, and the names and addresses of consignor and consignee. Bills of lading shall include the Order number.
7. **RISK OF LOSS:** Seller shall bear all risk of loss of all Goods until such Goods are accepted by Buyer at Buyer's facility, unless specifically indicated to the contrary in the Order.
8. **MODIFICATION OF ORDER:** No change in the terms of any Order shall be binding upon Buyer unless in writing and signed by Buyer's authorized purchasing agent. Buyer reserves the right to change the Order at any time by submitting a written change Order or a new Order to Seller. If any such change affects Seller's cost or time of performance, Seller must submit a written claim for an equitable adjustment within ten (10) days after receipt of notification of change. Seller shall continue its performance under the Order while the parties negotiate an equitable adjustment.
9. **INSPECTION:** Payment and/or inspection for the Goods prior to delivery or once delivered hereunder shall not constitute acceptance thereof. Seller acknowledges that Goods purchased under these Terms and any Order may be subject to Government, Buyer's customers', or other Buyer representatives' surveillance and/or inspection at Seller's facilities and Seller's sub-tier supplier's facilities. Buyer and Government representatives shall have the right to inspect or conduct surveillance with respect to such Goods upon reasonable notice, and at reasonable times, and Buyer shall have the right to reject any or all of said Goods which are in Buyer's judgment defective. Buyer, the Government and/or their respective customers also reserve the right to verify and inspect work-in-process at Seller's facility during Seller's normal working hours. Seller further acknowledges that it may be required to perform first article inspections on Goods subject to these Terms and any Order. Inspections, inspection procedures, and records must meet the specifications, drawings and the latest SAE Standards approved by Buyer and shall identify each characteristic and feature required by design data, allowable tolerance limits, and actual dimensions measured as objective evidence that each characteristic and feature has been inspected and accepted by Seller's quality and/or inspection function. When testing is required, the parameters and results of such tests shall be recorded in the same manner.

10. **REJECTION:** Goods rejected for nonconformance or defect, and Goods supplied in excess of quantities called for in the Order, may be returned to Seller at Seller's risk and expense for credit or refund of purchase price and/or replacement, at Buyer's option. If directed by Buyer, Seller shall provide replacement goods on an expedited basis at Seller's expense. Delivery of replacement goods shall be accompanied by a written notice specifying that such goods are replacements. If Seller fails to deliver replacements promptly, Buyer may correct any defective or nonconforming goods at Seller's expense, replace them with goods from another supplier and charge Seller the cost thereof and any incidental costs. Additionally, Buyer may charge Seller all expenses related to the cost of nonconformance or defect, including but not limited to inspection, testing, and analysis required as a result of such nonconformance or defect, as well as costs associated with quality investigations, disposition, corrective actions, production downtime, line stoppages, customer returns, field failures, or warranty claims attributable to Seller. Failure by Seller to comply with the packing and shipping requirements contained in Section 6 herein or any Buyer specification is deemed a nonconformance under these Terms. Buyer reserves the right to charge Seller no less than five hundred dollars (\$500.00 USD) for each delivery of nonconforming Goods.

11. **WARRANTIES:**

- (a) Whether or not Seller is a merchant of Goods and services provided by it, Seller warrants that all Goods and services provided by it shall (i) be of good quality and workmanship and free from defects, latent or patent, (ii) conform to all specifications, drawings and descriptions, furnished, specified or adopted by Buyer or its customers, (iii) be merchantable and suitable and sufficient for their intended purpose, (iv) be free of any claim of any third party, (v) comply with all applicable laws, (vi) be free and clear of any and all liens, restrictions, reservations, security interests or encumbrances, and (vii) not infringe any patent, published patent application, or other intellectual property rights of any third party existing as of the date of delivery, and not utilize misappropriated third party trade secret information. Services shall be performed in accordance with the highest standards in the industry. The warranty period shall be for a period of five (5) years from the date of delivery to the end user or such longer period of time as may have been provided by Buyer to its customer or the date on which any longer or broader government requirement covering the Goods ends. In addition to the costs of repairing, replacing or correcting nonconforming Goods, Seller is responsible for all related costs, expenses and damages including, but not limited to, the costs of removal, disassembly, failure analysis, fault isolation, reinstallation, re-inspection and retrofit of the nonconforming Goods or of Buyer's or its customers' affected end-product(s); all freight charges; all customer charges and/or penalties; inventory carrying costs and all corrective action costs (i.e., costs of additional inspection or quality control systems). Unless set off by Buyer, Seller will reimburse Buyer for all such costs upon receipt of Buyer's invoice.
- (b) None of the remedies available to Buyer for the breach of any of the foregoing warranties may be limited except to the extent and in the manner agreed upon by Buyer in a separate agreement specifically designating such limitation and signed by an authorized representative of Buyer. Buyer's inspection and/or acceptance of and payment for Goods and services shall not constitute a waiver by it of any warranties. Buyer's approval of any sample or acceptance of any Goods shall not relieve Seller from responsibility to deliver Goods and to perform service conforming to specifications, drawings and descriptions.

12. **SELLER'S QUALITY PROGRAM:** Seller represents and warrants that it maintains a quality management system that complies with applicable industry standards, including but not limited to ISO 9001, AS9100, AS9120, AC7004 or an equivalent thereto. In the event Seller holds a third-party certificate for its quality management system, Seller agrees to notify Buyer of any change in Seller's certification under such program within three (3) days of such change. Seller agrees to maintain records of all inspections and tests for Goods provided hereunder for a period of fifteen (15) years from the date of manufacture. Such records shall be available to Buyer, its customers, and/or Government representatives upon request, and shall include, but not be limited to, the following items: receiving inspections, first article inspections, in-process and final inspection results, traceability and

serialization, calibrations, completed manufacturing plans, actual material test reports, process certifications, actual test data of all qualification, functional interchangeability and acceptance tests performed, and any other inspection documents. Seller further agrees to notify Buyer in writing of any non-conforming processes or Goods and obtain Buyer's prior written approval for the disposition or resolution of the identified non-conformances. In the event Seller's quality management system is not certified by an independent third party, in addition to any other inspection and audit rights provided to Buyer herein, Buyer reserves the right, on behalf of itself and its customers, and upon reasonable notice, to enter upon Seller's premises to audit Seller's quality management system and Seller shall furnish Buyer with any relevant documents requested by Buyer in relation thereto. Seller acknowledges and expressly assumes the responsibility to understand, implement, and comply with all applicable quality management requirements imposed by Buyer and which are incorporated by reference into these Terms or any Order at the time of acceptance by Seller, including but not limited to ensuring that Seller's employees, agents, and independent contractors are aware of their contribution to Goods' conformity, their contribution to the Safety of Goods, and the importance of ethical behavior as specified in Section 24 hereof.

13. **AS9100 ORDERS:** The following subparagraphs (a) through (m) apply to AS9100 Orders:
- (a) **Supplier Evaluation:** Seller's qualification for Buyer's approved supplier list is evaluated annually and is contingent upon product quality, on-time-delivery, supplier quality management system requirements, and the Seller's ability to adhere to applicable industry standards and additional flow down quality requirements specified on individual Orders and in these Terms. Selection preference shall be given to suppliers with quality management systems certified by accredited third-party organizations. Buyer expects Seller to achieve 100% On-Time Delivery ("OTD") and quality conformance. All suppliers found to have OTD performance below 85% over a 3-month period or Quality performance below 85% on 3 sequential deliveries risk disqualification from Buyer's approved supplier list and risk the opportunity for future development work with Buyer. Future development work may be reestablished once an agreed upon improvement plan has been put into place.
  - (b) **Maintenance of Data and Record Retention:** All records of materials, products, services, inspection, testing, and/or personnel must be kept on file by Seller for review by Buyer or Buyer's customer personnel, in accordance with the NDA on file. Unless otherwise specified by end use customer requirements or agreed upon by Buyer in writing, Seller shall retain quality records and be made available to Buyer upon request for a minimum of fifty (50) years from the closing of the Order or for duration established by and flow down from Buyer's end use customer. Quality records may include but are not limited to any testing, inspection, and/or data collection, traceability records, certificates of compliance for materials, products, and/or services, and any other required documentation which pertains to the applicable processes utilized for the manufacture of product delivered to Buyer. Goods manufactured by Seller must be traceable to the unique equipment used for production and for verification of the Goods' conformity to Buyer's requirements. Seller must notify Buyer prior to the destruction of any records applicable herein.
  - (c) **Vision Test Records:** Seller must keep records current within the last twelve (12) months that document passing Snellen 20/25 (or better and in at least one eye) and color-vision tests for employees with final product release / inspection responsibilities.
  - (d) **Right of Access:** Buyer, its customers, and regulatory authorities have right of access to all facilities, records, and requirements applicable to Buyer's Orders, including but not limited to flow down requirements to sub-tier suppliers and material key characteristics. Buyer reserves the right of inspection and audit of the Seller's premises.
  - (e) **Industry Standards:** Seller's quality management system shall be consistent with all applicable industry standards including AS553, "The Detection and Avoidance of Counterfeit Parts and

Suspect Counterfeit Parts”, as a minimum requirement. Additional minimum requirements include: policies and procedures for training personnel; designing and maintaining systems to mitigate risks associated with part obsolescence; systems for controlling the sourcing of part markings; prioritization of mission critical and sensitive components; ensuring traceability materials, components, and parts; development of approved and non-approved supplier and sub-tier supplier lists; inspection and testing of parts; reporting and quarantining of counterfeit parts and suspect counterfeit parts; and adherence to corrective action and corrective action report requirements.

- (f) Control of Nonconforming Material: Seller shall maintain control of all nonconforming material, Goods, and/or services generated internally by Seller, received from a subcontractor or external provider, and/or identified by Buyer after delivery. Should Seller suspect and/or discover that any nonconformities could affect and/or have affected any materials, Goods, and/or services delivered or provided to Buyer, Seller shall immediately notify the Buyer within twenty-four (24) hours and quarantine the applicable nonconformities. Seller shall consider any materials, Goods, and/or services traceable to the same manufacture lot as suspected and/or delivered nonconformities as also nonconforming. Seller shall issue a statement of cause and submit to the Buyer in writing immediately.
- (g) Corrective Actions: If Seller and/or Buyer discovers any suspected and/or confirmed nonconforming material, Goods, or services that may affect or has affected deliverable product to Buyer, Buyer may issue a corrective action to Seller. If Seller receives a corrective action from Buyer, Seller must provide a response to Buyer and/or Buyer’s quality assurance representative within thirty (30) calendar days. If Buyer does not receive a response within the thirty (30) day period, Seller will be sent a reminder call, email, or letter. If a response is not received within sixty (60) calendar days of original receipt of corrective action, Buyer reserves the right to terminate for default any open Orders with Seller. In the event that unexpected circumstances require the Seller additional time to resolve, Seller should contact Buyer and make advanced arrangements.
- (h) Return of Rejected Material: Any Goods returned to Seller as nonconforming shall be handled in accordance with CP-903 “Control of Nonconforming Material.” If rejected material is returned to Seller, Seller should contact Buyer for resolution.
- (i) Certificate of Calibration: Calibrated equipment and calibration services purchased must identify the conformance of the calibration provided and include documentation of the masters or standards used, accompanied by certification traceable to the National Institute of Standards and Technology (NIST).
- (j) Sampling Plan Requirements: When referenced on the face of an Order, sampling plan requirement(s) apply to the deliverable lot quantity. The following sampling plans are accepted by Buyer: (1) sampling plans in accordance with ASQ H1331 also known as ISBN 978-0-87389-739-6; (2) 100% inspection sampling; (3) Seller’s alternate sampling plan approved in writing by Buyer.
- (k) Test & Inspection Reports: Reports used to document the conformity of Goods and/or services purchased by Buyer are required to be kept on file by Seller. Such reports must show evidence of tests performed with data clearly recorded, characteristics of inspection whether dimensional or visual, and any nonconformance(s) discovered. In the event any nonconformance is discovered, Seller must submit a report of the corrective action(s) taken to contain the nonconforming material and to prevent any future occurrence of the nonconformance(s). Test and inspection reports shall

accompany each lot of material shipped when explicitly noted on the face of Buyer's Order.

(l) **First Article Inspection Report:** Seller agrees to conduct first article inspections per AS9102, when applicable and/or required, and when there are any changes to the components or processes used in the manufacture, processing, testing, or inspection of the Goods that may affect the fit, form, or function of the Goods.

(m) **Raw Material Certification:** Two (2) copies of certification of material must be supplied that include chemical and/or physical property ranges, identification of applicable industry and/or customer specifications, heat lot numbers, applicable Order numbers, and any other pertinent information per requirements of the applicable Order. Certifications of material must be signed by an authorized quality representative of Seller.

14. **SPECIAL PROCESSING:** The following subparagraphs (a) through (d) apply to Orders with special processing:

(a) **Scope:** Special processes are processes where the resulting output cannot be verified by subsequent monitoring or measurement. Special processes may include, but are not limited to, processes that require destructive testing (DT) or non-destructive testing (NDT) to verify, or that fundamentally change the physical or functional characteristics of Buyer Goods, components, or raw materials. Unless otherwise specified or agreed upon by Buyer in writing, all special process suppliers are required to be NADCAP accredited, at minimum. All suppliers are required to provide certification of conformance for any and all special processing traceable to Goods, components or raw materials. Certifications must state conformance to applicable specifications referenced on the Order, engineering drawings, Buyer documents, and/or industry specifications, and must accompany each shipment to Buyer.

(b) **Heat Treating:** When heat treatment and/or stress relief processes are applicable to Goods shipped to Buyer, documentation of furnace charts (time & temperature charts) must accompany the respective Goods. The chart(s) must be kept on file by Seller and maintained per the quality retention record requirements aforementioned in this document, and are subject to Buyer's quality assurance review and approval.

(c) **NDT:** 100% of any NDT conducted is required to be reported and submitted to Buyer. Results must be identifiable with Buyer's Order number and must accompany material shipped. Specific clauses referenced on the Purchase Order apply.

(d) **Fixed Process / Frozen Process / Engineering Source Approval (ESA):** Buyer's approval of Seller's manufacturing process is required per part engineering drawing. The processes used for manufacturing the applicable part(s) shall be approved prior to the receipt of shipment by Buyer of the first article of any given production part number. Seller will submit a digital first piece to Buyer for approval prior to the first production run. Seller shall clearly tag and submit the first piece, mid piece, and last piece of the applicable production run with shipment of Goods, accompanied by an inspection report for Buyer's review. Seller shall not deviate from the processes agreed upon with Buyer, unless written approval from Buyer has been obtained.

15. **RECALL:** Seller is liable for all costs or damages associated with any voluntary or involuntary recall of defective or potentially defective Goods or any products containing or incorporating such Goods including, but not limited to, recalls by a customer, regulatory agency or in accordance with applicable laws or regulations. Seller will be solely responsible for administering any recall or will fully participate in the administration of any recall conducted by Buyer or its customer in relation to Seller's Goods as Buyer may so direct. Buyer may charge Seller all expenses of unpacking, repacking and reshipping such Goods. Each party will cooperate in making available records and other information reasonably required by the other party in connection with any recall. This section will survive any termination or expiration of this Order and apply for at least the same duration as Buyer's obligation to its customer(s).

16. **CONFIDENTIALITY:** Seller shall hold all Confidential Information in confidence, shall not disclose the

Confidential Information to any other person, shall not use the Confidential Information commercially for its own benefit or the benefit of anyone except Buyer, and shall not use the Confidential Information for the purpose of developing, improving, marketing or commercializing a product or method for anyone except Buyer. Seller agrees not to copy or otherwise reproduce any Confidential Information without Buyer's prior written consent. All Confidential Information and all reproductions, copies and embodiments thereof, in whole or in part, shall be the sole property of Buyer. Nothing in this Order shall be deemed, by implication or otherwise, to convey to Seller any rights under any patents, patent applications, copyrights, trademarks, trade secrets, inventions or any other intellectual property owned by Buyer, and Buyer makes no representation or warranty as to the accuracy or completeness of any Confidential Information. If the Parties have signed a separate Confidentiality Agreement and/or Non-Disclosure Agreement, the provisions of such agreement shall not be altered or amended by this section.

**17. COUNTERFEIT PARTS PREVENTION:**

- (a) For purposes of this Agreement, (i) "Counterfeit Parts" shall mean a part, component, module, or assembly whose origin, material, source of manufacture, performance, or characteristics are misrepresented, including, but not limited to, (i) parts that have been (re)marked to disguise them or falsely represent the identity of the manufacturer, (ii) defective parts and/or surplus material scrapped by the original manufacturer, and (iii) previously used parts pulled or reclaimed and provided as "new", (ii) "authentic" shall mean (A) genuine, (B) from the legitimate source claimed or implied by the marking and design of the product offered, and (C) manufactured by, or at the behest and to the standards of, the manufacturer that has lawfully applied its name and trademark for that model/version of the material, and (iii) "Independent Distributor" shall mean a person, business, or firm that is neither authorized nor franchised by an Original Component Manufacturer ("OCM") to sell or distribute the OCM's products but which purports to sell, broker, and/or distribute such OCM products. Independent Distributors are also referred to as unfranchised distributors, unauthorized distributors, and/or brokers.
- (b) Seller represents and warrants that only new and authentic materials are used in Goods required to be delivered to Buyer under any Order and that the Goods delivered contain no Counterfeit Parts. No other material, part, or component other than a new and authentic part is to be used unless approved in advance in writing by Buyer. To further mitigate the possibility of the inadvertent use of Counterfeit Parts, Seller shall only purchase authentic parts/components directly from the original equipment manufacturers ("OEMs")/OCMs of such Goods or through the OEM's/OCM's authorized distribution chain. Seller must make available to Buyer, at Buyer's request, OEM/OCM documentation that authenticates traceability of the components to that applicable OEM/OCM. Purchase of parts/components from Independent Distributors is not authorized unless first approved in writing by Buyer. Seller must present complete and compelling support for its request and include in its request all actions to ensure the parts/components thus procured are legitimate parts. Buyer's approval of Seller request(s) does not relieve Seller's responsibility to comply with all requirements contained herein, including the representations and warranties in this section. A breach of this paragraph/clause or any subparagraph herein shall be considered a material breach of these Terms or any Order.
- (c) In the event that Goods delivered under these Terms or any Order constitute or include Counterfeit Parts, Seller shall, at its expense, promptly replace such Counterfeit Parts with genuine Goods conforming to the requirements of these Terms or any Order. Notwithstanding any other provision in these Terms or any Order, Seller shall be liable and indemnify Buyer for all costs relating to the removal and replacement of Counterfeit Parts, including without limitation Buyer's and higher tier customer's costs of removing Counterfeit Parts of installing replacement materials and of any testing necessitated by the reinstallation of Goods after Counterfeit Parts have been exchanged. The remedies contained in this paragraph are in addition to any remedies Buyer may have at law, equity or under other provisions of these Terms or any Order.
- (d) Seller shall maintain a documented system (policy, procedure, or other documented approach)

consistent with AS6174 "Counterfeit Material: Assuring Acquisition of Authentic and Conforming Material" or AS5553 "Counterfeit Electronic Parts: Avoidance, Detection, Mitigation, and Disposition" as applicable, which includes training of personal, inspection and testing of electronic parts, counterfeit parts proliferation, traceability, and use of OEMs/OCMs or provides for prior notification and customer approval before parts/components are procured from sources other than OEMs/OCMs or through the OEM's/OCM's authorized distribution chain. Seller shall provide copies of such documentation for its system for Buyer's inspection upon Buyer request.

- (e) Seller shall flow the requirements of this clause to its subcontractors and suppliers at any tier for the performance of any Order. If Seller is providing electronic components/devices only, the following certification applies: "Certification of Origin of Goods: Acceptance of any Order constitutes confirmation by Seller that it is either the OEM, OCM, or a franchised or authorized distributor of the OEM/OCM for the Goods herein procured." Seller further warrants that OEM/OCM acquisition documentation that authenticates traceability of the components to that applicable OEM is available upon request. If Seller is not the OEM/OCM or a franchised or authorized distributor, Seller confirms by acceptance of these Terms or any Order that the Goods supplied to Buyer have been procured from the OEM/OCM or a franchised or authorized distributor of the OEM/OCM. Seller further warrants that OEM/OCM acquisition traceability documentation is accurate and available to Buyer upon Buyer's request. A breach of this section herein shall be considered a material breach of these Terms or any Order.

18. **SHELF-LIFE:**

- (a) Seller shall identify each item, package or container of limited-calendar-life material with the cure or manufacturer date, manufacturing recommended shelf life, storage temperature and special handling conditions. The identification, including special handling conditions, shall be recorded on certifications and shipping documents for the material.
- (b) Seller shall comply with all shelf-life limitations expressed on the Order for any Goods.
- (c) Unless otherwise specified, a minimum of seventy-five percent (75%) of any material's, part's, or component's shelf life shall remain upon Buyer's receipt of the applicable Goods. If Seller product shelf-life does not meet Buyer's minimum acceptance requirements, the applicable Goods may be subject to prorated pricing, rejection, or return. Shelf-life Goods must be accompanied by aforementioned date of manufacture / processing / testing / critical functionality, duration of shelf-life, applicable storage temperate, and any other significant environmental and/or storage conditions that may affect the Goods' shelf-life (i.e. light, moisture, vibration, etc.).

19. **END OF LIFE AND OBSOLESCENCE MANAGEMENT:** Seller shall maintain an obsolescence management program that includes an ongoing review and identification of actual and potential obsolescence issues. Seller shall notify Buyer immediately upon determining the unavailability of obsolete materials or components. Seller may recommend a solution including details regarding the impact on the contract price and delivery. If Buyer's authorized supply chain representative accepts the recommended solution, a modification shall be executed between Seller and Buyer equitably adjusting the contract price and revising the delivery. Under no circumstances shall Seller initiate any redesign effort or incur any additional costs without the express, written authorization of Buyer. In the event Buyer does not accept the recommended solution or authorize a redesign effort by Seller, the Order, as applicable, may be terminated for convenience.

20. **ESD PACKAGING REQUIREMENTS:** Seller shall package all Goods susceptible to damage from ESD in compliance with ANSI/ESD 20.20 or MIL-STD-1686, in static shielding conductive containers meeting requirements of MIL-B-81705. Protection shall be provided to prevent physical damage and to maintain leads and terminals in the manufactured condition under normal handling and transportation environments. The outside of packages containing ESD sensitive Goods shall have a clearly displayed ESD warning label conforming to ANSI/EOS/ESD S-8.1. The same labels shall be used to seal shielded bags.

21. **RIGHTS IN INTELLECTUAL PROPERTY:** If an Order provides for Seller to perform any design,

engineering, analytical or similar work for Buyer or provides for the delivery of any software, firmware, copyrightable materials or derivative works thereof, all right, title and interest that Seller has in and to any patentable invention, know-how and trade secrets, copyrightable materials and derivative works thereof that Seller shall conceive, originate or reduce to practice, either individually or jointly with others, in connection with its performance of an Order are hereby assigned to Buyer and shall be the sole and exclusive property of Buyer. Seller shall promptly execute any documents and perform any other tasks required by Buyer that are reasonably necessary to perfect Buyer's ownership of any intellectual property rights therein.

22. **INDEMNIFICATION:** Seller will, at its expense, defend and indemnify Buyer and its subsidiaries, affiliates, and agents, and their respective officers, directors, shareholders, and employees, and Buyer's customers (collectively "Indemnitee(s)") from and against any and all loss, cost, expense, damage, liquidated damages, claim, demand, or liability, including reasonable attorney and professional fees and costs, and the cost of settlement, compromise, judgment, or verdict (collectively, "Damages") incurred by or demanded of an Indemnitee by any third party arising out of, resulting from or occurring in connection with Seller's Goods or services or Seller's negligence, willful misconduct, fraud, or breach of these Terms or any Order. In no event will Seller enter into any settlement without Buyer's prior written consent, which will not be unreasonably withheld. If Buyer is obligated to pay Damages pursuant to its contract with its customer, then Seller will be liable for such Damages to the extent Seller causes or contributes to those Damages. Nothing in this section limits Buyer's right to claim all actual damages sustained by Buyer as a result of Seller-caused delays.
23. **INSURANCE:** Seller shall maintain such public liability insurance, including products liability and aircraft products liability, completed operations, contractors liability, automobile liability insurance (including non-owned automobile liability) worker's compensation, and employer's liability insurance as will adequately protect Buyer against such damages, liabilities, claims, losses and expenses (including attorneys' fees) or as required by statute, provided that all such liability insurance policies shall be in an amount of not less than \$5,000,000. Seller agrees to name Buyer as an additional insured by endorsement on all policies required by this section other than Seller's worker's compensation policy prior to the shipment of any Goods hereunder or any Order.
24. **INTELLECTUAL PROPERTY INDEMNIFICATION:** For Goods provided under these Terms or any Order, Seller will, at its expense, defend and indemnify Indemnitee from and against any and all loss, cost, expense, damage, claim, demand, or liability, including reasonable attorney and professional fees and costs, and the cost of settlement, compromise, judgment, or verdict incurred by or demanded from Indemnitee or any third party arising out of, resulting from, or occurring in connection with any alleged: (a) patent, copyright, or trademark infringement; (b) unlawful disclosure, use, or misappropriation of a trade secret; or (c) violation of any other third-party intellectual property right, and from expenses incurred by Indemnitee in defense of such suit, claim, or proceeding if Seller does not undertake the defense thereof. Seller will have the right to conduct the defense of any such claim or action and, consistent with Indemnitee's rights hereunder, all negotiations for its settlement. But in no event will Seller enter into any settlement without Buyer's prior written consent, which will not be unreasonably withheld. Indemnitee may participate in a defense or negotiations to protect its interests. If any injunction or restraining order is issued, Seller will, at its expense, obtain for Indemnitee either the right to continue using and selling the Goods or replace or modify the Goods to make them non-infringing.
25. **COMPLIANCE WITH LAW:** Seller warrants that the Goods to be furnished and the services to be rendered under any Order shall be manufactured, sold, used and rendered in compliance with all relevant federal, state, local and international laws, orders, rules, ordinances, and regulations. Without limiting the foregoing, Seller warrants and certifies that the Goods and the production of the Goods and/or the performance of the services covered by the Order fully comply with (i) the Fair Labor Standards Act of 1938, as amended, and the regulations and orders of the United States Department of Labor relating thereto, including but not limited to the requirements of 41 CFR §§ 60- 1.4(a), 60-300.5(a), 60-741.5(a) and 29 CFR Part 471, Appendix A to Subpart A (Executive Order 13496), which prohibits discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color,

religion, sex, sexual orientation, gender identity, national origin, or for inquiring about, discussing, or disclosing information about compensation, and which require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability; (ii) all applicable state and Government laws, orders, rules, ordinances and regulations relating to occupational safety and the protection of the environment, including, but limited to, those involving hazardous waste, hazardous materials, air and water pollution, and natural resources; (iii) the Foreign Corrupt Practices Act and the Anti-Kickback Act of 1986 and the regulations relating thereto; (iv) Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act relating to the use of conflict minerals originating in certain covered countries (the "Conflict Minerals Rule"); (v) the California Transparency in Supply Chains Act (SB657); and (vi) the applicable domestic and international prohibitions on child labor, human trafficking, and slavery. Any breach of any warranty contained in this section shall be a material breach of each and every Order and contract between Buyer and Seller. Seller shall defend and indemnify Buyer against all damages, liabilities, claims, losses and expenses (including attorneys' fees) arising out of or resulting in any way from Seller's failure to comply with this section.

26. **CODE OF CONDUCT:** Seller acknowledges and agrees that (a) it has received and reviewed a copy of Buyer's Code of Business Conduct and Ethics (or alternatively has taken note of Buyer's Code of Business Conduct) ("[Code of Ethics](#)") and that it will adhere to the principles contained in the Code of Ethics in all its dealings with, for or on behalf of Buyer in connection with these Terms or any Order and the business resulting therefrom. Seller will notify Buyer immediately if it becomes aware of any behavior by Buyer's or Seller's staff which is, or may be, inconsistent with Buyer's Code of Ethics or, where Seller has adopted equivalent principles, their equivalent; and (b) at Buyer's request, Seller will provide information to Buyer as required to complete and fully respond to Buyer's usual supplier questionnaires and due diligence to confirm compliance by Seller with applicable laws. As part of Buyer's due diligence, Seller will grant Buyer or its representatives' reasonable access to Seller's facilities and sites.
27. **CONFLICT MINERALS:** Seller shall provide Buyer reasonable assistance in conducting due diligence of Seller's supply chain for the purpose of complying with the Conflict Minerals Rule. Seller shall permit Buyer to conduct due diligence and conduct inspections and audits of Seller's operations, premises, and facilities to ensure compliance with Seller's obligations hereunder with respect to the Conflict Minerals Rule. Seller shall impose upon its suppliers and vendors provisions similar to that found in this section.
28. **EXPORT/IMPORT CONTROLS:** If Seller is a U. S. company that engages in the business of either manufacturing or exporting defense articles or furnishing defense services, Seller hereby certifies that it has registered with the U. S. Department of State Directorate of Defense Trade Controls and has complied and will comply with its obligations under export control laws and regulations, including, but not limited to, the International Traffic in Arms Regulations ("ITAR") and the Export Administration Regulations ("EAR"). Seller shall control the disclosure of and access to technical data, information and other items received under the Order in accordance with U. S. export control laws and regulations, including, but not limited to, the ITAR. Seller agrees to provide Buyer with the export control classification number for all Goods supplied to Buyer hereunder or any Order. Seller further agrees that no technical data, information or other items provided by Buyer in connection with an Order shall be provided to any foreign subsidiary of Seller or any other foreign person, without the express written authorization of Buyer and Seller's obtaining of the appropriate export license, technical assistance agreement or other requisite documentation for ITAR-controlled technical data or items. Seller shall defend and indemnify Buyer from any loss, damage, fine, penalty, or expense (including attorneys' fees) that Buyer may suffer as a result of Seller's failure to comply with this section.
29. **CMMC COMPLIANCE:** Where applicable to a particular order, Seller agrees to maintain compliance with Cybersecurity Maturity Model Certification (CMMC) requirements and substantiate such compliance via documentation provided to Buyer upon request. Seller's failure to comply or supply supporting documentation to Buyer will allow Buyer to terminate Seller's performance for default under

Section 36(a) herein.

30. **REMEDIES CUMULATIVE:** Buyer's remedies shall be cumulative and remedies herein specified do not exclude any remedies allowed by law. Waiver of any breach by Buyer shall not constitute waiver of any other breach of the same or any other provision. Acceptance of any Goods or payment therefor by Buyer shall not waive any breach.
31. **APPLICABLE LAW AND FORUM:** This Agreement shall be governed and construed in accordance with the laws of the state of California, not including its law of conflicts of laws. Any legal action relating to or arising out of this Agreement, any Order or the transactions contemplated thereby, shall be brought in the United States District Court or the state courts located in Los Angeles, California, and the Parties hereby consent to the sole jurisdiction of said courts.
32. **BUYER-FURNISHED PROPERTY:** Seller shall not use, reproduce, appropriate or disclose to anyone other than Buyer any material, samples, tooling, dies, drawings, designs, specifications, software, technical information and other property or data furnished by Buyer, nor shall Seller use the same to produce or manufacture articles other than those required hereunder without prior written authorization from Buyer. Where the Government has received from Buyer the right to authorize such use by Seller, Seller may utilize Buyer's data and information in the manufactured articles for direct sale to the Government provided, however, that Seller shall (i) give Buyer prior written notice of each such proposed use, (ii) prominently identify and segregate, to the extent possible, each item being provided by Seller for direct sale to the Government, and (iii) make no claim against Buyer which arises out of use by Seller of such data and information. Title to such Buyer-furnished property shall be and remain in Buyer at all times. Buyer does not guarantee the accuracy of any tooling or the quality or suitability of any material supplied by it. Seller shall bear the risk of loss, damage or destruction of the property furnished by Buyer and shall promptly replace or repair without expense to Buyer any property which is lost, damaged or destroyed, unless such loss, damage or destruction is solely, directly and proximately caused by Buyer's negligence. All Buyer- furnished property, together with spoiled and surplus materials shall be returned to Buyer at termination or completion of the Order unless Buyer shall direct otherwise in writing. Where Buyer's data, designs or other information are furnished to Seller's suppliers for procurement of supplies or services by Seller for use in the performance of Buyer's Order, Seller shall insert the substance of this provision in its subcontracts.
33. **SPECIFICATIONS:** Unless otherwise directed in the Order, Seller shall supply all Goods in accordance with the current specifications, drawings and designs for the Goods. Seller is responsible for verifying that the Order's specifications, drawings and designs are the current revisions. If Seller determines that any of the specifications, drawings or designs are not the most current revision, Seller shall so notify Buyer immediately in writing. Seller shall notify Buyer in writing in advance of any and all changes to: (i) the Goods, including but not limited to their specifications and/or composition, (ii) Seller's internal processes with respect to the Goods, (iii) Seller's external service providers, and (iv) the location of manufacture of the Goods, to permit Buyer to identify any quality, regulatory or other reporting requirements that may arise from such changes, and no such change shall occur until Buyer has had the opportunity to conduct such audits, surveys and/or testing necessary to determine the impact of such changes on the Goods and has approved such changes in writing. Seller shall maintain adequate preservation and packaging controls to prevent the introduction of FOD (Foreign Object Debris) before and after packaging of final Goods, and throughout the manufacturing process. Seller shall have a FOD prevention and training program, and take any necessary steps to prevent FOD and/or other contaminants from being introduced to Goods delivered to Buyer. Material furnished under an Order must not contain mercury in any amount or form and must be certified as "Free of Mercury." Due to the potentiality of contamination, all mercury bearing instruments and equipment are prohibited from use in the manufacture, assembly, testing, or inspection of Goods, components, or materials shipped to Buyer or applicable to Buyer Orders. These requirements must be flown down to sub-tier suppliers by Seller.
34. **SET OFF:** At the election of Buyer, Buyer may set off any amount due to Seller against any amount owed by Seller to Buyer under these Terms, LTA, or supply agreement between the parties.

35. **ASSIGNMENT:** Neither an Order, these Terms, LTA or any other agreement between the parties, nor any interest therein may be assigned or subcontracted in whole or in part by Seller without the prior written consent of Buyer. If Buyer consents to any such assignment, (i) payment to an assignee of any such claim shall be subject to set off or recoupment for any present or future claim or claims which Buyer may have against Seller except to the extent that any such claims are expressly waived in writing by Buyer, and (ii) Buyer reserves the right to make direct settlements or adjustments in price with Seller notwithstanding any assignment of claims for monies due or to become due hereunder and without notice to the assignee. As used herein, any merger, consolidation or other combination involving Seller, any sale of more than 25% of the outstanding voting securities of Seller and any other change in control of Seller, whether in one or a series of transactions shall be considered an "assignment" subject to this section.
36. **TERMINATION:**
- (a) **Termination for Default.** If either party is in material default of any of its obligations under the Order and such default is not cured within fifteen (15) days after written notice thereof by the party not in default, then such non-defaulting party may terminate these Terms and/or any Orders, in whole or in part, provided, however, that in the event of Seller's failure to meet the delivery schedule or quality requirements of Buyer, Seller shall be given the opportunity to cure a default only once and thereafter Buyer may terminate any Order, in whole or in part, immediately by written notice to Seller. In the event that Buyer disputes the basis for Seller's termination, Seller shall continue its performance under these General Terms and Conditions or any Orders until the dispute is finally resolved. Buyer shall have no liability to Seller for any costs if termination is due to Seller's default.
- (b) **Termination for Convenience of Buyer.** Buyer may, at any time, terminate any Order for convenience and without cause, in whole or in part, upon written notice to Seller. In such event, Seller shall be entitled to reasonable termination charges equal to (i) the portion of the Order price reflecting the services performed or Goods delivered prior to termination, plus (ii) Seller's actual reasonable substantiated costs resulting from termination, minus (iii) the reuse or resale value of the work terminated. Seller shall submit any claim for termination costs in writing within thirty (30) days of receipt of the notice together with documentation to substantiate such costs satisfactory to Buyer. Every effort shall be made by Seller to mitigate termination charges to Buyer. No termination charges shall apply if the Goods are not custom Goods (i.e. Goods unique to Buyer) specially manufactured to Buyer's specifications pursuant to an Order, and notice of termination is provided to Seller at least thirty (30) days prior to the required delivery date. Seller's reasonable termination charges shall not exceed under any circumstances the initial value of the Order or those allowed for a termination for convenience under the Federal Acquisition Regulations in effect at the time of termination if the Order is in support of a Government requirement. The foregoing termination charges state the entire liability of Buyer for termination for convenience by Buyer of any Order.
- (c) In the event of termination of any Order, the terms hereof shall continue to apply to any Orders to the extent performed prior to the effective date of termination and shall continue to apply to any Orders to the extent such Orders have not been terminated.
37. **FORCE MAJEURE:** Buyer shall not be liable to Seller for any delay or failure in performing its obligations under this Order, including, but not limited to, Sections 11 and 20, to the extent such delay or failure is caused by an event or circumstance that is beyond Buyer's reasonable control, without Buyer's fault or negligence, and which by its nature could not have been foreseen by Buyer or, if it could have been foreseen, was unavoidable (a "Force Majeure Event"). Force Majeure Events include, but are not limited to, acts of God or the public enemy, government restrictions, floods, fire, earthquakes, explosion, epidemic, war, invasion, hostilities, terrorist acts, riots, strikes, embargoes or industrial disturbances. Buyer shall use all diligent efforts to timely notify Seller in writing of any actual or potential Force Majeure Event, attempt to end the failure or delay of its performance, ensure that the effects of any Force Majeure Event are minimized, and resume performance under this Order. If a Force Majeure Event prevents Buyer from carrying out its obligations under this Order for a continuous period of more than ten (10) days, Buyer may terminate this Order for convenience immediately upon

written notice to Seller.

38. **RELEASE OF INFORMATION:** Seller shall not advertise, publish or show parts made for Buyer in Seller's advertising with Buyer's name, use Buyer's name to promote Seller's sales or otherwise release any information relating to any Order, including the fact that Buyer has issued an Order, without Buyer's prior written permission.
39. **NONWAIVER:** No waiver of any provision or failure to perform any provision of an Order shall be effective unless consented to by Buyer in writing nor shall any such waiver constitute a waiver of any other provision or failure to perform.
40. **SEVERABILITY:** If any provision of an Order, or part thereof, shall be invalid or unenforceable, such provision or part shall be deemed severed and the remainder hereof shall be given full force and effect.
41. **INDEPENDENT RELATIONSHIP:** Nothing herein contained shall be deemed to create an employment, agency, joint venture or partnership relationship between Buyer and Seller or any of their agents or employees, or any other legal arrangement that would impose liability upon one party for the act or failure to act of the other party. Neither party shall have any power to enter into any contracts or commitments or to incur any liabilities in the name of, or on behalf of, the other party, or to bind the other party in any respect whatsoever.
42. **ENTIRE AGREEMENT:** Except when issued under, or to carry out, a written contract between the parties, these Terms and the terms of an applicable Order constitute the entire agreement of sale and purchase of the Goods specified in such Order and supersedes all prior and contemporaneous discussions, agreements, negotiations and documents with respect to the supply of the Goods and Services specified in the Order.
43. **CUSTOMER SPECIFIC FLOW DOWN REQUIREMENTS:** The following subparagraphs (a) through (e) apply to Orders with customer specific flow down requirements:
  - (a) Raytheon Technologies Requirements: Any supplier working on RTX member "End Use" parts must be AS9100 compliant and apply/conform to AS13000 Problem Solving Requirements for Suppliers. All ASQR-01 requirements (Supplier Quality Requirements) and AQSR- 15.1 requirements (FOD, Handling, Storage, Packaging, Preservation and Delivery) apply. Any Order identifying the part as having PPAP requirements must follow ASQR-09.2. The following documents also apply:
    - 1) UTAS: ASQR-20.1 "Supplier Sampling Requirements", HSM 236 "FAIRs", and HSM 19 "Buy Requirements"
    - 2) Pratt & Whitney US: PW-QA 6101 "Supplier Quality Assurance for APU"
    - 3) Pratt & Whitney Canada: SQOP-01-01 applies "General Requirements"
    - 4) Pratt & Whitney Rzeszów S.A. (P&WR) / Pratt & Whitney Kalisz Sp. z o.o. (P&WK) / Pratt & Whitney Tubes Sp. z o.o. (P&WT): 01/ESCO "Quality Requirements for Suppliers".Note: Work Transfer per 01/ESCO must be communicated to Buyer's quality management and/or through Buyer's purchasing department, not directly to P&WP.
  - (b) GE Aerospace Requirements:
    - 1) GE Aerospace Engines: When materials, processes, and/or services are supplied for GE Aerospace Engines End Use, documents S-400 "Certified Materials Test Laboratories", S-1000 "Quality System Requirements for Suppliers", and S-1002 "Supplier Requirements for Characteristic Accountability, Verification, and Quality Planning" apply. GE Aerospace Engines flow down requirements and specific clauses referenced on the Order also apply.
    - 2) GE Aerospace Systems AJA (Aviation Joint Affiliates): When materials, processes, and/or services are supplied for GE Aerospace Systems End Use, documents S-1005 "GE AJA Supplier Quality System Requirements", S-1007 "GE AJA Supplier Requirements for

Characteristic Accountability, Verification, and Quality Planning”, S-553 “Supplier Quality Specification for Electronic Component and Assembly Control”, and AJA-1012 “GE-AJA Controlled List of Special Process” apply. GE Aerospace Systems AJA flow down requirements and specific clauses referenced on the Order also apply.

- (c) Kaman Requirements: When materials, processes, and/or services are supplied for Kaman End Use, documents QRP 0541.07 (Quality Requirement Manual) and SQRM-1 (Supplier Quality Requirements Manual) apply. Kaman flow down requirements and specific clauses referenced on the Order also apply.
- (d) Rolls-Royce Requirements: When materials, processes, and/or services are supplied for Rolls-Royce End Use, the document SABRe (Supplier Management System Requirements) applies. Rolls-Royce flow down requirements and specific clauses referenced on the Order also apply.
- (e) Safran Requirements: When materials, processes, and/or services are supplied for Safran End Use, the documents GRP-0087 “Safran Requirements for External Provides” and AHS000007 “Supplementary Quality Requirements for STS Providers” apply. When applicable, Suppliers shall adhere to the timely processing of Corrective Actions per AHS000174. Safran flow down requirements and specific clauses referenced on the Order also apply.
- (f) Airbus Helicopters Requirements: When materials, processes, and/or services are supplied for Airbus Helicopters End Use, the document ER070 06-01 “GRFS: General Requirements for Suppliers” applies. As applicable, the documents ER070 06-04 “Airbus Helicopters Design Organization Suppliers” and ER070 04-06 “Quality requirements for suppliers’ production activities according to the safety class of the manufactured parts & appliances” also apply. Airbus Helicopters flow down requirements and specific clauses referenced on the Purchase Order also apply.

44. **FAR AND DFARS CLAUSES INCORPORATED IN ORDERS:** For Orders placed in support of any Government Prime Contract or any subcontract thereunder (including, but not limited to, those procuring an item meeting the FAR definition of a commercial item), the following are incorporated herein by reference as if fully set forth in the Order: (i) the clauses set forth in the FAR or DFARS as listed on the attached “FAR and DFARS Clauses Incorporated in Orders,” and (ii) any other FAR or DFARS clauses and other terms and conditions required to be included in the Order as a matter of law or under the terms of the Prime Contract or subcontract. In addition, Seller shall comply with the Truth in Negotiations Act, and shall provide all certifications of cost and pricing data requested by the United States Government, the prime contractor or Buyer. Seller warrants that it shall comply with all of the requirements contained herein and in each of the listed Government Contract FAR and DFARS clauses, including mandatory flowdowns, and shall defend and indemnify Buyer against all damages, liabilities, claims, losses and expenses (including attorneys’ fees) arising out of or resulting in any way from any actual or alleged violation or failure to fully comply with the terms hereof or any of the listed Government Contract FAR or DFARS clauses by Seller, its subcontractors, consultants, employees or agents. In all FAR clauses incorporated herein, the term “Government” shall mean “Buyer” and the term “Contractor” shall mean “Seller.” Seller shall include the following clauses in its lower-tier purchase orders as required. If any of the following FAR or DFARS clauses do not apply to a particular Order, such clauses are considered to be self-deleting.

**FAR CLAUSES**

52.203-3	Gratuities	52.222-56	Certification Regarding Trafficking in Persons Compliance Plan
52.203-5	Covenant Against Contingent Fees	52.222-62	Paid Sick Leave Under Executive Order 13706
52.203-6	Restrictions on Subcontractor Sales to the Government	52.223-3	Hazardous Material Identification and Material Safety Data (Alt I applies if this Order is for other than DoD)
52.203-7	Anti-Kickback Procedures	52.223-4	Recovered Material Certification
52.203-8	Cancellation, Rescission, and Recovery of Funds for	52.223-5	Pollution Prevention and Right-to-Know Information

	Illegal or Improper Activity		
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity	52.223-7	Notice of Radioactive Materials (subsection (a) shall read "15 days")
52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions	52.223-11	Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons
52.203-12	Limitation on Payments to Influence Certain Federal Transactions	52.224-1	Privacy Act Notification
52.203-13	Contractor Code of Business Ethics and Conduct (Notwithstanding any alterations to this clause to reflect the relationship between Buyer and Seller, all disclosures of violation of the civil False Claims Act or of federal criminal law shall be directed to the Office of the Inspector General of the agency issuing the prime contract, with a copy to the Contracting Officer of the prime contract.)	52.224-2	Privacy Act
52.203-14	Display of Hotline Poster(s)	52.224-3	Privacy Training
52.203-15	Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009	52.225-1	Buy American - Supplies
52.203-16	Preventing Personal Conflicts of Interest	52.225-2	Buy American Certificate
52.203-17	Contractor Employee Whistleblower Rights	52.225-3	Buy American - Free Trade Agreements - Israeli Trade Act
52.203-19	Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements	52.225-5	Trade Agreements
52.204-2	Security Requirements	52.225-8	Duty-Free Entry
52.209-6	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, Proposed for Debarment, or Voluntarily Excluded	52.225-13	Restrictions on Certain Foreign Purchases
52.204-9	Personal Identity Verification of Contractor Personnel	52.225-19	Contractor Personnel in a Designated Operational Area or Supporting a Diplomatic or Consular Mission Outside the United States
52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards	52.225-20	Prohibition on Conducting Restricted Business Operations in Sudan - Certification
52.204-14	Service Contract Reporting Requirements	52.225-25	Prohibition on Contracting With Entities Engaging in Certain Activities or Transactions Relating to Iran - Representation and Certifications
52.204-15	Service Contract Reporting Requirements for Indefinite-Delivery Contracts	52.225-26	Contractors Performing Private Security Functions Outside the United States
52.204-16	Commercial and Government Entity Code Reporting	52.226-6	Promoting Excess Food Donation to Nonprofit Organizations
52.204-18	Commercial and Government Entity Code Maintenance	52.227-1	Authorization and Consent
52.204-21	Basic Safeguarding of Covered Contractor Information Systems	52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement
52.204-23	Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab Covered Entities	52.227-9	Refund of Royalties
52.204-25	Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment	52.227-10	Filing of Patent Applications - Classified Subject Matter
52.204-26	Covered Telecommunications Equipment or Services-Representation	52.227-11	Patent Rights - Ownership by the Contractor (references to "Government", "Contracting Officer" and "Contractor" as contained in this clause remain unchanged)
52.204-27	Prohibition on a ByteDance Covered Application	52.227-13	Patent Rights - Ownership by the Government
52.204-30	Federal Acquisition Supply Chain Security Act Orders - Prohibition	52.227-14	Rights in Data - General
52.211-15	Defense Priority and Allocation Requirements	52.228-3	Workers' Compensation Insurance (Defense Base Act)
52.212-4	Contract Terms and Conditions - Commercial Products and Commercial Services	52.228-4	Workers' Compensation and War-Hazard Insurance Overseas

52.212-5	Contract Terms and Conditions Required To Implement Statutes or Executive Orders - Commercial Products and Commercial Services	52.228-5	Insurance-Work on a Government Installation
52.214-26	Audit and Records - Sealed Bidding (\$700,000 or greater if Prime Contract dated on or after October 1, 2010)	52.229-3	Federal, State, and Local Taxes
52.214-27	Price Reduction for Defective Certified Cost or Pricing Data - Modifications - Sealed Bidding (\$700,000 or greater if Prime Contract dated on or after October 1, 2010)	52.229-7	Taxes - Fixed-Price Contracts with Foreign Governments
52.214-28	Subcontractor Certified Cost or Pricing Data - Modifications - Sealed Bidding	52.229-8	Taxes - Foreign Cost-Reimbursement Contracts
52.215-2	Audit and Records - Negotiation	52.229-9	Taxes - Cost-Reimbursement Contracts with Foreign Governments
52.215-10	Price Reduction for Defective Certified Cost or Pricing Data	52.229-10	State of New Mexico Gross Receipts and Compensating Tax
52.215-11	Price Reduction for Defective Certified Cost or Pricing Data - Modifications	52.229-13	Taxes - Foreign Contracts in Afghanistan
52.215-12	Subcontractor Certified Cost or Pricing Data	52.229-14	Taxes - Foreign Contracts in Afghanistan (North Atlantic Treaty Organization Status of Forces Agreement)
52.215-13	Subcontractor Certified Cost or Pricing Data - Modifications	52.230-2	Cost Accounting Standards (except its subparagraph (b))
52.215-14	Integrity of Unit Prices (except for paragraph (b) of this clause)	52.230-3	Disclosure and Consistency of Cost Accounting Practices (except its subparagraph (b))
52.215-15	Pension Adjustments and Asset Reversions	52.230-4	Disclosure and Consistency of Cost Accounting Practices - Foreign Concerns
52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions	52.230-5	Cost Accounting Standards - Educational Institution
52.215-19	Notification of Ownership Changes	52.230-6	Administration of Cost Accounting Standards
52.215-20	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data	52.232-7	Payments under Time-and-Materials and Labor-Hour Contracts
52.215-22	Limitations on Pass-Through Charges - Identification of Subcontract Effort (DoD Only)	52.232-16	Progress Payments
52.215-23	Limitations on Pass-Through Charges	52.232-27	Prompt Payment for Construction Contracts
52.216-7	Allowable Cost and Payment	52.232-40	Providing Accelerated Payments to Small Business Subcontractors
52.219-8	Utilization of Small Business Concerns	52.233-3	Protest after Award
52.219-9	Small Business Subcontracting Plan	52.234-1	Industrial Resources Developed Under Title III, Defense Production Act
52.219-10	Incentive Subcontracting Program	52.234-4	Earned Value Management System
52.219-14	Limitations on Subcontracting	52.236-13	Accident Prevention
52.222-4	Contract Work Hours and Safety Standards - Overtime Compensation	52.237-7	Indemnification and Medical Liability Insurance
52.222-8	Payrolls and Basic Records	52.240-1	Prohibition on Unmanned Aircraft Systems Manufactured or Assembled by American Security Drone Act-Covered Foreign Entities
52.222-11	Subcontracts (Labor Standards)	52.244-2	Subcontracts
52.222-12	Contract Termination-Debarment	52.244-6	Subcontracts for Commercial Products and Commercial Services
52.222-20	Contracts for Materials, Supplies, Articles, and Equipment Exceeding \$15,000	52.245-1, Alt.1	Government Property (except in clauses (e)(1), (e)(2)(ii), (e)(3)(i), (f)(1)(ii), the term "Government" shall remain)
52.222-21	Prohibition of Segregated Facilities	52.245-9	Use and Charges
52.222-22	Previous Contracts and Compliance Reports	52.246-2	Inspection of Supplies - Fixed-Price
52.222-26	Equal Opportunity	52.246-4	Inspection of Services - Fixed-Price
52.222-27	Affirmative Action Compliance Requirements for	52.246-16	Responsibility for Supplies

	Construction		
52.222-34	Project Labor Agreement	52.246-26	Reporting Nonconforming Items
52.222-35	Equal Opportunity for Veterans	52.247-63	Preference for U.S.-Flag Air Carriers
52.222-36	Equal Opportunity for Workers with Disabilities	52.247-64	Preference for Privately Owned U.S.-Flag Commercial Vessels
52.222-37	Employment Reports on Veterans	52.248-1	Value Engineering
52.222-40	Notification of Employee Rights Under the National Labor Relations Act	52.248-3	Value Engineering - Construction
52.222-41	Service Contract Labor Standards	52.249-2	Termination for Convenience of the Government (Fixed-Price)
52.222-50	Combating Trafficking in Persons	52.249-6	Termination (Cost-Reimbursement)
52.222-51	Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment - Requirements	52.249-8	Default (Fixed-Price Supply and Service)
52.222-53	Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services-Requirements	52.249-9	Default (Fixed-Price Research and Development)
52.222-54	Employment Eligibility Verification	52.249-14	Excusable Delays
52.222-55	Minimum Wages for Contractor Workers Under Executive Order 14026	52.250-1	Indemnification Under Public Law85-804

### DFARS CLAUSES

252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense Contract-Related Felonies	252.225-7061	Restriction on the Acquisition of Personal Protective Equipment and Certain Other Items from Non-Allied Foreign Nations
252.203-7002	Requirement to Inform Employees of Whistleblower Rights	252.225-7966	Prohibition Regarding Russian Fossil Fuel Business Operations - Representation
252.203-7004	Display of Hotline Poster(s)	252.226-7001	Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns
252.204-7000	Disclosure of Information	252.227-7013	Rights in Technical Data - Other Than Commercial Products and Commercial Services (the term "Government" shall remain through this clause, the term "Contracting Officer" shall mean both "Contracting Officer" and "Buyer")
252.204-7004	Antiterrorism Awareness Training for Contractors	252.227-7014	Rights in Other Than Commercial Computer Software and Other Than Commercial Computer Software Documentation (the term "Government" shall remain through this clause, the term "Contracting Officer" shall mean both "Contracting Officer" and "Buyer")
252.204-7009	Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information	252.227-7015	Technical Data - Commercial Products and Commercial Services
252.204-7010	Requirement for Contractor to Notify DoD if the Contractors Activities are Subject to Reporting Under the U.S.-International Atomic Energy Agency Additional Protocol	252.227-7016	Rights in Bid or Proposal Information
252.204-7012	Safeguarding Covered Defense Information and Cyber Incident Reporting	252.227-7017	Identification and Assertion of Use, Release, or Disclosure Restrictions
252.204-7014	Limitations on the Use or Disclosure of Information by Litigation Support Contractors	252.227-7018	Rights in Other Than Commercial Technical Data and Computer Software - Small Business Innovation Research Program and Small Business Technology Transfer Program
252.204-7015	Notice of Authorized Disclosure of Information for Litigation Support	252.227-7019	Validation of Asserted Restrictions - Computer Software
252.204-7018	Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services	252.227-7025	Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends
252.204-7019	Notice of NISTSP 800-171 DoD Assessment	252.227-7030	Technical Data - Withholding of Payment

	Requirements		
252.204-7020	NIST SP 800-171 DoD Assessment Requirements	252.227-7033	Rights in Shop Drawings
252.204-7021	Cybersecurity Maturity Model Certification Requirements	252.227-7037	Validation of Asserted Restrictions on Technical Data (the terms throughout this clause shall remain unchanged)
252.208-7000	Intent to Furnish Precious Metals as Government-Furnished Material	252.227-7038	Patent Rights - Ownership by the Contractor (Large Business)
252.211-7003	Item Unique Identification and Valuation	252.228-7001	Ground and Flight Risk
252.215-7008	Only One Offer	252.228-7005	Mishap Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles (the term "Government" shall mean "Government" and "Buyer")
252.215-7009	Proposal Adequacy Checklist	252.229-7004	Status of Contractor as a Direct Contractor (Spain)
252.215-7010	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data	252.229-7005	Tax Exemptions (Spain)
252.219-7003	Small Business Subcontracting Plan (DoD Contracts)	252.229-7011	Reporting of Foreign Taxes - U.S. Assistance Programs
252.219-7004	Small Business Subcontracting Plan (Test Program)	252.229-7012	Tax Exemptions (Italy) - Representation
252.222-7000	Restrictions on Employment of Personnel	252.229-7013	Tax Exemptions (Spain) - Representation
252.222-7006	Restrictions on the Use of Mandatory Arbitration Agreements	252.234-7001	Notice of Earned Value Management System
252.223-7001	Hazard Warning Labels	252.234-7002	Earned Value Management System
252.223-7002	Safety Precautions for Ammunition and Explosives	252.234-7004	Cost and Software Data Reporting System
252.223-7006	Prohibition on Storage, Treatment, and Disposal of Toxic or Hazardous Materials	252.235-7000	Indemnification Under 10 U.S.C. 3861 - Fixed Price
252.223-7007	Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives	252.235-7002	Animal Welfare
252.223-7008	Prohibition of Hexavalent Chromium	252.235-7003	Frequency Authorization
252.223-7009	Prohibition of Procurement of Fluorinated Fire-Fighting Agent for Use on Military Installations	252.235-7004	Protection of Human Subjects
252.225-7000	Buy American - Balance of Payments Program Certificate	252.236-7013	Requirement for Competition Opportunity for American Steel Producers, Fabricators, and Manufacturers
252.225-7001	Buy American and Balance of Payments Program	252.237-7010	Prohibition on Interrogation of Detainees by Contractor Personnel
252.225-7007	Prohibition on Acquisition of Certain Items from Communist Chinese Military Companies	252.237-7019	Training for Contractor Personnel Interacting with Detainees
252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals	252.237-7023	Continuation of Essential Contractor Services
252.225-7012	Preference for Certain Domestic Commodities	252.239-7010	Cloud Computing Services
252.225-7013	Duty-Free Entry	252.239-7016	Telecommunications Security Equipment, Devices, Techniques, and Services
252.225-7016	Restriction on Acquisition of Ball and Roller Bearings	252.239-7018	Supply Chain Risk
252.225-7019	Restriction on Acquisition of Anchor and Mooring Chain	252.243-7001	Pricing of Contract Modifications
252.225-7025	Restriction on Acquisition of Forgings	252.244-7000	Subcontracts for Commercial Products or Commercial Services
252.225-7028	Exclusionary Policies and Practices of Foreign Governments	252.244-7001	Contractor Purchasing System Administration
252.225-7030	Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate	252.246-7001 Alt.1	Warranty of Data
252.225-7036	Buy American - Free Trade Agreements - Balance of Payments Program	252.246-7003	Notification of Potential Safety Issues
252.225-7039	Defense Contractors Performing Private Security Functions Outside the United States	252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System

<b>252.225-7040</b>	Contractor Personnel Supporting U.S. Armed Forces Deployed Outside the United States	<b>252.246-7008</b>	Sources of Electronic Parts
<b>252.225-7043</b>	Antiterrorism/Force Protection for Defense Contractors Outside the United States	<b>252.247-7003</b>	Pass-Through of Motor Carrier Fuel Surcharge Adjustment to the Cost Bearer
<b>252.225-7046</b>	Exports by Approved Community Members in Response to the Solicitation	<b>252.247-7023</b>	Transportation of Supplies by Sea
<b>252.225-7047</b>	Exports by Approved Community Members in Performance of the Contract	<b>252.249-7002</b>	Notification of Anticipated Contract Termination or Reduction
<b>252.225-7048</b>	Export-Controlled Items		
<b>252.225-7052</b>	Restriction on the Acquisition of Certain Magnets, Tantalum, and Tungsten		
<b>252.225-7052 (DEVIATION 2020-O0006)</b>	Restriction on the Acquisition of Certain Magnets, Tantalum, and Tungsten (DEVIATION 2020-O0006)		
<b>252.225-7054</b>	Prohibition on Use of Certain Energy Sourced from Inside the Russian Federation		
<b>252.225-7056</b>	Prohibition Regarding Business Operations with the Maduro Regime		
<b>252.225-7058</b>	Postaward Disclosure of Employment of Individuals Who Work in the People's Republic of China		
<b>252.225-7060</b>	Prohibition on Certain Procurements from the Xinjiang Uyghur Autonomous Region		