

GENERAL TERMS AND CONDITIONS FOR PURCHASE ORDERS

1. ACCEPTANCE of this Purchase Order and its Terms and Conditions by Seller shall be evidenced by the earliest of (a) written acknowledgment by Seller, (b) commencement of performance by Seller or (c) Seller's receipt of any payment, progress, partial or full, from Buyer under this order. Acceptance is expressly limited to the Terms and Conditions of this Purchase Order. Buyer hereby objects to any different or additional terms in Seller's acceptance of this order.

2. PACKAGING, SHIPMENT AND DELIVERIES shall be made as specified without charge for packaging, invoicing, crating or storage, unless otherwise provided for. All shipments of goods and material shall meet the shipping requirements found in Department of Transportation Regulations 49 CFR, Occupational Safety and Health Administration's Hazardous Communication Standard found in 29 CFR and the Dangerous Goods Regulation of the International Air Transport Association. PURCHASE ORDER LINE ITEMS MUST BE PACKAGED SEPARATELY. Commercial bills of lading shall accompany each shipment and invoice. Purchase order numbers and line item numbers must be plainly marked on all invoices, packages, bills of lading and shipping orders. EACH SHIPMENT SHALL CONTAIN A PACKING LIST CLEARLY REFERENCING THE PURCHASE ORDER NUMBER AND PURCHASE ORDER LINE ITEM AND/OR RELEASE OF THE SHIPMENT. THE PACKING LIST MUST CLEARLY DELINEATE LINE ITEMS WHEN MORE THAN ONE LINE ITEM IS INCLUDED IN THE SHIPMENT. Buyer's count and weight shall prevail relative to any shipment discrepancies

3. TITLE. Unless otherwise provided in the Purchase Order, title to supplies shall pass to Buyer only upon Buyer's final acceptance of the supplies. Risk of loss or damage shall remain with the Seller until (a) delivery to a common carrier if transportation is FOB origin; and (b) delivery to Buyer at destination. If transportation is FOB destination, except that risk of loss or damage to supplies that do not conform with the requirements of the Purchase Order shall remain with the Seller until cured and/or until Buyer's final acceptance.

4. INSPECTION. All material and work will be subject to final inspection and approval by Buyer after delivery, notwithstanding prior payment, it being expressly agreed that payment will not constitute final acceptance. Buyer at its option may either reject any material or work not in conformity with the requirements and terms of this order, or rework the same at Seller's expense. In the event sampling techniques are utilized by Buyer to ascertain material acceptability, entire lots may be returned when Acceptable Quality Levels (AQL) indicate rejection. Rejected material may be returned at Seller's risk and expense at the full invoice price plus transportation charges and Buyer's handling charges. No replacement of defective material or work shall be made unless specified by Buyer.

5. DELIVERY. Deliveries shall be strictly in accordance with Buyer's delivery schedule. If Seller fails to meet such schedule, Buyer, without limiting its other remedies, may direct expedited routing and the difference between the expedited routing and the original routing costs shall be paid by Seller. Seller shall not make material commitments or production arrangements in excess of the amount or in advance of the time necessary to meet Buyer's delivery schedule and, unless otherwise specified herein, no deliveries shall be made in advance of Buyer's delivery schedule. At buyer's sole discretion, early shipments will be returned at seller's risk and expense at the full invoice price plus transportation charges and buyer's handling charges. WHEN THE SELLER HAS REASON TO BELIEVE THAT DELIVERIES WILL NOT BE MADE AS SCHEDULED, WRITTEN NOTICE SETTING FORTH THE CAUSE OF THE ANTICIPATED DELAY WILL BE GIVEN IMMEDIATELY TO THE BUYER.

When seller anticipates making a change* that may impact their delivered quality or on time delivery to the buyer, the seller shall provide written notification of the anticipated change and seek buyer approval prior to making the change.

*Including, but not limited to:

- Change in company ownership. Notification within 5 days.
- Change in senior management including Quality management. Notification within 5 days.
- Change in process suppliers when supplier is not on Buyer's Approved Supplier List. Must notify prior to change being implemented.
- Change in Raw Material suppliers when supplier is not on Buyer's Approved Supplier List. Must notify prior to change being implemented.
- Change in certification status or major disapproval (NADCAP, ISO/AS, Government, etc.) Notification within 5 days.
- Major change in machinery or inspection methods/techniques. Must notify prior to change.
- Change of location. Must notify prior to change.
- Major reduction/change in workforce including labor work stoppage. Immediate notification.
- Major internal/external process change. Must notify prior to change.
- Acquisitions that may impact current operation or key personnel. Notification within 5 days.
- Unplanned subcontract/sub-tier procurement; any outsourcing activity not identified at time of order placement. Must notify prior to change.
- Change from authorized control or frozen plans. Must notify prior to change.
- Major modifications in process approach or equipment use. Must notify prior to change.

Failure to notify Buyer of any of the above elements within the required timeframe may result in the immediate disapproval or mandatory source inspection implementation (at Seller's expense) until the change is resolved. If you have any questions or are in need of assistance, please contact your buyer.

Buyer reserves the right to keep Articles shipped ahead of schedule and make payment as if the delivery was made per the delivery schedule. Buyer may change quantity and/or rate of scheduled shipments, or direct temporary suspensions of scheduled shipments, neither of which shall entitle the seller to a modification of the price of goods or services covered by this purchase order.

6. INVOICES. An itemized invoice must be sent promptly to Buyer's Accounting Department for supplies delivered and accepted or services rendered and accepted as herein provided. Delays in receiving invoices and also errors and omissions of same will be considered just cause for withholding payment without losing discount privilege. Payment terms are net thirty (30) days unless otherwise provided on the face of this Purchase Order. Except as otherwise provided in the order, no payment for extras shall be made unless such extras and the price have been authorized by the Buyer.

7. WARRANTY. Seller warrants to Buyer and its customers that all material and work covered by this order will conform to the specifications, drawings, samples, symbols or other description specified by Buyer and will be new, merchantable, and free from defects in material and workmanship and that all material and work covered by this order which is in accordance with Seller's design, drawings or specifications will be fit and suitable for the purpose intended. These warranties are in addition to all other warranties specified herein or implied by law and shall survive acceptance and payment.

In addition to any other remedies available to Buyer, Buyer may return any nonconforming material to Seller for correction or replacement, all transportation charges for return and redelivery to be borne by Seller. If the Seller fails to accept return of nonconforming materials or fails promptly to correct or replace same, Buyer without limiting its other rights may, at Seller's expense, correct or replace the nonconforming material.

8. SPECIAL TOOLS. a) Unless otherwise provided herein, special tools, equipment, dies, jigs, fixtures and patterns (hereinafter collectively referred to as "Special Tooling"), used in the manufacture of required material shall be furnished by and at the expense of Seller, shall be kept in good condition and when necessary, shall be replaced by Seller without expense to Buyer. Buyer may at any time reimburse Seller for the cost of any of the Special Tooling and/or replacements and become the owner and entitled to the possession of same.

(b) If the price stated on the face hereof includes the cost of any Special Tooling fabricated or acquired by Seller for the purpose of filling this order, such Special Tooling and any process sheets related thereto shall become the property of Buyer and shall be identified by Seller as such. Unless otherwise specified herein, Buyer shall make payment only upon acceptance of the first run of material or parts fabricated therewith. Seller shall at its own expense maintain such Special Tooling in proper working order and shall be responsible for all loss of or damage thereto while in its possession and shall use the same only for the production of material for Buyer, unless otherwise authorized in writing. Seller shall follow its normal industrial practice in maintaining property control records for such Special Tooling and when this order has been completed, such Special Tooling will be disposed of as Buyer may direct. Seller shall include the substance of this subparagraph in all purchase orders and subcontracts issued by it hereunder.

9. BUYER'S PROPERTY IN SELLER'S POSSESSION. Title to any property furnished by Buyer hereunder shall, at all times, remain in Buyer, but Seller assumes the risk of and shall be responsible for any loss thereof or damage thereto however caused. Without limiting the foregoing, Seller agrees to procure insurance satisfactory to Buyer, insuring to the full insurable value thereof all Buyer's property in Seller's possession against loss of or damage resulting from fire or theft (including extended coverage, malicious mischief and vandalism). Satisfactory evidence of procurement of such insurance shall be submitted to Buyer promptly. Seller further agrees to pay all taxes assessed against Buyer's property or the use thereof while in Seller's possession and to file all necessary declarations and reports in connection therewith.

Buyer shall not be liable for any loss, damage or expense resulting directly or indirectly from any delay in delivery or non-delivery of such property to be furnished by Buyer or from the use of such property furnished by Buyer which is defective, Buyer's liability being expressly limited to the replacement of defective property upon return thereof to Buyer within thirty (30) days from receipt thereof by Seller.

10. TAXES. Seller agrees that, unless otherwise indicated in this order, (a) the prices herein do not include any state or local sales, use or other tax from which an exemption is available for purpose of this order, and (b) the prices herein include all other applicable federal, state and local taxes in effect, at the date of this order. Seller agrees to accept and use tax exemption certificates when supplied by Buyer if acceptable to the taxing authorities. In case it shall ever be determined that any tax included in the prices herein was not required to be paid by Seller, Seller agrees to notify Buyer and to make prompt application for the refund thereof, to take all proper steps to procure the same and when received to pay the same to Buyer.

11. CHANGES. Buyer may at any time by a written order, and without notice to sureties, if any, make changes within the general scope of this order, in any one or more of the following: (a.) drawings, designs or specifications, where the supplies to be furnished are to be specifically manufactured for the Buyer in accordance therewith; (b.) method of shipment or packing; (c.) place or time of delivery; and (d.) property to be furnished by Buyer. If any such change causes an increase or decrease in the cost and/or the time required for performance of this order, whether or not changed by Buyer's written order, an equitable adjustment may be sought in the price or delivery schedule or both, subject to Buyer's evaluation and negotiation. The negotiated settlement shall be reduced to writing accordingly. Any claim by the Seller for adjustment under this article must be asserted within twenty (20) days from the date of notification of the change. Where the cost of material made obsolete or excess as a result of a change is included in Seller's claim for adjustment, the Buyer shall have the right to prescribe the manner of disposition of such property. NOTHING IN THIS CLAUSE SHALL EXCUSE THE SELLER FROM PROCEEDING WITH THIS ORDER AS CHANGED.

12. ADVERTISING, ANNOUNCEMENTS AND NEWS RELEASES. Seller shall not, without first obtaining written consent of Buyer, in any manner advertise or publish or issue any news release or make any public announcements or denial or confirmation of same concerning the fact that Seller has furnished or contracted to furnish the Buyer the material or work herein mentioned.

13. INTELLECTUAL PROPERTY: Seller agrees: (a) to defend, hold harmless and indemnify Buyer, its successors and customers against claims of direct or contributory infringement or inducement to infringe any proprietary right (including any patent, trademark, copyright, moral, industrial design right or misuse or misappropriation of trade secret) and against any resulting damages or expenses, including attorneys' and other professional fees, settlements and judgments, arising in any way in relation to Supplies procured or provided by Seller (including without limitation their manufacture, purchase, use and/or sale), including such claims where Seller has provided only part of Supplies, and Seller expressly waives any claim against Buyer that such infringement arose out of compliance with Buyer's specification, except to the extent such infringement is actually embodied in designs created by Buyer and provided in writing to Seller; (b) to waive any claim against Buyer, including any hold-harmless or similar claim, in any way related to a third-party claim asserted against Seller or Buyer for infringement of any proprietary right (including any patent, trademark, copyright, moral, industrial design right or misuse or misappropriation of trade secret); (c) that Buyer and its subcontractors and direct or indirect customers have the worldwide, irrevocable right to repair, reconstruct or rebuild, and to have repaired, reconstructed or rebuilt, Supplies delivered under the Order without payment of any royalty or other compensation to Seller; (d) that manufactured parts based on Buyer's designs, drawings or specifications may not be used for Seller's own use or sold to third parties without Buyer's express written consent; (e) to assign to Buyer each invention, discovery or improvement (whether or not patentable) that is conceived or first reduced to practice by Seller, or by any person employed by or working under the direction of Seller, in the performance of the Order; (f) to promptly disclose in an acceptable form to Buyer all such inventions, discoveries or improvements and to cause its employees to sign any papers necessary to enable Buyer to obtain title to and to file applications for patents throughout the world; (g) to the extent that the Order is issued for the creation of copyrightable works, that the works will be considered "works made for hire," and to the extent that the works do not qualify as such, to assign to Buyer upon delivery thereof all right, title and interest in all copyrights and moral rights therein (including any source code); and (h) not to assert any claim against Buyer, Buyer's customers, or their respective suppliers, with respect to any technical information that Seller has disclosed or may disclose to Buyer in connection with the Supplies covered by the Order, except to the extent expressly covered by a separate written confidentiality and/or license agreement signed by Buyer or by a valid patent expressly disclosed to Buyer prior to or at the time of the Order. Except as expressly agreed by Buyer in a signed writing, all Supplies or other deliverables provided under the Order (including without limitation computer programs, technical specifications, documentation and manuals) will be original to Seller and will not incorporate any intellectual property rights (including copyright, patent, trade secret or trademark rights) of any third party. Except as expressly agreed by Buyer in a signed writing, all deliverables of services provided under the Order, and all related intellectual property rights, are owned solely by Buyer. Seller will ensure that the terms of its contracts with its subcontractors and employees are consistent with the terms of this Section. At no additional cost, Seller will grant Buyer a paid-up license to use any additional or background intellectual property owned or acquired by Seller that is necessary or incident to the reasonably intended use or application of the Supplies.

14. DRAWINGS. All drawings, specifications and data furnished by Buyer to Seller hereunder shall remain the property of Buyer and shall not be disclosed by Seller and shall be used by Seller only as and to the extent required for the performance of this order, unless otherwise approved by the Buyer in writing. Upon completion of work by Seller under this order and upon Buyer's request, Seller shall promptly return to Buyer all drawings, specifications and other data furnished by Buyer in connection therewith, together with all copies or reprints then in Seller's possession or control, and Seller shall thereafter make no further use either directly or indirectly of any such drawings, specifications or data of any information derived therefrom, without Buyer's prior written consent.

15. COMPLIANCE WITH APPLICABLE LAWS. Seller agrees that, in the performance hereof, it will comply with all applicable laws, statutes, rules regulations or orders of the United States Government or of any state or political subdivision thereof, and same shall be deemed incorporated herein by reference. Without limiting the generality of the foregoing, Seller agrees that it will include on all invoices issued by the Seller hereunder the following statement:

The Seller represents that with respect to the production of the articles and/or performance of the services covered by this invoice, it has fully complied with all provisions of the Fair Labor Standards Act of 1938, as amended. The Seller represents that all equipment and/or services furnished under this Purchase Order will meet current safety requirements of the Occupational Safety and Health Act and Seller agrees to indemnify Buyer against any and all liability on account of non-compliance therewith.

16. DEFAULT. Buyer may, by written notice of default to the Seller, cancel the whole or any part of this Purchase Order if: (a) the Seller fails to make delivery of the material or to perform the work or services within the time specified herein, or (b) the Seller fails to perform any other provision of this Purchase Order or breaches any of the terms hereof, or so fails to make progress as to endanger performance of this Purchase Order in accordance with its terms, and does not cure such failure within ten (10) days after receipt of notice from the Buyer specifying such failure. If Buyer cancels this Purchase Order in whole or in part, in addition to any other remedies of Buyer at law or equity or under this Purchase Order, Buyer may procure, upon such terms and in such manner as Buyer deems appropriate, material work or services similar to that canceled, and Seller shall pay Buyer upon demand all excess procurement costs (including administrative costs) that Buyer may incur for such procurement. Seller shall continue performance of the non-canceled portion of this Purchase Order as directed by Buyer.

17. BUYER'S REMEDIES. All rights and remedies of Buyer set out in this Purchase Order are cumulative and are in addition to any remedies provided at law or equity.

18. TERMINATION FOR CONVENIENCE. (a) Buyer may terminate, without cause, the whole or (from time to time) any part of the work required under this Purchase Order by delivering to the Seller a written Notice of Termination specifying the work terminated and the effective date thereof.

(b) Any claim by Seller resulting from such termination shall be submitted no later than ninety days after delivery of said notice of termination.

(c) Upon receipt of said Notice of Termination Seller shall, as directed, cease work and deliver to buyer all completed and partially completed goods or materials and work in process, and Buyer shall pay Seller the following, which in no event shall exceed the total price provided for herein:

(i) The price provided in the order for all goods which have been completed prior to termination and which are accepted by Buyer.

(ii) To the extent commercially reasonable, the actual expenditures on the uncompleted portion of the order, including cancellation charges paid by the Seller on account of commitments made under this order.

(d) Buyer's right of Termination is in addition to and not in derogation of Buyer's rights under Article 16 hereof. Notwithstanding the issuance by Buyer of a Notice of Termination hereunder, any right of Buyer based on prior breach of performance by Seller shall survive.

19. WAIVER. The failure of Buyer to insist, in any one or more instances, upon performance of any of the terms, covenants or conditions of this Purchase Order or to exercise any right hereunder, shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant or condition or the future exercise of such right, but the obligation of Seller with respect to such future performance shall continue in full force and effect.

20. ASSIGNMENT. None of the sums due or to become due nor any of the work to be performed under this order shall be assigned nor shall Seller subcontract for completed or substantially completed material called for by this order without Buyer's prior written consent.

21. SET-OFF. Seller agrees that Buyer shall have the right to set-off against any amounts which may become payable by Buyer to Seller under this order or otherwise, any amounts which Seller may owe to Buyer, whether arising under this order or otherwise.

22. PRICE WARRANTY. Seller warrants that the prices charged under this order do not exceed those charged by Seller to any other customer, including preferred customers of the U.S. Government, for purchase of the same items or services in like or similar quantities.

23. HOLD HARMLESS. Seller agrees to indemnify and save Buyer and its customer(s) and their respective officers, directors, employees and agents harmless from and against (i) all claims (including claims under Workers' Compensation or Occupational Disease laws) and resulting costs, expenses and liability which arise from personal injury, death, or property loss or damage attributed to, or caused by, the goods, services or other items supplied by Seller pursuant to this Purchase Order, including, without limitation, latent defects in such goods, services or other items, except to the extent that such injury, death, loss or damage is caused solely and directly by the negligence of Buyer, and (ii) all claims (including resulting costs, expenses and liability) by the employees of Seller or any of its subcontractors arising while such personnel are on premises owned or controlled by Buyer in connection with the performance of this order. Seller shall maintain Workmen's Compensation Insurance and Employer Liability Insurance in the minimum amount of One Million Dollars (\$1,000,000) covering all such personnel while on Buyer's premises, expressly waiving any right of subrogation against Buyer and its employees, officers and agents.

24. GOVERNING LAW. This Purchase Order and any subsequent changes thereto shall be construed and enforced in accordance with the laws of the State where Buyer's business unit has its principal place of business. Any litigation under this purchase order, if commenced by Seller, shall be brought in a court of competent jurisdiction in the State where Buyer's business unit has its principal place of business.

25. SAFEGUARDING MATERIALS IN PROCESS. In all Purchase Orders where progress payments or milestone payments are made by the Buyer, Seller must properly safeguard against loss, damage and/or theft of all materials leaving the Seller's plant for further processing.

26. APPROVALS. Wherever this subcontract provides for submittal of designs, components, or other items for approval of Buyer, such approvals shall not be construed as a complete check as to the adequacy of said design, component, or item, nor as an agreement of acknowledgment that the design, component, or item will meet requirements of the Statement of Work under this subcontract. Such approvals are solely for the purpose of insuring Buyer's knowledge of Seller's plans and progress and will indicate only that Seller's general approach towards meeting requirements under this subcontract is satisfactory. Such approvals shall in no way relieve the Seller of the responsibility for any error or deficiency which may exist in the submitted design, component, or other item, as Seller shall be responsible for meeting all the requirements of the Statement of Work under this subcontract.

27. STOP WORK ORDER. The Buyer reserves the right to stop work under this Purchase Order for a reasonable time without incurring any additional liability.

28. ADMINISTRATION. Notwithstanding any other provisions of this purchase order or any document referenced herein, TSC's cognizant Subcontract Administrator or Buyer is the only individual authorized to make the changes in or redirect the work required by this purchase order. Where TSC approval is required under the terms of this order, it shall be construed to mean the approval of TSC's cognizant Subcontract Administrator or Buyer. In the event the Seller effects any change at the direction of any other person, the change will be considered as having been made without authority and an adjustment will not be made in the purchase order price or delivery schedule as a result thereof. No agreement or understanding will be binding on TSC unless made in writing and signed by the cognizant Subcontract Administrator or Buyer.

29. MODIFICATION OF PURCHASE ORDER. This purchase order contains all the agreements between the parties and no course of dealing or usage of the trade shall be applicable unless expressly incorporated in this order. The terms and conditions contained in this order may not be added to, modified, superseded or otherwise altered except by a written modification signed by TSC's cognizant Subcontract Administrator or Buyer and delivered by TSC to Seller. Each shipment received by TSC from Seller shall be deemed to be in fulfillment of the requirements herein only upon the terms and conditions contained in this order notwithstanding any terms and conditions that may

be contained in any invoice or other form of Seller, and notwithstanding TSC's act of accepting or paying for any shipment or similar act of TSC.

30. INSOLVENCY. If Seller ceases to conduct its operations in the normal course of business, including inability to meet its obligations as they mature, or if any proceeding under the bankruptcy or insolvency laws is brought by or against Seller, or a receiver for Seller is appointed or applied for, or an assignment for the benefit of creditors is made by Seller, Buyer may terminate this order without liability, except for deliveries previously made or for goods covered by this order then completed and subsequently delivered in accordance with the terms of this order.

31. CANCELLATION. The Seller's failure to comply with the specifications, terms and conditions of this order or any part thereof, or Seller's failure to deliver items ordered herein in accordance with specifications, shall be grounds for cancellation by Buyer at no cost to Buyer. In case of ambiguity in the specifications drawings or other requirements of this order, Seller, before proceeding, must consult Buyer, whose written interpretation shall be final. Buyer's right to cancel hereunder shall be in addition to all other rights and remedies available to Buyer under this order or otherwise.

32. FORCE MAJEURE. Neither party shall be responsible for delays in delivery or performance because of intervention of a Force Majeure, which term shall include strikes, lockouts, riots, epidemics, war, governmental regulations, fire, explosion, acts of God, or any other cause beyond the control of the party affected. In no event shall lack of finances be considered as a cause beyond the control of a party. The party affected by the Force Majeure shall give prompt notice thereof and, upon cessation of the Force Majeure, take all reasonable steps to resume compliance with its obligations. If a delay in delivery or performance extends beyond one hundred eighty (180) days, then either party may terminate.

33. COMPLIANCE TO ENVIRONMENTAL AND SAFETY POLICIES. All work shall be performed by Seller in full compliance with all applicable federal, state and local government environmental, health, and safety laws and regulations, and all applicable ISO 14001 policies enacted by Buyer's facility receiving the goods or service. All work performed on Buyer's premises shall be performed in conformity with all plant environmental and safety requirements specified by Buyer. All of Seller's personnel performing work under this Purchase Order shall be fully trained and otherwise qualified and competent to perform work assigned to them that has actual or potential environmental impacts. Seller shall indemnify and hold Buyer harmless from all claims by any third party that relate to environmental damages and/or remediation personnel injury, and all related liabilities and associated costs relating to or arising from the Seller's performance under this Purchase Order. Seller's work at Buyer's premises. In addition, for all such work performed on Buyer's premises, Seller shall maintain insurance coverage in amounts specified by Buyer, but in no case less than \$1 Million Workers Compensation Coverage and \$1 Million General Liability Coverage. Seller shall provide immediate notice, orally and in writing, to the Buyer's EHS Department of all environmental-related accidents, incidents, and/or damage or liability claims by third parties, of which Seller becomes aware during the performance of work by Seller under this purchase order.

34. EXPORT/IMPORT COMPLIANCE. The following restrictions shall apply to all designs, drawings, and other technical documents and information and assistance furnished or disclosed to Seller by Buyer (herein called "technical data" and "technical assistance" respectively) and to any items manufactured by Seller, its corporate entities or subcontractors by use of such technical data and/or technical assistance (herein called "products"). In connection with the disclosure, delivery, or export of technical data or technical assistance by Buyer to Seller, Seller shall comply, and shall cause its corporate entities and subcontractors at all tiers to comply with any export restrictions imposed by any governmental agency of the United States of America, including without limitation the provisions of the Export Administration Act of 1979 (50 USC 2401-2420) and the Export Administration Regulations (15 CFR 768-799) promulgated there under; the Arms Export Control Act of 1976 (22 USC 2751-2779), the International Traffic in Arms Regulation (22 CFR 120-128 and 130) promulgated there under; and the Foreign Corrupt Practices Act. The Parties acknowledge that these statutes and regulations impose restrictions on import, export, and transfer to third countries of certain categories of data, technical assistance and products, and that authorization from the U.S. Department of State and/or U.S. Department of Commerce may be required before such technical data, technical assistance and products can be provided hereunder, and that such export authorizations may impose further restrictions on use of such technical data, technical assistance and products. Seller shall indemnify and hold Buyer harmless to the full extent of any loss, damage, or expense, including lost profit, attorney's fees and court costs, for any failure or alleged failure of Seller to comply with the above referenced laws and regulations and the United States Customs Modernization Act of 1993. In addition the Seller shall obtain Buyer's permission in writing before any technical data or proprietary information of the Buyer is provided to any non-US subcontractor or other non-US person, including without limitation any non-US affiliate of the Seller. Seller shall provide Buyer with a detailed list of all potential non-US subcontractors, identify the ultimate parent company of each such non-US subcontractor, and provide full legal names and addresses, e-mail addresses, telephone numbers, and contacts for each such entity to Buyer prior to providing any technical data or product embodying such technical data to any such entity in connection with this Order. Seller shall return all technical data to Buyer after completion or termination of this Order unless otherwise directed by Buyer. Seller shall provide appropriate certification to Buyer regarding the classification of the product(s) procured under this Agreement on either the United States Munitions List (USML) or the Commerce Control List (CCL). Furthermore, as part of Seller's obligation under this Order, Seller shall provide the USML Category or Export Control Classification Number (ECCN) to Buyer, as applicable.

35. RIGHT OF ACCESS. Acceptance of this purchase order shall grant to the Buyer right of access by the Buyer's organization, their customer, and regulatory authorities to all facilities involved in the order and to all applicable records.

36. RECORDS RETENTION. For non-government funded purchase orders seller shall retain all applicable records of the purchase including their subcontractor records for four (4) years after final payment by Buyer.

FEDERAL AND DEFENSE ACQUISITION REGULATION SUPPLEMENTAL TERMS AND CONDITIONS (DoD) FOR BOTH FIXED PRICE AND COST-REIMBURSABLE PURCHASE ORDERS.

In the event this Order is issued for material and/or work required by Buyer for the performance of a contract with a department or agency of the Department of Defense (DoD) or a subcontract of any tier under such DoD contract as noted on the face of this Order, the following supplemental terms and conditions shall be applicable. These Supplemental Terms and Conditions are in addition to and not in derogation of the General Terms and Conditions, and any "other" terms and conditions of this Order; however, in the event that any Supplemental Term or Condition is determined to be inconsistent with any printed General Term or Condition, the Supplemental Term or Condition shall govern.

1.1 INSPECTION

All material and work, including raw materials, components and end products shall be subject to inspection and test by the Buyer and the U. S. Government to the extent practicable at all times and places, and the plants of Seller and its subcontractors of any tier shall be subject to inspection by Buyer and the U. S. Government. The exercise of the right of inspection and test, however, shall in no way relieve Seller of its obligation to furnish all material and work in strict accordance with this Order. In case any material or work is found to be defective, Buyer shall have the right, without prior consent, to reject the same or require that it be corrected or replaced promptly. If inspection and test are made on the premises of Seller or any subcontractor of Seller, Seller or such subcontractor shall furnish without additional charge all reasonable facilities and assistance for the safe and convenient inspection and test required. All inspection tests shall be performed in such manner as not to cause delay.

2.2 APPROVAL OF SUBCONTRACTS. Unless Buyer otherwise advises Seller in writing, all subcontracts for completed or substantially completed articles, spare parts, tools or work covered by this Order must have prior approval by the Buyer and also, if required by the U. S. Government, by the Government Contracting Officer.

3.3 SUBCONTRACT SURVEILLANCE. Subject to all applicable military security regulations, authorized representatives of Buyer and/or its customer (with the concurrence of Buyer), shall have access to the Subcontractor's facilities in order to review progress, discuss problems/failures and witness testing pertaining to the requirements of this Order. The subcontractor shall provide adequate information on subcontract performance in response to reasonable requests by Buyer and/or its customer.

4.4 GOVERNMENT VISITS. The U. S. Government and/or its designated representative(s) shall be permitted to visit Seller with respect to this Order only after arrangements have been made with the Buyer's Subcontract Administrator or Buyer.

5.5 APPLICABLE LAW AND DISPUTES. Any disputes arising under this Order solely between Buyer and Seller shall be governed by the law of the State where Buyer's business unit has its principal place of business. If a decision on a question of fact is issued by the Contracting Officer under the Prime Contract "Disputes" clause and the decision relates to this Order, said decision, if binding upon Buyer under the Prime Contract, shall also be binding upon Buyer and Seller with respect to this Order.

6.6 UNRESOLVED DISPUTES. Any dispute arising under this order which is not disposed of by the agreement of the parties shall be decided by a court of competent jurisdiction in the State where Buyer's business unit has its principal place of business. Pending settlement or final decision of any such dispute, Seller shall proceed diligently with the performance of this order in accordance with Buyer's direction.

7.7 INDEMNIFICATION FOR DEFECTIVE COST OR PRICING DATA. Seller agrees to indemnify and hold Buyer harmless from any amount Buyer may be obliged to reimburse the United States Government or other customer and from any other liability, loss or cost, including without limitation, attorneys' fees, incurred by Buyer by reason of Seller's or Seller's subcontractors' failure to comply with any provision incorporated into this order relating to providing Buyer or the United States Government cost or pricing data. Seller further agrees to indemnify Buyer for any loss or cost, including, without limitation, attorney's fees, incurred by Buyer in attempting to justify Seller's or its subcontractor's data. Notwithstanding the foregoing, Buyer shall have no obligation to justify the data submitted by Seller provided it gives Seller an opportunity to justify such data directly with Buyer's customer.

8.8. OFFSET. CREDITS FOR FOREIGN PROCUREMENTS

Buyer represents that its business base consists, in part, of international orders, and that it must, from time to time, enter into international offset agreements to secure such orders. To the extent that the goods ordered hereunder are components of Buyer's products/systems sold to a foreign nation or concern or are non-recurring activities, tooling, equipment, engineering, etc. Associated with Buyer's products/systems sold to a foreign nation or concern, and in recognition that such sale results directly or indirectly in business opportunities, sales or revenue for the Seller, the Seller agrees to cooperate with Buyer in the fulfillment of any offsets program obligations that Buyer may be required to accept as a condition of such foreign sale. Seller hereby commits to assume and discharge a proportionate share of said offset obligation(s), either directly or through a mutually agreeable third party, by engaging in such activities as subcontracting, co-production, co-development, technology transfers, counter trade, investments, joint ventures, etc. Buyer's customer countries.

Buyer expressly claims the right to all industrial benefits and other offset credits arising with respect to any goods ordered hereunder, including any related issues by the Seller to sources in the foreign customer's country. The Seller agrees to provide all necessary information in such form as may be required to enable Buyer to obtain the aforementioned offset credits.

9.9 FAR/DFARS CLAUSES. The following Federal Acquisition Regulation clauses and Defense Federal Acquisition Regulation Supplement clauses as amended by applicable Federal and Defense Acquisition Circulars in effect as of the date of the Prime Contract are incorporated herein by reference, with the same force and effect as if they were given in full text. Whenever necessary to make such clauses applicable, the term "Contractor" shall mean "Seller", the term "Contract" shall mean "Order", the term "Government" and equivalent shall include the words "Buyer/Subcontract Administrator" and the term "Contracting Officer" and equivalent shall include the words "Buyer/Subcontract Administrator", provided the use of such terms shall convey data and patent rights only to the U. S. Government, and that in provisions relating to Government property or audit or compliance with federal regulations, the U. S. Government will act in its own behalf. All terms and conditions are subject to FAR 52.202-1, Definitions.

<p>A. GENERAL</p> <p>Subpart 4.7</p> <p>52.202-1</p> <p>52.203-3</p> <p>52.203-5</p> <p>52.203-7</p> <p>52.203-11</p> <p>52.204-2</p> <p>52.204-9</p> <p>52.211.5</p> <p>52.219-8</p> <p>52.222-1</p> <p>52.222.21</p> <p>52.222-26</p> <p>52.222-39</p> <p>52.222-50</p> <p>52.223-3</p> <p>52.225-1</p> <p>52.225-13</p> <p>52.227-1</p> <p>52.227-10</p> <p>52.234-1</p> <p>52.242-15</p> <p>52.243-1</p> <p>52.244-6</p> <p>52.245-1</p> <p>52.245-2</p> <p>52.247-63</p> <p>52.249-2</p>	<p>Contractor Records Retention</p> <p>Definitions</p> <p>Gratuities</p> <p>Covenant Against Contingent Fees</p> <p>Anti-Kickback Procedures</p> <p>Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (Seller's signed quotation/proposal serves as Certification on Orders over \$100,000)</p> <p>Security Requirements</p> <p>Personal Identity Verification of Contractors</p> <p>Material Requirements</p> <p>Utilization of Small Business Concerns</p> <p>Notice to the Government of Labor Disputes</p> <p>Prohibition of Segregated Facilities</p> <p>Equal Opportunity</p> <p>Notification of employee rights concerning payments of union dues or fees</p> <p>Combating Trafficking in Persons</p> <p>Hazardous Material Identification and Material Safety Data</p> <p>Buy American Act</p> <p>Restrictions on Certain Foreign Purchases</p> <p>Authorization and Consent</p> <p>Filing of Patent Applications - (Classified Subject Matter)</p> <p>Industrial Resources Developed under Defense Production Act Title III</p> <p>Stop-Work Order</p> <p>Changes – Fixed-Price</p> <p>Subcontracts for Commercial Items</p> <p>Government Property (Alternates 1 and 2)</p> <p>Government Property (Installations Operation Services)</p> <p>Preference for U.S. Flag Air Carriers</p> <p>Termination for Convenience of the Government (Fixed-Price)</p>	<p>252.227-7027</p> <p>252.227-7030</p> <p>252.227-7037</p> <p>252.228-7005</p> <p>252.231-7000</p> <p>252.235-7003</p> <p>252.239-7016</p> <p>252.243-7001</p> <p>252.245-7001</p> <p>252.247-7024</p>	<p>Deferred ordering of technical data or computer software</p> <p>Technical Data - Withholding of Payment</p> <p>Validation of Restrictive Markings on Technical Data</p> <p>Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles</p> <p>Supplemental cost principles</p> <p>Frequency Authorization</p> <p>Telecommunications Security Equipment, Devices, Techniques and Services</p> <p>Pricing of contract modifications</p> <p>Reports of Government Property</p> <p>Notification of Transportation of Supplies by Sea</p>
<p>B. ALL ORDERS OVER \$10,000</p> <p>52.222-20</p> <p>52.222-35</p> <p>52.222-36</p> <p>52.222-37</p> <p>52.225-8</p>	<p>Walsh-Healy Public Contracts Act</p> <p>Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans</p> <p>Affirmative Action for Workers with Disabilities</p> <p>Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans</p> <p>Veterans of the Vietnam Era</p> <p>Duty-Free Entry</p>	<p>252.203-7001</p> <p>252.209-7000</p> <p>252.247-7023</p>	<p>ALL ORDERS OVER \$100,000</p> <p>Prohibition on persons convicted of fraud or other defense-contract-related felonies</p> <p>Acquisition from Subcontractors Subject to On-Site Inspection Under the Intermediate-Range Nuclear Forces (INF) Treaty</p> <p>Transportation of Supplies by Sea</p>
<p>C. ALL ORDERS OVER \$100,000</p> <p>52.203-6</p> <p>52.215-2</p> <p>52.215-14</p> <p>52.227-2</p> <p>52.247-64</p> <p>52.248-1</p>	<p>Restrictions on Subcontractor Sales to the Government</p> <p>Audit and Records – Negotiation</p> <p>Integrity of Unit Prices</p> <p>Notice and Assistance Regarding Patent and Copyright Infringement</p> <p>Preference for Privately Owned U.S. Flag Commercial Vessels</p> <p>Value Engineering</p>	<p>52.204-2</p> <p>52.204-9</p> <p>52.211-5</p> <p>52.215-16</p> <p>52.215-17</p> <p>52.216-7</p> <p>52.216-8</p>	<p>ALL ORDERS OVER \$500,000</p> <p>Reporting of Contract Performance Outside the U. S.</p> <p>Pricing Adjustments</p> <p>Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (DOD) contracts</p>
<p>D. ALL ORDERS OVER \$500,000</p> <p>52.215-12</p> <p>52.215-15</p> <p>52.215-18</p> <p>52.215-19</p> <p>52.219-9</p>	<p>Subcontractor Cost or Pricing Data</p> <p>Pension Adjustments and Asset Reversions</p> <p>Reversion or Adjustment of Plans for Postretirement Benefits (PRB) other than Pensions</p> <p>Notification of Ownership Changes</p> <p>Small Business Subcontracting Plan</p>	<p>52.216-10</p> <p>52.219-8</p> <p>52.222-1</p> <p>52.222-26</p> <p>52.222-50</p> <p>52.223-3</p> <p>52.225-1</p> <p>52.225-13</p> <p>52.227-1</p> <p>52.227-10</p> <p>52.228-7</p> <p>52.232-20</p> <p>52.232-22</p> <p>52.234-1</p> <p>52.242-1</p> <p>52.242-15</p> <p>52.243-2</p> <p>52.244-6</p> <p>52.245-1</p> <p>52.245-2</p> <p>52.245-5</p> <p>52.247-63</p> <p>52.249-6</p>	<p>ALL ORDERS OVER \$1,000,000</p> <p>Acquisition Streamlining</p> <p>Waiver of United Kingdom Levies - Evaluation of Offers</p>
<p>Department of Defense Federal Acquisition Regulation Supplement (48 CFR Chapter 2) Clauses. (DFARS) Incorporated by Reference</p>			
<p>A. GENERAL</p> <p>252.204-7000</p> <p>252.208-7000</p> <p>252.223-7001</p> <p>252.223-7002</p> <p>252.223-7003</p> <p>252.223-7006</p> <p>252.223-7007</p> <p>252.225-7001</p> <p>252.225-7007</p> <p>252.225-7013</p> <p>252.225-7014 (Alt. 1)</p> <p>252.225-7016</p> <p>252.227-7013</p> <p>252.227-7014.1</p> <p>252.227-7015</p> <p>252.227-7016</p> <p>252.227-7018</p> <p>252.227-7019</p> <p>252.227-7026</p>	<p>Disclosure of Information</p> <p>Intent to Furnish Precious Metals as Government-Furnished Material</p> <p>Hazard Warning Labels</p> <p>Safety Precautions for Ammunition and Explosives</p> <p>Change in Place of Performance – Ammunition and Explosives</p> <p>Prohibition on Storage and Disposal of Toxic and Hazardous Materials</p> <p>Safeguarding sensitive conventional arms, ammunition, and explosives</p> <p>Buy American Act and Balance of Payments Program</p> <p>Prohibition of Acquisition of US Munitions List Items from Communist Chinese Military Companies</p> <p>Duty-Free Entry</p> <p>Preference for Domestic Specialty Metals</p> <p>Restrictions on Acquisition of Ball and Roller Bearings</p> <p>Rights in Technical Data – Non-commercial Items</p> <p>Rights in Non-commercial Computer Software and Non-commercial Computer Software Documentation</p> <p>Technical Data –commercial Items</p> <p>Rights in Bid or Proposal Information</p> <p>Rights in Non-commercial Technical Data and Computer Software – Small Business Innovation Research (SBIR) Program</p> <p>Validation of Asserted Restrictions – Computer Software</p> <p>Deferred Delivery of technical data or computer software</p>	<p>52.202-1</p> <p>52.203-3</p> <p>52.203-5</p> <p>52.203-7</p> <p>52.203-11</p> <p>52.204-2</p> <p>52.204-9</p> <p>52.211-5</p> <p>52.215-16</p> <p>52.216-10</p> <p>52.219-8</p> <p>52.222-1</p> <p>52.222-26</p> <p>52.222-50</p> <p>52.223-3</p> <p>52.225-1</p> <p>52.225-13</p> <p>52.227-1</p> <p>52.227-10</p> <p>52.228-7</p> <p>52.232-20</p> <p>52.232-22</p> <p>52.234-1</p> <p>52.242-1</p> <p>52.242-15</p> <p>52.243-2</p> <p>52.244-6</p> <p>52.245-1</p> <p>52.245-2</p> <p>52.245-5</p> <p>52.247-63</p> <p>52.249-6</p>	<p>Contractor Records Retention</p> <p>Definitions</p> <p>Gratuities</p> <p>Covenant Against Contingent Fees</p> <p>Anti-Kickback Procedures</p> <p>Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (Seller's signed quotation/proposal serves as Certification on Orders over \$100,000)</p> <p>Security Requirements</p> <p>Personal Identity Verification of Contractors</p> <p>Material Requirements</p> <p>Facilities Capital Cost of Money</p> <p>OR</p> <p>Waiver of Facilities Capital Cost of Money</p> <p>Allowable Cost and Payment</p> <p>Fixed Fee</p> <p>OR</p> <p>Incentive Fee</p> <p>Utilization of Small Business Concerns</p> <p>Notice to the Government of Labor Disputes</p> <p>Equal Opportunity</p> <p>Combating Trafficking in Persons</p> <p>Hazardous Material Identification and Material Safety Data</p> <p>Buy American Act</p> <p>Restrictions on Certain Foreign Purchases</p> <p>Authorization and Consent</p> <p>Filing of Patent Applications - Classified Subject Matter</p> <p>Insurance--Liability to Third Persons</p> <p>Limitation of Cost</p> <p>Limitation of Funds</p> <p>Industrial Resources Developed under Defense Production Act Title III</p> <p>Notice of Intent to Disallow Costs</p> <p>Stop-Work Order</p> <p>Changes – Cost Reimbursement</p> <p>Subcontracts for Commercial Items</p> <p>Government Property (Alternates 1 and 2)</p> <p>Government Property (Installations Operation Services)</p> <p>Government Property (Cost Reimbursement, Time-and-Material, or Labor Hour Contracts)</p> <p>Preference for U.S. Flag Air Carriers</p> <p>Termination (Cost-Reimbursement)</p>
<p>B. ALL ORDERS OVER \$10,000</p> <p>52.222-20</p> <p>52.222-35</p> <p>52.222-36</p> <p>52.222-37</p> <p>52.225-8</p>	<p>Walsh-Healy Public Contracts Act</p> <p>Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans</p> <p>Affirmative Action for Workers with Disabilities</p> <p>Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans</p> <p>Duty-Free Entry</p>	<p>52.222-20</p> <p>52.222-35</p> <p>52.222-36</p> <p>52.222-37</p> <p>52.225-8</p>	<p>ALL ORDERS OVER \$100,000</p> <p>Prohibition on persons convicted of fraud or other defense-contract-related felonies</p> <p>Acquisition from Subcontractors Subject to On-Site Inspection Under the Intermediate-Range Nuclear Forces (INF) Treaty</p> <p>Transportation of Supplies by Sea</p>
<p>C. ALL ORDERS OVER \$100,000</p>	<p>Supplemental Terms and Conditions for Cost-Reimbursable Purchase Orders</p>	<p>52.222-20</p> <p>52.222-35</p> <p>52.222-36</p> <p>52.222-37</p> <p>52.225-8</p>	<p>ALL ORDERS OVER \$100,000</p> <p>Reporting of Contract Performance Outside the U. S.</p> <p>Pricing Adjustments</p> <p>Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (DOD) contracts</p>

52.203-6 Restrictions on Subcontractor Sales to the Government
52.215-2 Audit and Records – Negotiation
52.215-14 Integrity of Unit Prices
52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement
52.247-64 Preference for Privately Owned U. S. Flag Commercial Vessels
52.248-1 Value Engineering

D. ALL ORDERS OVER \$500,000

52.215-12 Subcontractor Cost or Pricing Data
52.215-15 Pension Adjustments and Asset Reversions
52.215-18 Reversion or Adjustment of Plans for Post Retirement
Benefits (PRB) other than Pensions
52.215-19 Notification of Ownership Changes
52.219-9 Small Business Subcontracting Plan

E. ALL ORDERS OVER \$5,000,000

52.203-13 Contractor Code of Business Ethics and Conduct.
52.203-14 Display of Hotline Poster(s)

Department of Defense Federal Acquisition Supplement

(48 CFR Chapter 2) Clauses. (DFARS) Incorporated by Reference

A. GENERAL

252.204-7000 Disclosure of Information
252.208-7000 Intent to Furnish Precious Metals as Government-Furnished
Material
252.223-7001 Hazard Warning Labels
252.223-7006 Prohibition on Storage and Disposal of Toxic and Hazardous
Materials
252.223-7007 Safeguarding sensitive conventional arms, ammunition, and
explosives
252.225-7001 Buy American Act and Balance of Payments Program
252.225-7007 Prohibition on Acquisition of US Munitions List Items from
Communist Chinese Military Companies
252.225-7013 Duty Free Entry
252.225-7014 (Alt. 1) Preference for Domestic Specialty Metals
252.225-7016 Restriction on Acquisition of Ball and Roller Bearings
252.227-7013 Rights in Technical Data – Non-commercial Items
252.227-7014.1 Rights in Non-commercial Computer Software and Non-
commercial Computer Software Documentation
252.227-7015 Technical Data –commercial Items
252.227-7016 Rights in Bid or Proposal Information
252.227-7018 Rights in Non-commercial Technical Data and Computer
Software – Small Business Innovation Research (SBIR)
Program
252.227-7019 Validation of Asserted Restrictions – Computer Software
252.227-7026 Deferred Delivery of technical data or computer software
252.227-7027 Deferred Ordering of technical data or computer software
252.227-7030 Technical Data - Withholding of Payment
252.227-7037 Validation of Restrictive Markings on Technical Data
252.228-7005 Accident Reporting and Investigation Involving Aircraft,
Missiles, and Space Launch Vehicles
252.231-7000 Supplemental cost principles
252.235-7003 Frequency Authorization
252.239-7016 Telecommunications Security Equipment, Devices,
Techniques and Services
252.245-7001 Report of Government Property
252.247-7024 Notification of Transportation of Supplies by Sea

B. ALL ORDERS OVER \$100,000

252.203-7001 Prohibition on persons convicted of fraud or other defense-
contract-related felonies
252.209-7000 Acquisition from Subcontractors Subject to On-Site
Inspection Under the Intermediate-Range Nuclear Forces
(INF) Treaty
252.247-7023 Transportation of Supplies by Sea

C. ALL ORDERS OVER \$500,000

252.225-7004 Reporting of Contract Performance Outside the U. S.
252.215-7000 Pricing Adjustments
252.219-7003 Small, Small Disadvantaged and Women-Owned Small
Business Subcontracting Plan (DOD) contracts

D. ALL ORDERS OVER \$1,000,000

252.211-7000 Acquisition Streamlining
252.225-7032 Waiver of United Kingdom Levies – Evaluation of Offers

The Federal Acquisition Regulation, DoD FAR Supplement, and Federal and
Defense Acquisition Circulars are available from:

The Superintendent of Documents
U.S. Printing Office
Washington, DC 20401