

# REMARK I64

REVISION JULY 18, 2014  
TERMS AND CONDITIONS OF PURCHASE

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**ARTICLE 1 - DEFINITIONS.** As used throughout this Agreement:

- (a) "Affiliate" means any entity controlling, controlled by, or under common control of a party to this Agreement.
- (b) "Agreement" means these terms and conditions ("Supply Agreement"), purchase orders or purchase agreements issued to Seller referencing this Supply Agreement ("Order(s)"), and any pricing agreements, specifications, statements of work, or other papers referenced in such Orders.
- (c) "Direct Procurement" means the purchase of any Good or Service that is incorporated into or performed on an aircraft or part thereof, or is otherwise provided to Purchaser's customer.
- (d) "Goods" means all products contracted for and supplied by Seller under this Agreement, including all components, raw materials, and intermediate assemblies thereof.
- (e) "Indirect Procurement" means the purchase of any Good or Service that is *not* incorporated into or performed on an aircraft or part thereof, and is not otherwise provided to Purchaser's customer.
- (f) "Prime Contract" means a contract defined by a government contract number printed on Orders issued pursuant to this Agreement.
- (g) "Purchaser" means the party contracting with Seller for Goods and/or Services and identified as the purchasing entity on the Order.
- (h) "Seller" means the party contracting with Purchaser to perform the work hereunder.

- (i) "Services" means those services contracted for and supplied by Seller under this Agreement and as may further be described in Orders, statements of work, specifications, or other papers included in this Agreement.

**ARTICLE 1B - CONSTRUCTION RULES.**

- (a) Plural. Plurals shall be deemed to include the singular, and singular shall include plural.
- (b) Gender. Masculine shall be deemed to include feminine, feminine shall include masculine, and gender neutral shall include both the masculine and feminine.
- (c) Including. The term including, when used herein, shall be deemed to mean including without limitation.
- (d) Headings. The heading designations are supplied for convenience only, and may not accurately or fully describe all of the requirements of a section. The headings or sub-headings do not limit or modify the scope and applicability of the sections.

**ARTICLE 2 - TERMS AND CONDITIONS.** Either Seller's written acknowledgement or Seller's full or partial performance, whichever occurs first, will constitute acceptance of the Orders. Any acceptance of this Supply Agreement by Seller is limited to acceptance of the express terms of the offer set forth in this Supply Agreement. Any proposal for additional or different terms and conditions (whether included in Seller's quote, acknowledgement, or any other document) is rejected unless accepted in writing by the Purchaser. ADDITIONAL OR DIFFERING TERMS OR CONDITIONS PROPOSED BY SELLER OR INCLUDED IN SELLER'S ACKNOWLEDGMENT HEREOF ARE HEREBY OBJECTED TO BY PURCHASER AND HAVE NO EFFECT UNLESS EXPRESSLY ACCEPTED IN WRITING BY PURCHASER.

Seller acknowledges and confirms that: (1) it has had an opportunity to carry out a thorough due diligence exercise in relation to the requirements of this Agreement and has asked the Purchaser all the questions it considers to be relevant for the purpose of establishing whether it is able to provide the Goods and Services in accordance with the terms of this Agreement; (2) it has received all information requested by it from the Purchaser to enable it to determine whether it is able to provide the Goods and Services in accordance with the terms of this agreement; (3) it has made and shall make its own enquiries to satisfy itself as to the accuracy and adequacy of any information supplied to it by or on behalf of the Purchaser pursuant to this Article 2; (4) it has raised all relevant due diligence questions with the Purchaser before entering into this agreement; (5) the terms of this agreement have been specifically negotiated; and (6) it has entered into this agreement in reliance on its own due diligence.

**ARTICLE 3 - PAYMENT TERMS.**

- (a) Standard Terms. The ordinary net date ("Net Date") for a Direct Procurement shall be ninety (90) days after the Payment Start Date and for an Indirect Procurement shall be one hundred and twenty (120) days after the Payment Start Date, unless prohibited by law, in which case payment will be made at the latest permitted date. The Payment Start Date shall be the later of (a) the date performance is requested by Purchaser (e.g., in a part schedules report (Goods) or statement of work (Services)), (b) the material received date as identified in Purchaser's computer system, or (c) the invoice approval date (which shall not be earlier than the date of complete performance). Settlement and invoicing must be paperless and in a format acceptable to Purchaser. Options acceptable to Purchaser include Web Invoicing, Evaluated Receipt Settlement and Electronic Data Interchange. Seller must provide banking information to establish electronic funds transfer for U.S. suppliers and wire transfer for non-U.S. suppliers.
- (b) Batched Payments. To the extent permitted by law, Purchaser may choose to group all approved invoices that are not paid on their applicable early payment discount dates and all approved invoices that have not been discounted and that have Net Dates ranging from the sixteenth (16<sup>th</sup>) day of one month to the fifteenth (15<sup>th</sup>) day of the next month, and pay all such approved invoices on the 3<sup>rd</sup> day of the second month (the "Batch Payment Date"), with the result that some approved invoices will be paid earlier than their Net Dates and some approved invoices will be paid later than their Net Dates. If the Batch Payment Date falls on a weekend or holiday, the approved invoice will be paid on the next day that Purchaser and the banks used by Purchaser are open for business.
- (c) Accelerated Payment Program. If Seller is enrolled in the Accelerated Payment Program, Purchaser may choose to pay approved invoices as follows: (a) for Direct Procurements, Seller agrees to accept the invoice amount discounted by two and one-half percent (2.5%) in exchange for Purchaser's payment on the fifteenth (15<sup>th</sup>) day following the Payment Start Date (2.5% 15 net 90); and (b) for Indirect Procurements, Seller agrees to accept the invoice amount discounted by three and one-half percent (3.5%) in exchange for Purchaser's payment on the fifteenth (15<sup>th</sup>) day following the Payment Start Date (3.5% 15 net 120). Accelerated payments will be made daily and are not subject to the Batched Payment process in this Article. If payment is not initiated by the last available early payment discount date, payment may be made as

described in Article 3(b). If the early payment discount date falls on a weekend or a holiday, Purchaser will initiate payment to Seller on the next business day. If payment is initiated before or after such fifteenth (15th) day, the invoice will be discounted on a pro rata basis to reflect each day that payment is accelerated.

If Purchaser is located in Canada and takes an early payment discount to settle an invoice, Seller acknowledges and confirms that (1) Purchaser has assigned its right, title and interest in the related Goods and/or Services to General Electric Capital Corporation ("GECC") and title to the Goods and/or Services shall pass directly to GECC in accordance with the terms of this Agreement (2) once title to the such Goods and/or Services has passed to GECC, GECC will immediately and directly transfer such title to Purchaser and (3) all of the Seller's obligations under this Agreement, including Seller's representations and warranties, shall extend to and benefit Purchaser as if title passed directly to Purchaser.

- (d) Taxes. All sums payable under this Agreement shall be exclusive of VAT or other sales tax, which shall (if applicable) be payable by the Purchaser.
- (e) Set-off. Purchaser shall be entitled to set off any amount owing from Seller to Purchaser or to any of Purchaser's Affiliated companies against any amount payable under this Agreement.
- (f) Functional Currency. All payments shall be made in the currency stated on the Purchase Order.

#### **ARTICLE 4 - TRANSPORTATION AND DELIVERY.**

- (a) Unless otherwise stipulated on the face of the Order, the applicable shipping and delivery Incoterms will be FCA (named place) Incoterms 2010. In any event, title to Goods shall pass to Purchaser upon delivery. Purchaser insures all Goods for which it accepts risk of loss while such Goods are in transit. Therefore, Seller shall not declare any insurance value on such Goods shipped via any carrier.
- (b) Seller shall release rail or truck shipments at the lowest released valuation permitted in the governing tariff or classification. Purchaser will pay no charges for unauthorized transportation. Any unauthorized shipment, which results in excess transportation charges, must be fully prepaid by the Seller. If Seller does not comply with the stated delivery schedule, Purchaser may require delivery by the fastest way. The charges resulting from this mode of transportation must be fully prepaid and the Seller must absorb the full cost of the shipment.
- (c) Seller's non-U.S. locations involved with the manufacture, warehousing, shipment, or delivery to U.S. agree to review and to use commercial reasonable effort to comply with "GE Customs-Trade Partnership Against Terrorism (C-TPAT) Supply Chain Security Guidelines for International Suppliers/Shippers" (located at [http://www.geaviation.com/aboutgeae/doingbusinesswith/supplier\\_security\\_requirements.html](http://www.geaviation.com/aboutgeae/doingbusinesswith/supplier_security_requirements.html)) and maintain a written plan for appropriate security procedures ("Security Plan"). Upon request, Seller shall certify to Purchaser in writing: (i) that it maintains a written Security Plan consistent with appropriate C-TPAT, AEO, or similar program criteria; (ii) the current contact information of a supply chain security company point of contact; (iii) the certification number if Seller is certified by a supply chain security program (e.g., C-TPAT Status Verification Interface or SVI); (iv) any changes to its certification status; and (v) the completion of a supply chain security questionnaire (if not certified by a supply chain security program).
- (d) Seller agrees to contact Purchaser upon knowledge of any known or suspected security breach affecting the Goods (contraband, smuggling, threatening or suspicious activities detected, tampered container, trailer, lock or seal including a seal broken during a customs inspection).
- (e) Upon Purchaser's request, all shipment containers for Goods shall be labeled in accordance with Purchaser's Bar Code Shipping Label Instructions. Seller shall submit example labels for approval within sixty (60) days of said request. Seller shall designate an individual responsible for compliance with said instructions and shall act as the Seller's contact for issues concerning bar code labels. If Seller uses Purchaser's supplier collaboration portal, Seller shall not print bar code shipping labels more than twenty-four hours prior to transit of Goods to Purchaser.

#### **ARTICLE 5 - TERMINATION.**

- (a) Delay and Default. In the event Seller for any reason anticipates any difficulty in complying with the required delivery date or any of the other requirements of this Agreement, Seller shall promptly notify Purchaser in writing, and upon request, provide Purchaser adequate assurance of performance. In the event of a delivery delay, non-delivery or any other default by Seller in meeting its obligations under this Agreement, Purchaser (without prejudice to other rights it may have in law or in equity) may terminate all or any part of this Agreement without further compensation to Seller, and Purchaser's rights will be (i) for Goods, in accordance with English law including the Sale of Goods Act 1979, Supply of Goods and Services Act 1982, Sale and Supply of Goods Act 1994, and the Sale and Supply of Goods to Consumers Regulations 2002, where

applicable (or if Seller is located in the U.S., in accordance the New York Uniform Commercial Code), or if Seller is located in Brazil, in accordance with Brazilian law; (ii) for Services, Purchaser may procure, upon such terms and from any source or service provider as it shall deem appropriate, supplies or services similar to those terminated, in which case Seller shall continue performance of such Agreement to the extent not terminated and shall be liable to Purchaser for any excess costs for Purchaser's procurement of such similar supplies or services. If Purchaser has made any progress payments under this Agreement, Seller shall refund to Purchaser any such payments immediately upon termination.

- (b) Termination for Convenience. Purchaser may terminate all or any part of this Agreement for convenience at any time after notice specifying the extent of termination and the effective date. After receipt of notice of termination, unless otherwise directed by Purchaser, Seller shall immediately: (1) stop work as directed in the notice; (2) place no further subcontracts or orders for materials, services, or facilities, except as necessary to complete the continued portion of the Agreement; and (3) terminate all subcontracts to the extent they relate to work terminated. Seller shall continue any work not terminated. After termination, Seller shall submit a final termination settlement to Purchaser in the form prescribed by Purchaser. In the event that Purchaser wrongfully terminates this Agreement under paragraph (a), in whole or in part, such termination becomes a termination for convenience under this paragraph (b).

In no event shall Purchaser be liable for lost or anticipated profits, or unabsorbed indirect costs or overhead, or for any sum in excess of the total Agreement price. Seller's termination claim shall be submitted within ninety (90) days from the effective date of the termination.

#### **ARTICLE 6 - DISPUTE RESOLUTION.**

- (a) Arbitration. If any dispute arises relating to this Agreement, the parties will endeavor to resolve the dispute amicably, including by designating senior managers who will meet and use commercially reasonable efforts to resolve any such dispute. If the parties' senior managers do not resolve the dispute within sixty (60) days of first written request, either party may request that the dispute be settled and finally determined by binding arbitration. If Purchaser is located in the United Kingdom, the arbitration will be conducted in accordance with the rules of the London Court of Arbitration and take place in London. If Purchaser is located anywhere else in the European Union, the arbitration will be conducted in accordance with the rules of the International Chamber of Commerce (ICC) and take place in Geneva, Switzerland. If Purchaser is located in Brazil, the arbitration will be conducted in accordance with the rules of the Brazil-Canada Chamber of Commerce, ("Camara de Comércio Brasil Candá"). In all other cases, the arbitration will be conducted in accordance with the rules of the ICC and take place at a mutually agreed location. The arbitrator(s) will have no authority to award punitive damages, attorney's fees and related costs or any other damages not measured by the prevailing party's actual damages, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of the Agreement and applicable law. The award of the arbitrator(s) will be final, binding and non-appealable, and judgment may be entered thereon in any court of competent jurisdiction. All statements made or materials produced in connection with this dispute resolution process and arbitration are confidential and will not be disclosed to any third party except as required by law or subpoena. Except as specified in paragraph (c) below, the parties intend that the dispute resolution process set forth in this Article will be their exclusive remedy for any dispute arising under or relating to this Agreement or its subject matter. Any claim against Purchaser shall be barred unless Seller has requested that it be resolved by arbitration in accordance with this Article within one year of the dispute, which shall be the effective date of termination if the dispute is related to termination.
- (b) Exception. Either party may at any time, without inconsistency with this provision, seek from a court of competent jurisdiction any equitable, interim, or provisional relief to avoid irreparable harm or injury. This provision will not apply to and will not bar litigation regarding claims related to a party's proprietary or intellectual property rights, nor will this provision be construed to modify or displace the ability of the parties to effectuate any termination contemplated by this Agreement.

#### **ARTICLE 7 - PURCHASER'S PROPERTY.**

- (a) All Purchaser's Property, including Purchaser's proprietary Information, tooling, tooling drawings, equipment, materials and bailed materials, software, drawings, specifications, data documents or information or materials that disclose processes, procedures, know-how, trade secrets, furnished to Seller by Purchaser or on behalf of Purchaser, or paid for by Purchaser ("Purchaser's Property") shall be and remain the personal property of Purchaser, and, unless otherwise agreed to in writing by Purchaser shall be used by Seller solely to render Services or provide Goods to Purchaser. Such Purchaser Property where practical shall be plainly marked or otherwise adequately identified by Seller as being the property of Purchaser and shall be safely stored apart from Seller's property. Purchaser's Property while in Seller's custody or control shall be held at Seller's risk

and shall be insured by Seller for replacement cost with loss payable to Purchaser. Such property shall be maintained by Seller, is subject to removal at Purchaser's written request, and Seller shall deliver it to Purchaser in the same condition as originally received by Seller, except for reasonable wear and tear. Nothing in this Article 7 or elsewhere in this Agreement shall be interpreted as being an implied license or a license by estoppel in any Purchaser IP (as defined in Article 8, below).

- (b) Seller is hereby authorized to use Purchaser's Property for the sole purpose of performing its obligations under this Agreement. Purchaser's Property shall not be used, disclosed to others or reproduced for any other purpose, including, but not limited to, (1) the design, manufacture, or repair of parts, or to obtain FAA (Federal Aviation Administration) or any other governmental approval to do so; or (2) to provide any part by sale or otherwise, to any person or entity other than Purchaser. Seller may provide Purchaser's Property to Seller's sub-contractors for the sole purpose of assisting Seller in performing its obligations under this Agreement on condition that Seller's sub-contractors agree in writing to all the terms and provisions of this Agreement relating to Purchaser's Property, for the Purchaser's benefit.
- (c) In the event Seller, without Purchaser's prior written consent and authorization, designs or manufacturers for sale to any person or entity other than Purchaser or Purchaser's Affiliate any hardware that is substantially similar to or can replace or repair any part for a GE or CFM International engine or any other engine program in which GE participates, or can repair or replace any other GE-designed aircraft product or system ("GE Products") or obtains FAA or other governmental approval for such hardware or repair, the Seller, in any adjudication involving or relating to Purchaser's Property, shall be required to establish by clear and convincing evidence that neither Seller nor any of its employees, sub-contractors or agents used in whole or in part, directly or indirectly any of Purchaser's Property in such design or manufacture or in obtaining FAA or other governmental approval with respect to such GE Products or repair of GE Products.
- (d) Seller shall comply with Purchaser's Privacy and Data Protection Policy which is available at [http://www.geaviation.com/aboutgeae/doingbusinesswith/geae\\_po\\_requirements.html](http://www.geaviation.com/aboutgeae/doingbusinesswith/geae_po_requirements.html).

#### **ARTICLE 8 - INTELLECTUAL PROPERTY RIGHTS, WARRANTIES AND CONFIDENTIALITY.**

- (a) Ownership of IP. Nothing in this Agreement shall entitle Purchaser to ownership rights in any data, information, specifications, designs, drawings, programs, derivative works, computer software including source code or object code, ideas, techniques, methods, processes, know-how, documentation and materials, inventions, or discoveries whether patented or unpatented (collectively, "IP"), developed by Seller prior to or outside the scope of this Agreement (and without any reference to Purchaser's Property), ("Seller's Background IP"), Purchaser shall be entitled to full ownership of all IP (along with any intellectual property rights thereto, including any trade secrets, patents, patent applications, copyrights, maskworks, database rights, industrial property rights, and other similar rights, regardless of the jurisdiction, and any applications), conceived or first actually reduced to practice in the performance of this Agreement or any subcontracts of Seller related to this Agreement ("Developed IP"), and such Developed IP shall be treated, at the time of conception, as Purchaser's Property ("Purchaser's Rights"). For the avoidance of doubt, Developed IP includes any and all IP developed or conceived in contemplation of an Order being issued by Purchaser for Goods or Services, regardless of the actual date of conception or reduction to practice. When an Order includes a specific line item for Services or an Order line item includes requirements for an adaption or improvement to a commercially available Good, such line item or requirement shall presumably be considered to be Developed IP, and Seller shall bear the burden of establishing that any IP delivered in satisfaction of said PO line item does not constitute Developed IP. Further, any IP developed during the period of performance of this Agreement in satisfaction of the requirements of this Agreement shall presumably be considered Developed IP unless Seller can establish by documented evidence that such IP was wholly developed outside of this Agreement, including being exclusively funded by Seller and being conceived and reduced to practice without any reference to Purchaser Property. All Purchaser's IP shall be deemed Purchaser's Property and shall not be used by others or disclosed to others without Purchaser prior written permission
- (b) Developed IP. All Developed IP that is considered "Work Made for Hire" as defined in in Section 101 of the United States Copyright Act, 17 U.S.C. § 101, and used in 17 U.S.C. § 201 (or relevant EU legislation and the UK Copyright, Design and Patents Act 1988, c. 48, as amended or Brazilian legislation, in special Law No 9.610/1988 and Law no 9.279/1996), shall be deemed a "work made for hire" under this Agreement, with all right, title and interest in such Developed IP vesting with Purchaser. For all other IP not deemed a work made for hire, Seller hereby assigns all such Developed IP to Purchaser (or to any Purchaser Affiliate as designated by Purchaser) at no additional cost to Purchaser. In addition, Seller, will provide reasonable, timely assistance to Purchaser (at Purchaser's expense) to enable Purchaser to secure Purchaser's Rights in

Developed IP. Seller will procure from its employees and subcontractors, at Seller's sole expense (including any compensation due Seller's employees), all Purchaser's Rights in any Developed IP, and will secure from Seller's employees the execution of all patent applications, assignments, and other instruments necessary for the procurement of patents and other intellectual property rights and the vesting of title thereto in Developed IP.

- (c) Ownership of Data. Purchaser shall become the sole owner of any and all notes, reports, memoranda, or other data, made or prepared in connection with any Order placed by Purchaser. As required under the terms of an Order, or at Purchaser's request, Seller shall deliver all such data to Purchaser.
- (d) If the Goods or Services under this Agreement are being delivered pursuant to a government subcontract (as defined in Appendix I, below) that includes retention of intellectual property rights of the Seller, Seller shall retain ownership of such intellectual property rights and Seller hereby grants to Purchaser an irrevocable, fully paid up, perpetual license for all such intellectual property rights, and the right to extend such license right to Purchaser's customers, licensees, co-producers, partners, Affiliates, and subsidiaries.
- (e) Use of Seller's Background IP. Seller grants to Purchaser (and Purchaser's customers, suppliers, partners, Affiliates, regulators, auditors, and inspectors) a perpetual, irrevocable, fully paid up, global license to use and disclose Seller's Background IP and Seller's proprietary information in the performance of this Agreement, including but not limited to the use, sale, test, qualification, adaptation, modification, servicing, or repair of Goods including where such Goods are incorporated into a higher tier assembly. Purchaser may share Seller's information with its Affiliates, subsidiaries, contractors, or customers in furtherance of this license granted herein. The license granted in this Article 8 shall supersede any restrictions stated in any Proprietary Information Agreement and shall take precedence over any restrictive or proprietary markings contained on the face of any Goods documentation and/or data deliverables pursuant to an Order.
- (f) Confidentiality. All Purchaser's Property, and Purchaser's Rights shall be deemed Purchaser's proprietary information, whether or not marked with any restrictive legend. Seller shall not disclose Purchaser's proprietary information to any third party without the Purchaser's consent, and Seller shall protect Purchaser's proprietary information against unauthorized use or disclosure using at least those measures that it takes to protect its own proprietary information of a similar nature, but no less than a high degree of reasonable care, which shall include all the requirements stated within this Agreement. Seller will disclose Purchaser's proprietary information only to such of Seller Personnel who have a bona fide need to know for the purpose of performing its individual obligations under this Agreement. Seller will ensure, by instruction, contract or otherwise that such Seller Personnel comply with the provisions of Articles 7 and 8, and Seller shall be responsible in the event of any breach of this Agreement by Seller Personnel. Seller will, if necessary and/or required, establish operational controls to ensure that any of its other personnel working on other matters do not have access to Purchaser's proprietary information.
- (g) Patent Markings. If Purchaser notifies Seller that Goods ordered under this Agreement are patented, Seller agrees to mark such Goods with any patent numbers or other markings designated by Purchaser, including updates to such numbers or markings
- (h) Intellectual Property Representations and Warranties. Seller represents and warrants:
  - i) It is not the proprietor of any intellectual property rights (including copyright, trade secret, patent, application for patent, invention or license right) which would impair or restrict the freedom of Purchaser, or Purchaser's subsidiaries and Affiliates, and their respective vendors and customers, to make use of the Goods or Services;
  - ii) Seller will not assert any intellectual property rights against Purchaser, Purchaser's subsidiaries and Affiliates, and their respective vendors and customers, on account of any use made of the Goods or Services (or derivatives or improvements thereof) by any of them;
  - iii) Goods and Services shall not infringe any third party intellectual property rights, including any patent, trademark, copyright, or proprietary right, and shall not misappropriate any trade secrets of any third party;
  - iv) Goods and Services shall not contain any viruses, malicious codes, trojan horse, time bomb, self-help code, back door, or other software code designed to: (w) damage, destroy, or alter any software or hardware, (x) reveal, damage, destroy, or alter any data, (y) disable any computer automatically, or (z) permit any unauthorized access to any software or hardware;
  - v) Seller will provide any computer software and firmware free of any license terms, such as reciprocal open source license terms, that would obligate the Purchaser to divulge source code to the public, or if

not disclosed to the public (x) offer free of charge, or (y) cause a distributor or publisher of the software to deprive themselves the benefit of any patent protection associated with any software;

- vi) Any compensation which may be claimed by or due to any Seller employee or any Seller's sub-contractor's employee in connection with any information, invention or patent or other intellectual property or intellectual property right, shall be paid solely by Seller;
- vii) Seller will obtain the same warranties and commitment contained in this article running in favor of Purchaser, Purchaser's subsidiaries and Affiliates and their respective vendors and customers from each of Seller's subcontractors;
- viii) Seller will require its employees to execute contracts of employment or other agreements assuring the Seller the ability to comply fully with this article;
- ix) If an injunction should issue resulting from a breach of these representations and warranties, Seller shall procure for Purchaser, and Purchaser's subsidiaries and Affiliates, and their respective vendors and customers, the rights to continue using the Goods and/or Services supplied by the Seller.

#### **ARTICLE 9 - CHANGES.**

- (a) Purchaser reserves the right at any time to make changes within the general scope of this Agreement. Such changes may include: (1) drawings, designs or specifications; (2) technical clarifications; (3) artwork; (4) quantity; (5) method of shipment or packing; (6) quality; (7) place or time of delivery; or (8) amount of Purchaser's furnished property.
- (b) If any change causes a significant impact on the cost of, or the time required for, performance of any work under this Agreement, an equitable adjustment shall be made in the price or delivery schedule, or both as applicable, in writing. Any Seller claim for adjustment under this article shall be deemed waived unless asserted in writing within twenty (20) days after receipt by Seller of the notice to make the change and may only include reasonable, direct costs that will necessarily be incurred as a direct result of the change.
- (c) Seller shall not proceed to implement any change for which it will seek an equitable adjustment until Purchaser provides for such change in writing.
- (d) Nothing in this section, including any disagreement with Purchaser as to the equitable adjustment to be made, shall excuse Seller from proceeding with the change provided that Purchaser pays Seller all undisputed amounts pursuant to this Agreement.

**ARTICLE 10 - ANTICIPATION OF DELIVERY SCHEDULE.** It is Seller's responsibility to comply with its scheduled lead times but not to anticipate Purchaser's requirements. Any material commitments or production arrangements made by Seller in excess of the amount or in advance of the time necessary to meet schedules that are within lead time shall be at Seller's sole risk and expense. Goods shipped to Purchaser in advance of Purchaser's requirements may be returned to Seller at Seller's expense.

#### **ARTICLE 11 - ASSIGNMENT AND CHANGE IN OWNERSHIP.**

- (a) Assignment. Any assignment or attempt to assign or subcontract Seller's obligations under this Agreement without the advance written consent of Purchaser shall be null and void and shall give Purchaser the right to terminate this Agreement for default.
- (b) Change in Ownership. If a third party submits a solicited or unsolicited offer to Seller that would result in a Change of Ownership or Control of Seller, as defined below, Seller shall give notice of such offer, including the identity of the offeror, to Purchaser as early as commercially practical following Seller's receipt of the offer. Before Seller accepts the offer, it shall give Purchaser an opportunity, within a reasonable time, to advise Seller of its impact on performance of this Agreement. If the Change in Ownership or Control occurs, Purchaser has the right at its discretion to terminate this Agreement. In the event of such termination, Seller agrees to render full cooperation to Purchaser in order to minimize disruption to the Purchaser's program. Pending termination or in lieu of termination, Purchaser may require Seller to provide adequate assurance of performance, including, but not limited to the institution of special controls regarding the protection of Purchaser's Property, including all intellectual property and proprietary information.

For purposes of this sub-paragraph (b), the terms "Change in Ownership or Control" shall mean any of the following: (1) the sale of equity shares controlling 20% or more of the voting rights in Seller or Seller's parent, (2) the sale, lease, transfer or other disposition of substantially all of the assets of Seller or Seller's parent, (3) a merger, reorganization, consolidation, share exchange, recapitalization, business combination, liquidation or dissolution or similar transaction, (4) a tender offer or exchange offer for any of the outstanding shares of

capital stock of Seller or Seller's parent, (5) a sale by Seller of the assets relating to the product Seller produces or will produce for Purchaser, or (6) any public disclosure of a proposal or plan or intention to do any of the foregoing.

#### **ARTICLE 12 - QUALITY ASSURANCE, INSPECTION AND TEST.**

- (a) Seller shall be responsible for the specific quality, performance, productivity provisions, and documentation requirements, if any, set forth in this Agreement. In addition, Seller shall be responsible for imposing the applicable quality assurance requirements on its subcontractors. Purchaser, or Purchaser's customer, shall have the right to conduct quality audits and to perform or witness inspections or tests of the Goods or Services furnished hereunder at Seller's facility (or elsewhere) at any time during manufacture and prior to shipment, at no charge to Purchaser, or Purchaser's customer. In accordance with 14 CFR 145.223 and 14 CFR 21.140, any Seller that accepts parts which are regulated by the Federal Aviation Administration (FAA), or those regulated by EASA, DAOS or other regulator, must provide facility access to that regulator for surveillance of these parts. If Purchaser is located in Brazil, Seller shall act also in accordance with rules of ABNT (*Associação Brasileira de Normas Técnicas*) and ANAC (*Agência Nacional de Aviação Civil*).
- (b) The Seller agrees to use only experienced, trained and qualified employees in the performance of its obligations under this Agreement and all Services performed must be of first class quality and workmanship.
- (c) Notwithstanding Purchaser's right to audit in paragraph (a) above, all Goods and Services supplied under this Agreement shall be received subject to Purchaser's right of inspection, count, testing, acceptance and/or rejection per the technical specifications. Payment for Goods and/or Services delivered hereunder shall not constitute acceptance thereof, and all payments against documents shall be made with a reservation of rights by Purchaser for defects in Goods and/or Services, including, without limitation, defects apparent on the face thereof. The making of, or failure to make, any inspection or acceptance of the Goods or Services shall in no way impair Purchaser's right to reject nonconforming Goods or Services or to avail Purchaser of any other remedies to which it may be entitled.
- (d) Seller certifies that it shall provide and maintain quality control, inspection, and process control systems in accordance with Purchaser's then current specification for supplier quality product requirements, as applicable (S-1000, S-1001, S-1002, S-1005, S-1006, S-1007; S-485 and other quality requirements as specified). Seller will maintain Objective Evidence of its conformance with this paragraph. Objective Evidence means any statement of fact pertaining to the quality of a product or service based on observations, measurements or tests that can be fully verified. Evidence must be expressed in terms of specific quality requirements or characteristics. These characteristics are identified in drawings, specifications, and other documents that describe the item, process, or procedure.
- (e) For Goods that require Purchaser's source approval, Seller agrees to provide a minimum of 180-days advance notice to Purchaser of any changes to significant processes, including, but not limited to physical relocation of any manufacturing or quality operations. Within fourteen (14) days of such notice, Seller will generate a Critical Process Control plan, which is subject to Purchaser's review and approval.
- (f) Counterfeit Goods. For purposes of this Article, Goods consist of those parts deliverable under this Agreement that are the lowest level of separately identifiable items (e.g., articles, components, goods and assemblies). "Counterfeit Goods" means Goods that have been misrepresented as having been designed and/or produced under an approved system or other acceptable method. Counterfeit Goods include, but are not limited to: (i) Goods that are an illegal or unauthorized copy or substitute of an Original Equipment Manufacturer (OEM) item; (ii) Goods that do not contain the proper internal or external materials or components or are not manufactured in accordance with the OEM design; (iii) Goods that are used, refurbished, or reclaimed but that Seller represents as being new; (iv) Goods that have not successfully passed all OEM required testing, verification, screening, and quality control but that Seller represents as having met those requirements; (v) Goods with a label or other marking intended, or reasonably likely, to mislead a reasonable person into believing a non-OEM Good is a genuine Good when it is not, and (vi) Goods that are an unauthorized copy or substitute that have been identified, marked, and/or altered by a source other than the item's legally authorized source and has been misrepresented to be an authorized item of the legally authorized source..
  - i) Seller warrants and certifies that Goods delivered pursuant to this Agreement, unless otherwise specifically stated on the face of the Order, shall (i) be new, (ii) be and only contain materials obtained from the OEM or an authorized OEM reseller or distributor, (iii) not be or contain any Counterfeit Goods, and (iv) contain only authentic, unaltered OEM labels and other markings. Seller shall provide



to Purchaser the OEM's certificate of conformance for any Goods acquired from an authorized OEM reseller or distributor. Goods shall not be acquired from independent distributors or brokers unless specifically authorized in writing by Purchaser.

- ii) Seller shall maintain a method of item traceability that ensures tracking of the supply chain back to the manufacturer of all Electrical, Electronic, and Electromechanical (EEE) parts included in assemblies and subassemblies being delivered per this Agreement. This traceability method shall clearly identify the name and location of all of the supply chain intermediaries from the manufacturer to the direct source of the product for Seller, and shall include the manufacturer's batch identification for the item(s) such as date codes, lot codes, serializations, or other batch identifications. When requested by Purchaser, Seller shall provide OEM documentation that authenticates traceability of the affected items to the applicable OEM.
- iii) Seller shall immediately notify Purchaser and the GIDEP system if it knows or suspects that it has provided Counterfeit Goods.
- iv) In the event Goods delivered under this Agreement constitute Counterfeit Goods, Seller shall at its expense promptly replace such Goods with genuine Goods conforming to the requirements of this Agreement. Notwithstanding any other provision of this Agreement, Seller shall be liable for all costs relating to the removal or replacement of Counterfeit Goods, including without limitation Purchaser's or Purchaser's customer's costs of removing such Counterfeit Goods, reinserting genuine Goods, and any testing necessitated by the reinstallation of any Goods after Counterfeit Goods have been exchanged. Purchaser reserves the right to turn over suspected Counterfeit Goods to US Governmental authorities (Office of Inspector General, Defense Criminal Investigative Service, Federal Bureau of investigation, etc.) for investigation and reserves the right to withhold payment for the suspect items pending the results of the investigation. The remedies available under this Article are in addition to any other remedies Purchaser may have available to it in law or in equity, or in any other provisions in this Agreement.
- v) This paragraph (f) applies in addition to any other quality provision, specification, or statement of work included in this Agreement addressing the authenticity of Goods and Services. To the extent such provisions conflict with this paragraph (f), this paragraph prevails.
- vi) Seller shall flow the requirements of this paragraph 12(f) to its subcontractors and suppliers at any tier for the performance of this contract.

#### **ARTICLE 13 - NON-CONFORMING GOODS.**

- (a) Seller agrees that, notwithstanding the provisions of any warranties, expressed or otherwise, negotiated with respect to Goods purchased from Seller by Purchaser or Purchaser's customer, Seller shall reimburse Purchaser for labor and material cost, including overhead and general and administrative expense reasonably incurred by Purchaser in connection with:
  - i) Failure of Goods to conform to the requirements of this Agreement or defective material, workmanship or design; or
  - ii) Any removal of said Goods at Seller's request; or
  - iii) Any removal of said Goods required due to any previously required changes to said Goods that Seller has failed to incorporate.
- (b) This remedy is not exclusive and shall not be in lieu of any other remedy available at law, in equity or under this Agreement.

#### **ARTICLE 14 - INDEMNITY AND INSURANCE.**

- (a) General Indemnification. Seller shall defend, indemnify, and hold harmless the Purchaser, its directors, officers, employees, agents representatives, successors and assigns (each an "Indemnified Party"), whether acting in the course of their employment or otherwise, against any actions at law or in equity, and from any claims (including attorneys' fees) arising from any act or omission of Seller, its agents, employees, or subcontractors, or from any conditions of real or personal property of Seller, except to the extent attributable to the gross negligence of Purchaser. An Indemnified Party shall have the right to participate in the selection of counsel and Seller shall not enter into any settlement agreement that contains any admission of liability on the part of Purchaser and/or any other Indemnified Party.

- (b) Intellectual Property Indemnification. Seller shall indemnify, defend, and hold harmless an Indemnified Party, against any actions at law or in equity, and from any claims (including attorneys' fees) arising out of any claim that the manufacture, use, sale, or furnishing of Goods and/or Services constitutes infringement of any intellectual property right, or for a breach of any of the representations and warranties contained in Article 8, above. If an injunction should issue, Seller shall (i) procure for Purchaser, and Purchaser's subsidiaries and Affiliates, and their respective vendors and customers, the rights to continue using said Goods and/or Services or (ii) with the written approval of and at the election of the Purchaser, either (x) modify the Goods and/or Services in a manner acceptable to Purchaser so they become non-infringing, or (y) remove and replace the Goods with non-infringing Goods; or (z) remove the Goods and/or discontinue the Services, refund the purchase price and reimburse Purchaser for all damages and costs associated with obtaining and installing a non-infringing alternative.
- (c) Insurance. Seller shall obtain and keep in force for the benefit of the Seller and Purchaser the following insurance to be issued by insurance carriers with a minimum A.M. Best's rating of A-: VII, or S&P A, or better and licensed to provide insurance in the jurisdiction in which work is to be performed, with minimum limits as set forth below:
- i) Comprehensive General Liability – \$5,000,000 combined single limit per occurrence;
  - ii) Aviation Products Liability - \$5,000,000 minimum per occurrence (Aviation Direct Procurements only);
  - iii) Comprehensive Automobile Liability –Bodily injury/property damage covering all vehicles used in connection with the Goods in the amount of \$1,000,000 combined single limit each occurrence;
  - iv) Statutory Workers' Compensation and or Employer's Liability as required by state or country law.
- If insurance coverage is maintained in Seller's local currency, the amounts stated above shall be applicable based upon the exchange rates set forth in a reputable listing of currency exchange rates, such as the Wall Street Journal.
- (d) Seller shall provide Purchaser with a certificate of insurance evidencing that the required minimum coverage is in effect and that Purchaser is named as an additional insured, provide a waiver of subrogation clause in favor of the Purchaser, and provide that all coverage provided by the Seller shall be primary. Such insurance shall not exclude the actions of any subcontractor that Seller may utilize under this Agreement. The insurance provided by Seller hereunder shall have no effect on any obligations imposed upon Seller under this Agreement.

#### **ARTICLE 15 - SELLER'S REPRESENTATIONS.**

- (a) Compliance with Laws. Seller represents and warrants that it shall perform all activities required under this Agreement in compliance with all applicable international, EU, national, state and local laws.
- (b) Integrity Guide. Seller represents and warrants that it shall act in a manner consistent with Purchaser's *Integrity Guide for Suppliers, Contractors and Consultants*, which is available at <http://www.gesupplier.com/html/SuppliersIntegrityGuide.htm>
- (c) Release of Information. Seller shall not release any information concerning this Agreement or its business relationship with Purchaser, to any third party, except as required by applicable law, rule, injunction or administrative order, without Purchaser's prior written consent. Seller shall not use Purchaser's name, photographs, logo, trademark, or other identifying characteristics or that of any of its subsidiaries or Affiliates without Purchaser's prior written approval.

#### **ARTICLE 16 -SELLER'S EMPLOYEES**

- (a) Seller's personnel performing services under this Agreement shall remain employees of Seller subject to its right of direction, control and discipline and shall neither become employees of Purchaser nor be entitled to any rights, benefits or privileges of Purchaser employees. As appropriate, Purchaser shall give direction as to the ultimate objective of the project to the Seller. The Seller shall ensure that its personnel adhere to the terms and policies in this Agreement and that they have the requisite knowledge, training and ability to perform work under this Agreement competently and in accordance with applicable laws and regulations.
- (b) Seller's employees are not authorized to enter into any agreements or to make any commitments financial or otherwise on behalf of Purchaser. Specifically, no employee of Seller shall make contact with any government official regarding the continuation, renewal, amendment or modification of a Prime Contract.

## **ARTICLE 17 - RECORD RETENTION REQUIREMENTS.**

- (a) Record Retention. For U.S. Government subcontracts, Seller shall maintain complete and accurate records in connection with its performance under this Agreement for four (4) years after completion of performance under this Agreement, including but not limited to, Orders, memoranda of negotiations showing the principal elements of price negotiations, and records substantiating charges for labor or services, including proper time clock cards, time vouchers, or other similar records. For quality documents, Seller will maintain such records according to the applicable supplier quality specification, (S-1000, S-1001, S-1002, S-1005, S-1006, S-1007; S-485, or other quality requirements as specified), or seven (7) years, whichever is longer.
- (b) Classified Information. Upon completion of work by Seller under this Agreement, Seller shall return to Purchaser any classified information furnished by Purchaser, including all reproductions thereof, and Seller shall surrender classified information or materials developed by Seller in connection with this Agreement, unless the information has been destroyed, or the retention of the information is authorized in writing, by Purchaser or the government.
- (c) UK Protected Materials.
  - i) In this Article 17, subparagraph (c), "UK Protected Materials" means information, software, hardware, and equipment classified as "Restricted" or above by the UK Government or which access is otherwise similarly restricted in the interests of UK national security;
  - ii) Only Seller's personnel with appropriate UK security clearances shall have access to UK Protected Material and Seller acknowledges that Purchaser facilities and systems do contain UK Protected Material; in the event Seller's personnel require access to UK Protected Materials, Seller will provide personnel with appropriate UK security clearances at no additional cost to Purchaser;
  - iii) In relation to UK Protected Material, Seller's represents and warrants that it will comply with the provisions of the Official Secrets Act 1911 to 1989 (the "Act"), including Section 2 of the Act. In relation to the Act, Seller shall be defined as a "government contractor" as defined in the Act. Seller shall take all necessary steps to make sure that all individuals engaged on any activities relating to UK Protected Material have notice that the Official Secrets Act applies to said activities;
  - iv) Seller personnel shall not transfer or disclose by whatever means UK Protected Material to any other person or entity or outside the UK without prior authorization from Purchaser and in accordance with local Purchaser procedures;
  - v) Seller personnel shall not remove from a Purchaser site or otherwise dispose of UK Protected Material without prior authorization from Purchaser in accordance with local Purchaser procedures;
  - vi) Seller personnel shall at all times safeguard UK Protected Material in accordance with security procedures meeting UK National Security Regulations, which are set out in the Government Manual of Protective Security as amended or supplemented;
  - vii) Seller shall, at all times maintain UK Protected Material in accordance with applicable UK and UK MoD policies related to the protection and preservation of data, including but not limited to "List X" policies applicable to List X contractors and sub-contractors;
  - viii) Seller personnel shall only access, store, process or transmit UK Protected Material on GE Aviation Information Systems that have been duly designated and accredited for that purpose;
  - ix) Seller shall indemnify and hold harmless Purchaser for any breaches or violations of this Article 18(c).

## **ARTICLE 18 - EXPORT CONTROL REQUIREMENTS.**

- (a) Compliance with Export Laws. Seller agrees to comply with all applicable government export control laws and regulations, including but not limited to the International Traffic in Arms Regulations ("ITAR," 22 CFR Part 120-130) and the Export Administration Regulations ("EAR," 15 CFR Parts 730-774), EU Dual-Use Regulation (also known as Council Regulation (EC) No 1334/2000).
- (b) Prohibited Goods and Services. The U.S. prohibits the importation of Goods or the purchase of Services from certain countries, entities or individuals. Therefore, no Goods or Services from prohibited countries, entities,

or individuals may be used directly or indirectly in the activities covered by this Agreement. The list of prohibited countries can change from time to time and it is Seller's responsibility to ensure compliance with such list at all times (located inter alia, <http://www.treas.gov/ofac>, <http://www.bis.doc.gov> and <http://pmdt.state.gov/embargoed-countries/index.html>).

- (c) Export Classification Information. Seller shall provide Purchaser, *upon request*, the export classification information (e.g., Export Control Classification Number, United States Munitions List Code, Harmonized Tariff Schedule, Country of Origin) for the "Goods".
- (d) Export Licenses. Seller agrees to obtain any required export licenses, unless otherwise agreed to by Purchaser.
- (e) For U.S. origin technical data: In the event Seller designs, develops, produces or manufactures the "Goods" using US-origin technical data or source code, Seller agrees to comply with applicable deemed exports, deemed re-exports, or re-transfer controls.
- (f) For items subject to the ITAR ONLY: In the event the Goods or Services are subject to the U.S. Department of State (as defined in Sections 120.6 and 120.9 of the ITAR), Seller agrees to maintain a valid and current Directorate of Defense Trade Controls ("DDTC") registration and agrees to provide confirmation of such registration if requested by Purchaser.
  - i) With respect to such defense articles and/or defense services, Seller represents and warrants that it has not and will not pay or offer to pay for the solicitation or promotion or otherwise to secure the conclusion of a sale of defense articles or defense services to or for the use of the armed forces of an international organization or non-U.S. Country any fees, commissions or political contributions as described under Part 130 of the ITAR without prior notice to Purchaser.
  - ii) In such event, Seller shall provide to the Purchaser not later than 20 days after such an event, full disclosure of all information necessary for the Purchaser to comply fully with Sections 130.9 and 130.10 of the ITAR.
- (g) With respect to Purchaser's technical data, Seller agrees to the following:
  - i) The use of the technical data is limited to the manufacture of the Goods;
  - ii) Disclosure of the technical data is prohibited to any other person except subcontractors within the same country and are identified on the applicable export license;
  - iii) Acquisition of any rights in the data by any foreign person is prohibited;
  - iv) Any subcontract(s) between the Seller and other foreign persons in the approved country for manufacture of Goods contain all the limitations of this paragraph;
  - v) Seller and its subcontractors shall destroy or return to the Purchaser in the U.S. all of the technical data exported pursuant to this Agreement upon fulfillment of their terms; and
  - vi) Delivery of the Goods manufactured abroad must be made only to the Purchaser in the U. S. or to an agency of the U.S. Government as directed by Purchaser.

#### **ARTICLE 19 - IMPORTER OF RECORD**

- (a) Importer of Record. Seller must show proper notification on all shipping waybills. In addition, shipping cartons and documentation must meet all applicable customs country of origin marking and invoicing requirements. Seller will be responsible for any fines or liabilities resulting from insufficient, improper or negligent invoicing or marking of shipments.
- (b) Anti-Dumping. Seller warrants that all sales made hereunder are or will be made at not less than fair value under applicable Anti-Dumping law, and Seller will indemnify, defend and hold Purchaser harmless from and against any costs or expenses (including but not limited to any anti-dumping duties which may be imposed) arising out of or in connection with any breach of this warranty.

**ARTICLE 20 - WORK ON PURCHASER'S OR ITS CUSTOMER'S PREMISES.** If Seller's work under this Agreement involves operations by Seller on the premises of Purchaser or Purchaser's customer or access to Purchaser's systems or its computers, then:

- (a) Seller shall comply with all of Purchaser's safety and security procedures and shall take all necessary precautions to prevent the occurrence of any injury to person or property during the progress of such work (information about GE Aviation Security requirements can be found at

[http://www.geaviation.com/aboutgeae/doingbusinesswith/supplier\\_security\\_requirements.html](http://www.geaviation.com/aboutgeae/doingbusinesswith/supplier_security_requirements.html)).

- (b) Seller represents and warrants that all of its employees who will perform work under this Agreement on Purchaser's or its customer's premises have been tested and are free from illegal drugs. The term "illegal drugs" does not include the use of a controlled substance pursuant to a valid prescription. The prescription medication must not prevent the employee from performing competent and safe work.

OR to be used in circumstances where Seller does not have the right to conduct routine drug testing:

- (b) Seller represents and warrants that it will use reasonable endeavors to ensure that all of its employees who will perform work under this Agreement on Purchaser's or its customer's premises are free from illegal drugs. In the event that Seller has reason to suspect that any employee performing work under this Agreement on Purchaser's or its customer's premises is using illegal drugs, Seller agrees to take immediate steps to remove such employee from Purchaser's or its customer's premises and procure that the employee does not continue to perform work under this Agreement. The term "illegal drugs" does not include the use of a controlled substance pursuant to a valid prescription. The prescription medication must not prevent the employee from performing competent and safe work.
- (c) Seller represents and warrants that it will conduct a criminal convictions records investigation of any employee before they are assigned to work on any Order that requires that employee to enter Purchaser's or its customer's premises (information about the GE Aviation Background Check process can be found at [http://www.geaviation.com/aboutgeae/doingbusinesswith/supplier\\_security\\_requirements.html](http://www.geaviation.com/aboutgeae/doingbusinesswith/supplier_security_requirements.html)). Where Seller is located in the UK, such investigation shall, at a minimum, take the form of a Criminal Record Check (CRC) and be in accordance with the UK Rehabilitation of Offenders Act (1974) and Seller shall provide Purchaser with a copy of the CRC completed prior to assigning any employee to work on any Order that requires that employee to enter Purchaser's or its customer's premises requesting unescorted visitor access. Seller further agrees that it shall not assign any person to perform work on Purchaser's or its customer's premises that has been: (i) convicted as an adult of any of the following: domestic violence, theft, assault, drug possession or any sexual offenses; or (ii) convicted as an adult of any felony; convicted of more than two misdemeanors in the past 2 years or 5 misdemeanors in the past 7 years. For the avoidance of doubt, in relation to (i) and (ii) above in the UK, only unspent convictions will be taken into account.
- (d) Seller shall include this provision in any subcontract placed pursuant to this Agreement where the subcontractor will perform work on Purchaser's or its customer's premises.
- (e) Purchaser reserves the right to deny any of Seller's employees, agents or subcontractors access to its or its customer's premises and/or systems for any reason in Purchaser's sole discretion, including but not limited to such individual being a former employee of Purchaser who received layoff benefits or Special Early Retirement Option (SERO) benefits from Purchaser within the prior three years or whose last performance rating as an employee of Purchaser was less than satisfactory.

#### **ARTICLE 21 - ENVIRONMENTAL MATTERS.**

Seller represents and warrants that it shall perform all obligations under this Agreement in compliance with all applicable national, EU, state/provincial and local environmental, health and safety laws and regulations. From time to time, at Purchaser's request, Seller shall provide certificates to Purchaser in a form and substance acceptable to Purchaser, indicating compliance with the provisions of this article.

- (a) Seller represents and warrants that each chemical substance constituting or contained in Goods is on the list of chemical substances compiled and published by (a) the Administrator of the Environmental Protection Agency pursuant to: the Toxic Substances Control Act (15 USC Section 2601 et seq.) as amended; (b) the European Inventory of Existing Commercial Chemical Substances (EINECS) or the European List of Notified Chemical Substances (ELINCS); or (c) any equivalent lists in any other jurisdictions to which Purchaser informs Seller or Seller knows the Goods likely will be shipped to or through. Seller represents and warrants that each chemical substance constituting or contained in Goods is pre-registered if required, and registered if required, under Regulation (EC) No 1907/2006 ("REACH"), is not restricted under Annex XVII of REACH and if subject to authorization under REACH is authorized for Purchaser's use.
- (b) Seller shall notify Purchaser if it decides not to Preregister or Register substances that will be subject to Preregistration or Registration under REACH and are constituting or contained in Goods at least 12 months before their Registration or Registration deadline. Seller will monitor the publication by the European Chemicals Agency of the list of substances meeting the criteria for Authorization under REACH (the "candidate list") and immediately notify Purchaser if any of the Goods contain a substance officially proposed

for listing on the candidate list. Seller shall provide Purchaser with the name of the substance as well as with sufficient information to allow Purchaser to safely use the goods or fulfill its own obligations under REACH.

- (c) Seller represents and warrants that none of the Goods contain any: (1) lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBB), polybrominated diphenyl ethers (PBDE) or any other hazardous substances the use of which is restricted under 2011/65/EU (8 June 2011)(RoHS Directive), as amended; (2) arsenic, asbestos, benzene, polychlorinated biphenyls (PCBs), carbon tetrachloride, beryllium, or radioactive materials; (3) chemical restricted under the Montreal Protocol on ozone-depleting substances; (4) substance listed on the candidate list of the REACH legislation (Regulation (EC) No 1907/2006) or restricted under Annex XVII of REACH; or (5) other chemical the use of which is restricted in any other jurisdictions to which Purchaser informs Seller the Goods are likely to be shipped or the Seller knows the goods are likely to be shipped to or through; unless Purchaser expressly agrees otherwise in writing and Seller identifies an applicable exemption from any relevant legal restriction on the inclusion of such chemicals or hazardous materials in the Goods. Upon request from Purchaser and subject to reasonable confidentiality provisions which enable Purchaser to meet its compliance obligations, Seller will provide Purchaser with the chemical composition, including proportions, of any substance, preparation, mixture, alloy or goods supplied under this Agreement and any other relevant information or data regarding the properties including without limitation test data and hazard information.
- (d) Unless specifically defined as a requirement by Purchaser's engineering drawings or specifications, the use of cadmium plating or nickel cadmium plating is strictly prohibited in the manufacture of Goods. The use of cadmium plating or nickel cadmium plating is strictly prohibited on all tooling, fixtures, and test equipment that is used for manufacturing, assembly, test, or material handling of the Goods unless Seller has notified Purchaser in advance and has obtained its prior written consent to such use. Approval shall not be granted where there is a potential for Seller's Goods to come into contact with titanium containing items.
- (e) If Seller is located outside of the U.S. and is shipping Goods into the U.S., regardless of which party is the importer of record, Seller agrees to comply with the import restrictions contained in section 13 of the Toxic Substance Control Act (TSCA) 15 U.S.C. 2601 et seq., provide the appropriate TSCA Certification required under 19 CFR 12.121, and be responsible for any fines or liabilities resulting from breaches of this provision.
- (f) Seller represents and warrants that it has established an effective program to ensure that the activities of any suppliers it utilizes to provide any goods or services that will be incorporated into the Goods will be conducted in conformance with this article.
- (g) With respect to the Goods, Seller shall provide all relevant information, including without limitation, safety data sheets in the language and the legally required format of the location to which the Goods will be shipped and mandated labeling information, required pursuant to applicable requirements such as: (1) the Occupational Safety and Health Act (OSHA) regulations codified at 29 CFR 1910.1200; or (2) *REACH* or EU Directive 67/548/EC, as amended, if applicable, and (3) any other applicable law, rule or regulation or any similar requirements in any other jurisdictions to which Purchaser informs Seller the Goods are likely to be shipped. For each such material, identification shall reference the stock or part number of the delivered Goods. Hazardous materials include, but are not limited to, materials embedded in a delivered Good in such a manner as to present a potential for personal injury or harm or property damage in the course of normal use, repair, accidents or disposal. All safety data sheets and labels required under this section and HAZCOM shall be provided to Purchaser at Group Environmental Affairs & Safety, One Neumann Way, M/D T165, Cincinnati, OH 45215.

## **ARTICLE 22 - MISCELLANEOUS**

- (a) English Language. Except as the parties may otherwise agree, this Agreement, Orders, data, notices, shipping invoices, correspondence and all other writings shall be in Purchaser's native language or the English language. In the event of any inconsistency between any terms of this Agreement and any translation thereof into another language, the English language meaning shall control.
- (b) Governing Law. This Agreement shall be governed by the laws of the jurisdiction in which Purchaser is organized, notwithstanding such jurisdictions conflict of laws rules. For any Purchaser organized in the U.S., New York law shall govern, notwithstanding its conflict of laws rules. The application of the United Nations Convention on the International Sale of Goods is hereby excluded except as expressly referenced herein.
- (c) Waiver. Any failure or delay in the exercise of rights or remedies under this Agreement will not operate to waive or impair such rights or remedies. Any waiver given will not be construed to require future or further waivers.

- (d) Modifications. No waiver, alteration or modification of any of the provisions of this Agreement shall be binding upon either party unless in a subsequent writing signed by the duly authorized representative of the party intended to be bound thereby.
- (e) Severability. If any portion of this Agreement is determined to be contrary to any controlling law, rule or regulation, such portion will be revised or deleted from this Agreement, but the balance of this Agreement will remain in full force and effect.
- (f) Reports. Upon request, Seller shall provide progress reports pertaining to the status of the work being performed under this Agreement. Such reports shall be in a form acceptable to Purchaser.
- (g) Business Continuity Plan. Upon request, Seller shall provide written business continuity plans and/or crisis management protocol, to Purchaser (or a third party identified by Purchaser).
- (h) Financial Records. Upon request, Seller will provide financial records, such as income statements, balance sheets, and cash flow statements, to Purchaser (or a third party identified by Purchaser) to enable Purchaser to evaluate the financial health of Seller. If Seller purchases GE-directed raw material, Seller agrees that the supplier of such raw material may provide Purchaser information regarding Seller's accounts.
- (i) Labor Disputes. The Seller shall notify Purchaser of all impending or existing labor complaints, troubles, disputes or controversies that may affect Seller's ability to perform its obligations under this Agreement. Purchaser shall have no liability or bargaining obligations under any collective bargaining agreement between Seller and its employees. Seller agrees to give Purchaser prompt notice of any union organization with respect to its employees.
- (j) Security Interest. If items are bailed to Seller or progress payments made, Seller grants Purchaser a security interest in equipment, machinery, contract rights, inventory, goods, merchandise and raw materials, whether now existing or hereafter arising, and any replacements, improvements, substitutions, attachments, accessories and accessions thereto or thereon provided by Purchaser or purchased by Seller with progress payments or advances made by Purchaser and to be used by Seller in manufacturing products ordered by Purchaser under this Agreement. Seller agrees to execute and deliver all documents requested by Purchaser to protect and maintain Purchaser's security interest.
- (k) Offset Requirements. All offset or countertrade credit value resulting from this Agreement shall accrue solely to the benefit of Purchaser. Seller agrees to cooperate with Purchaser in the fulfillment of any foreign offset/countertrade obligations.
- (l) Audit Rights. Purchaser shall have the right to audit all pertinent books and records of Seller, and to make reasonable inspections of Seller's facilities to verify compliance with this Agreement. In the event of non-compliance, Purchaser may take appropriate actions, up to and including termination pursuant to Article 5(a).
- (m) Survival. All rights, duties and obligations which by nature should apply beyond the term of the Agreement will remain in force after the complete performance of the Agreement.

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APPENDIX I: THE FOLLOWING PROVISIONS ARE APPLICABLE TO ALL U.S. GOVERNMENT SUBCONTRACTS

- 01. DIRECT SHIPMENTS TO THE U.S. GOVERNMENT: If deliveries of Goods including data under this Agreement are to be made directly to the U.S. Government, Seller agrees to prepare and distribute the DOD form 250, "Material Inspection and Receiving Report", as set forth in part 53 of DFARS. Seller shall include a similar provision in any subcontract issued under this Agreement if the subcontractor will be making deliveries directly to the U.S. Government.
- 02. **NON-DISCRIMINATION<sup>2</sup>: Seller acknowledges that it is aware of and will comply with the requirements of 41 CFR §§ 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals on the basis of protected veteran status or disability, and require affirmative action by covered subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.**
- 03. FAR AND FAR SUPPLEMENT CLAUSES: The following clauses, and those clauses that are required by law or regulation to be flowed down to subcontractors that are contained in subsequent versions of Appendix I and II in effect on the date of any Orders issued pursuant to the Agreement, are hereby incorporated by reference, to the extent they apply to Purchaser's Prime Contract or with a higher tier U.S. Government contractor. In case of conflict between the body of the Agreement and this Appendix I, the Appendix will



prevail. Where applicable, the terms “Government”, “Contracting Officer”, and similar terms shall mean Purchaser, and the term “Contractor” and similar terms shall mean Seller. The full text of a clause may be accessed electronically at URL: <http://farsite.hill.af.mil/vffar1.htm>.

## **FAR CLAUSES**

|                              |   |
|------------------------------|---|
| 52.202-1                     | DEFINITIONS   |
| 52.203-3                     | GRATUITIES  |
| 52.203-5                     | COVENANT AGAINST CONTINGENT FEES  |
| 52.203-6                     | RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT   |
| 52.203-7                     | ANTI-KICKBACK PROCEDURES (Applies when the Order exceeds the Simplified Acquisition Threshold (“SAT”); Note: Paragraph (c)(1) is excluded)  |
| 52.203-10                    | PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY  |
| 52.203-12                    | LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS  |
| 52.203-13 <sup>1</sup>       | CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT (Applies when the Order exceeds (\$5,000,000 and the period of performance exceeds 120 days)   |
| 52.203-14 <sup>2</sup>       | DISPLAY OF HOTLINE POSTER(S) (Applies when the Order exceeds \$5,000,000)   |
| 52.204-2                     | SECURITY REQUIREMENTS   |
| 52.204-4                     | PRINTED OR COPIED DOUBLE-SIDED ON POSTCONSUMER FIBER CONTENT PAPER  |
| 52.204-9                     | PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL  |
| 52.204-10                    | REPORTING EXECUTIVE COMPENSATION AND FIRST TIER SUBCONTRACT AWARDS (Note: Seller agrees to timely information requested by Purchaser pursuant to this clause, and acknowledges that such information will be made publicly available)   |
| 52.209-6                     | PROTECTING THE GOVERNMENT’S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT  |
| 52.211-5                     | MATERIAL REQUIREMENTS   |
| 52.211-15                    | DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS  |
| 52.212-4 <sup>1</sup>        | CONTRACT TERMS AND CONDITIONS – COMMERCIAL ITEMS (only paragraph (l) applies)   |
| 52.215-2                     | AUDIT AND RECORDS—NEGOTIATION   |
| 52.215-10                    | PRICE REDUCTION FOR DEFECTIVE CERTIFIED COST OR PRICING DATA  |
| 52.215-12                    | SUBCONTRACTOR CERTIFIED COST OR PRICING DATA  |
| 52.215-13                    | SUBCONTRACTOR CERTIFIED COST OR PRICING DATA – MODIFICATIONS  |
| 52.215-14                    | INTEGRITY OF UNIT PRICES  |
| 52.215-15                    | PENSION ADJUSTMENTS AND ASSET REVERSIONS  |
| 52.215-18                    | REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS  |
| 52.215-19                    | NOTIFICATION OF OWNERSHIP CHANGES   |
| 52.215-20                    | REQUIREMENTS FOR CERTIFIED COST OR PRICING DATA AND DATA OTHER THAN CERTIFIED COST OR PRICING DATA  |
| 52.215-21                    | REQUIREMENTS FOR CERTIFIED COST OR PRICING DATA AND DATA OTHER THAN CERTIFIED COST OR PRICING DATA—MODIFICATIONS  |
| 52.215-22                    | LIMITATIONS ON PASS-THROUGH CHARGES – IDENTIFICATION OF SUBCONTRACT EFFORT  |
| 52.215-23                    | LIMITATIONS ON PASS-THROUGH CHARGES   |
| 52.219-8 <sup>1&amp;2</sup>  | UTILIZATION OF SMALL BUSINESS CONCERNS (Applies when the Order exceeds the SAT and could lead to subcontracting opportunities)  |
| 52.219-9 <sup>2</sup>        | SMALL BUSINESS CONTRACTING PLAN   |
| 52.222-3 <sup>2</sup>        | CONVICT LABOR   |
| 52.222-4 <sup>2</sup>        | CONTRACT WORK HOURS AND SAFETY STANDARDS ACT – OVERTIME COMPENSATION  |
| 52.222-17 <sup>1</sup>       | NONDISPLACEMENT OF QUALIFIED WORKERS (Applies when the Order exceeds the SAT and is (1) a service contract, as defined in 22.001, (2) that succeeds a contract for performance of the same or similar work at the same location, and (3) is not exempted by 22.1203-2 or waived in accordance with 22.1203-3) |
| 52.222-19                    | CHILD LABOR – COOPERATION WITH AUTHORITIES AND REMEDIES   |
| 52.222-20 <sup>2</sup>       | WALSH-HEALEY PUBLIC CONTRACTS ACT   |
| 52.222-21                    | PROHIBITION OF SEGREGATED FACILITIES  |
| 52.222-26 <sup>1&amp;2</sup> | EQUAL OPPORTUNITY   |
| 52.222-35 <sup>1&amp;2</sup> | EQUAL OPPORTUNITY FOR VETERANS  |
| 52.222-36 <sup>1&amp;2</sup> | AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES  |
| 52.222-37                    | EMPLOYMENT REPORTS ON VETERANS  |
| 52.222-40 <sup>1&amp;2</sup> | NOTIFICATION OF EMPLOYEE RIGHTS UNDER THE NATIONAL LABOR RELATIONS ACT  |



|                              |   |
|------------------------------|---|
| 52.222-41 <sup>1</sup>       | SERVICE CONTRACT ACT OF 1965 (For each Order subject to the SCA, Purchaser shall include a remark signifying SCA applicability. Seller shall submit any required wage classifications to the Purchaser for submission to the Contracting Officer and shall not commence performance until receipt of the final wage determination from Purchaser)   |
| 52.222-50 <sup>1</sup>       | COMBATTING TRAFFICKING IN PERSONS   |
| 52.222-54 <sup>1&amp;2</sup> | EMPLOYMENT ELIGIBILITY VERIFICATION   |
| 52.223-3                     | HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA  |
| 52.223-15                    | ENERGY EFFICIENCY IN ENERGY-CONSUMING PRODUCTS  |
| 52.223-18                    | ENCOURAGING CONTRACTOR POLICIES TO BAN TEXT MESSAGING WHILE DRIVING   |
| 52.225-1                     | BUY-AMERICAN ACT-SUPPLIES   |
| 52.225-2                     | BUY AMERICAN ACT CERTIFICATE  |
| 52.225-5                     | TRADE AGREEMENTS  |
| 52.225-8                     | DUTY-FREE ENTRY (Applies when Goods will be imported into the Customs Territory of the United States)   |
| 52.225-13                    | RESTRICTIONS ON CERTAIN FOREIGN PURCHASES   |
| 52.226-1                     | UTILIZATION OF INDIAN ORGANIZATIONS AND INDIAN-OWNED ECONOMIC ENTERPRISES   |
| 52.227-1                     | AUTHORIZATION AND CONSENT   |
| 52.227-2                     | NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT   |
| 52.227-9                     | REFUND OF ROYALTIES   |
| 52.227-10                    | FILING OF PATENT APPLICATIONS--CLASSIFIED SUBJECT MATTER  |
| 52.227-11                    | PATENT RIGHTS-OWNERSHIP BY THE CONTRACTOR   |
| 52.227-13                    | PATENT RIGHTS-OWNERSHIP BY THE GOVERNMENT   |
| 52.228-3                     | WORKER'S COMPENSATION INSURANCE (DEFENSE BASE ACT)  |
| 52.228-4                     | WORKER'S COMPENSATION AND WAR-HAZARD INSURANCE OVERSEAS   |
| 52.228-5                     | INSURANCE – WORK ON A GOVERNMENT INSTALLATION   |
| 52.230-2                     | COST ACCOUNTING STANDARDS (Applies when the Order is subject to CAS)  |
| 52.230-3                     | DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES (Applies when the Order is subject to CAS)  |
| 52.230-4                     | DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES – FOREIGN CONCERNS (Applies when the Order is subject to CAS and Seller is located outside of the U.S.)   |
| 52.230-5                     | COST ACCOUNTING STANDARDS – EDUCATIONAL INSTITUTIONS (Applies when the Order is subject to CAS and Seller is an Educational Institution)  |
| 52.230-6                     | ADMINISTRATION OF COST ACCOUNTING STANDARDS (Applies when the Order is subject to CAS)  |
| 52.232-16                    | PROGRESS PAYMENTS   |
| 52.232-32                    | PERFORMANCE-BASED PAYMENTS  |
| 52.232-40 <sup>1</sup>       | PROVIDING ACCELERATED PAYMENTS TO SMALL BUSINESS SUBCONTRACTORS (Applies when the Order involves small business concerns and Seller receives accelerated payments from Purchaser)   |
| 52.234-1                     | INDUSTRIAL RESOURCES DEVELOPED UNDER DEFENSE PRODUCTIONS ACT TITLE III  |
| 52.242-15                    | STOP-WORK ORDER   |
| 52.244-5                     | COMPETITION IN SUBCONTRACTING   |
| 52.244-6                     | SUBCONTRACTS FOR COMMERCIAL ITEMS   |
| 52.245-1                     | GOVERNMENT PROPERTY (Note: All Government Property shall be controlled and accounted for in accordance with Purchaser's Tooling Supplement, Remark E21)   |
| 52.245-9                     | USE AND CHARGES (Note: Seller shall request authorization to use Government Property in support of efforts under a contract number other than the contract number to which it is assigned, by submitting such request in the form prescribed by Purchaser which is available at <a href="http://www.geaviation.com/aboutgeae/doingbusinesswith/geae_po_requirements.html">http://www.geaviation.com/aboutgeae/doingbusinesswith/geae_po_requirements.html</a> ) |
| 52.247-1                     | COMMERCIAL BILL OF LADING NOTATIONS   |
| 52.247-63                    | PREFERENCE FOR U.S.-FLAG AIR CARRIERS   |
| 52.247-64 <sup>1</sup>       | PREFERENCE FOR PRIVATELY OWNED U.S.-FLAG COMMERCIAL VESSELS (Applies when Goods are to be shipped by ocean vessel)  |
| 52.248-1                     | VALUE ENGINEERING   |
| 52.249-2                     | TERMINATION FOR CONVENIENCE   |
| 52.249-5                     | TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (Applies when Seller is an educational or other non-profit institution) (Delete paragraph (h), in paragraph (c) change "120 days" to "60 days", and in paragraph (d) change "1 year" to "60 days")  |
| 52.249-8                     | TERMINATION FOR DEFAULT   |
| 52.249-14                    | EXCUSABLE DELAYS  |
| 52.202-1                     | DEFINITIONS   |
| 52.203-3                     | GRATUITIES  |
| 52.203-5                     | COVENANT AGAINST CONTINGENT FEES  |
| 52.203-6                     | RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT   |

## **DOD FAR SUPPLEMENT (DFARS) CLAUSES**

|                           |  |
|---------------------------|--|
| 252.203-7001              | PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE-CONTRACT-RELATED FELONIES   |
| 252.203-7002              | REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS  |
| 252.203-7003 <sup>1</sup> | AGENCY OFFICE OF THE INSPECTOR GENERAL   |
| 252.203-7004 <sup>2</sup> | DISPLAY OF FRAUD HOTLINE POSTERS (Applies when the Order exceeds \$5,000,000)  |
| 252.204-7000              | DISCLOSURE OF INFORMATION  |
| 252.204-7012              | SAFEGUARDING OF UNCLASSIFIED CONTROLLED TECHNICAL INFORMATION (Applies when the Seller has unclassified controlled technical information resident on or transiting through Seller's unclassified information systems. In the case of a reportable cyber incident, the Seller shall report the information required in paragraphs (d)(1)(i-xiii) to Purchaser at <a href="mailto:gecirt@ge.com">gecirt@ge.com</a> ) |
| 252.209-7004              | SUBCONTRACTING WITH FIRMS THAT ARE OWNED OR CONTROLLED BY THE GOVERNMENT OF A TERRORIST COUNTRY  |
| 252.211-7000              | ACQUISITION STREAMLINING   |
| 252.211-7003 <sup>1</sup> | ITEM IDENTIFICATION AND VALUATION  |
| 252.215-7000              | PRICING ADJUSTMENTS  |
| 252.219-7003 <sup>2</sup> | SMALL BUSINESS SUBCONTRACTING PLAN (DOD CONTRACTS)   |
| 252.222-7006              | RESTRICTIONS ON THE USE OF MANDATORY ARBITRATION AGREEMENTS  |
| 252.223-7008 <sup>1</sup> | PROHIBITION OF HEXAVALENT CHROMIUM   |
| 252.225-7001              | BUY AMERICAN ACT AND BALANCE OF PAYMENTS PROGRAM   |
| 252.225-7002              | QUALIFYING COUNTRY SOURCES AS SUBCONTRACTORS   |
| 252.225-7006              | QUARTERLY REPORTING OF ACTUAL CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES   |
| 252.225.7007              | PROHIBITION ON ACQUISITION OF UNITED STATES MUNITIONS LIST ITEMS FROM COMMUNIST CHINESE MILITARY COMPANIES   |
| 252.225-7009 <sup>1</sup> | RESTRICTION ON ACQUISITION OF CERTAIN ARTICLES CONTAINING SPECIALTY METALS (Applies when the Goods contain specialty metals; Note: Use of exceptions not permitted without advance Seller notification and prior Purchaser approval. Paragraph (d) of this clause is excluded)   |
| 252.225-7013              | DUTY-FREE ENTRY (Applies when providing components from a qualifying country or components from a non-qualifying country when the estimated duty is expected to exceed \$200 per unit)   |
| 252.225-7015              | RESTRICTION ON ACQUISITION OF HAND OR MEASURING TOOLS  |
| 252.225-7016 <sup>1</sup> | RESTRICTION ON ACQUISITION OF BALL AND ROLLER BEARINGS (Applies when the Order requires Seller to provide a ball and roller bearing that that is not incorporated into a higher level assembly)  |
| 252.225-7021              | TRADE AGREEMENTS   |
| 252.225-7022              | TRADE AGREEMENTS CERTIFICATE- INCLUSION OF IRAQI END PRODUCTS  |
| 252.225-7025              | RESTRICTION ON ACQUISITION OF FORGINGS   |
| 252.225-7028 <sup>1</sup> | EXCLUSIONARY POLICIES AND PRACTICES OF FOREIGN GOVERNMENTS   |
| 252.225-7030              | RESTRICTION ON ACQUISITION OF CARBON, ALLOY, AND ARMOR STEEL PLATE   |
| 252.225-7032              | WAIVER OF UNITED KINGDOM LEVIES - EVALUATION OF OFFERS   |
| 252.225-7033              | WAIVER OF UNITED KINGDOM LEVIES  |
| 252.225-7036              | BUY AMERICAN ACT- FREE TRADE AGREEMENT - BALANCE OF PAYMENTS   |
| 252.225-7037              | EVALUATION OF OFFERS FOR AIR CIRCUIT BREAKERS  |
| 252.225-7038 <sup>1</sup> | RESTRICTION ON ACQUISITION OF AIR CIRCUIT BREAKERS   |
| 252.225-7048              | EXPORT-CONTROLLED ITEMS  |
| 252.225-7993              | PROHIBITION ON CONTRACTING WITH THE ENEMY IN THE UNITED STATES CENTRAL COMMAND THEATER OF OPERATIONS   |
| 252.225-7994              | ADDITIONAL ACCESS TO CONTRACTOR AND SUBCONTRACTOR RECORDS IN THE UNITED STATES CENTRAL COMMAND THEATER OF OPERATIONS   |
| 252.226-7001 <sup>1</sup> | UTILIZATION OF INDIAN ORGANIZATIONS, INDIAN-OWNED ECONOMIC ENTERPRISES, AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS  |
| 252.227-7013 <sup>1</sup> | RIGHTS IN TECHNICAL DATA-NONCOMMERCIAL ITEMS (Applies when technical data is specified to be delivered under the Agreement)  |
| 252.227-7014              | RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION  |
| 252.227-7015 <sup>1</sup> | TECHNICAL DATA—COMMERCIAL ITEMS  |
| 252.227-7016              | RIGHTS IN BID OR PROPOSAL INFORMATION  |
| 252.227-7017              | IDENTIFICATION AND ASSERTION OF USE, RELEASE, OR DISCLOSURE RESTRICTIONS   |
| 252.227-7018              | RIGHTS IN NONCOMMERCIAL TECHNICAL DATA AND COMPUTER SOFTWARE--SMALL BUSINESS INNOVATIVE RESEARCH (SBIR) PROGRAM  |
| 252.227-7019              | VALIDATION OF ASSERTED RESTRICTIONS – COMPUTER SOFTWARE  |

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|---------------------------|---|
| 252.227-7020              | RIGHTS IN SPECIAL WORKS   |
| 252.227-7021              | RIGHTS IN DATA--EXISTING WORKS  |
| 252.227-7025              | LIMITATIONS ON THE USE OR DISCLOSURE OF GOVERNMENT-FURNISHED INFORMATION MARKED WITH RESTRICTIVE LEGENDS  |
| 252.227-7026              | DEFERRED DELIVERY OF TECHNICAL DATA OR COMPUTER SOFTWARE  |
| 252.227-7027              | DEFERRED ORDERING OF TECHNICAL DATA OR COMPUTER SOFTWARE  |
| 252.227-7028              | TECHNICAL DATA OR COMPUTER SOFTWARE PREVIOUSLY DELIVERED TO THE GOVERNMENT  |
| 252.227-7030              | TECHNICAL DATA—WITHHOLDING OF PAYMENT (Applies when technical data is specified to be delivered under the Agreement)  |
| 252.227-7032              | RIGHTS IN TECHNICAL DATA AND COMPUTER SOFTWARE (FOREIGN)  |
| 252.227-7037 <sup>1</sup> | VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA (Applies when technical data is specified to be delivered under the Agreement)   |
| 252.227-7038              | PATENT RIGHTS-OWNERSHIP BY THE CONTRACTOR (LARGE BUSINESS)  |
| 252.227-7039              | PATENTS--REPORTING OF SUBJECT INVENTIONS  |
| 252.232-7004              | DOD PROGRESS PAYMENT RATES  |
| 252.234-7002              | EARNED VALUE MANAGEMENT SYSTEM  |
| 252.235-7003              | FREQUENCY AUTHORIZATION   |
| 252.236-7013              | REQUIREMENT FOR COMPETITION OPPORTUNITY FOR AMERICAN STEEL PRODUCERS, FABRICATORS, AND MANUFACTURERS  |
| 252.239-7018 <sup>1</sup> | SUPPLY CHAIN RISK (Applies when the Order involves the development or delivery of any information technology whether acquired as a service of as a supply)  |
| 252.243-7001              | PRICING OF CONTRACT MODIFICATIONS   |
| 252.244-7000              | SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (DOD CONTRACTS)   |
| 252.246-7001              | WARRANTY OF DATA (Applies when technical data is specified to be delivered under the Agreement)   |
| 252.246-7003 <sup>1</sup> | NOTIFICATION OF POTENTIAL SAFETY ISSUES   |
| 252.246-7007              | CONTRACTOR COUNTERFEIT ELECTRONIC PART DETECTION AND AVOIDANCE SYSTEM (Applies when the Order requires delivery of Electronic Parts)  |
| 252.247-7023 <sup>1</sup> | TRANSPORTATION OF SUPPLIES BY SEA   |
| 252.247-7024 <sup>1</sup> | NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA   |
| 252.249-7002              | NOTIFICATION OF ANTICIPATED CONTRACT TERMINATION OR REDUCTION   |
| 5252.227-9507             | NOTICE REGARDING THE DISSEMINATION OF EXPORT-CONTROLLED TECHNICAL DATA (NAVAIR)   |
| 252.203-7001              | PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE-CONTRACT-RELATED FELONIES  |
| 252.203-7003 <sup>1</sup> | AGENCY OFFICE OF THE INSPECTOR GENERAL  |
| 252.203-7004 <sup>2</sup> | DISPLAY OF FRAUD HOTLINE POSTERS (Applies when the Agreement exceeds \$5,000,000)   |
| 252.204-7000              | DISCLOSURE OF INFORMATION   |
| 252.204-7012              | SAFEGUARDING OF UNCLASSIFIED CONTROLLED TECHNICAL INFORMATION (Applies when the Agreement involves access to unclassified controlled technical information resident on or transiting through Seller's unclassified information systems) |
| 252.209-7004              | SUBCONTRACTING WITH FIRMS THAT ARE OWNED OR CONTROLLED BY THE GOVERNMENT OF A TERRORIST COUNTRY   |

**IF AN ORDER IS PLACED UNDER A NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) PRIME CONTRACT, THE FOLLOWING NASA FAR SUPPLEMENT CLAUSES APPLY:**

|             |   |
|-------------|---|
| 1852.204-76 | SECURITY REQUIREMENTS FOR UNCLASSIFIED INFORMATION TECHNOLOGY RESOURCES |
| 1852.208-81 | RESTRICTIONS ON PRINTING AND DUPLICATING                                |
| 1852.217-70 | PROPERTY ADMINISTRATION AND REPORTING                                   |
| 1852.219-74 | USE OF RURAL AREA SMALL BUSINESSES                                      |
| 1852.219-75 | SMALL BUSINESS SUBCONTRACTING REPORTING                                 |
| 1852.219-76 | NASA 8 PERCENT GOAL   |
| 1852.223-70 | SAFETY AND HEALTH   |
| 1852.227-11 | PATENT RIGHTS-RETENTION BY THE CONTRACTOR (SHORT FORM)                  |
| 1852.227-14 | RIGHTS IN DATA – GENERAL  |
| 1852.227-70 | NEW TECHNOLOGY  |
| 1852.227-71 | REQUESTS FOR WAIVER OF RIGHTS TO INVENTIONS                             |
| 1852.227-72 | DESIGNATION OF NEW TECHNOLOGY REPRESENTATIVE AND PATENT REPRESENTATIVE  |
| 1852.227-85 | INVENTION REPORTING AND RIGHTS – FOREIGN                                |
| 1852.242-73 | NASA CONTRACTOR FINANCIAL MANAGEMENT REPORTING                          |

**IF AN ORDER IS PLACED UNDER A DEPARTMENT OF HOMELAND SECURITY (HSAR) PRIME CONTRACT, THE FOLLOWING HSAR FAR SUPPLEMENTAL CLAUSES APPLY:**

3052.219-70 SMALL BUSINESS SUBCONTRACTING PROGRAM REPORTING

<sup>1</sup> If Purchaser has notified Seller in writing that the Goods or Services are a Commercial Item, as defined in 2.101, then only these clauses apply.

<sup>2</sup> The clause does not apply to international suppliers when work is performed outside the United States and its possessions.

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**APPENDIX II: SUPPLEMENTARY TERMS AND CONDITIONS FOR COST REIMBURSEMENT ORDERS**

This Appendix II supplements Appendix I and applies only to cost-reimbursement Orders awarded under a prime or higher tier U.S. Government contract. In case of conflict between the body of the Agreement and this Appendix II, the Appendix will prevail.

THE FOLLOWING CLAUSES APPLY IN ADDITION TO THOSE SET FORTH IN APPENDIX I:

|           |   |
|-----------|---|
| 52.215-22 | LIMITATIONS ON PASS-THROUGH CHARGES – IDENTIFICATION OF SUBCONTRACT EFFORT<br>(Applies when the Order exceeds the SAT for non-DOD Orders) |
| 52.215-23 | LIMITATIONS ON PASS-THROUGH CHARGES (Applies when the Order exceeds the SAT for non-DOD Orders)   |
| 52.216-7  | ALLOWABLE COST AND PAYMENT  |
| 52.216-8  | FIXED FEE   |
| 52.216-10 | INCENTIVE FEE   |
| 52.232-20 | LIMITATION OF COST  |
| 52.242-1  | NOTICE OF INTENT TO DISALLOW COSTS  |
| 52.242-15 | STOP WORK ORDER   |
| 52.246-8  | INSPECTION OF RESEARCH AND DEVELOPMENT – COST REIMBURSEMENT   |
| 52.249-14 | EXCUSABLE DELAYS  |
| 52.228-7  | INSURANCE-LIABILITY TO THIRD PERSONS  |
| 52.232-22 | LIMITATION OF FUNDS   |

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**APPENDIX III: UK MOD REQUIREMENTS**

**UK MOD Requirements and DEFCONs:** The parties recognize that some or all of the Goods and Services that are the subject of this Agreement may be used to satisfy requirements in furtherance of Purchaser’s performance under a U.K. Ministry of Defence (MOD) prime or sub-contract. Accordingly, Seller agrees that in that instance it shall be bound by the Defence Conditions (“DEFCONs”) and narrative clauses detailed on the face of Purchaser’s orders issued under this Agreement. Where applicable specific DEFCONs will be given effect by substituting “Purchaser” for “the Authority”, and “Seller” for “the Seller”. Quality assurance activity shall be carried out at Seller’s premises if specified by the MOD QAR who will advise Seller accordingly. Seller undertakes to observe the terms and conditions of the relevant Government Contracts and accepts, mutatis mutandis, in respect of the Goods and Services, the obligations and liabilities on the part of Purchaser contained in such terms and conditions, including but not limited to HMG Security Policy Framework (SPF), Industrial Security Notices (ISNs) and, in the case of List X companies, List X Notices (LXNs).

HMG SPF can be found at:  
<https://www.gov.uk/government/publications/security-policy-framework>

ISNs can be found at:  
<https://www.gov.uk/government/publications/industry-security-notices-isns>

DEFCONs are contained with the MOD Acquisition Operating Framework:  
<https://www.gov.uk/acquisition-operating-framework>

Security Advice for List X companies and List X Notices can be obtained from MOD Defence Equipment & Support Principal Security Advisor:

<https://www.gov.uk/defence-equipment-and-support-principal-security-advisor>

Advice on Accreditation of IT Systems and Incident Reporting can be obtained from MOD Defence Security and Assurance Services:

<https://www.gov.uk/defence-security-and-assurance-services-defence-industry-list-x>

Without prejudice to Purchaser's other rights under this Agreement, if the Goods and Services or any part of it is required to fulfil a contract for any other country's government department or authority, Seller undertakes to observe the terms and conditions of the relevant government contracts and accepts, mutatis mutandis, in respect of the Goods and Services, the obligations and liabilities on the part of Purchaser contained in such terms and conditions. Further the Goods and Services (or such part of it as appropriate) shall be deemed to be the subject of a sub-contract made under such terms and conditions as may be in force from time to time under that contract for the said department or authority and any right of termination exercisable.

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