

Revision History Table

Revision	Date	Description	Reviewed By	Approved By
IR	09/22/2025	Initial Release	Ken Lewis	Elaine Harmon

1. ACCEPTANCE OF CONTRACT TERMS AND CONDITIONS

- 1.1 This contract supersedes any prior offers and agreements concerning this effort and constitutes the entire agreement between all parties. Seller's acceptance of payment or commencement of work constitutes acceptance of this contract and all terms and conditions.
- 1.2 The Subcontractor must give preferential treatment to rated orders as required by the Defense Priorities and Allocations System (DPAS) regulation (15 CFR 700). The existence of previously accepted unrated or lower rated orders is not sufficient reason to reject a rated order. Rated orders take preference over all unrated orders as necessary to meet required delivery dates. Additional information may be obtained at the Department of Commerce DPAS web site:
<http://www.bis.doc.gov/dpas/default.htm>

2. APPLICABLE LAWS

- 2.1 The Seller shall perform its Effort in conformance with all applicable local laws, rules, regulations, ordinances, and requirements of city and county building codes and of federal and state authorities which are applicable to the work, local sanitary laws, and rules and regulations by governing authorities. Without limiting the generality of the foregoing or any other language herein, Seller shall furnish, without any extra charge, any additional materials and labor.
 - 2.1.1 Which may be required to comply with such ordinances, requirements, laws, rules, and regulations.
 - 2.1.2 Which are not specifically included in this Purchase Order but are reasonably inferable therefrom and are necessary for the proper completion of the work. If the work shall be performed at Buyer's designated location, it is the responsibility of the Seller to determine to what extent city, state and local laws, rules, regulations, ordinances and requirements applied to the work.
 - 2.1.3 The Seller shall remain fully responsible for the performance of its work, regardless of any interference by trade councils or other union organizations. Any work stoppage by the Seller's employees that causes an unreasonable delay shall constitute a breach of this Purchase Order.

3. PERSONNEL

- 3.1 Seller shall be responsible for selecting only personnel who are competent, skilled and professionally qualified to perform the work that he/she may perform. All Seller personnel entering Buyer's property, project, base or installation shall comply with (and conform to) all security regulations that may be in effect during the period of this Agreement.

4. REMEDIES

- 4.1 From any amount otherwise owed Seller, the Buyer is expressly entitled and authorized to withhold and deduct a reasonable sum based upon the breach or impending breach of any provision of this Purchase Order by the Seller, until such breach, controversy, lien, claim, garnishment, attachment or other levy has been resolved.

5. CLAIMS AND DISPUTES

- 5.1 A "Claim" is a demand or assertion by Seller, as a matter of right, adjustment or interpretation of this Purchase Order's terms or payment of money, extension of time, or other relief with respect to the terms of this Purchase Order which materially arises due to the actions or inactions of the Buyer or Buyer's customer, including Buyer changes, terminations and partial terminations, or any other acts or omissions by the Buyer affecting Purchase Order. Seller shall notify Buyer of any Claim, in writing and must include supporting data with certification of accuracy.
- 5.2 Seller agrees to carry on the efforts under this Purchase Order and maintain satisfactory progress while any Claim or dispute is being resolved. Pending final decision on any dispute under this Article 5, Buyer will proceed with subcontracted performance, except when Buyer has terminated the Purchase Order, or a stop work order has been issued.
- 5.3 Buyer shall not have any liability to Seller for any delay, acceleration, or inefficiency damages or claims resulting or arising from any act or omission of Buyer.

6. TERMINATION

- 6.1 If Seller at any time shall refuse or neglect to supply sufficient, properly skilled workers, or materials, or equipment of the proper quality and quantity, or fail in any respect to prosecute the Purchase Order with promptness and diligence or to maintain the schedule of activities, or cause by any action or omission the stoppage or interference of work of Buyer, or fail in the performance of any of the covenants contained in this Purchase Order, or be unable to meet its/his/her debts as they mature, Buyer may at its option and at any time after serving three (3) calendar days' notice of such default, without prejudice to any other right or remedy it may then have, proceed as follows:
 - 6.1.1 Provide, or have others provide, such materials, supplies, equipment and labor as may be necessary to complete the Purchase Order, pay for same and deduct the amount so paid from any money then or thereafter due Seller; or
 - 6.1.2 Withhold payment of any estimate, pending a curing of the default satisfactory to Buyer, other provisions of this Purchase Order notwithstanding; or
 - 6.1.3 Terminate this Agreement by delivering written notice of termination to Seller, take possession of material paid for during the execution of this Purchase Order.
- 6.2 Buyer may, at any time, by written notice to Seller, terminate (without prejudice to any other right or remedy of Buyer) the whole or any portion of this Purchase Order for convenience and without cause whenever Buyer determines that such termination is in the interests of Buyer or Buyer's customers. Likewise, Buyer may terminate this Purchase Order for convenience if the Buyer's customer terminates their contract. If the Buyer decides to terminate for convenience, they must give the Seller a Notice of Termination for Convenience, indicating how much of the Purchase Order is being terminated and the effective date of termination. Unless otherwise stated in the Notice of Termination for Convenience, Seller will cease all efforts regarding the portion (or all as the case may be) of the Purchase Order that is terminated, upon receipt of such written notice. Seller shall:
 - 6.2.1 Cause such steps to be taken as necessary to protect the efforts in place, material, and equipment.

- 6.2.2 Assign relevant Purchase Orders to Buyer so Buyer may direct.
 - 6.2.3 Notify all subcontractors of the order to stop operations and cancel or assign such subcontracts to Buyer as directed by Buyer.
 - 6.2.4 Cooperate in every way to minimize the cost to Buyer in stopping and securing the efforts or transferring said products/material and documentation to another seller if so directed by Buyer.
 - 6.2.5 Transfer title to all products, services, uncompleted work, supplies, or any other material produced, or services performed or acquired for the effort terminated as Buyer may direct.
 - 6.2.6 Transfer any plans, drawing, information, and the like (completed or not) as Buyer may direct.
 - 6.2.7 Complete performance of any Purchase Orders not terminated.
- 6.3 If Buyer terminates the whole or any portion of this Agreement for convenience, Seller will be compensated only for the acceptable effort performed to the date of termination as a percent of all of the effort required by this Purchase Order multiplied by the Purchase Order price less any payments theretofore made to Seller by Buyer on account thereof and less any other amounts chargeable to Seller pursuant to this Purchase Order.

7. INDEMNIFICATION

- 7.1 Seller covenants and agrees to defend, indemnify, exonerate, and hold harmless the Buyer, (and their respective agents, employees, consultants, and other representatives) with respect to:
 - 7.1.1 Every lien notice, lien affidavit, and lien suit filed or presented by any materialmen, laborer or subcontractor of Seller, in connection with the efforts.
 - 7.1.2 Every garnishment, attachment or other levy made by a creditor of Seller against the assets or funds of Seller in the hands or custody of the Buyer. It is agreed that the Seller price shall be offset or reduced by the amount necessary and proper to defend, indemnify, exonerate, and hold harmless the Buyer with respect to any of the foregoing described claims, notices, affidavits, actions, garnishments, attachments, and levies.
- 7.2 Seller hereby covenants and agrees to defend, hold harmless, indemnify, and exonerate the Buyer, Buyer's customers and their respective agents, employees, consultants or other representatives as to and from all liability, claims, lawsuits losses, expenses, and demands (including all judgments and settlements made at arm's length and all reasonable attorneys' fees and litigation expenses connected therewith) for property damage, personal injury or death arising in any way from the effort, or Seller's acts or omissions.

8. INTELLECTUAL PROPERTY

- 8.1 Seller grants to, or must obtain for, the U.S. Government, Government Purpose Rights to all technical data and computer software (including computer software applications) that are required for or used to design, construct, operate and maintenance of products delivered under this Purchase Order.
 - 8.1.1 Seller must provide the U.S. Government with Government Purpose Rights to this IP regardless of the source and source of funds (i.e., IP obtained from a public domain, purchased/licensed from a third party

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- 8.1.2 Seller's obligation to grant Government Purpose Rights to, or obtain Government Purpose Rights for, the U.S. Government applies to the technical data and computer software used in products delivered under this Purchase Order.
 - 8.1.3 Unless otherwise approved in advance by the Buyer, Seller hereby grants the U.S. Government with Government Purpose Rights to all existing technical data and computer software related to, and Government Purpose Rights to any technical data or computer software that is developed in furtherance of the performance of this Purchase Order.
 - 8.1.4 Such rights will be granted to the U.S. Government at the point in time when the technical data or computer software is transferred from Buyer to U.S. Government.
 - 8.2 No separate funding to be provided for these rights in technical data or computer software. Any costs associated with the rights granted to the U.S. Government shall be assumed in the value of the Purchase Order. This includes all such technical data and software whether it is developed by the Seller, provided to the Seller for performance of this Purchase Order, or utilized by the Seller's, subcontractors, vendors, or other teammates in furtherance of the performance of the requirements of this Purchase Order.
 - 8.3 Notwithstanding the foregoing, the Seller understand and agree that Buyer and U.S. Government will be provided Limited Rights to commercial items and technical data for commercial off the shelf (COTS) items, with the right to provide interface information to third parties, and Restricted Rights to commercial software such as content which is covered under licenses or subscriptions and firmware that is an existing product available for purchase by third parties where the intellectual property resides with the OEM; for example, controllers, gauges, and equipment that is an existing product available for purchase by third parties where the intellectual property resides with the OEM. For the purposes of this requirement, the U.S. Government shall have only the rights specified in the license under which the commercial computer software or commercial computer software documentation was obtained. It is understood and agreed that rights in software and software applications include all features necessary to enable the operating contractor to continue to use, maintain, or modify the software systems in place.

9. EXPORT CONTROL

- 9.1 The information provided by Buyer may be subject to U.S. export control laws and regulations, including the International Traffic in Arms Regulations (ITAR). Seller may not export or re-export any information, technical data, or supplies except in strict compliance with all U.S. export control laws and regulations, including ITAR. Technical data controlled by the ITAR shall not be released to foreign nationals, including employees, companies or other entities, whether within or outside of the United States, unless the Seller shall first obtain the written consent of Buyer, and shall obtain the appropriate license or other advance approval from the U.S. Government.
- 9.2 Seller's obligation to adhere to ITAR shall survive the expiration or termination of this Purchase Order. Seller hereby agrees to defend and indemnify Buyer from and against any liability that Buyer may incur because of Seller's violation of any U.S. export or re-export control law or regulation.

10. FOREIGN INVESTMENT PARTICIPATION, TECHNOLOGY TRANSFERS, ACQUISITIONS AND MERGERS

- 10.1 The Seller represents and warrants that none of the technical data furnished to it by Buyer or developed by the Seller during performance of the Purchase Order shall be disclosed to any foreign national, firm, or country, including foreign nationals employed by or associated with United States without first complying with all requirements of the International Traffic in Arms Regulation, 22 C.F.R. 120 et seq.; the Export Administration Act, 28 U.S.C. 2778 et seq.; and DOD Directive 5230.25, "Withholding of Unclassified Technical Data From Public Disclosure," 32 C.F.R. 250, including the requirement for obtaining any export license, if applicable.
- 10.2 Foreign investment participation, technology transfers, acquisitions, and mergers: The U.S. Government, as the regulatory authority, may restrict Seller foreign investment, participation, technology transfers, acquisitions, and mergers. If a foreign deal impacting ownership or control of Subcontractor is contemplated, then Seller agrees to notify Buyer and the parties understand the transaction will be subject to review by the Committee on Foreign Investment in the United States (CFIUS), and additional measures may be required to protect the interests of the United States.
- 10.3 Any proposed foreign participation, technology transfers, acquisitions, and mergers will require U.S. Government notification and concurrence on a case-by-case basis. Seller shall notify Buyer promptly, within 10 calendar days of signing a formal letter of intent, and consistent with applicable laws, upon entering into definitive discussions regarding potential foreign investment participation, technology transfers, acquisitions, and mergers for itself or any of its business units. The notification will include all relevant details about the possible merger or acquisition, emphasizing the need for utmost transparency in these discussions. The Buyer retains the right to terminate this contract for default in the event of any unilateral foreign investment participation, technology transfers, acquisitions, and mergers, considering whether these acts are not consistent with the U.S. Government's best interests as determine by the U.S. Government.

11. QUALITY MANAGEMENT SYSTEM

- 11.1 Seller shall establish a Quality Management System (QMS) that ensures delivery of products and services in full compliance with the Buyer's requirements. The Buyer reserves the right to evaluate the Seller's QMS and associated records relating to this effort with advance concurrence from the Seller.
- 11.2 Seller grants us the right of access by our organization, our customers, including regulatory authorities, to the applicable areas of facilities and to applicable documented information, at any level of the supply chain, to perform verification or validation activities.
- 11.3 Buyer will monitor performance in regard to quality and delivery of all external providers and take appropriate action when performance levels fall below planned thresholds. These actions can include re-evaluation, submission of a Supplier Corrective Action (SCAR), and potential removal from approval for use status. Timely delivery of products/services that meet requirements and prompt attention to any SCAR submitted is required and appreciated.

12. WARRANTY

- 12.1 The Seller warrants that all work performed under this agreement shall be free from defects in workmanship, materials, equipment or design furnished by Seller or any subcontractor or supplier at any tier for a period of one-year from the date of acceptance from the Buyer.
- 12.2 Seller warrants the materials delivered pursuant to this Purchase Order, unless specifically stated otherwise in this Purchase Order, shall (i) be new; (ii) be and only contain materials obtained directly from the Original Equipment Manufacturer (OEM) or an authorized OEM reseller or distributor.
- 12.3 Seller warrants that good and marketable title to all products and materials, covered by any application for payment are transferable to the Buyer's customer either by incorporation in the product or upon the receipt of payment by the Seller, whichever occurs first, free and clear of all liens, claims, security interest or other encumbrances.
- 12.4 All warranties shall be transferable to the Buyer's customer.

13. COUNTERFEIT PARTS PREVENTION

- 13.1 Seller shall plan, implement, and control processes appropriate to the organization and the product, for the prevention of counterfeit or suspect counterfeit part use and their inclusion in product(s) delivered to Buyer.
 - 13.1.1 Seller's Counterfeit part prevention processes should consider:
 - 13.1.1.1 Training appropriate people in the awareness and prevention of counterfeit parts.
 - 13.1.1.2 Application of a parts obsolescence monitoring program.
 - 13.1.1.3 Controls for acquiring externally provided product from original or authorized manufacturers, authorized distributors, or other approved sources.
 - 13.1.1.4 Requirements for assuring traceability of parts and components to their original or authorized manufacturers.
 - 13.1.1.5 Verification and test methodologies to detect counterfeit parts.
 - 13.1.1.6 Monitoring counterfeit parts reporting from external sources.
 - 13.1.1.7 Quarantine and reporting of suspect or detected counterfeit parts. Suspect Counterfeit parts are defined as those products which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the product is authentic.
- 13.2 Counterfeit parts are those items that have or contain unlawful or unauthorized reproductions, substitutions, or alterations that have been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified part from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used product represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics.

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- 13.3 Seller shall not deliver suspect counterfeit parts to Buyer under this Purchase Order.
- 13.3.1 Seller shall only purchase products to be delivered or incorporated in Buyer's deliverable products directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Seller may use another source only when:
- 13.3.1.1 The foregoing sources are unavailable,
- 13.3.1.2 Seller's inspection and other counterfeit risk mitigation processes will be employed to ensure the authenticity of the product, and Seller obtains the advance written approval of Buyer.
- 13.3.1.3 Seller shall maintain counterfeit risk mitigation processes in accordance with industry-renowned standards and with any other specific requirements identified in this Purchase Order.
- 13.3.1.4 Seller shall immediately (no greater than 72 hours after detection) notify Buyer with the pertinent facts if Seller becomes aware that it has delivered suspect counterfeit product. When requested by Buyer, Seller shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM. Seller, at its expense, shall provide reasonable cooperation to Buyer in conducting any investigation regarding the delivery of suspect counterfeit under this Purchase Order.
- 13.3.1.5 In the event that product is delivered under this Purchase Order which constitutes or includes suspect counterfeit product, Seller shall, at its expense, promptly replace such product with genuine products conforming to the requirements of this Purchase Order. Notwithstanding any other provision in this Purchase Order, Seller shall be liable for all costs relating to the removal and replacement of suspect counterfeit parts, including without limitation Buyer's costs of removing suspect counterfeit parts, of installing replacement parts and of any testing necessitated by the reinstallation of parts after suspect counterfeit has been exchanged. The remedies contained in this paragraph are in addition to any remedies Buyer may have at law, equity or under other provisions of this Purchase Order.
- 13.3.1.6 Seller shall include the contents of Buyer's Counterfeit Parts Prevention clause in lower tier subcontracts for the delivery of items that will be included in or furnished in products delivered to the Buyer.

14. CONFLICT MINERALS

- 14.1 As required by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (see Pub. L. 111-203, 124 Stat. 1376 (July 21, 2010), 15 U.S.C. 78m(p)), Seller will provide information and certifications as reasonably requested to comply with reporting obligations related to conflict minerals.

15. NON-CONFORMING MATERIAL

- 15.1 Seller will notify us of any non-conformity found in the purchased product within 24 hours of discovery of such non-conformity, regardless of whether it be prior, during, or after receipt of the product. We do not grant disposition authority for non-

conforming products. No known non-conforming product shall be shipped to us without our written authorization.

16. CORRECTIVE ACTION REQUEST

- 16.1 Corrective Actions flowed to the Seller shall be completed and returned in a timely manner.
- 16.2 Seller is required to flow down corrective action requirements to an external provider when it is determined that the external provider is responsible for the nonconformity.

17. RECORD RETENTION

- 17.1 Seller shall retain documented information including disposition requirements for a period of 7 years. These records shall be made available within 72 hours of our written request and be provided at no charge to us.

18. CERTIFICATIONS

- 18.1 When it is indicated that the Purchase Order can affect end item quality ("Certifications Required with shipment"), certifications must accompany product delivery. We reserve the right to refuse delivery of any shipment without applicable certifications. Delivery will not be complete until appropriate certifications are received.
- 18.2 Seller shall ensure that all products are inspected and validated using acceptable monitoring and measuring equipment prior to shipment. Seller shall ensure that all tools used for final acceptance are calibrated to NIST standards and equipment calibrations are current.
- 18.3 For services providing Calibration, all activities must be traceable to NIST and certificates provided indicate those standards. Certificates must also identify "received" and "as left" conditions in whatever terminology deemed appropriate. Notification must be made if items are determined damaged or unable to calibrate as soon as possible for potential impact review.

19. TEST SPECIMENS

- 19.1 Seller shall provide test specimens for design approval, inspection/verification, investigation, or auditing when specifically required by Buyer's Purchase Order.

20. FLOW-DOWN TO SELLER'S SUPPLY BASE

- 20.1 Seller will flow down all requirements including customer requirements. Seller shall use customer-designated or approved external providers, including special process sources when directed in Seller's Purchase documents.

21. FOREIGN OBJECT DEBRIS

- 21.1 Seller shall maintain a FOD (Foreign Object Debris) prevention program and flow down this requirement to the sub-tier.
- 21.2 Shipment of all products shall be free of extraneous material or contaminants.