



Ridge Engineering, Inc.
Purchase Order Terms and Conditions

1. DEFINITIONS

- A. "Buyer" shall mean Ridge Engineering, Inc. and "Seller" shall mean the party with whom Ridge is contracting and has been issued the Purchase Order ("Order"). As used herein "Subcontract" means either purchase order or to subcontract.
- B. "Acceptance" means the verification by Buyer and/or Buyer's Customer that the delivered Products and/or Services meet the required specifications, standards, and/or other criteria as set forth in the Order.
- C. "Authorized Representative" means the person authorized by Buyer's cognizant purchasing organization to administer and/or execute this Order and who has sole authority to make contractual commitments on behalf of Buyer, to provide contractual direction, and to change contractual requirements of this Order.
- D. "Data" means all business information, designs, dimensions, specifications, drawings, patterns, computer files or software, know how, or other information, including but not limited to Technical Data used in the design and manufacture of Products or the provision of Services. Data may be recorded in a written or printed document, computer or electronically stored, software, or any other tangible form of expression.
- E. "Order" means the instrument of contracting, including these terms and conditions and all other referenced documents, and any subsequent changes or modifications.
- F. "Technical Data" means all designs, dimensions, specifications, drawings, patterns, know-how, or other information concerning the methods, manufacturing processes, equipment, gauges, and tools used in the design, manufacture, assembly, operation, repair, testing, maintenance, or modification of Products. This includes, but is not limited to, information in the form of blueprints, drawings, photographs, plans, instructions and documentation, or similar information used in the performance of Services. Technical Data may be recorded in a written or printed document, computer or electronic file, electro-magnetic tape or disc, software, or any other tangible form of expression. Technical Data also includes unclassified and classified information as defined in the International Traffic in Arms Regulations (ITAR) 22 Code of Federal Regulations (C.F.R.) § 120.10 and Technology, as defined in the Export Administration Regulations (EAR) Part 772 and Supplement 1 to Part 774.

2. ORDER ACCEPTANCE

- A. This Order is Buyer's offer to Seller to purchase the Products and/or Services described in this offer. Any additional terms proposed in Seller's acceptance of Buyer's offer which add to, vary from, or conflict with the terms herein are hereby objected to by Buyer. Any of the following shall constitute Seller's unqualified acceptance of this Order and these terms and conditions: (a) acknowledgment of this Order; (b) furnishing of any part of the Products and/or Services under this Order; (c) acceptance of any payment for the Products/Services under this Order; or (d) commencement of performance under this Order.
- B. If, at any time during the performance of this Order, Seller believes that any portion of this Order is inaccurate, inconsistent or incomplete, Seller shall promptly notify Buyer in writing identifying any discrepancies and requesting resolution before proceeding or continuing with the portion of this Order in question.

3. SUBCONTRACTING AND ASSIGNMENT

- A. Seller shall not assign or transfer the Order, any rights or obligations under this Order or any monies due or to



become due hereunder not delegate or subcontract any obligations or work hereunder without prior written consent of Buyer. No purported assignment or delegation by Seller shall be binding on the Buyer without consent.

4. DEFECTIVE WORK

- A. Notwithstanding any prior Acceptance, Buyer, at its option, may reject or require prompt correction of any Products which are in Buyers judgement, defective in material or workmanship or otherwise fail to meet the drawings, specifications or other requirements of this Order.
- B. Seller shall notify the Buyer of any nonconforming Products or nonconformity affecting product furnished under this order, within five days of initial discovery to make arrangements for Buyer to disposition the nonconformity. Seller shall not ship nonconforming material without authorization by the Buyer.

5. WARRANTY

- A. Seller warrants that all Products furnished under this Order shall conform to applicable drawings, specifications, samples and/or appropriate standards, will be new, and will be free from defects in material or workmanship. Seller warrants that all Products furnished hereunder will be merchantable, and will be safe and appropriate for the purpose for which Products of that kind are normally used. Such warranty will survive acceptance of, and payment for, Products furnished hereunder. Warranty for Products shall run to Buyer and its customers. Seller agrees to replace or correct defects of any Products not conforming to the foregoing warranty, without expense to the Buyer.

6. CHANGES

- A. Buyer shall have the right by written order to suspend work or to make changes from time to time in services to be rendered or the materials to be furnished by Seller hereunder or the delivery date. If such suspension or changes cause an increase or decrease in the cost of performance of this Order or in the time required for its performance, an equitable adjustment shall be negotiated promptly and the Order shall be modified in writing accordingly.
- B. Any claim by Seller for adjustment under this Section must be asserted in writing within (15) days from the date of receipt by the Seller of notification of the change or suspension and shall be followed as soon as practical with specification of the amount claimed and supporting cost figures. However, Seller shall not be excused from processing the Order as so changed by Buyer pending resolution of any claim made by Seller for adjustment under this Section.

7. GOVERNING LAW

- A. This Order and the acceptance of it shall, as provided herein, shall be governed by and subject to the Uniform Commercial Code as enacted in the State of Maryland.

8. DISPUTES

- A. Any controversy or claim that may arise out of or in connection with this Order that after good faith negotiations cannot be resolved to both Parties' mutual satisfaction may be resolved by submitting the claim to a court of competent jurisdiction.
- B. Pending resolution or settlement of any dispute arising under this Order, Seller shall proceed diligently as directed by Buyer with the performance of this Order.

9. TERMINATION FOR CONVENIENCE

- A. Buyer may, by notice in writing, terminate this Order or work under this Order for convenience and without cause, in whole or in part, at any time, and such termination shall not constitute default. In the event of partial termination, Seller is not excused from performance of the non-terminated balance of work under this Order.



- B. In the event of termination for convenience by Buyer, Seller shall be reimbursed for actual, reasonable, substantiated and allowed costs, plus a reasonable profit for work performed to the date of termination. Buyer may take immediate possession of all work so performed upon written notice of termination to Seller.
- C. Seller's obligations, including but not limited to obligations under the warranty, proprietary rights, infringement and indemnity against claims provisions shall survive such termination.

10. TERMINATION FOR DEFAULT

- A. Buyer may, by notice in writing, terminate this Order in whole or in part at any time for Seller's breach of any one or more of its terms, for failure to make progress so as to endanger performance of this Order, or failure to provide adequate assurance of future performance. In the event of partial termination, Seller is not excused from performance of the non-terminated balance of work under the Order. (b) In the event of Seller's default hereunder, Buyer may exercise any or all rights accruing to it, both at law, including without limitation, those set forth in Article 2 of the Uniform Commercial Code, or in equity. (c) Seller's obligations, including but not limited to obligation under the warranty, proprietary rights, infringement, and indemnity against claims provisions of this Order, shall survive such termination.

11. GOVERNMENT OR BUYER PROPERTY

- A. If in the performance of this Order any Government property furnished to Seller by the Buyer or Government, Seller shall assume risk and responsibility for, all loss, or damage of the property while in Seller's possession or control except to the extent that this Order provides for the relief of Seller from such liability. Seller shall have the obligation to maintain such property in a condition as good as when received except for reasonable wear and tear. Seller shall establish and maintain a system in accordance with the provisions of FAR 54.254-1 for the control of Government or Buyer owned property. Seller's property system shall be approved by the Government. Seller shall notify Buyer should approval status of system be withdrawn. The Government and Buyer shall have unlimited access to Seller's facilities for the purpose of reviewing compliance and management of the Government/Buyer property related to this Order.

12. INFORMATION OF BUYER AND SELLER

- A. Seller shall be responsible for safeguarding all Proprietary and Confidential Information relating to this Order, which supersedes any prior agreement between Buyer and Seller to protect information relating to the purpose of this Order.
- B. "Proprietary Information" means information that is not generally known in the industry in which the company is engaged, in the possession, in written or other permanent form that is identified in writing as proprietary and marked with a restrictive legend as prescribed in the DFARS 252.227-7013 Rights in Technical Data – Non-commercial Items or FAR 252.227-7014. Proprietary Information shall also include information disclosed in other forms (e.g., orally or visually) to the extent that the disclosing Party identifies the information as proprietary at the time of original disclosure in writing. (c) "Confidential Information" includes, but is not limited to, information related to trade secrets, programs, business plans, processes, technical data, manufacture, purchasing, engineering, customer usages or requirements.
- C. The Seller shall hold all Proprietary Information in confidence and restrict disclosure thereof to only its employees, contract labor and agents that have a need to know so that the Receiving Party may perform its obligations under the Order and are under obligations to hold such information in confidence at least as restrictive as the terms and conditions of this Order.
- D. The Receiving Party agrees to use at least the same degree of care in safeguarding the Proprietary Information, including during storage and transmittal as it uses for its own Proprietary Information, but in no case less than



reasonable care. Promptly upon discovery of an unauthorized disclosure, access or use, the Receiving Party shall: a) notify the Disclosing Party; (b) make reasonable attempts to retrieve the Proprietary Information; (c) take reasonable action as appropriate to prevent any further unauthorized disclosures, access or use. Proprietary Information shall not be copied or reproduced, except for such copies as may be required for the Receiving Party to perform its obligations under this Order and all copied/reproduced information shall carry the same marking as that which appears on the original.

13. INFRINGEMENT WARRANTY AND INDEMNITY

- A. Seller warrants that all work, items, materials, equipment or Products provided by Seller pursuant to this Order, which are not of Buyer's design, shall be free from claims of infringement (including misappropriation) of third party intellectual property rights, and that use or sale of such items by the Buyer or any of Buyer's customers shall be free from claims of infringement.
- B. Seller shall indemnify and save Buyer and its customers as harmless from any and all expenses, liability and loss of any kind (including all costs and expenses including attorney's fees) arising out of claims, suits, or actions alleging such infringement. If requested by Buyer, Seller agrees to defend at Seller's expense any claims, suits or actions alleging such infringement.

14. INSURANCE

- A. Seller and its subcontractors and sub-tier suppliers shall maintain Public Liability and Property Damage Insurance in reasonable limits covering the obligations set forth herein and shall maintain proper Workman's Compensation Insurance covering all employees performing this Order.

15. EXCUSABLE DELAY - FORCE MAJEURE

- A. Except with respect to defaults by Seller's subcontractors, neither Buyer nor Seller shall be liable for failures or delays that arise out of cause beyond their reasonable control and without fault or negligence. Such causes include but are not limited to: (1) acts of God or of the public enemy, (2) acts of Government in its sovereign or contractual capacity, (3) fires, floods, epidemics, terrorism, quarantine restrictions, strikes, freight embargoes, nuclear incident, and unusually severe weather. In the event that performance of this Order is hindered, delayed or adversely affected by causes of the type describes above ("Force Majeure"), then the Party whose performance is so affected shall immediately notify the other Party's authorized representative in writing and at Buyer's sole option, this Order shall be completed with such adjustments to delivery schedule as are reasonably required by the existence of such cause or this Order may be terminated for convenience by Buyer.

16. LABOR DISPUTES

- A. Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay timely performance of this Order, Seller shall immediately give notice to Buyer and provide all relevant information including, but not limited to, nature of dispute, labor organizations involved, contingency plans regarding the protection of Buyer's Order, and estimated duration. Seller shall also provide updated reports throughout the dispute duration. Seller agrees to insert the substance of this clause, including this sentence, in any lower-tier subcontract where a labor dispute might delay timely performance of this Order. Seller agrees to insert the substance of this clause, including this sentence, in any lower tier subcontract.

17. COMPLIANCE WITH LAW

- A. Seller shall comply with all applicable federal, state, and local laws, rules, regulations, and ordinances.
- B. Environmental Health and Safety Performance and REACH Compliance. Seller represents, warrants and covenants that:



1. Seller shall maintain environmental, health and safety management systems as appropriate to ensure compliance with applicable federal, state and local requirements. Seller further agrees to continuously promote a safe and healthy workplace and a sustainable environment related to water and air quality, water and energy conservation, greenhouse gas emission reductions, solid and hazardous waste reductions. Seller shall convey the requirement of this clause to its suppliers.
 2. Seller shall comply with any and all European Union (EU) Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation obligations with respect to any of the Products delivered by Seller to Buyer under the terms of this Order.
 3. Seller must provide Buyer with a list of Substances contained in any of the Products that were included on the Candidate List published by ECHA. Thereafter, if a Substance is added to the Candidate List by ECHA, and that Substance is also contained in any Products, Seller must notify Buyer within fifteen (15) days following publication of the list.
 4. By accepting this Order, Seller recognizes and agrees that Buyer will thereafter act in reliance on Seller's acceptance of this Order as a contractual commitment that it is in compliance with EU REACH regulations, subject to the further provisions below.
 5. Should any Products contain Substances listed on the Candidate List that are above 0.1% on a weight by weight basis within that Product, Seller shall provide Buyer with so-called Safe-Use information, pursuant to the provisions of REACH Article 33 and shall maintain the REACH database for the life of this Order.
 6. As indicated, Buyer will act in reliance on the statements and commitments Seller makes regarding the Candidate List status of each of the Substances contained in any of the Products. If Seller fails to comply with the provisions of this clause, Buyer may consider whether such failure constitutes a breach of this Order sufficient to warrant Termination for Default in accordance with the terms of this Order. Moreover, in the event failure to timely comply with these provisions results in a business interruption of Buyer's operations, Buyer will seek to recover the damages, including financial losses, it suffers as a consequence of such failure.
 7. Seller is responsible for ensuring that the Products conform to and are compliant with the restrictions included in Annex XVII of the REACH Regulation and/or are otherwise authorized for use in accordance with Annex XIV of the REACH Regulation (in each case where relevant).
 8. For the purposes of this clause, the terms "Substance" and "Candidate List" shall have the same meaning as are given those terms in REACH and the list of substances currently on the candidate list can be found at <http://echa.europa.eu/web/guest/candidate-list-table>.
- C. Anti-Corruption Compliance. Seller represents, warrants and covenants that:
1. It has not and will not, directly or indirectly, pay, promise, offer, or authorize the payment of any money or anything of value in connection with this Order to: (i) an officer, employee, agent or representative of any government, including any department, agency, or instrumentality thereof or any person acting in an official capacity thereof; (ii) a candidate for political office, any political party or any official of a political party; or (iii) any other person or entity while knowing or having reason to know that all or any portion of such payment or thing of value will be offered, given or promised, directly or indirectly, to any person or entity for the purpose of assisting Buyer in obtaining or retaining business, or an improper business advantage. Without limiting the generality of the foregoing, Seller shall not directly or indirectly, pay, promise, offer, or authorize the payment of any facilitating payment intended to expedite or secure performance of a routine governmental action, such as, customs clearance on behalf of Buyer.



2. No gifts, travel expenses, business courtesies, hospitalities or entertainment of any nature have been or will be accepted or made in connection with this Order where the intent of was, or is, to unlawfully influence the recipient of the gift, travel expense, business courtesy, hospitality or entertainment. Seller also represents that any gifts, travel expenses, business courtesies, hospitalities or entertainment offered or provided shall meet the following conditions:
 - a. be permitted under the U.S. Foreign Corrupt Practices Act (FCPA) and the laws and regulations of the country in which this Order will be performed;
 - b. be consistent with applicable social and ethical standards and accepted business practices;
 - c. be of such limited value as not to be deemed a bribe, payoff or any other form of improper inducement or payment; and
 - d. be of such nature that its disclosure will not cause embarrassment for Buyer.
 3. Breach of any of the foregoing provisions of subparagraphs C.1 and C.2 of this clause by Seller shall be considered an irreparable material breach of this Order and shall entitle Buyer to terminate this Order immediately without compensation to Seller.
- D. Seller shall comply with the requirements of 41CFR 60-1.4(a). This regulation applies to all Orders regardless of value of the Order, and Seller shall flow this clause to all lower tier suppliers. This regulation prohibits discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin.

18. NOTIFICATION OF STATUS CHANGES

- A. By accepting this order, Seller certifies that all Seller qualifications and business information, representation and certifications applicable to this Order remain valid. If Seller's status under any of the applicable representations and certifications has changed, Seller must complete and submit to Buyer's Authorized Representative revised representations and certifications prior to taking any action indicating acceptance as stated on the face of this Order.
- B. Seller agrees to provide prompt notifications to Buyer's Authorized Representative of any event or change in circumstances that could affect Seller's performance under this Order such as ineligibility to contract with U.S.G., debarment, assignment of consent agreement, designation un U.S. or foreign sanctions laws and regulations, expiration or cancellation of ITAR registration, potential violation of Export and Sanctions Laws and Regulations, initiation or existence of a U.S.G. investigation, change od place of performance, decrease in manufacturing capacity, diminishing manufacturing sources or material shortages, increase in production requirements, labor reductions, financial or organizational conflicts of interest, and significant financial conditions requiring any of the preceding changes.
- C. Sellers that have provided anti-corruption compliance due diligence information to the Buyer shall provide prompt notification and details of changes to its owners, officers, directors or other information contained in the due diligence materials, and agrees to promptly cooperate with Buyer and provide information related to the change. The Buyer reserves the right to suspend performance under this Order in the event of material change to the owners, officers, directors by providing written notice to the Seller in order for Buyer to conduct anti-corruption due diligence upon such changed circumstances.
- D. Seller shall notify Buyer of any proposed change in Control within (30) days prior to such event. The notice shall describe the proposed transaction structure and any proposed changes to management, operations, domicile, key locations, and the board of directors and/or ownership.
- E. Seller shall provide written notification to Buyer prior to making any changes to Seller's tooling facilities, materials, or processes, and/or shall provide written notification to Buyer upon becoming aware of any such changes at any Seller's



Subcontractors tier that could affect performance under this Order. This requirements includes changes to fabrication, assembly, handling, inspection, Acceptance, testing, manufacturing location, parts, materials, or suppliers. Seller shall notify Buyer of any pending or contemplated future action to discontinue Products purchased pursuant to the Order and shall provide Buyer with a "Last Time Buy Notice" at least (12) months prior to the actual discontinuance. Seller shall extend buys of Products with deliveries not to exceed (180) days after the last time buy date. Seller shall flow down to Subcontractor(s) the requirements of this Clause and all other applicable flow down provisions.

F. Failure to provide notice under this clause shall be deemed a material breach of the Order.

19. RELEASE OF INFORMATION AND ADVERTISING

- A. Seller shall not release to anyone outside Seller's organization any information, or confirmation or denial of same, with respect to the Order or the subject matter hereof without the prior written approval of Buyer. Requests for approval shall be made at least (15) business days before the release. Seller shall not use the name of any other Buyer trade name, any Products, parts thereof or replicas of Products, or in any other way identify Buyer in any advertisement, display, news release, or other disclosure without Buyer's prior written consent. The Parties agree that in the event a news release is so approved and made, such news will recognize Buyer and Seller.
- B. The Seller agrees to insert the substance of this clause, including this sentence in any lower tier subcontract. Seller shall submit requests for authorization to the Buyer.

20. MATERIAL AUTHENTICITY

- A. All material delivered under this Order shall be authentic and traceable to the Original Equipment Manufacturer/Original Component Manufacturer OEM/OCM. Seller shall provide authenticity and traceability records to Buyer upon request.
- B. To further mitigate the possibility of the inadvertent use of counterfeit parts, Seller shall only purchase component parts directly from the OEM/OCM or through OEM/OCM authorized distributor chain. Procurement through independent distributors or brokers is NOT authorized by Buyer, unless approved in advance in writing by Buyer.

21. SUSPECT/COUNTERFEIT PARTS

- A. This clause is applicable to all Orders. If DFARS 252.246-7007 and DFARS 252.246-7008 are also applicable to this Order, the provisions of paragraphs (a) – (e) of DFARS 252.246-7007, including its definition of "electronic parts," are incorporated in this paragraph by reference and "Contracting Officer" shall mean "Buyer". Seller shall establish and maintain a material authenticity process that ensures the requirements of these clauses or other authenticity requirements in this Order are met. Seller's obligation to substantiate authenticity shall survive Acceptance of and payment for Products delivered under this Order.
- B. Seller shall not furnish suspect counterfeit or counterfeit parts to Buyer under this Order. All material delivered under this Order shall be authentic and traceable to the original manufacturer. Seller shall provide authenticity and traceability records to Buyer upon request. Electronic parts shall not be acquired from brokers unless approved in advance in writing by Buyer. Seller shall immediately notify Buyer if Seller cannot provide parts, components, and/or assemblies traceable to the original component manufacturer or the original equipment manufacturer. Upon receipt of such notification, Buyer reserves the right to terminate this Order at no cost to Buyer or require specific material validation test and inspection protocol requirements to Seller.
- C. If suspect counterfeit or counterfeit parts are furnished under this Order and are found in any of the Products delivered hereunder, such items will be impounded by Buyer. Seller shall promptly replace such suspect/counterfeit parts with parts acceptable to the Buyer. Seller shall be liable for all costs relating to the



removal and replacement of said parts, including without limitation Buyer's external and internal costs of removing such suspect/counterfeit parts, of reinserting replacement parts and of any testing or validation necessitated by the reinstallation of Seller's Products after suspect/counterfeit parts have been exchanged. Buyer's remedies described herein shall not be limited by any other clause agreed upon between Buyer and Seller in this Order and are in addition to any remedies Buyer may have at law, equity or otherwise under this Order. At Buyer's request, Seller shall return any removed suspect counterfeit or counterfeit parts to Buyer in order that Buyer may turn such parts over to its U.S.G. customer for further investigation. For purposes of this clause, Seller agrees that any U.S.G. directive/information or GIDEP alert, indicating that such parts are suspect counterfeit or counterfeit, shall be deemed definitive evidence that Seller's Products contain suspect counterfeit or counterfeit parts.

D. Seller agrees to insert the substance of this clause, including this sentence, in any lower tier subcontract.

22. PACKING, SHIPMENT, DELIVERY AND TITLE

- A. Unless otherwise specified, all packing and crating shall be at Seller's expense and conform to applicable carrier regulations and be in suitable containers for protection in shipment and storage. Materials shall be packaged in such a manner to protect from loss, deterioration and where applicable, protected from foreign object debris (FOD). Packing lists shall accompany each shipment, showing Buyer's Order number and description of Products.
- B. Unless otherwise stipulated by Buyer, all Products shall be shipped F.O.B and to the destination or point of delivery specified in the Order.
- C. Title of all Products subject to this Order shall remain with the Seller until delivery and acceptance of Products by Buyer.
- D. Time is of the essence for the delivery schedule for this Order, if delivery is delayed beyond the time indicated herein for any reason, Buyer reserves the right without liability to cancel this Order by written facsimile notice and confirmed in writing.

23. INSPECTION

- A. All Products are subject to inspection, testing and approval by Buyer, Buyer's customer and/regulatory authority, both at Seller's facility and Buyer's point of destination. Buyer reserves the right to reject and refuse acceptance of any Products which do not comply with all the terms of this Order. Acceptance, payment, use, or resale of Products by Buyer shall not release Seller of any obligations, representations, or warranties hereunder. Payment for any Products shall not be deemed an acceptance hereof.
- B. Seller shall not substitute materials or accessories, even if Seller believes they are of superior quality, without written consent of Buyer.
- C. Unless otherwise stated in Buyer's specifications, the latest revision of applicable standards, specifications or similar documents as of the date of this Order shall apply. If the Products are specifically manufactured for Buyer in accordance with drawings, designs, or specifications furnished by Buyer:
 - (1) Seller shall provide and maintain an inspection and quality control system acceptable to Buyer and provide access to Seller's facilities including all subcontractors facilities used in performance of this Order at all reasonable times, and without additional charge, for inspection by Buyer's agents or employees, and shall provide all tools, facilities, and assistance reasonably necessary for inspection relating to the performance of this Order; and
 - (2) Seller shall maintain adequate and authenticated inspection and test documents which relate to work performed under this Order for a period of three years after completion of this Order or as otherwise specified in this Order, and shall make such records available to Buyer upon request; and
 - (3) Seller shall supply Buyer with inspection and test reports, affidavits, certifications, technical documents generated or related to this



Order, or any other documents as may reasonably be requested by Buyer; (4) Seller shall notify Buyer in writing of any changes in Product and/or process definition and obtain Buyer's written approval prior to proceeding; and (5) Seller agrees to insert the substance of this clause, including this sentence, in any lower-tier subcontract.

D. Final inspection and Acceptance by Buyer shall be at point of delivery, unless otherwise specified in this Order.

24. OFFSET COMMITMENT (This clause shall only apply to Orders in excess of \$50,000.00).

A. Definition: "Offset" means the obligations that Buyer undertakes, in order to market or sell its products, to assist a customer country in reducing any trade imbalance caused by its purchase of Buyer's Products or to meet other customer country national objectives.

B. Notwithstanding that this Order is or is not made in direct support of a foreign sale, Seller agrees that it is obligated to support Buyer's Offset commitments as a condition of this Order.

C. The Offset credits arising out of or resulting from, directly or indirectly, this Order are for the exclusive use of Buyer and may be used by Buyer and any of its affiliates and subsidiaries to fulfill all past, present and future Offset obligations. Seller shall provide all information and assistance to Buyer that Buyer may reasonably request in support of Buyer's efforts to secure Offset credits relating to this Order. In addition, Seller agrees to identify and retain for Buyer's use any rights to Offset credits generated by its suppliers and subcontractors arising out of or resulting from this Order.

D. Seller shall provide a copy of each purchase order or subcontract placed with a non-U.S. source under this Order in support of Buyer's rights to Offset credit.

E. Seller shall execute all necessary documents to evidence Buyer's right to use or assign any Offset credits.

F. Buyer reserves the right to assign Offset credits generated through Seller's efforts under this Order to third parties.

G. Seller agrees to insert the substance of this clause, including this sentence, in any lower-tier subcontract.

25. CONFLICT MINERALS

If Seller is providing Products to Buyer under this Order, Seller shall use commercially reasonable efforts to:

A. identify whether such Products contain tin, tantalum, gold or tungsten;

B. determine whether any such minerals originated in covered countries, as defined in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"); and

C. perform appropriate due diligence on its supply chain in support of Buyer's obligations under the Act.

If requested, Seller will promptly provide information or representations that Buyer reasonably believes are required to meet Buyer's conflict minerals compliance obligations.

26. SAFEGUARDING COVERED DEFENSE INFORMATION AND CYBER INCIDENT REPORTING

A. Seller shall be responsible for safeguarding all "covered defense information" in accordance with all applicable Government requirements including the current provisions of DFARS 252.204-7012, "Safeguarding Covered Defense Information" and "Cyber Incident Reporting" in effect on the date of this purchase order.

B. Seller shall rapidly report any cyber incident to the Department of Defense (DoD) at <http://dibnet.dod/mil> and to the Buyer's authorized Purchasing Agent within seventy two (72) hours of discovery.

C. Seller shall include the substance of this clause in its lower-tier purchase orders and subcontracts that require access to classified information or covered defense information as defined by 252.204-7012.



27. LIABILITY FOR INJURY

- A. Seller shall indemnify and hold Buyer harmless against all loss and liability on accounts and claims of personal injury, death and property damage resulting from any act or omission of Seller (including its agents, employees or subcontractors) in the course of performing this Order, including any Products delivered hereunder.

28. EXPORT/IMPORT CONTROLLED ITEMS

- A. DFARS 252.225-7048 – If applicable to this Order, Seller shall control the disclosure of and access to technical data, information and other items received under this Order in accordance to the Export Administration Regulations (EAR) (15 CFR Parts 730-774) and the International Traffic in Arms Regulations (ITAR), (22 CFR Part 120-130).
- B. Seller agrees that no technical data, information, or other items provided by Buyer in connection with this Order shall be provided to any foreign persons or to any foreign entity, including without limitation, a foreign subsidiary of Seller, without express written authorization of the Buyer and the Seller's obtaining of the appropriate export license, technical assistance agreement or other requisite documentation for ITAR-controlled technical data or items.
- C. Seller shall indemnify Buyer for all liabilities, penalties, losses, damages, costs or expenses that may be imposed on or incurred by Buyer in connection with any violations of such laws and regulations by Seller.
- D. Seller shall immediately notify Buyer if it is or becomes listed on any excluded or denied party list of any agency of the U.S Government or its export privileges are denied, suspended or revoked.
- E. The substance of this clause shall be incorporated into any lower-tier subcontract.

29. INFORMATION SECURITY

- A. "Sensitive Information" means any Information that is collected, processed, maintained, used, shared, or disseminated in connection with this Order that warrants protection to ensure its confidentiality, integrity and availability including, but not limited to, any Buyer Proprietary Information and third party proprietary Information, Personal Information, Federal Contract Information as defined in FAR 52.204-21, Covered Defense Information as defined in DFARS 252.204-7012, and Controlled Unclassified Information (CUI) defined in the National Archives and Records Administration (NARA) Registry.
- B. Seller shall apply reasonable and appropriate administrative, technical, physical, organizational, and operational safeguards and operations to protect Sensitive Information against accidental and unlawful destruction, alteration, and unauthorized or improper disclosure or access regardless of whether such Sensitive Information is on Seller's internal systems or a cloud environment.
- C. If Seller's performance of the Order involves the transmission, storage, or processing of Sensitive Information on an Information System, Seller shall at a minimum apply the following controls:
 - i. Basic Safeguarding Controls from FAR 52.204-21, regardless of whether FAR 52.204-21 applies to the Order :
 - a. Limit Information System access to authorized users, processes acting on behalf of authorized users, or devices (including other Information Systems).
 - b. Limit Information System access to the types of transactions and functions that authorized users are permitted to execute.
 - c. Verify and control/limit connections to and use of external Information Systems.
 - d. Control Information posted or processed on publicly accessible Information Systems.



- e. Identify Information System users, processes acting on behalf of users, or devices.
- f. Authenticate (or verify) the identities of those users, processes, or devices, as a prerequisite to allowing access to Seller's Information Systems.
- g. Sanitize or destroy Information System media containing Sensitive Information before disposal or release for reuse.
- h. Limit physical access to Seller's Information Systems, equipment, and the respective operating environments to authorized individuals.

30. SEVERABILITY

- A. If any provision of this Order or applicable thereof is found invalid, illegal or unenforceable by law, the remainder of this Order will remain valid, enforceable and in full force and effect, and the parties will negotiate in good faith to substitute a provision of like economic intent and effect.

31. STOP-WORK ORDER

- A. In accordance with the provisions of the "Stop-Work Order" clause set forth in FAR 52.242-15 in effect on the date of this purchase order, Buyer may, at any time, by written order to Seller, require Seller to stop all, or any part, of the work called for by any purchase order for a period of ninety (90) days after the order is delivered to Seller, and for any further period to which the parties may agree. Upon receipt of such an order, Seller will immediately take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within the indicated 90-day period, Buyer will take the actions prescribed in FAR 52.242-15.

32. SPECIALTY METALS

- A. Specialty metals incorporated in articles delivered to Buyer must comply with the requirements of this clause. The following articles are specifically exempt: Circuit Card Assemblies (CCAs) and components designed or intended for use on CCAs or substrates, such as diodes, capacitors, resistors, transistors and integrated circuits; however, assemblies and components are not exempt if they incorporate high performance magnets (samarium cobalt). Any other waivers, Domestic Non-Availability Determinations, deviations, or other forms of exemption from this requirement do not apply to this purchase order, unless otherwise stated in the Purchase Order Line Item Material Details text. (a) *Definitions.* As used in this clause—

- (1) "Qualifying country" means any country listed in subsection 225.003 of the Defense Federal Acquisition Regulation Supplement.

- (2) "Specialty metals" means—

- (i) Steel—

- (A) With a maximum alloy content exceeding one or more of the following limits: manganese, 1.65 percent; silicon, 0.60 percent; or copper, 0.60 percent; or

- (B) Containing more than 0.25 percent of any of the following elements: aluminum, chromium, cobalt, columbium, molybdenum, nickel, titanium, tungsten, or vanadium;

- (ii) Metal alloys consisting of nickel, iron-nickel, and cobalt base alloys containing a total of other alloying metals (except iron) in excess of 10 percent;

- (iii) Titanium and titanium alloys; or

- (iv) Zirconium and zirconium base alloys.

- (b) Any specialty metals incorporated in articles delivered under this contract shall be melted in the United States or its outlying areas.



(c) This clause does not apply to specialty metals melted in a qualifying country or incorporated in an article manufactured in a qualifying country.

(d) The Supplier shall insert the substance of this clause, including this paragraph (d), in all subcontracts, including commercial subcontracts, for items containing specialty metals.

33. BUSINESS ETHICS

A. Seller shall conduct itself with the highest degree of integrity and honesty and comply with all applicable federal and state laws. Seller should have a written code of business ethics with an employee training program and internal control system that promotes awareness and compliance with such code of business ethics and conduct. The Seller's program should address the importance of employee contributions to product safety and conformity, as appropriate.

34. ANTI-TRAFFICKING IN PERSONS

A. Seller is prohibited from engaging in activities that support or promote trafficking in persons, including, but not limited to, any of the following:

1. Trafficking in persons, including, but not limited to the following: i. sex trafficking; or ii. the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, debt bondage, or slavery.

2. The procurement of a commercial sex act;

3. The use of forced labor in the performance of company business;

4. The use of misleading or fraudulent recruitment activities;

5. Charging employees recruitment fees;

6. Failing to pay for the return transportation at the end of employment for an employee who is not a national of the country in which the work is taking place and who was brought into that country for the purpose of working;

7. Providing or arranging housing that fails to meet the host country housing and safety standards; or

8. If required, failing to provide an employment contract, recruitment agreement, or similar work document in writing, in the individual's native language and prior to the individual departing from his or her country of origin.

B. Seller represents and warrants that it shall abide by and comply with the requirements of this clause. Further, Seller shall require its employees, agents, contract laborers and subcontractors to abide by and comply with the requirements of this clause.

C. Buyer or its authorized representatives may, at any time, audit all pertinent books, records, work sites, offices, and documentation of Seller in order to verify compliance with this clause. Seller agrees to cooperate with and provide Buyer with any information reasonably requested in support of Buyer's due diligence or other efforts and in order to verify compliance with this clause. Seller will, in all of its lower-tier subcontracts and contracts relating to this or any other Buyer Order with Seller, include provisions which secure for Buyer all of the rights and protections provided for within this clause.

D. Seller acknowledges that if Seller or any of its employees, agents, contract laborers or subcontractors engages in any of the prohibited activities in this clause, this Order is subject to termination.

E. Whenever Seller has knowledge, whether substantiated or not, that any actual or suspected violation of this clause has occurred, Seller shall immediately give written notice to Buyer's PCO and provide all relevant information including, but not limited to, the nature of the actual or suspected violation.



- F. Seller shall provide its full cooperation during any subsequent investigation of the actual or suspected violation by Buyer, Buyer's representative, or cognizant government agency. Seller's cooperation shall include, but not be limited to, permitting inspection of its work sites, offices, and documentation, as necessary to support any investigation.
- G. Seller agrees to insert the substance of this clause, including this sentence, in any lower-tier subcontract.

35. Reserved