



General Provision for Purchase Orders (GP-PO)

As used herein, "Seller" includes Seller, its subsidiaries and affiliates; "Buyer" includes Insitu. Seller and Buyer hereby agree as follows:

1. Formation of Contract

This purchase order, which incorporates by reference these General Provisions and all other terms and conditions set forth (collectively, the "Contract"), are Buyer's terms to purchase the goods and/or services (collectively, the "Goods"). Acceptance is strictly limited to these terms and conditions. Unless specifically agreed to in writing by Buyer's Authorized Procurement Representative, Buyer objects to, and is not bound by, any term or condition that differs from or adds to this Contract. Seller's commencement of performance or acceptance of this Contract in any manner shall conclusively evidence acceptance of this Contract as written. Seller's provision of the Goods shall be governed solely by this Contract. Buyer and Seller are referred to herein as a "Party" or collectively as the "Parties."

2. Delivery

Goods delivered pursuant to the terms of this Contract shall be packed for shipment, per ASTM D3951-10 (excluding section 6, Options and section 7, Performance Testing), in suitable containers to permit safe transportation and marked for shipment by Seller to the shipping destination specified in the applicable purchase order. Buyer may charge Seller for damage to or deterioration of any goods resulting from improper packing or packaging. All packages must be accompanied by a packing list detailing the contents including description and quantity of the goods, part number or size, if applicable, and appropriate evidence of inspection. Buyer's purchase order number and line item number must appear on all packing lists and/or bills of lading. Seller shall ship and deliver all Goods to Buyer FOB: Destination, BINGEN, Washington, USA, unless otherwise stated in the purchase order. Seller shall strictly adhere to the shipment or delivery schedules specified in this Contract. Seller shall not deliver Goods prior to the scheduled delivery dates unless authorized by Buyer's Authorized Procurement Representative. In the event of any anticipated or actual delay, including but not limited to labor disputes, Seller shall: (i) promptly notify Buyer in writing of the reasons for the delay and the actions being taken to overcome or minimize the delay; (ii) provide Buyer with a written recovery schedule; and (iii) if requested by Buyer, ship via air or other expedited routing to avoid or minimize delay the maximum extent possible, unless Seller is excused from prompt performance as provided in the "Force Majeure" clause of this Contract. The added premium transportation costs are to be borne by Seller.

3. Title & Risk of Loss

Title to the Goods and risk of loss shall pass to Buyer at delivery unless otherwise stated on the Contract.

4. Payment

As full consideration for delivery of the Goods and the assignment of rights to Buyer as provided herein, Buyer shall pay Seller the amount agreed upon and specified in the Contract. Seller's invoice shall separately state all applicable taxes and other charges such as shipping costs, duties, customs, tariffs, imposts and government imposed surcharges. Seller shall consider payment made when Buyer mails its check to Seller. Payment shall not constitute acceptance unless otherwise stated herein. All personal property taxes assessable upon the Goods prior to receipt by Buyer of Goods conforming to the Contract shall be borne by Seller. Seller shall invoice Buyer for only Goods delivered and completed. Except as otherwise agreed to in writing, Seller will not be entitled to any royalty or other remuneration on the production or distribution of any products developed by Buyer in connection with or based on the Goods.

5. Warranties

Seller warrants that all Goods furnished under this Contract shall conform to all specifications and requirements of this Contract and shall be free from defects in materials and workmanship. To the extent



General Provision for Purchase Orders (GP-PO)

Goods are not manufactured pursuant to detailed designs and specifications furnished by Buyer, the Goods shall be free from design and specification defects. Seller warrants that all Goods provided will be new and will not be used or refurbished unless so specified on the P.O. Any additional warranties provided by Seller are hereby incorporated by reference. All warranties and Service guaranties shall not be exclusive and shall run both to Buyer and to its customers.

If Buyer identifies a warranty problem with the Goods during the applicable warranty period, Buyer will promptly notify Seller of such problems and, at Seller's expense and Buyer's option, either return the Goods to Seller, repair the Goods or have the Goods repaired. Within five (5) business days of receipt of any returned Goods, Seller shall, at Buyer's option and Seller's expense (i) either repair or replace such Goods; or (ii) credit Buyer's account for the same. Seller shall not redeliver corrected or rejected goods without disclosing the former rejection or requirement for correction and the corrective action taken, on the packing slip. All costs and expenses and loss of value incurred as a result of or in connection with nonconformance and repair, replacement or other correction may be recovered from Seller by equitable price reduction or credit against any amounts that may be owed to Seller under this Contract. Replacement and repaired Goods shall be warranted and shall conform to all specifications and requirements of this Contract and be free from defects in materials and workmanship. This Warranty shall run to Buyer and its successors, assigns and customers, and is transferable to Buyer's customer. If services are to be performed as part of this Contract, Seller warrants that it is qualified to perform such services and warrants all services in accordance with standards referenced in any statement of work. Seller warrants that all services performed hereunder shall be performed by employees or agents of Seller who are experienced and skilled in their profession and in accordance with industry standards. Seller further warrants that all services performed under this Contract, at the time of acceptance, shall be free from defects in workmanship and conform to the requirements of the Contract.

Any hardware, software, and firmware Goods delivered under this Contract:

1. shall not contain any viruses, malicious code, trojan horse, worm, time bomb, self-help code, back door, or other software code or routine designed to: (a) damage, destroy or alter any software or hardware; (b) reveal, damage, destroy, or alter any data; (c) disable any computer program automatically; or (d) permit unauthorized access to any software or hardware;
2. shall not contain any third-party software (including software that may be considered free software or open source software) that: (a) may require any software to be published, accessed or otherwise made available without the consent of Buyer; or (b) may require distribution, copying or modification of any software free of charge;
3. shall not infringe any patent, copyright, trademark, or other proprietary right of any third party or misappropriate any trade secret of any third party;
4. shall be free from any liens or encumbrances.

6. Inspection

- a. At no additional cost to Buyer, Goods shall be subject to inspection, surveillance and test at reasonable times and places, including Seller's subcontractors' locations. Buyer and Buyer's Customer have the right to visit Seller's and Seller's subcontractors' locations during operating hours to inspect, review and assess progress and performance under this Contract, including, but not limited to, production, schedule and quality. Any Buyer representative shall be allowed access to all areas used for the performance of this Contract. Buyer shall perform inspections, surveillance, and tests so as not to unduly delay the work.
- b. If Buyer performs an inspection or test on the premises of Seller or its subcontractors, Seller shall furnish, and require its subcontractors to furnish, without additional charge, reasonable facilities, and assistance for the safe and convenient performance of these duties.



General Provision for Purchase Orders (GP-PO)

- c. At Buyer's discretion, Buyer and Buyer's Customer shall be permitted to witness First Article Inspections, or any other pertinent inspections identified in advance by Buyer, at Seller's facility prior to delivery of Goods to Buyer. Supplier shall give Buyer at least 10 days notice of the time and place such inspections shall occur.

7. Acceptance & Rejection

- a. Buyer shall accept the Goods or give Seller notice of rejection due to any defect or nonconformance within a reasonable time after the date of delivery. No payment, inspection, prior test, delay, or failure to inspect or test, or failure to discover any defect or other nonconformance shall relieve Seller of any obligations under this Contract or impair any rights or remedies of Buyer, including revocation of acceptance.
- b. If Seller delivers non-conforming Goods, Buyer may at its option and at Seller's expense: (i) require Seller to promptly correct or replace the Goods; (ii) return the Goods for credit or refund; (iii) correct the Goods; or (iv) obtain replacement Goods from another source. Return to Seller of defective or non-conforming Goods and redelivery to Buyer of corrected or replaced Goods shall be at Seller's expense.
- c. Seller shall not redeliver corrected or rejected Goods without disclosing the former rejection or requirement for correction. Seller shall disclose any corrective action taken. Repair, replacement and other correction and redelivery shall be completed as Buyer's Authorized Procurement Representative may reasonably direct.

8. Counterfeit Goods

- a. Seller shall not furnish to Buyer any Goods under this Contract that are "Counterfeit Goods," defined as Goods or separately-identifiable items or components of Goods that are: unlawful or unauthorized reproductions, substitutions, or alterations that have been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified parts, components or Goods 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 unmodified parts, components or Goods represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics.
- b. Seller shall implement an appropriate strategy and plan to ensure that Goods furnished to Buyer under this Contract are not Counterfeit Goods. Seller's strategy shall include, but is not limited to, the direct procurement of items from OEMs or authorized suppliers, conducting approved testing or inspection to ensure the authenticity of items, and, when items are to be procured from non-authorized suppliers, obtaining from such non-authorized suppliers appropriate certificates of conformance that provide one or more of the following: (i) the OEM's original certificate of conformance for the item; (ii) sufficient records providing unbroken supply chain traceability to the OEM; or (iii) test and inspection records demonstrating the item's authenticity. This plan shall be furnished to Buyer upon request.
- c. Counterfeit Goods delivered or furnished to Buyer under this Contract are deemed nonconforming. If Seller becomes aware or suspects that it has furnished Counterfeit Goods to Buyer under this Contract, Seller shall promptly notify Buyer and replace, at Seller's expense, such Counterfeit Goods with OEM or Buyer-approved Goods that conform to the requirements of this Contract. Seller shall be liable for all costs related to the replacement of Counterfeit Goods and any testing or validation necessitated by the installation of authentic Goods after Counterfeit Goods have been replaced. The remedies contained in this article are in addition to any remedies Buyer may have at law in equity, or under other provisions of this Contract.
- d. Seller bears responsibility for procuring authentic Goods or items from its subcontractors and shall ensure that all such subcontractors comply with the requirements of this article.



General Provision for Purchase Orders (GP-PO)

9. Quality Management

Seller shall establish and maintain a quality management system acceptable to Buyer for the Goods purchased under this Contract. Seller shall permit Buyer to review procedures, practices, processes, and related documents to determine such acceptability. Seller shall have a continuing obligation to promptly notify Buyer of any violation of or deviation from Seller's approved inspection/quality management system and to advise Buyer of the quantity and specific identity of any Goods delivered to Buyer during the period of any such violation or deviation. Additional terms and conditions may be required by QAQ-82-001, "Supplier Quality Requirements", incorporated herein by reference.

10. Configuration Management

Seller shall establish and maintain a configuration management system acceptable to Buyer for the Goods and services purchased under this Contract. Seller shall permit Buyer to review procedures, practices, processes, and related documents to determine such acceptability. Seller shall have a continuing obligation to promptly notify Buyer of any violation of or deviation from Seller's configuration management system and to advise Buyer of the quantity and specific identity of any Goods delivered to Buyer during the period of any such violation or deviation. Additional terms and conditions may be required by CMQ-71-001, "Supplier Configuration Management Requirements", incorporated herein by reference.

11. Custom Products

All Work, if any, in customizing Seller's product for Buyer's use shall, to the extent permitted under the United States Copyright Act, be deemed a "Work made for hire," with all copyrights therein vesting in Buyer. Other than where Work created hereunder is considered a "Work made for hire," Seller agrees to, and hereby grants, conveys and assigns to Buyer non-exclusive license rights to all copyrights, trade secrets, patents and other intellectual property rights in all such work, and all originals and copies of such work shall be provided to Buyer upon Buyer's request.

12. Subcontracting

Seller shall maintain complete and accurate records regarding all subcontracted items and/or processes. Unless Buyer's prior written authorization or approval is obtained, Seller may not purchase completed or substantially completed Goods for delivery as suppliers product. Completed or substantially completed Goods do not include components or subassemblies necessary to produce supplier product. Unless Buyer's prior written authorization or approval is obtained, Seller may not purchase services where said services result in any Intellectual Property commitments on behalf of Insitu.

13. Diminishing Manufacturing Sources & Material Shortages

Seller shall minimize the impact of all known obsolescence and Diminishing Manufacturing Source & Material Shortages (DMS&MS) issues from design through support. The Supplier shall regularly monitor the obsolescence status of component content in the equipment. Seller shall identify obsolete parts, diminishing manufacturing sources and material shortages. Seller shall monitor the parts and materials that have the potential to adversely affect Buyer's supply of such parts production or life cycle supportability. Seller shall provide Buyer with a minimum of 30 days written notice any time a part is identified as an at risk part or material. Seller's notice shall address part cost, where and how often parts are used in the Goods, and how many parts are affected. Seller shall resolve DMS&MS issues in order to deliver conforming Goods at no additional cost to Buyer to support all delivery options of the PC. Upon request of Buyer, Seller shall provide a management plan describing Sellers efforts to identify these parts, diminishing manufacturing sources and material shortages.



General Provision for Purchase Orders (GP-PO)

14. Changes

- a. Buyer's Authorized Procurement Representative may, without notice to sureties and in writing, direct changes within the general scope of this Contract in any of the following areas: (i) technical requirements and descriptions, specifications, statement of work, drawings or designs; (ii) shipment or packing methods; (iii) place of delivery, inspection or acceptance; (iv) reasonable adjustments in quantities or delivery schedules or both; (v) amount of Buyer-furnished property; and, if this Contract includes services, (vi) description of services to be performed; (vii) time of performance (e.g., hours of the day, days of the week); (viii) place of performance, and (ix) terms and conditions of this Contract required to meet Buyer's obligations under Government prime contracts or subcontracts. Seller shall comply immediately with such direction.
- b. If such change increases or decreases the cost or time required to perform this Contract, Buyer and Seller shall negotiate an equitable adjustment in the price or schedule, or both, to reflect the increase or decrease. Buyer shall modify this Contract in writing accordingly. Seller must assert any claim for adjustment to Buyer's Authorized Procurement Representative, in writing, within 15 calendar days and deliver a fully supported proposal to same within 60 calendar days. Buyer may, at its sole discretion, consider any claim regardless of when asserted. If Seller's proposal includes the cost of property made obsolete or excess by the change, Buyer may direct the disposition of the property. Seller has the burden to support the amount of Seller's claim for equitable adjustment. Further, Buyer shall have the right to verify the amount of Seller's claim in accordance with the Financial Records and Audit Article of this contract. Failure of the parties to agree upon any adjustment shall not excuse Seller from performing in accordance with Buyer's direction.
- c. If Seller considers that Buyer's direction constitutes a change outside of the general scope of this Contract, Seller shall notify Buyer's Authorized Procurement Representative immediately in writing as to the nature of such conduct and its effect upon Seller's performance. Pending direction from Buyer's Authorized Procurement Representative, Seller shall take no action to implement any such change.

15. Indemnification, Insurance, Protection of Property, & Evidence of Citizenship (Applies when work is performed at an Insitu site)

- a. Indemnification. Seller shall defend, indemnify and hold harmless Insitu, Inc., its parent company, any Boeing subsidiary and their directors, officers, employees and agents from and against all actions, causes of action, liabilities, claims, suits, judgments, liens, awards and damages of any kind and nature whatsoever for property damage, personal injury or death (including without limitation injury to or death of employees of Seller or any subcontractor thereof) and expenses, costs of litigation and counsel fees related thereto or incident to establishing the right to indemnification, arising out of or in any way related to this Contract, the performance thereof by Seller or any subcontractor thereof or other third parties, within the control or acting at the direction of Seller, or any of their respective employees (collectively for the purposes of this paragraph, the "Seller Parties"), including, without limitation, the provision of Goods, Services, personnel, facilities, equipment, support, supervision or review. The foregoing indemnity shall apply only to the extent of the negligence or willful misconduct of Seller, any subcontractor thereof or their respective employees that occurs while Seller is on a premises owned or controlled by Buyer. In no event shall Seller's obligations hereunder be limited to the extent of any insurance available to or provided by Seller or any subcontractor thereof. Seller expressly waives any immunity under industrial insurance, whether arising out of statute or other source, to the extent of the indemnity set forth in this paragraph (a).
- b. Commercial General Liability. Seller shall carry and maintain, and ensure that all subcontractors thereof carry and maintain, throughout the period when work is performed and until final acceptance by Buyer, Commercial General Liability insurance with available limits of not less than one million dollars (\$1,000,000) per occurrence for bodily injury and property damage combined. Such insurance shall contain coverage for all premises and operations, broad form property damage, contractual liability (including, without limitation, that specifically assumed under paragraph (a) herein) and goods



General Provision for Purchase Orders (GP-PO)

and completed-operations insurance with limits of not less than one million dollars (\$1,000,000) per occurrence for a minimum of twenty-four (24) months after final acceptance of the work by Buyer. Such insurance shall not be maintained on a per-project basis unless the respective Seller or subcontractor thereof does not have blanket coverage.

- c. **Automobile Liability.** If licensed vehicles will be used in connection with the performance of the work, Seller shall carry and maintain, and ensure that any subcontractor thereof who uses a licensed vehicle in connection with the performance of the work carries and maintains, throughout the period when work is performed and until final acceptance by Buyer, Business Automobile Liability insurance covering all vehicles, whether owned, hired, rented, borrowed or otherwise, with available limits of not less than one million dollars (\$1,000,000) per occurrence combined single limit for bodily injury and property damage.
- d. **Workers' Compensation and Employers' Liability.** Throughout the period when work is performed and until final acceptance by Buyer, Seller shall, and ensure that any subcontractor thereof shall, cover or maintain insurance in accordance with the applicable laws relating to Workers' Compensation (and Employers' Liability with limits not less than one million dollars (\$1,000,000) per incident) with respect to all of their respective employees working on or about Buyer's premises. If Buyer is required by any applicable law to pay any Workers' Compensation premiums with respect to an employee of Seller or any subcontractor, Seller shall reimburse Buyer for such payment.
- e. **Certificates of Insurance.** Prior to commencement of the work, Seller shall provide for Buyer's review and approval certificates of insurance reflecting full compliance with the requirements set forth in paragraphs (b), (c), and (d). Such certificates shall be kept current and in compliance throughout the period when work is being performed and until final acceptance by Buyer, and shall provide for 30 days advance written notice to Buyer in the event of cancellation. Failure of Seller or any subcontractor thereof to furnish certificates of insurance, or to procure and maintain the insurance required herein or failure of Buyer to request such certificates, endorsements or other proof of coverage shall not constitute a waiver of Seller's or subcontractor's obligations hereunder.
- f. **Self-Assumption.** Any self-insured retention, deductibles and exclusions in coverage in the policies required under this article shall be assumed by, for the account of and at the sole risk of Seller or the subcontractor which provides the insurance and to the extent applicable shall be paid by such Seller or subcontractor. In no event shall the liability of Seller or any subcontractor thereof be limited to the extent of any of the minimum limits of insurance required herein.
- g. **Protection of Property.** Seller assumes, and shall ensure that all subcontractors thereof and their respective employees assume, the risk of loss or destruction of or damage to any property of such parties whether owned, hired, rented, borrowed, or otherwise, brought to a facility owned or controlled by Buyer or Buyer's customer. Seller waives, and shall ensure that any subcontractor thereof and their respective employees waive, all rights of recovery against Buyer, its subsidiaries and their respective directors, officers, employees and agents for any such loss, destruction or damage. At all times Seller shall, and ensure that any subcontractor thereof shall, use suitable precautions to prevent damage to Buyer's property. If any such property is damaged by the fault or negligence of Seller or any subcontractor thereof, Seller shall, at no cost to Buyer, promptly and equitably reimburse Buyer for such damage or repair or otherwise make good such property to Buyer's satisfaction. If Seller fails to do so, Buyer may do so and recover from Seller the cost thereof.

16. Intellectual Property Indemnity

Seller will indemnify, defend and hold harmless Buyer and its customer from all claims, suits, actions, awards (including, but not limited to, awards based on intentional infringement of patents known at the time of such infringement, exceeding actual damages and/or including attorneys' fees and/or costs), liabilities, damages, costs and attorneys' fees related to the actual or alleged infringement of any United States or foreign intellectual property right (including, but not limited to, any right in a patent, copyright,



General Provision for Purchase Orders (GP-PO)

industrial design or semiconductor mask work, or based on misappropriation or wrongful use of information or documents) and arising out of the manufacture, sale or use of Goods by either Buyer or its customer. Buyer and/or its customer will duly notify Seller of any such claim, suit, or action. Seller will, at its own expense, fully defend such claim, suit, or action on behalf of the indemnities. Seller will have no obligation under this article with regard to any infringement arising from (a) the compliance of Seller's new product design with formal specifications issued by Buyer where infringement could not be avoided in complying with such specifications or (b) use or sale of Goods for other than their intended application in combination with other items when such infringement would not have occurred from the use or sale of those Goods solely for the purpose for which they were designed or sold by Seller. For purposes of this article only, the term Buyer will include Insitu, Inc., its parent company and all Boeing subsidiaries and all officers, agents and employees thereof.

17. Confidentiality

- a. Buyer and Seller shall each keep confidential and protect from unauthorized use and disclosure all (a) confidential, proprietary and/or trade secret information, including Buyer-provided specifications and Buyer-provided information pertaining to qualification, certification, manufacturing, performance and/or quality testing and procedures; (b) tangible items and software containing, conveying or embodying such information; and (c) tooling identified as being subject to this article and obtained, directly or indirectly, from the other in connection with this Contract or other agreement referencing this Contract including Buyer's contract with its customer, if any (collectively referred to as "Proprietary Information and Materials"). Proprietary Information and Materials shall not include information that is, as evidenced by competent records provided by the receiving Party, lawfully in the public domain, lawfully disclosed to or known by the receiving Party without restriction, generally known in the relevant trade or industry prior to disclosure hereunder, or developed by the receiving Party independently without the use of or reference to the disclosing Party's Proprietary Information and Materials.
- b. Buyer and Seller shall each use Proprietary Information and Materials of the other only in the performance of and for the purpose of this Contract, other contracts between the Parties, and the Buyer's contract with its customer, if any. However, despite any other obligations or restrictions imposed by this article, Buyer shall have the right to use, disclose and reproduce Seller's Proprietary Information and Materials internal to Buyer, regardless of when disclosed. Buyer shall further have the right to use, disclose, reproduce and make derivative works thereof, for the purposes of cost justification to a Customer, testing, certification, use, sale or support of any Goods delivered under this Contract or any other Contract referencing this Contract, other contracts with Seller and Buyer's contract with its customer, if any. Any such use, disclosure, reproduction, or derivative work by Buyer shall, whenever appropriate, include a restrictive legend suitable for the particular circumstances. The restrictions on disclosure or use of Proprietary Information and Materials by Seller shall apply to all materials derived by the receiving Party or others on its behalf from the disclosing Party's Proprietary Information and Materials. In addition to disclosures permitted hereunder, a receiving Party may disclose received Proprietary Information and Materials in response to a subpoena or court order duly issued in a judicial or legislative process, provided that the receiving Party has used reasonable efforts to give the disclosing Party advanced written notice of any such disclosure requirement and to reasonably cooperate with the disclosing Party in protecting against any such disclosure and/or obtaining a protective order narrowing its scope.
- c. Upon Buyer's request at any time, and in any event upon the completion, termination or cancellation of this Contract, Seller shall return to Buyer all of Buyer's Proprietary Information and Materials and all materials derived there from, unless specifically directed otherwise in writing by Buyer. Seller shall not, without the prior written authorization of Buyer, (i) sell or otherwise dispose of (as scrap or otherwise) any goods, parts or other materials containing, conveying, embodying or made in accordance with or by reference to any Proprietary Information and Materials of Buyer without the prior written authorization of Buyer or (ii) make, use or sell any Goods, parts or other materials of



General Provision for Purchase Orders (GP-PO)

Buyer without notifying Buyer in writing before any such planned making, using or selling activity and executing an agreement between the Parties requiring payment by Seller of a reasonable license fee to Buyer as consideration for each use of such Proprietary Information and Materials of Buyer, unless Buyer has provided prior written authorization to Seller.. Prior to disposing of such parts or other materials as scrap, Seller shall render them unusable. Buyer shall have the right to audit Seller's compliance with this article.

- d. Seller may disclose Proprietary Information and Materials of Buyer to its subcontractors as required for the performance of this Contract, provided that each such subcontractor first agrees in writing to the same obligations imposed upon Seller under this article relating to Proprietary Information and Material. Seller shall be liable to Buyer for any breach of such obligation by such subcontractor.
- e. The provisions of this article are effective notwithstanding the application of any restrictive legends or notices to Proprietary Information and Materials. The provisions of this article shall survive the performance, completion, termination, or cancellation of this Contract.

18. Technical Data Export Control

Articles and services provided to the Seller by the Buyer or its customer in support of this solicitation/Contract may be subject to the International Traffic in Arms Regulation (ITAR) and/or the Export Administration Regulation (EAR). Accordingly, the Seller must obtain approval from the U.S. Department of State (ITAR) or U.S. Department of Commerce (EAR) before exporting such articles or services. Transfer, export, or re-export for which US Government and Buyer permission is required includes, but is not limited to, transfer to foreign nationals. Buyer shall reasonably assist Seller in securing the permission described in this paragraph. Any person who engages, in the United States, in the business of either manufacturing or exporting defense articles or furnishing defense services is required to register with the Directorate of Defense Trade Controls.

19. Intellectual Property

- a. Intellectual Property (IP). IP means inventions, discoveries and improvements; know-how; technical data, drawings, specifications, system interface requirements, process information, reports and documented information; and computer software. IP includes all worldwide common law and statutory rights to the foregoing, including but not limited to, patents, industrial designs, trade secrets, copyrights, mask work registrations, and the like.
- b. Background IP. Seller shall retain ownership of all IP owned or developed by Seller prior to the effective date of or outside the scope of this Contract ("Background IP"). Seller grants to Buyer an irrevocable, nonexclusive, sublicensable, perpetual, paid-up, royalty-free, worldwide license (i) to use, reproduce, distribute, modify, and prepare derivative works of such Background IP and (ii) to use, make, have made, offer for sale, sell, distribute and import products and services that incorporate or embody such Background IP, in each case solely as necessary for the purpose of exploiting Buyer's rights in the Goods or Foreground IP. Seller grants to Buyer such license rights for any purpose in the event Buyer cancels all or part of this Contract for Seller default in accordance with the "Cancellation for Default" Article of this Contract or in the event Buyer, in its own judgment, must provide Seller with design, manufacturing, or on-site support substantially in excess of what is required of Buyer under this Contract in order for Seller to comply with this Contract.
- c. Employee Agreements. Seller shall obtain agreements with its personnel to enable the grant of rights to which Buyer is entitled under this Article.
- d. Third Party IP. To the extent Seller incorporates third-party IP into any contract deliverable, Seller shall obtain for Buyer at least the license rights granted in paragraph b of this Article in such third-party IP, at no additional cost to Buyer.



General Provision for Purchase Orders (GP-PO)

- e. Foreground IP. The following subparagraphs of this paragraph e shall not apply to: (i) commercial off-the-shelf Goods except to the extent such Goods are modified or redesigned pursuant to this Contract; or (ii) any Goods to the extent their development was funded by the U.S. Government.
- i. All IP conceived, developed, or first reduced to practice by, for, or with Seller, either alone or with others, in performance of this Contract (collectively, "Foreground IP") shall be the exclusive property of Buyer. To the extent Foreground IP consists of works of authorship, such works shall be works made for hire with the copyrights vesting in Buyer. Seller hereby transfers, conveys, and assigns all right, title and interest in such Foreground IP free of charge to Buyer. Seller hereby irrevocably transfers, conveys, and assigns all right, title and interest in any other Foreground IP not considered a work made for hire free of charge to Buyer. Seller shall protect Foreground IP that is Proprietary Information and Materials as required by this Contract and shall mark documents or portions of documents containing Foreground IP as "Boeing Proprietary" information or as otherwise directed by Buyer in writing.
 - ii. Seller will, within two (2) months after conception or first actual reduction to practice of any invention and prior to Contract completion, disclose in writing to Buyer all inventions, whether or not patentable, in sufficient technical detail to clearly convey the invention to one skilled in the art to which the invention pertains. Seller shall promptly execute all written instruments, and assist as Buyer reasonably directs in order to file, acquire, prosecute, maintain, enforce and assign Buyer's Foreground IP rights. Seller hereby irrevocably appoints Buyer and any of Buyer's officers and agents as Seller's attorney in fact to act on Seller's behalf and instead of Seller, with the same legal force and effect as if executed by Seller, with respect to executing any such written instruments.
 - iii. Buyer grants to Seller a non-exclusive, royalty-free right during the term of this Contract to use, reproduce, modify, practice and prepare derivative works of any Foreground IP solely as necessary for Seller to perform its obligations under this Contract, except that, notwithstanding the foregoing, Seller may use and disclose Proprietary Information and Materials as permitted under this Contract. Seller shall not, without Buyer's prior written consent, use Foreground IP or such derivative works in any manner not authorized under this Contract, including, but not limited to, developing, manufacturing, obtaining a certification to manufacture, offering for sale or selling any product, equipment, or service which utilizes or is enabled by Foreground IP.

20. Termination for Convenience

- a. Buyer may terminate all or part of this Contract for its sole convenience. In the event of such termination, Seller shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to stop work. Subject to the terms of this Contract, within ninety (90) days after the effective date of termination, Seller may submit to Buyer a claim reflecting the percentage of the work performed prior to the effective date of termination, plus reasonable charges that Seller can demonstrate to the satisfaction of Buyer using its standard record keeping system have resulted from the termination. Seller shall not be paid for any work performed or costs incurred which reasonably could have been avoided. Further, Seller shall not be paid, and in no event shall Buyer be obligated to pay, lost or anticipated profits or unabsorbed indirect costs or overhead. In no event shall Buyer be obligated to pay Seller any amount in excess of the Contract price. The provisions of this Article shall not limit or affect the right of Buyer to cancel this Contract for default. Seller shall continue all work not terminated.
- b. Buyer may terminate performance of work under this Contract in whole or, from time to time, in part if the Buyer determines that a termination is in the Buyer's interest. The Buyer shall terminate by delivering to the Seller a Notice of Termination specifying the extent of termination and the effective date.



General Provision for Purchase Orders (GP-PO)

- c. After receipt of a Notice of Termination, and except as directed by the Buyer, the Seller shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this clause:
- 1) Stop work as specified in the notice.
 - 2) Place no further subcontracts or orders (referred to as subcontracts in this clause) for materials, services, or facilities, except as necessary to complete the continued portion of the Contract.
 - 3) Terminate all subcontracts to the extent they relate to the work terminated.
 - 4) Assign to the Buyer, as directed by the Buyer, all right, title, and interest of the Seller under the subcontracts terminated, in which case the Buyer shall have the right to settle or to pay any termination settlement proposal arising out of those terminations.
 - 5) With approval or ratification to the extent required by the Buyer, settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts; the approval or ratification will be final for purposes of this clause.
 - 6) As directed by the Buyer, transfer title and deliver to the Buyer -
 - i. The fabricated or un-fabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated; and
 - ii. The completed or partially completed plans, drawings, information, and other property that, if the Contract had been completed, would be required to be furnished to the Buyer.
 - 7) Complete performance of the work not terminated.
 - 8) Take any action that may be necessary, or that the Buyer may direct, for the protection and preservation of the property related to this Contract that is in the possession of the Seller and in which the Buyer has or may acquire an interest.
 - 9) Use its best efforts to sell, as directed or authorized by the Buyer, any property of the types referred to in subparagraph (b)(6) of this clause; provided, however, that the Seller
 - i. is not required to extend credit to any purchaser and
 - ii. may acquire the property under the conditions prescribed by, and at prices approved by, the Buyer.
- The proceeds of any transfer or disposition will be applied to reduce any payments to be made by the Buyer under this Contract, credited to the price or cost of the work, or paid in any other manner directed by the Buyer.
- d. The Seller shall submit complete termination inventory schedules no later than 30 days from the effective date of termination, unless extended in writing by the Buyer upon written request of the Seller within this 30-day period.
- e. After termination, the Seller shall submit a final termination settlement proposal to the Buyer in the form and with the certification prescribed by the Buyer. The Seller shall submit the proposal promptly, but no later than 6 months from the effective date of termination, unless extended in writing by the Buyer upon written request of the Seller within this 6 month period. However, if the Buyer determines that the facts justify it, a termination settlement proposal may be received and acted on after 6 months or any extension. If the Seller fails to submit the proposal within the time allowed, the Buyer may determine, on the basis of information available, the amount, if any, due the Seller because of the termination and shall pay the amount determined.
- f. Subject to paragraph (d) of this clause, the Seller and the Buyer may agree upon the whole or any part of the amount to be paid or remaining to be paid because of the termination. The amount may



General Provision for Purchase Orders (GP-PO)

include a reasonable allowance for profit on work done. However, the agreed amount may not exceed the total Contract price as reduced by

- 1) the amount of payments previously made and
 - 2) the Contract price of work not terminated.
- g. The cost principles and procedures of Part 31 of the Federal Acquisition Regulation, in effect on the date of this Contract, shall govern all costs claimed, agreed to, or determined under this clause.
- h. In arriving at the amount due the Seller under this clause, there shall be deducted --
- 1) All un-liquidated advance or other payments to the Seller under the terminated portion of this Contract;
 - 2) Any claim which the Buyer has against the Seller under this Contract; and
 - 3) The agreed price for, or the proceeds of sale of, materials, supplies, or other things acquired by the Seller or sold under the provisions of this clause and not recovered by or credited to the Buyer.
- i. If the termination is partial, the Seller may file a proposal with the Buyer for an equitable adjustment of the price(s) of the continued portion of the Contract. The Buyer shall make any equitable adjustment agreed upon. Any proposal by the Seller for an equitable adjustment under this clause shall be requested within 30 days from the effective date of termination unless extended in writing by the Buyer.
- j. The Buyer may, under the terms and conditions it prescribes, make partial payments and payments against costs incurred by the Seller for the terminated portion of the Contract, if the Buyer believes the total of these payments will not exceed the amount to which the Seller will be entitled.
- k. Unless otherwise provided in this Contract or by statute, the Seller shall maintain all records and documents relating to the terminated portion of this Contract for 4 years after final settlement. This includes all books and other evidence bearing on the Seller's costs and expenses under this Contract.

21. Cure & Default

- a. Buyer may, by written notice to Seller, cancel all or part of this Contract: (i) if Seller fails to deliver the Goods within the time specified by this Contract or any written extension; (ii) if Seller fails to perform any other provision of this Contract or fails to make progress, so as to endanger performance of this Contract, and, in either of these two circumstances, within ten (10) days after receipt of notice from Buyer specifying the failure, does not cure the failure or provide Buyer with a written detailed plan adequate to cure the failure if such failure reasonably cannot be cured within such ten (10) days and such plan is acceptable to Buyer's Authorized Procurement Representative; or (iii) in the event of Seller's bankruptcy, suspension of business, insolvency, appointment of a receiver for Seller's property or business, or any assignment, reorganization or arrangement by Seller for the benefit of its creditors.
- b. Seller shall continue work not canceled.
- c. Buyer may require Seller to transfer title and deliver to Buyer, as directed by Buyer, any (i) completed Goods, and (ii) any partially completed Goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and contract rights (collectively, "Manufacturing Materials") that Seller has specifically produced or acquired for the canceled portion of this Contract. Upon direction from Buyer, Seller shall also protect and preserve property in its possession in which Buyer or its Customer has an interest.



General Provision for Purchase Orders (GP-PO)

- d. Buyer shall pay the Contract price for Goods accepted. In addition, any payment for Manufacturing Materials accepted by Buyer and for the protection and preservation of property shall be at a price determined in accordance with the "Termination for Convenience" article of this Contract, except that Seller shall not be entitled to profit. Buyer may withhold from any amount due under this Contract any sum Buyer determines to be necessary to protect Buyer or Buyer's customer against loss because of outstanding liens or claims of former lien holders.
- e. If, after cancellation, it is determined that Seller was not in default, the rights and remedies of the Parties shall be as if the Contract had been terminated according to the "Termination for Convenience" article of this Contract.

22. Disputes

The parties agree to make every effort to resolve disputes through communication amongst the parties. The following steps shall be taken to resolve any disputes: (1) oral communication between the parties; then (2) the aggrieved party shall notify the other party in writing as to the dispute with 30 days to resolve; if not resolved then (3) either party may seek redress in any court of competent jurisdiction. Pending final resolution of any dispute, Seller shall proceed with performance of this contract according to Buyer's instructions so long as Buyer continues to pay amounts not in dispute. Notwithstanding the foregoing, this Article shall not prohibit either Party from instituting litigation to preserve any statutory rights or seeking an injunction to prevent a breach or violation of a Party's rights under Article 17, Confidentiality.

23. Buyer's Employees

For the term of this Agreement and 12 months following its expiration or termination, Supplier shall not employ or retain as an independent contractor any employee of Insitu without Insitu's consent.

24. Buyer's Property

Seller shall clearly mark, maintain an inventory of, and keep segregated or identifiable all of Buyer's property and all property to which Buyer acquires an interest by virtue of this Contract. Buyer may require that a Bonded Stores Agreement be executed between the parties. Seller assumes all risk of loss, destruction, or damage of such property while in Seller's possession, custody, or control, including any transfer to Seller's subcontractors. Upon request, Seller shall provide Buyer with an inventory of the property and adequate proof of insurance against such risk of loss. Seller shall not use such property other than in performance of this Contract without Buyer's prior written consent. Seller shall notify Buyer's Authorized Procurement Representative if Buyer's property is lost, damaged, or destroyed. As directed by Buyer, upon completion, termination, or cancellation of this Contract, Seller shall deliver such property, to the extent not incorporated in delivered Goods, to Buyer in good condition subject to ordinary wear and tear and normal manufacturing losses. Nothing in this article limits Seller's use, in its direct contracts with the Government, of property in which the Government has an interest.

25. Financial Records & Audit

Seller shall retain all records and documents pertaining to the Goods for a period of no less than four (4) years after final payment. Such records and documents shall date back to the time this Contract was issued and shall include without limitation, catalogs, price lists, invoices, and inventory records for purposes of verification of prices or rates charged by seller for Goods procured by Buyer. Buyer shall have the right to examine, reproduce, and audit all such records related to pricing, incurred costs and proposed costs associated with any proposal (prior to or after contract award), invoices or claims.

26. Force Majeure

Seller shall not be liable for excess re-procurement costs pursuant to the "Cure & Default" article of this Contract incurred by Buyer because of any failure to perform this Contract under its terms if the failure



General Provision for Purchase Orders (GP-PO)

arises from causes beyond the control and without the fault or negligence of Seller. Examples of these causes are: (a) acts of God or of the public enemy; (b) acts of the Government in either its sovereign or contractual capacity; (c) fires; (d) floods; (e) epidemics; (f) quarantine restrictions; (g) strikes; (h) freight embargoes; and (i) unusually severe weather. In each instance, the failure to perform must be beyond the control and without the fault or negligence of Seller. If the Seller's failure is caused by the failure of a subcontractor of Seller and if such failure arises out of causes beyond the reasonable control of both, and if such failure is without the fault or negligence of either, Seller shall not be liable for excess re-procurement costs unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Seller to meet the required delivery schedules. Seller shall notify Buyer in writing within ten (10) days after the beginning of any such cause(s). In all cases, Seller shall use reasonable efforts to avoid or minimize all such failures, including exercising work-around plans or obtaining the Goods from other sources.

27. Severability

If any provision of this Contract shall be deemed to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

28. Assignment & Delegation

- a. Seller shall not and shall cause its affiliates not to, directly, indirectly, voluntarily or involuntarily, in each case, whether by transfer, operation of law, Change of Control (as described in subparagraph b below) or otherwise assign any of its rights or interest in this Contract, delegate any of its obligations under this Contract, or subcontract for all or substantially all of its performance of this Contract (each, an "Assignment"), without Buyer's prior written consent after advance written notice by Seller. No purported assignment, with or without Buyer's consent, shall relieve Seller of any of its obligations under this Contract or prejudice any rights or claims that Buyer may have against Seller, whether such obligations, rights or claims, as the case may be, arise before or after the date of any purported Assignment; provided however, that Seller may assign its right to monies due or to become due under this Contract, and this Article does not limit Seller's ability to purchase standard commercial supplies or raw materials in connection with its performance of this Contract.
- b. For the purposes of this Contract, the term "Change of Control" shall mean any of the following, whether in a single transaction or a series of related transactions and whether or not Seller is a party thereto:
 - i. a sale, conveyance, transfer, distribution, lease, assignment, license or other disposition of all or substantially all of the assets of Seller;
 - ii. any consolidation or merger of Seller or its controlling affiliates, any dissolution of Seller or its controlling affiliates, or any reorganization of one or more of Seller or its controlling affiliates; or
 - iii. any sale, transfer, issuance, or disposition of any equity securities or securities or instruments convertible or exchangeable for equity securities (collectively, "securities") of Seller or its controlling affiliates in which the holders of all of the securities that may be entitled to vote for election of any member of a board of directors or similar governing body of Seller or such controlling affiliate immediately prior to such transaction(s) holds less than fifty percent (50%) of the securities that may be entitled to vote for the election of any such member in such entity immediately following such transaction(s).



General Provision for Purchase Orders (GP-PO)

29. Nonexclusive Contract

This is not an exclusive Contract. Buyer is free to engage others to provide Goods or services the same as or similar to Seller's. Seller is free to, and is encouraged to, advertise, offer, and provide Seller's standard Goods or services to others; provided however, that Seller does not breach this Contract.

30. Notices

Except for Purchase Orders which may be sent by local mail, facsimile transmission, or electronically transmitted, all notices, and other communications hereunder shall be in writing, and shall be addressed to Seller or to an authorized Buyer representative, and shall be considered given when (a) delivered personally, (b) sent by email or facsimile, (c) sent by commercial overnight courier with written verification receipt, or (d) ten (10) days after having been sent, postage prepaid, by first class or certified mail.

31. Survival of Obligations

Any obligations and duties which by their nature extend beyond the expiration or termination of this Contract shall survive the expiration or termination of this Contract, including but not limited to Confidentiality and Export.

32. Governing Law

This Contract shall be governed and construed in all respects in accordance with the domestic laws and regulations of the State of Washington, without regard to its conflicts of laws principles to the contrary. The parties specifically agree that the 1980 United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Contract.

33. Compliance with Government Flow-down Clauses

Government clauses which may be applicable to this Contract are incorporated herein either by attachment to this document or by other means of reference.

34. Offset Credit

- a. To the exclusion of all others, Buyer or its assignees shall be entitled to all industrial benefits or offset credits which might result from this Contract. Seller shall provide all information to Buyer that Buyer may reasonably request in support of Buyer's efforts to secure offset credits related to Goods to be provided under this contract.
- b. Seller agrees to use reasonable efforts to identify the foreign content of goods that Seller either produces itself or procures from subcontractors for work directly related to this Contract. Promptly after selection of a non-U.S. subcontractor for work under this Contract, Seller shall notify Buyer of the name, address, subcontract point of contact (including telephone number and email address), and dollar value of the subcontract.

35. Reciprocal Waiver of Claims – Qualified Anti-Terrorism Technology

- a. This Contract may involve manufacture, sale, use, or operation of qualified anti-terrorism technologies. You are a contractor, subcontractor, supplier, vendor, customer, or contractor and subcontractor of a customer of such technologies. As such, pursuant to 6 U.S.C. §443(b) of the SAFETY Act and 6 C.F.R. §25.5(e), you shall be responsible for losses, including business interruption losses, that you sustain (and for losses that your employees sustain) resulting from an activity resulting from an act of terrorism when the qualified anti-terrorism technologies have been deployed in defense against or response to or recovery from such act of terrorism.
- b. Qualified anti-terrorism technology," "act of terrorism," and "loss" are defined in 6 U.S.C. §444.



General Provision for Purchase Orders (GP-PO)

- c. Include the substance of this clause, including this paragraph (c), in all Contracts, purchase orders (PO), or Subcontracts or PO's with a contractor, subcontractor, supplier, vendor, customer, or contractor and subcontractor of a customer. In accordance with FAR 50.205-1 (Safety Act Considerations 2007), the U.S. Government is not a "customer" from which a contractor must request a reciprocal waiver of claims.

36. Suspension of Work

- a. Buyer's Authorized Procurement Representative may, by written order, suspend all or part of the work to be performed under this Contract for a period of 100 days. Within such period of any suspension of work, Buyer shall (i) cancel the suspension of work order; (ii) terminate this Contract in accordance with the "Termination for Convenience" article of this Contract; or (iii) extend the stop work period.
- b. Seller shall resume work whenever a suspension is canceled. Buyer and Seller shall negotiate an equitable adjustment in the price or schedule or both if (i) this Contract is not canceled or terminated; (ii) the suspension results in a change in Seller's cost of performance or ability to meet the Contract delivery schedule; and (iii) Seller submits a claim for adjustment within 20 days after the suspension is canceled.

37. Publicity

Seller shall implement the intent of this paragraph in its business operations and at all of its sub-tier Suppliers as follows:

- a. Seller shall not use Buyer's brand (text or visual use of Buyer's products, services, company name, logo, programs, etc.), of any kind through any outbound channel, including, but not limited to: press releases, advertising, media articles, websites, presentations, video, still photos and tradeshow graphic panels & promotional items or denial or confirmation of same regarding this Contract or the Goods or program to which it pertains.
- b. Seller shall require that its subcontractors, at all tier levels, not release any publicity, advertisement, news release or denial or confirmation of same regarding this Contract or the Goods or program to which it pertains. Information released includes, but is not limited to: press releases, advertising, media articles, websites, presentations, video, still photos, and tradeshow graphic panels & promotional items, etc.
- c. Seller shall be liable to Buyer for any breach of such obligation by subcontractor and its sub-tier suppliers. Buyer may, at its option, recover damages caused by release of unauthorized information as discussed in this section including all legal fees and costs.
- d. By accepting this Contract, Seller explicitly agrees that dissemination of unauthorized publicity is strictly prohibited unless approved prior to any release, in writing, by a representative of Buyer's Procurement organization.

38. Business Conduct

- a. Compliance with Laws. Seller shall comply fully with all applicable statutes and government rules, regulations and order. Without acting as a limitation, Seller shall comply with (i) all applicable country laws relating to anti-corruption or anti-bribery, including, but not limited to, legislation implementing the Organization for Economic Co-operation and Development "Convention on Combating Bribery of Foreign Public Officials in International Business Transactions" (the "OECD Convention") or other anti-corruption/anti-bribery convention; and (ii) the requirements of the Foreign Corrupt Practices Act, as amended, ("FCPA") (15 U.S.C. §§78dd-1, et. seq.), regardless of whether Seller is within the jurisdiction of the United States, and Seller shall, neither directly nor indirectly, pay, offer, give, or promise to pay or give any portion of monies or anything of value received from Buyer to a non-U.S.



General Provision for Purchase Orders (GP-PO)

public official or any person in violation of the FCPA and/or in violation of any applicable country laws relating to anti-corruption or anti-bribery.

- b. Gratuities. Seller warrants that neither it nor any of its employees, agents, or representatives have offered or given, or will offer or give, any gratuities to Buyer's employees, agents or representatives for the purpose of securing this Contract or securing favorable treatment under this Contract.
- c. Code of Basic Working conditions and Human rights. Buyer is committed to providing a safe and secure working environment and the protection and advancement of basic human rights in its worldwide operations. In furtherance of this commitment, Buyer has adopted a an Ethical Business Code and a Code of Basic Working Conditions and Human Rights setting out in detail the measures it takes to ensure this commitment is fulfilled. Buyer strongly encourages Seller to adopt and enforce these concepts including conducting Seller's operations in a manner that is fully compliant with all applicable laws and regulations pertaining to fair wages and treatment, freedom of association, personal privacy, collective bargaining, workplace safety, and environmental protection. Further, any material violation of law by Seller relating to basic working conditions and human rights including laws regarding slavery and human trafficking, of the country or countries in which Seller is performing work under this Contract may be considered a material breach of this Contract for which Buyer may elect to cancel any open orders between Buyer and the Seller, for cause, in accordance with the provision of this order entitled "Cure and Default". Seller shall include the substance of this clause, including this flowdown requirement, in all subcontracts awarded by Seller for work under this Contract.
- d. Environmental, Health, & Safety Performance. Seller acknowledges and accepts full and sole responsibility to maintain an environment, health, and safety management system ("EMS") appropriate for its business throughout the performance of this Contract. Buyer expects that Seller's EMS will promote health and safety, environmental stewardship, and pollution prevention by appropriate source reduction strategies. Seller shall convey the requirement of this clause to its suppliers. Seller shall not deliver Goods that contain any asbestos mineral fibers.
- e. Seller Facility. Seller shall provide Buyer written notice of any proposed plans for moving Seller's manufacturing location for goods or moving tooling or other equipment utilized in the manufacture of the Goods to another factory. In no event shall Seller proceed with implementing such plans prior to obtaining Buyer's prior written approval.
- f. Buyer's Policies. Seller agrees that Buyer's internal policies, procedures and codes are intended to guide the internal management of the Buyer and are not intended to, and do not, create any right or benefit, substantive or procedural, enforceable at law or in equity, by Seller against the Buyer.
- g. Conflict Minerals. Seller shall, no later than thirty (30) days following the calendar year in which Seller has delivered any Goods to Buyer, under this Contract or otherwise, complete and provide to Buyer a single and comprehensive Conflict Minerals Reporting Template, using the form found at <http://www.boeingssuppliers.com>. Seller shall perform appropriate due diligence on its supply chain in order to fulfill the reporting obligations of this Article.

39. Utilization of Small Business Concerns

Seller agrees to actively seek out and provide the maximum practicable opportunities for small businesses, small disadvantaged businesses, women-owned small businesses, minority business enterprises, historically black colleges and universities and minority institutions, Historically Underutilized Business Zone small business concerns and U.S. Veteran and Service-Disabled Veteran Owned small business concerns to participate in the subcontracts Seller awards to the fullest extent consistent with the efficient performance of this Contract.



General Provision for Purchase Orders (GP-PO)

40. Seller Financial Review

If the Contract, in the aggregate, exceeds \$350,000 and extends for more than one year, or if requested by Buyer, the Seller shall provide financial data as specified below, on a quarterly basis, or as requested, to Buyer's Corporate Credit Office for credit and financial condition reviews. If Seller itself is publicly traded (not a subsidiary of a publicly traded company) and is required to file reports with the Securities and Exchange Commission ("SEC"), Buyer's Corporate Credit Office shall obtain Seller financial data from information made available to the general public via 10-K and 10-Q reporting requirements. In the event that Seller does not submit financial statements to the SEC or is no longer required to do so during the term of this Contract, Seller shall provide financial data on a quarterly basis to Buyer's Corporate Credit Office. Such financial data shall include, but is not limited to, balance sheets, schedule of accounts payable and receivable, major lines of credit, creditors, income statements (profit and loss), cash flow statements, firm backlog, and headcount. Copies of such data are to be made available within seventy-two (72) hours of any written request by Buyer's Corporate Credit Office. All such information shall be treated as confidential.

41. Access to Plants & Properties

Where Seller is either entering or performing work at premises owned or controlled by Buyer or Buyer's customer or obtaining access electronically to Buyer systems or information, Seller shall comply with: (i) all the rules and regulations established by Buyer or Buyer's customer for access to and activities in and around premises controlled by Buyer or Buyer's customer; and (ii) Buyer's requests for information and documentation to validate citizenship or immigration status of Seller's personnel or subcontractor personnel. In addition, Seller acknowledges that Buyer may perform routine background checks on Seller personnel. Seller shall include the substance of this clause, including this flowdown requirement, in all subcontracts awarded by Seller for work under this Contract.

42. Electronic Access

- a. Buyer may (at its sole discretion) grant in writing to Seller a limited, nontransferable, nonexclusive, revocable (in Buyer's sole discretion) right for Seller personnel to access electronic information systems operated by or on behalf of Buyer, including but not limited to, facilities, network communication systems, telecommunications systems, software, applications, information and data, (collectively, the "Insitu Systems") during the term of this Contract to the extent necessary for Seller to perform this Contract. Seller personnel shall not access or use the Insitu Systems for any other purpose. INSITU SYSTEMS ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS, AND SELLER EXPRESSLY AGREES THAT BUYER MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RELIABILITY AND AVAILABILITY OF ANY INSITU SYSTEM.
- b. In addition to any other rights and obligations set forth in any relevant Contract, Seller acknowledges that any information accessed through the Insitu Systems, whether or not marked as "proprietary" or equivalent, shall be considered proprietary to Buyer and shall be protected in accordance with the "Confidential" Article of the Contract.
- c. Buyer shall have the right to audit Seller's compliance with this Article.
- d. Seller and Seller personnel understand and consent as follows: Seller and Seller personnel have no reasonable expectation of privacy in any communications or data, personal or otherwise, transiting or stored on Insitu Systems; any communications or data transiting or stored on Insitu Systems may be monitored, intercepted, recorded, and searched at any time and for any lawful purpose, and may be used or disclosed for any lawful purpose.
- e. Any security breach of the Insitu Systems or other breach of the requirements of this Article, shall be grounds for default in accordance with the "Cure and Default" Article of this Contract.



General Provision for Purchase Orders (GP-PO)

43. Trade Control Compliance

- a. The Parties shall comply with all export and import laws, regulations, decrees, orders, and policies of the United States Government and the Government of any country in which the Parties conduct business pursuant to this Contract, including but not limited to the Export Administration Regulation ("EAR") of the U.S. Department of Commerce, the International Traffic in Arms Regulations ("ITAR") of the U.S. Department of State, the U.S. Customs & Border Protection Regulations, the Harmonized Tariff Schedule, and the anti-boycott and embargo regulations and guidelines as set forth in EAR and in the U.S. Department of Treasury, Office of Foreign Assets Control (collectively, "Trade Control Laws").
- b. Seller shall control disclosure of, and access to, controlled items or technical data provided by Buyer related to performance of the Contract in compliance with all applicable Trade Control Laws. Seller shall not transfer (to include transfer to foreign persons employed by or associated with, or under contract to Seller, or Seller's sub-tier suppliers or Seller's non-U.S. subsidiaries) any export controlled item, data or services, without providing advance notice to Buyer and obtaining the requisite export and/or import authority.
- c. Subject to applicable Trade Control Laws, Seller shall provide Buyer with the export control classification of any commodity or technology including software.
- d. Seller represents that it maintains an effective export/import control compliance program in accordance with all applicable Trade Control Laws. A copy of process control documents and other documents reasonably requested by Buyer related to Seller's compliance with applicable Trade Control Laws shall be made available to Buyer upon request.
- e. Seller shall promptly notify Buyer if Seller is, or becomes, listed in any Denied Parties List or if Seller's export privileges are otherwise denied, suspended or revoked in whole or in part by any Government entity.
- f. Seller shall timely inform Buyer of any actual or alleged violations of any applicable Trade Control Laws including any suits, actions, proceedings, notices, citations, inquiries, or other communications from any government agency concerning any actual or alleged violations, in Seller's performance under this Contract and shall comply with all reasonable requests from Buyer for information regarding any such violations.
- g. Seller shall incorporate into any contracts with its sub-tier supplier's obligations no less restrictive than those set forth in this Article requiring compliance with all applicable Trade Control Laws.

44. Claims Adjustment

Buyer may at any time deduct or set-off Seller's claims for money due or to become due from Buyer against any claims that Buyer has or may have arising out of this Contract or other transactions between Buyer and Seller.

45. No Waiver; Rights & Remedies

- a. Any failure, delays or forbearances of either Party in insisting upon or enforcing any provision of this Contract, or in exercising any rights or remedies under this Contract, shall not be construed as a waiver or relinquishment of any such provisions, rights or remedies; rather, the same shall remain in full force and effect.
- b. Except as expressly and affirmatively disclaimed in writing in this Contract, the rights and remedies set forth herein are cumulative and in addition to any other rights or remedies that the Parties may have at law or in equity. If any provision of the Contract is or becomes void or unenforceable by law, the remainder shall be valid and enforceable. Seller acknowledges and agrees that money damages



General Provision for Purchase Orders (GP-PO)

may not be adequate remedy for any actual, anticipatory or threatened breach of this Contract by Seller with respect to its delivery of the Goods to Buyer.

- c. Seller agrees that Buyer's approvals of Seller's technical and quality specifications, drawings, plans, procedures, reports and other submissions shall not relieve Seller of its obligations to perform all requirements of this Contract.
- d. Buyer may at any time deduct or set-off Seller's claim for money due or to become due from Buyer against any claims that Buyer has or may have arising out of this Contract or any other transactions between Buyer and Seller.

46. Order of Precedence

All documents and provisions in this Contract shall be read so as to be consistent to the fullest extent possible. In the event of a conflict or inconsistency between the documents or provisions as incorporated into or attached to the Contract, the documents or provisions shall prevail in the order listed below, with the first document or provision listed having the highest precedence:

Document Title/Description:

- a. Customer Contract Requirements (CCR), if set forth in this Contract.
- b. The system generated purchase contract document.
- c. General Provisions for Purchase Orders and any Special Business Provisions.
- d. Specifications (the most recently agreed to and issued version of specifications shall control and Buyer's specifications shall prevail over any subsidiary documents referenced therein).
- e. Statements of Work (the most recently agreed to and issued version of a statement of work shall control).
- f. All other attachments, exhibits, appendices, documents or terms incorporated by reference in or attached to this Contract.

47. Entire Agreement

This Contract, together with all purchase orders, change orders, attachments, exhibits, supplements, specifications, and other terms referenced in this Contract, contains the entire agreement of the Parties and supersedes any and all prior agreements, understandings and communications between Buyer and Seller related to the subject matter of this Contract. Except as authorized herein, no amendment or modification of this Contract shall bind either Party unless it is in writing and is signed by Buyer's Authorized Procurement Representative and an authorized representative of Seller.



CUSTOMER CONTRACT REQUIREMENTS General

Supplier Name: **NW UAV Propulsion Systems**

Purchase Order Number: **TBD**

The following contract clauses are incorporated by reference from the Federal Acquisition Regulation and may apply to the above listed purchase order. In all of the following clauses, "Contractor" "Vendor" and "Offeror" mean Seller.

252.211-7003 Item Identification and Valuation. (JUN 2011)

Seller shall comply with the unique item identification requirements of this clause for those subassemblies, components, and parts specified elsewhere in this contract. Such identification and marking shall be a high-capacity 2D machine readable code to comply with the version of MIL-STD-130, Identification Marking of U.S. Military Property, set forth elsewhere in this contract; or if not so stated, then the Seller shall comply with MIL-STD-130 N. The code may include, as space is available, linear bar code and human readable characters. Unless otherwise specified in Insitu product drawings or specifications, the seller may use either Construct #1 or Construct #2. The Seller shall not be required to furnish item valuations as set forth in this clause.

252.225-7000 Buy American Act--Balance of Payments Program Certificate. (JUN 2012)

252.225-7002 Qualifying Country Sources as Subcontractors. (JUN 2002)

The prime contract contains the DoD FAR Supplement 252.225-7002, which prohibits the company from precluding foreign companies located in qualifying countries from competing for subcontracts. Therefore, buyers shall not preclude foreign companies from qualifying countries from competing with U.S. firms for any subcontract issued under this prime contract. As used herein, the term "Qualifying Countries" means: Australia, Belgium, Canada, Denmark, Egypt, Federal Republic of Germany, France,

Greece, Israel, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey and the United Kingdom of Great Britain and Northern Ireland.

252.225-7008 Restriction on Acquisition of Specialty Metals. (JUL 2009)

252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals. (JUN 2012)

252.225-7012 Preference for Certain Domestic Commodities. (JUN 2012)

252.225-7013 Duty-Free Entry. (JUN 2012)

This clause applies if Seller is located in a qualifying country (as defined in DFARS Part 225.8) or if Seller is located in any other country and the estimated U.S. duty for the deliverable items will exceed \$200 per unit. Seller shall include the prime contract number on all shipping documents submitted to Customs for supplies for which duty-free entry is claimed pursuant to this clause. See Section 5 for the information required by paragraph (j)(3) of this clause.

252.227-7013 Rights in Technical Data--Noncommercial Items. (FEB 2012)

This clause applies only if the delivery of data is required for noncommercial items under this contract.

(k) Applicability to subcontractors or suppliers.

(2) Whenever any technical data for noncommercial items is to be obtained from a subcontractor or supplier for delivery to the Government under this contract, the Contractor shall use this same clause in the subcontract or other contractual instrument, and require its subcontractors or suppliers to do so, without alteration, except to identify the parties. No other clause shall be used to enlarge or diminish the Government's, the Contractor's, or a higher-tier subcontractor's or supplier's rights in a subcontractor's or supplier's technical data.

252.227-7015 Technical Data--Commercial Items. (DEC 2011)

252.227-7016 Rights in Bid or Proposal Information. (JAN 2011)

Does not apply to commercial items or commercial computer software or related documentation.

252.227-7017 Identification and Assertion of Use, Release, or Disclosure Restrictions. (JAN 2011)

252.227-7019 Validation of Asserted Restrictions--Computer Software. (SEP 2011)

Does not apply to commercial items or commercial computer software or related documentation.

252.227-7025 Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends. (MAR 2011)

252.227-7026 Deferred Delivery of Technical Data or Computer Software. (APR 1988)

252.227-7027 Deferred Ordering of Technical Data or Computer Software. (APR 1988)

252.227-7037 Validation of Restrictive Markings on Technical Data. (JUN 2012)

252.228-7001 Ground and Flight Risk. (JUN 2010)

(a) Definitions. As used in this clause—

(1) “Aircraft,” unless otherwise provided in the contract Schedule, means—

(i) Aircraft to be delivered to the Government under this contract (either before or after Government acceptance), including complete aircraft and aircraft in the process of being manufactured, disassembled, or reassembled; provided that an engine, portion of a wing or a wing is attached to a fuselage of the aircraft;

(ii) Aircraft, whether in a state of disassembly or reassembly, furnished by the Government to the Contractor under this contract, including all Government property installed, in the process of installation, or temporarily removed; provided that the aircraft and property are not covered by a separate bailment agreement;

(iii) Aircraft furnished by the Contractor under this contract (either before or after Government acceptance); or

(iv) Conventional winged aircraft, as well as helicopters, vertical take-off or landing aircraft, lighter-than-air airships, aerial vehicles, or other non-conventional aircraft specified in this contract.

(2) “Contractor’s managerial personnel” means the Contractor’s directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of— (i) All, or substantially all, of the Contractor’s business; (ii) All, or substantially all, of the Contractor’s operation at any one plant or separate location; or (iii) A separate and complete major industrial operation.

(3) “Contractor’s premises” means those premises, including subcontractors’ premises, designated in the Schedule or in writing by the Contracting Officer, and any other place the aircraft is moved for safeguarding.

(4) “Flight” means any flight demonstration, flight test, taxi test, or other flight made in the performance of this contract, or for the purpose of safeguarding the aircraft, or previously approved in writing by the Contracting Officer.

(i) For land based aircraft, “flight” begins with the taxi roll from a flight line on the Contractor’s premises and continues until the aircraft has completed the taxi roll in returning to a flight line on the Contractor’s premises.

(ii) For seaplanes, “flight” begins with the launching from a ramp on the Contractor’s premises and continues until the aircraft has completed its landing run and is beached at a ramp on the Contractor’s premises.

(iii) For helicopters, "flight" begins upon engagement of the rotors for the purpose of take-off from the Contractor's premises and continues until the aircraft has returned to the ground on the Contractor's premises and the rotors are disengaged..

(iv) For vertical take-off or landing aircraft, "flight" begins upon disengagement from any launching platform or device on the Contractor's premises and continues until the aircraft has been engaged to any launching platform or device on the Contractor's premises.

(v) All aircraft off the Contractor's premises shall be considered to be in flight when on the ground or water for reasonable periods of time following emergency landings, landings made in performance of this contract, or landings approved in writing by the Contracting Officer.

(5) "Flight crew member" means the pilot, the co-pilot, and, unless otherwise provided in the Schedule, the flight engineer, navigator, and bombardier-navigator when assigned to their respective crew positions for the purpose of conducting any flight on behalf of the Contractor. It also includes any pilot or operator of an unmanned aerial vehicle. If required, a defense systems operator may also be assigned as a flight crew member.

(6) "In the open" means located wholly outside of buildings on the Contractor's premises or other places described in the Schedule as being "in the open." Government furnished aircraft shall be considered to be located "in the open" at all times while in the Contractor's possession, care, custody, or control.

(7) "Operation" means operations and tests of the aircraft and its installed equipment, accessories, and power plants, while the aircraft is in the open or in motion. The term does not apply to aircraft on any production line or in flight.

(b) Combined regulation/instruction. The Contractor shall be bound by the operating procedures contained in the combined regulation/instruction entitled "Contractor's Flight and Ground Operations" (Air Force Instruction 10-220, Army Regulation 95-20, NAVAIR Instruction 3710.1 (Series), Coast Guard Instruction M13020.3, and Defense Contract Management Agency Instruction 8210.1) in effect on the date of contract award.

(c) Government as self-insurer. Subject to the conditions in paragraph (d) of this clause, the Government self-insures and assumes the risk of damage to, or loss or destruction of aircraft "in the open," during "operation," and in "flight," except as may be specifically provided in the Schedule as an exception to this clause. The Contractor shall not be liable to the Government for such damage, loss, or destruction beyond the Contractor's share of loss amount under the Government's self-insurance.

(d) Conditions for Government's self-insurance. The Government's assumption of risk for aircraft in the open shall continue unless the Contracting Officer finds that the Contractor has failed to comply with paragraph (b) of this clause, or that the aircraft is in the open under unreasonable conditions, and the Contractor fails to take prompt corrective action.

(1) The Contracting Officer, when finding that the Contractor has failed to comply with paragraph (b) of this clause or that the aircraft is in the open under unreasonable conditions, shall notify the Contractor in writing and shall require the Contractor to make corrections within a reasonable time.

(2) Upon receipt of the notice, the Contractor shall promptly correct the cited conditions, regardless of whether there is agreement that the conditions are unreasonable.

(i) If the Contracting Officer later determines that the cited conditions were not unreasonable, an equitable adjustment shall be made in the contract price for any additional costs incurred in correcting the conditions.

(ii) Any dispute as to the unreasonableness of the conditions or the equitable adjustment shall be considered a dispute under the Disputes clause of this contract.

(3) If the Contracting Officer finds that the Contractor failed to act promptly to correct the cited conditions or failed to correct the conditions within a reasonable time, the Contracting Officer may terminate the Government's assumption of risk for any aircraft in the open under the cited conditions. The termination will be effective at 12:01 a.m. on the fifteenth day following the day the written notice is received by the Contractor.

(i) If the Contracting Officer later determines that the Contractor acted promptly to correct the cited conditions or that the time taken by the Contractor was not unreasonable, an equitable adjustment shall be made in the contract price for any additional costs incurred as a result of termination of the Government's assumption of risk.

(ii) Any dispute as to the timeliness of the Contractor's action or the equitable adjustment shall be considered a dispute under the Disputes clause of this contract.

(4) If the Government terminates its assumption of risk pursuant to the terms of this clause—

(i) The Contractor shall thereafter assume the entire risk for damage, loss, or destruction of, the affected aircraft;

(ii) Any costs incurred by the Contractor (including the costs of the Contractor's self-insurance, insurance premiums paid to insure the Contractor's assumption of risk, deductibles associated with such purchased insurance, etc.) to mitigate its assumption of risk are unallowable costs; and

(iii) The liability provisions of the Government Property clause of this contract are not applicable to the affected aircraft.

(5) The Contractor shall promptly notify the Contracting Officer when unreasonable conditions have been corrected.

(i) If, upon receipt of the Contractor's notice of the correction of the unreasonable conditions, the Government elects to again assume the risk of loss and relieve the Contractor of its liability for damage, loss, or destruction of the aircraft, the Contracting Officer will notify the Contractor of the Contracting

Officer's decision to resume the Government's risk of loss.. The Contractor shall be entitled to an equitable adjustment in the contract price for any insurance costs extending from the end of the third working day after the Government's receipt of the Contractor notice of correction until the Contractor is notified that the Government will resume the risk of loss.

(ii) If the Government does not again assume the risk of loss and the unreasonable conditions have been corrected, the Contractor shall be entitled to an equitable adjustment for insurance costs, if any, extending after the third working day after the Government's receipt of the Contractor's notice of correction.

(6) The Government's termination of its assumption of risk of loss does not relieve the Contractor of its obligation to comply with all other provisions of this clause, including the combined regulation/instruction entitled "Contractor's Flight and Ground Operations."

(e) Exclusions from the Government's assumption of risk. The Government's assumption of risk shall not extend to damage, loss, or destruction of aircraft which—

(1) Results from failure of the Contractor, due to willful misconduct or lack of good faith of any of the Contractor's managerial personnel, to maintain and administer a program for the protection and preservation of aircraft in the open and during operation in accordance with sound industrial practice, including oversight of subcontractor's program.

(2) Is sustained during flight if either the flight or the flight crew members have not been approved in advance of any flight writing by the Government Flight Representative, who has been authorized in accordance with the combined regulation/instruction entitled "Contractor's Flight and Ground Operations";

(3) Occurs in the course of transportation by rail, or by conveyance on public streets, highways, or waterways, except for Government-furnished property;

(4) Is covered by insurance;

(5) Consists of wear and tear; deterioration (including rust and corrosion); freezing; or mechanical, structural, or electrical breakdown or failure, unless these are the result of other loss, damage or destruction covered by this clause. (This exclusion does not apply to Government-furnished property if damage consists of reasonable wear and tear or deterioration, or results from inherent vice, e.g., a known condition or design defect, in the property); or

(6) Is sustained while the aircraft is being worked on and is a direct result of the work unless such damage, loss, or destruction would be covered by insurance which would have been maintained by the Contractor, but for the Government's assumption of risk.

(f) Contractor's share of loss and Contractor's deductible under the Government's self-insurance.

(1) The Contractor assumes the risk of loss and shall be responsible for the Contractor's share of loss under the Government's self-insurance. That share is the lesser of—

(i) The first \$100,000 of loss or damage to aircraft in the open, during operation, or in flight resulting from each separate event, except for reasonable wear and tear and to the extent the loss or damage is caused by negligence of Government personnel; or

(ii) Twenty percent of the price or estimated cost of this contract.

(2) If the Government elects to require that the aircraft be replaced or restored by the Contractor to its condition immediately prior to the damage, the equitable adjustment in the price authorized by paragraph (j) of this clause shall not include the dollar amount of the risk assumed by the Contractor.

(3) In the event the Government does not elect repair or replacement, the Contractor agrees to credit the contract price or pay the Government, as directed by the Contracting Officer, the lesser of—

(i) \$100,000;

(ii) Twenty percent of the price or estimated cost of this contract; or

(iii) The amount of the loss. (4) For task order and delivery order contracts, the Contractor's share of the loss shall be the lesser of \$100,000 or twenty percent of the combined total price or total estimated cost of those orders issued to date to which the clause applies.

(5) The costs incurred by the Contractor for its share of the loss and for insuring against that loss are unallowable costs, including but not limited to—

(i) The Contractor's share of loss under the Government's self-insurance;

(ii) The costs of the Contractor's self-insurance;

(iii) The deductible for any Contractor- purchased insurance;

(iv) Insurance premiums paid for Contractor- purchased insurance; and

(v) Costs associated with determining, litigating, and defending against the Contractor's liability.

(g) Subcontractor possession or control. The Contractor shall not be relieved from liability for damage, loss, or destruction of aircraft while such aircraft is in the possession or control of its subcontractors, except to the extent that the subcontract, with the written approval of the Contracting Officer, provides for relief from each liability. In the absence of approval, the subcontract shall contain provisions requiring the return of aircraft in as good condition as when received, except for reasonable wear and tear or for the utilization of the property in accordance with the provisions of this contract.

(h) Contractor's exclusion of insurance costs. The Contractor warrants that the contract price does not and will not include, except as may be authorized in this clause, any charge or contingency reserve for insurance covering damage, loss, or destruction of aircraft while in the open, during operation, or in

flight when the risk has been assumed by the Government including the Contractor's share of loss in this clause, even if the assumption may be terminated for aircraft in the open.

(i) Procedures in the event of loss.

(1) In the event of damage, loss, or destruction of aircraft in the open, during operation, or in flight, the Contractor shall take all reasonable steps to protect the aircraft from further damage, to separate damaged and undamaged aircraft and to put all aircraft in the best possible order. Except in cases covered by paragraph (f)(2) of this clause, the Contractor shall furnish to the Contracting Officer a statement of—

(i) The damaged, lost, or destroyed aircraft;

(ii) The time and origin of the damage, loss, or destruction;

(iii) All known interests in commingled property of which aircraft are a part; and

(iv) The insurance, if any, covering the interest in commingled property.

(2) The Contracting Officer will make an equitable adjustment for expenditures made by the Contractor in performing the obligations under this paragraph.

(j) Loss prior to delivery.

(1) If prior to delivery and acceptance by the Government, aircraft is damaged, lost, or destroyed and the Government assumed the risk, the Government shall either—

(i) Require that the aircraft be replaced or restored by the Contractor to the condition immediately prior to the damage, in which event the Contracting Officer will make an equitable adjustment in the contract price and the time for contract performance; or

(ii) Terminate this contract with respect to the aircraft. Notwithstanding the provisions in any other termination clause under this contract, in the event of termination, the Contractor shall be paid the contract price for the aircraft (or, if applicable, any work to be performed on the aircraft) less any amount the Contracting Officer determines—

(A) It would have cost the Contractor to complete the aircraft (or any work to be performed on the aircraft) together with anticipated profit on uncompleted work; and

(B) Would be the value of the damaged aircraft or any salvage retained by the Contractor.

(2) The Contracting Officer shall prescribe the manner of disposition of the damaged, lost, or destroyed aircraft, or any parts of the aircraft. If any additional costs of such disposition are incurred by the Contractor, a further equitable adjustment will be made in the amount due the Contractor. Failure of the parties to agree upon termination costs or an equitable adjustment with respect to any aircraft shall be considered a dispute under the Disputes clause.

(k) Reimbursement from a third party. In the event the Contractor is reimbursed or compensated by a third party for damage, loss, or destruction of aircraft and has also been compensated by the Government, the Contractor shall equitably reimburse the Government. The Contractor shall do nothing to prejudice the Government's right to recover against third parties for damage, loss, or destruction. Upon the request of the Contracting Officer or authorized representative, the Contractor shall at Government expense furnish to the Government all reasonable assistance and cooperation (including the prosecution of suit and the execution of instruments of assignment or subrogation) in obtaining recovery.

(l) Government acceptance of liability. To the extent the Government has accepted such liability under other provisions of this contract, the Contractor shall not be reimbursed for liability to third persons for loss or damage to property or for death or bodily injury caused by aircraft during flight unless the flight crew members previously have been approved for this flight in writing by the Government Flight Representative,

who has been authorized in accordance with the combined regulation entitled "Contractor's Flight and Ground Operations".

(m) Subcontracts. The Contractor shall incorporate the requirements of this clause, including this paragraph (m), in all subcontracts.

252.228-7003 Capture and Detention. (DEC 1991)

252.232-7003 Electronic Submission of Payment Requests and Receiving Reports. (JUN 2012)

252.243-7001 Pricing of Contract Modifications. (DEC 1991)

252.244-7000 Subcontracts for Commercial Items and Commercial Components (DoD Contracts). (JUN 2012)

252.246-7003 Notification of Potential Safety Issues. (JAN 2007)

252.249-7002 Notification of Anticipated Contract Termination or Reduction. (OCT 2010)

This clause applies only if this contract is \$100,000 or more. Seller will comply with the notice and flowdown requirements of paragraph (d)(2) of the referenced clause.

52.202-1 Definitions. (JAN 2012)

52.203-7 Anti-Kickback Procedures. (OCT 2010)

Buyer may withhold from sums owed Seller the amount of any kickback paid by Seller or its subcontractors at any tier if (a) the Contracting Officer so directs, or (b) the Contracting Officer has offset the amount of such kickback against money owed Buyer under the prime contract. This clause applies only if this contract exceeds \$100,000.

52.204-7 Central Contractor Registration. (AUG 2012)

52.211-15 Defense Priority and Allocation Requirements. (APR 2008)

The prime contract incorporates FAR 52.211-15 Defense Priority and Allocation Requirement (Apr 2008). Requirement for flowdown is not specifically mentioned in the clause itself. However, flowdown is essential for the DPAS system to work. Regulatory requirement can be found in Code of Federal Regulation Title 15, Vol 2 part 700 Section 700.3 at: "(d) Persons who receive rated orders must in turn place rated orders with their suppliers for the items they need to fill the orders. This provision ensures that suppliers will give priority treatment to rated orders from contractor to suppliers throughout the procurement chain."

52.215-10 Price Reduction for Defective Certified Cost or Pricing Data. (AUG 2011)

This clause applies only if this contract exceeds the threshold set forth in FAR 15.403-4 and is not otherwise exempt. In subparagraph (3) of paragraph (a), insert "of this contract" after "price or cost." In Paragraph (c), "Contracting Officer" shall mean "Contracting Officer or Buyer." In Paragraphs (c)(1), (c)(1)(ii), and (c)(2)(i), "Contracting Officer" shall mean "Contracting Officer or Buyer." In Subparagraph (c)(2)(i)(A), delete "to the Contracting Officer." In Subparagraph (c)(2)(ii)(B), "Government" shall mean "Government or Buyer." In Paragraph (d), "United States" shall mean "United States or Buyer."

52.215-11 Price Reduction for Defective Certified Cost or Pricing Data—Modifications. (AUG 2011)

52.215-12 Subcontractor Certified Cost or Pricing Data. (OCT 2010)

This clause applies only if this contract exceeds the threshold set forth in FAR 15.403-2 (currently \$700,000), and is not otherwise exempt. The certificate required by paragraph (b) of the referenced clause shall be modified as follows: delete "to the Contracting Officer or the Contracting Officer's representative" and substitute in lieu thereof "to Insitu, Inc. or Insitu's representative (including data submitted, when applicable, to an authorized representative of the U.S. Government)."

52.215-13 Subcontractor Certified Cost or Pricing Data—Modifications. (OCT 2010)

52.215-15 Pension Adjustments and Asset Reversions. (OCT 2010)

This Clause applies to this contract if it meets the requirements of FAR 15.408(g).

52.215-18 Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions. (JUL 2005)

This Clause applies to this contract if it meets the requirements of FAR 15.408(j).

52.215-19 Notification of Ownership Changes. (OCT 1997)

This Clause applies to this contract if it meets the requirements of FAR 15.408(k).

52.215-21 Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data—Modifications. (OCT 2010)

This clause applies only if this contract exceeds the threshold set forth in FAR

52.215-23 Limitations on Pass-Through Charges. (OCT 2009)

52.216-7 Allowable Cost and Payment. (JUN 2011)

52.216-8 Fixed Fee. (JUN 2011)

52.219-8 Utilization of Small Business Concerns. (JAN 2011)

52.222-1 Notice to the Government of Labor Disputes. (FEB 1997)

52.222-21 Prohibition of Segregated Facilities. (FEB 1999)

52.222-26 Equal Opportunity. (MAR 2007)

52.222-29 Notification of Visa Denial. (JUN 2003)

52.222-37 Employment Reports Veterans. (SEP 2010)

This clause applies only if this contract exceeds \$100,000.

52.222-40 Notification of Employee Rights Under the National Labor Relations Act. (DEC 2010)

(a) During the term of this contract, the Contractor shall post an employee notice, of such size and in such form, and containing such content as prescribed by the Secretary of Labor, in conspicuous places in and about its plants and offices where employees covered by the National Labor Relations Act engage in activities relating to the performance of the contract, including all places where notices to employees are customarily posted both physically and electronically, in the languages employees speak, in accordance with 29 CFR 471.2(d) and (f).

(1) Physical posting of the employee notice shall be in conspicuous places in and about the Contractor's plants and offices so that the notice is prominent and readily seen by employees who are covered by the National Labor Relations Act and engage in activities related to the performance of the contract.

(2) If the Contractor customarily posts notices to employees electronically, then the Contractor shall also post the required notice electronically by displaying prominently, on any Web site that is maintained by the Contractor and is customarily used for notices to employees about terms and conditions of employment, a link to the Department of Labor's Web site that contains the full text of the poster. The link to the Department's Web site, as referenced in (b)(3) of this section, must read, "Important Notice about Employee Rights to Organize and Bargain Collectively with Their Employers."

(b) This required employee notice, printed by the Department of Labor, may be—

(1) Obtained from the Division of Interpretations and Standards, Office of Labor-Management Standards, U.S. Department of Labor, 200 Constitution Avenue, NW., Room N-5609, Washington, DC

20210, (202) 693-0123, or from any field office of the Office of Labor-Management Standards or Office of Federal Contract Compliance Programs;

(2) Provided by the Federal contracting agency if requested;

(3) Downloaded from the Office of Labor-Management Standards Web site at <http://www.dol.gov/olms/regs/compliance/EO13496.htm>; or

(4) Reproduced and used as exact duplicate copies of the Department of Labor's official poster.

(c) The required text of the employee notice referred to in this clause is located at Appendix A, Subpart A, 29 CFR Part 471.

(d) The Contractor shall comply with all provisions of the employee notice and related rules, regulations, and orders of the Secretary of Labor.

(e) In the event that the Contractor does not comply with the requirements set forth in paragraphs (a) through (d) of this clause, this contract may be terminated or suspended in whole or in part, and the Contractor may be suspended or debarred in accordance with 29 CFR 471.14 and subpart 9.4. Such other sanctions or remedies may be imposed as are provided by 29 CFR part 471, which implements Executive Order 13496 or as otherwise provided by law.

(f) Subcontracts. (1) The Contractor shall include the substance of this clause, including this paragraph (f), in every subcontract that exceeds \$10,000 and will be performed wholly or partially in the United States, unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 3 of Executive Order 13496 of January 30, 2009, so that such provisions will be binding upon each subcontractor.

(2) The Contractor shall not procure supplies or services in a way designed to avoid the applicability of Executive Order 13496 or this clause.

(3) The Contractor shall take such action with respect to any such subcontract as may be directed by the Secretary of Labor as a means of enforcing such provisions, including the imposition of sanctions for noncompliance.

(4) However, if the Contractor becomes involved in litigation with a subcontractor, or is threatened with such involvement, as a result of such direction, the Contractor may request the United States, through the Secretary of Labor, to enter into such litigation to protect the interests of the United States

52.222-50 Combating Trafficking in Persons. (FEB 2009)

52.222-54 Employment Eligibility Verification. (JUL 2012)

(Does not apply when work is performed outside the United States)

52.223-18 Encouraging Contractor Policies to Ban Text Messaging While Driving. (AUG 2011)

52.227-1 Authorization and Consent. (DEC 2007)

52.227-11 Patent Rights—Ownership by the Contractor. (DEC 2007)

52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement. (DEC 2007)

A copy of each notice sent to the Government will be sent to Buyer.

52.228-5 Insurance—Work on a Government Installation. (JAN 1997)

52.229-6 Taxes—Foreign Fixed-Price Contracts. (JUN 2003)

52.230-2 Cost Accounting Standards. (MAY 2012)

52.230-6 Administration of Cost Accounting Standards. (JUN 2010)

Add "Buyer and the" before

CFAO in paragraph (m). This provision applies if clause H001, H002, or H004 is included in this contract.

H001: The clause entitled "Cost Accounting Standards," FAR 52.230-2, excluding paragraph (b), is incorporated herein by reference. In this clause, "Contractor" shall mean Seller, and any reference to "disputes" or the "Contract Disputes Act" shall mean the Disputes clause of this contract. The version of FAR 52.230-2 incorporated in this contract is stated in the Cost Accounting Standards article of the Customer Contract Requirements (CCR) incorporated in this contract.

H002: DISCLOSURE AND CONSISTENCY IN COST ACCOUNTING PRACTICES

The clause entitled "Disclosure and Consistency in Cost Accounting Practices," FAR 52.230-3, excluding paragraph (b), is incorporated herein by reference. In this clause, "Contractor" shall mean Seller, and any reference to "disputes" or the "Contract Disputes Act" shall mean the Disputes clause of this contract. The version of FAR 52.230-3 incorporated in this contract is stated in the Cost Accounting Standards article of the Customer Contract Requirements (CCR) incorporated in this contract.

H004: COST ACCOUNTING STANDARDS - EDUCATIONAL INSTITUTION

The clause entitled "Cost Accounting Standards - Educational Institution," FAR 52.230-5, excluding paragraph (b), is incorporated herein by reference. In this clause, "Contractor" shall mean Seller, and any reference to "disputes" or the "Contract Disputes Act" shall mean the Disputes clause of this contract. The version of FAR 52.230-5 incorporated in this contract is stated in the Cost Accounting Standards article of the Customer Contract Requirements (CCR) incorporated in this contract.

52.244-6 Subcontracts for Commercial Items. (DEC 2010)

52.245-1 Government Property. (APR 2012)

52.246-3 Inspection of Supplies -- Cost Reimbursement (MAY 2001)

52.252-2 Clauses Incorporated by Reference. (FEB 1998)

5252.204-9504 Disclosure of Contract Information (JAN 2007)

5252.209-9510 Organizational Conflicts of Interest (Services) (MAR 2007)