Premier Aerospace Group LLC, dba JBK Manufacturing and Development Co.
General Terms and Conditions
For Commercial Subcontracts / Purchase Orders
Revision: 31 July 2025

DEFINITIONS.

"Affiliates" means parent companies, subsidiary companies, successors, customers, end users, and assigns.

"Buyer's Authorized Representative" means the individual expressly empowered to execute this Order and any modifications thereto. Orders may be modified only by written instrument signed by Buyer's Authorized Representative.

"Buyer" means the specific legal business entity issuing this Order for Products.

"C.F.R." means the Code of Federal Regulations and all references to provisions thereof shall be to those provisions as in effect on the date of this Order.

“Contract” means this Order.

"Employee" means employee, director, officer, partner, agent, and representative. "Employees" means employees, directors, officers, partners, agents, and representatives.

"Furnished Property" means either Property (a) furnished to Seller by Buyer and required for performance of the Work under this Order, or (b) required under this Order to be acquired by Seller for performance under this Order on behalf of Buyer. All such Property shall be "as is" and may include, without limitation, tools, equipment, or material of every description, any replacement thereof, and/or any material affixed or attached thereto.

"Inspection" means any visual examination, electrical or physical parameters measurement, or performance characteristics testing for assurance of product conformance to applicable specifications.

“Manufacturing Materials" means such partially completed Products, articles, supplies, materials (including raw materials and works-in-progress), components, assemblies, fabricated or non-fabricated parts, plans, documents, data, studies, surveys, drawings, models, reports, information, technical data, contract rights, including the assignment to Buyer of Seller's subcontracts, and other material that Seller has specifically produced or acquired for its performance under this Order.

“Commercial Contract” means Buyer is purchasing the Products in support of a commercial customer contract or program as opposed to a U.S. Government contract or program.

“Order” means the contracting instrument, including these general terms and conditions, any purchase order, all other referenced documents, schedules, exhibits, and sheets and any subsequent changes or modifications to any of the aforementioned. Order as used in any document constituting this contract shall mean this Contract.

“Party” means either Buyer or Seller. “Parties” means Buyer and Seller collectively.

“Prices” means the amount in total to be paid by Buyer to Seller in accordance with the payment terms.

“Products” means the goods and services ordered under this Order.

“Property” means all tangible Property including material that may be consumed or expended during the performance of a contract.

“Seller” means the other party to this Order.

“Special Tooling” means unique tools, dies, jigs, fixtures, molds, taps, gauges, test equipment, and patters which

Seller may use to perform under the Order.

"Stop Work Order" means a notice from Buyer for Seller to cease its activities hereunder this Order in the magnitude and for the period so specified.

"Subcontractor" means suppliers, subcontractors, and the suppliers and subcontractors of such suppliers and subcontractors which are used in connection with this Order.

"Work" means all activities to be performed by Seller under the Order, including any studies covering fundamental, theoretical, or experimental investigations, the extension of the investigative findings and theories of a scientific or technical nature into practical application, and tangible items furnished to Buyer and any reports, data, computations, plans, drawings, and specifications with respect to any of the foregoing.

1. **ENTIRETY OF AGREEMENT.** This Order constitutes the entire agreement of the Parties and supersedes any and all prior or contemporaneous agreements, understandings, representations, promises, negotiations, or communications, whether oral or written, between the Parties related to the subject matter of this Order. The terms of this Order supersede any previous course of dealing or usage of trade. No amendment, alteration, or modification of this Order shall bind either Party, unless it is in writing and is signed by Buyer's Authorized Representative and Seller's Authorized Representative.

2. **FORMATION OF CONTRACT.** This Order, which incorporates by reference these general terms and conditions and all other terms and conditions set forth in this Order, is Buyer's offer to purchase the Products described in this offer. Seller's acceptance of this Order, with its accompanying terms and conditions, is strictly limited to the terms in this offer, and shall be conclusively evidenced by the earlier of any one the following: (a) Buyer's receipt of Seller's Authorized Representative's signature on the face of the Order, (b) Buyer's receipt of Seller's acknowledgement and acceptance in writing, (c) Seller's commencement of performance, including the purchase of materials, (d) Seller's delivery, in whole or in part, of the Products called for hereunder, or (e) Seller's acceptance of payment for future performance. Buyer will not be obligated in any manner under the Order until Seller has accepted the Order. No term or condition stated by Seller in its acknowledgement or acceptance of this Order shall be binding upon Buyer if in conflict with, inconsistent with, different from, or in addition to the terms and conditions contained herein, unless expressly accepted in writing by Buyer's Authorized Representative. Any reference in this Order to Seller's quotation, bid, or proposal will not be deemed acceptance of any term, condition, or instruction contained in that document.

3. **ORDER OF PRECEDENCE.** Any inconsistencies in the provisions of this Order shall be resolved in accordance with the following descending order of precedence:

   (a) Face of the Order, release document or schedule, and any special provisions therein;
   (b) These terms and conditions;
   (c) Representations and certifications, if any;
   (d) Statement of Work; and
   (e) Drawings.

4. **RESOLUTION OF CONFLICTS AND DISCREPANCIES.** Seller shall comply with this Order as written. In the event of any discrepancies, ambiguities, issues, and/or inconsistencies in the Order, Seller shall clarify and resolve any such discrepancies, ambiguities, issues and/or inconsistencies with Buyer in a timely manner and before proceeding with any Work in question. If Seller determines during the performance of this Order that any portion of this Order is inaccurate, inconsistent, or incomplete, it shall promptly notify Buyer in writing specifying full particulars and request resolution before proceeding with any Work in question. In the event that Seller fails to contract Buyer in a timely manner or proceeds with any Work in question, Seller shall be deemed to have proceeded on its own accord and shall be solely responsible for any errors and associated cost and/or schedule impact resulting therefrom.

5. **WAIVER.** In any one or more instances, Buyer's failure to enforce or insist upon the performance of any of the terms, covenants, or conditions of this Order, to exercise any right hereunder or any election herein provided, or to protest at any time any breach or default hereof shall not be construed as evidence by which to interpret the

terms, covenants, and conditions of this Order, nor as a waiver or relinquishment of the terms, covenants, and conditions of such provisions or the right of the Buyer thereafter to enforce each and every such provision. No waiver of any of the provisions of this Order shall be binding on Buyer unless evidenced by a written change or modification to this Order signed by Buyer's Authorized Representative. Buyer's approval of Seller's design or products shall not relieve Seller of its warranties or any other requirements of this Order. Buyer's waiver of any drawings or specification requirements for one or more Products shall not constitute a waiver of such requirements for the remaining Products unless so stated in writing by Buyer.

Any and all of the rights and remedies conferred upon Buyer under this Order shall be cumulative and in addition to, and not in lieu of, the rights and remedies granted by law. If any provision of this Order becomes void or unenforceable by law, the remaining provisions shall remain valid and enforceable.

6. **APPLICABLE SPECIFICATIONS.** Seller acknowledges that it has available to it all specifications, drawings, data and other documents referenced in this Order and that they are adequate to enable Seller to perform the Work called for herein in accordance with the delivery scheduled. Seller shall make no change in any design, specification, configuration, material, part, manufacturing process, material supplier, or manufacturing location which affects form, fit, function, reliability, or maintainability of Products without the prior written approval of Buyer; changes include, but are not limited to, fabrication, assembly, handling, inspection, acceptance, testing, performance facility relocation, or introduction of a new manufacturer.

Unless otherwise specified in this Order, Seller shall deliver all Products in accordance with the applicable specification, drawing, and referenced standard per revisions in effect at the time of Order issuance. The latest revision of the military, federal, or industry standard specified on the specification or drawing is the standard that shall be used unless otherwise specified. If a specified standard has been cancelled or made obsolete without replacement, it shall continue to be used for procurement, certification, process control, etc., unless specified otherwise. If a specified standard has been superseded (e.g., QQ-P-35 has been superseded by SAE AMS-QQ-P-35 which has been superseded by SAE AMS 2700), the current revision of the superseding standard (e.g., SAE AMS 2700) shall be used. When Seller is unsure of the applicable standard or is unable to comply fully with a specified standard, Seller shall contact Buyer for further direction before proceeding.

7. **PRICING.** Seller will furnish the Products at the prices stated on the face of this Order. The price for each line item, unless otherwise specified, is a firm fixed price and covers all Work required by Seller to satisfy the requirements of this Order. Unless this Order specifies otherwise, Seller's prices shall be inclusive of an and all applicable charges for taxes, insurance, import dues, packaging, freight to the specified delivery point, customs, duties, transportation, and any other fee or expense relating to the provision of Products hereunder.

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

9. **INVOICES.** Seller shall prepare, at time of each product delivery, a separate original invoice for each delivery of Products and shall deliver its invoice to Buyer at the address specified in the Order. Seller shall not invoice Buyer for payment prior to the scheduled delivery date. Incomplete invoices are deemed not received by Buyer. Any incidental charges, such as royalties, selling commissions, non-recurring engineering, or other incidental charges must be separately itemized and identified on the invoice.

Unless otherwise authorized by Buyer's Authorized Representative, the invoice shall include the following information, if applicable, in English: (a) a detailed description of the Products provided and their part numbers; (b) Seller's name and address and, if different, Seller's remittance address; (c) the name of the shipper (if different from Seller) and the mode of transportation; (d) the date and number of this Order; (e) country of export if applicable.

For invoices provided in a paper format, triplicate original copies are required. If Seller's invoice is provided electronically, then it must be in a ".pdf" format with a recognized electronic signature.

10. **PAYMENTS.** Payment due dates, including discount periods, will be computed from the later of (a) the date of receipt and acceptance of the Products at the location Buyer has specified on the face of the Order, or (b) the date that a correct invoice is received. Unless otherwise expressly provided in the Order, terms of payment shall be net forty-five (45) days from the payment due date. Payment shall be made at Buyer's discretion either by bank draft, check or electronic funds transfer. If Buyer makes a payment by check, Buyer's payment shall be deemed to have been made as of the date of mailing Buyer's check.

Seller shall be paid the prices stipulated in the Order for Products delivered, less applicable deductions, if any. Payment of an invoice does not constitute acceptance of the Products and is subject to appropriate adjustment should Seller fail to meet the requirements of this Order.

11. **TAXES.** Unless this Order specifies otherwise, Seller's prices shall be inclusive of any and all applicable international, Federal, state, or local sales taxes, including but not limited to use of excise taxes levied upon or measured by the sale, the sales price, or the use of Products required in the performance of this Order.

The price shall not include any taxes, impositions, charges, or exactions for which an exemption is available to Buyer. Seller agrees to use tax exemption certificates when supplied by Buyer if acceptable to the taxing authorities.

12. **PACKING AND SHIPPING.** Seller shall ensure that all Products are packed, packaged, marked, shipped, and otherwise prepared for shipment in accordance with the requirements specified herein. Unless otherwise specified on the face of this Order, the Products shall be shipped complete, and Seller shall utilize good commercial practices to ensure (a) protection in shipment, storage, and delivery, (b) receipt in an undamaged condition, (c) the lowest transportation rates, and (d) compliance with applicable country, Federal, state, and local laws and regulations.

Unless Buyer specifically instructs otherwise in writing, Seller shall plainly mark all containers, packages, bills of lading, and shipping orders with all necessary lifting, loading, and shipping information required in this Order, including, but not limited to, (a) Buyer's Order number(s), (b) Product part numbers, (c) detailed Product description, (d) total number of boxes in shipment, (e) quantity of Product shipped, and (f) final delivery address. Bills of lading or itemized packing sheets shall accompany each invoice. Buyer's count or weight shall be final and conclusive on shipments not accompanied by a packing list.

For domestic shipments, if requested by Buyer, and for all international shipments, Seller will give notice of shipment to Buyer when the Products are delivered to a carrier for transportation. All Products, unless specifically exempted by the destination country's governing authorities, must be marked with the country of origin (manufacturer) of the Products in a conspicuous place as legibly, indelibly, and permanently as the nature of the container permits.

Unless otherwise provided in the Order, there shall be no charge to Buyer for Seller to meet packing requirements.

Any expense incurred by Buyer for damaged or deteriorated Products resulting from improper preservation, packaging, packing, marking, or method of shipment shall be reimbursed by Seller. No separate or additional charge is payable by Buyer for containers, crating, boxing, bundling, dunnage, drayage, or storage, unless specifically stated herein. Seller shall bear all risk of loss of or damage to Products covered by this Order (a) until delivery of the same to the carrier, if transportation is Free On Board ("FOB") origin (place of shipment), or (b) until acceptance of the same by Buyer, if transportation is FOB destination (place of delivery). Seller shall forward to Buyer, with the invoice, the express receipt of bill of lading, signed by the carrier evidencing the fact that shipment was made,

13. **HAZARDOUS MATERIALS AND WASTE.** The packaging, labeling, handling, and shipping of all hazardous Products must conform with all current federal, state, and local laws and regulations, including carrier regulations. In addition to the application of proper shipping labels on the outside container, each container of hazardous Products shall be marked with the appropriate precautionary label according to the applicable Code of Federal Regulations ("CFR"). Any failure to comply with the above submission requirement shall be grounds for withholding payments otherwise due Seller hereunder.

Prior to shipment of any hazardous material or chemical (as determined by the Occupational Safety and Health Administration ("OSHA") regulation at 29 C.F.R. 1910.1200(d) or Federal Standard No. 313 onto Buyer's property or work sites, Seller shall provide to Buyer one copy of OSHA Form 174, Material Safety Data Sheet or equivalent, for each such material or chemical. The form shall include Buyer's stock number, or the material specification number as defined in this Order and all of the information required by 29 C.F.R. 1910.1200(g).

14. **WOOD PACKAGING MATERIALS.** If this Order involves Products imported into the United States in Wood Packaging Materials ("WPM") such as crates, boxes, pallets, braces, and dunnage, the WPM must conform to the International Plant Protection Convention (IPPC) standard, International Standards for Phytosanitary Measures (ISPM) No. 15.

15. **DELIVERY.** Time is of the essence for any specified performance under this Order. Delivery shall be at the location described in this Order, and delivery shall be complete and strictly in accordance with Buyer's delivery schedule both as to time and quantity. The Products to be delivered hereunder shall consist of new materials (not used or reconditioned). Seller shall submit to Buyer with delivery or performance, for no additional payment, all documents concerning the deliveries and performances, including guarantee certificates, origin and test certificates, instructions for use, mounting instructions, and material and product data sheets.

No products shall be delivered in advance of Buyer's delivery schedule, unless authorized in writing by Buyer's Authorized Representative. Buyer reserves the right to reject, at no expense to Buyer, all or any part of any delivery that varies from the quantity authorized by Buyer for shipment.

Except as expressly stated herein, Seller shall be responsible for any and all delays, and shall be liable to reimburse Buyer all incurred costs and damages caused by delivery failures and delinquencies under this Order. Regardless of the applicable FOB point, Seller agrees to bear all the risks of loss, damages, delay, or destruction of the Products ordered herein which occur prior to acceptance by Buyer, no such loss, damage, delay, or destruction shall release Seller from obligations hereunder.

If Seller's deliveries fail to meet this Order's delivery schedule, Buyer without limiting its other remedies may (a) direct Seller to ship the Products via expedited means to avoid or minimize delay and the difference between expedited and regular routing costs shall be paid by Seller unless Seller's performance is excused under the terms of the Force Majeure clause herein.

In the event of any anticipated or actual delay in the performance of this Order, including but not limited to delays attributed to labor disputes and delays due to a Force Majeure event, Seller shall promptly (a) notify Buyer in writing of the reasons for the delay and the actions being taken to overcome or minimize the delay, (b) provide Buyer with a written recovery schedule, and, (c) if requested by Buyer, ship the Products via air or other expedited routing, at no additional cost to Buyer unless the delay is due to force majeure, to avoid or minimize delay to the maximum extent possible. The notification and the schedule shall be informational only in character and shall not be construed as a waiver by Buyer of any delivery schedule or date, or of any rights or remedies of Buyer under this Order at law or in equity.

Seller agrees to flow this clause down to its Subcontractors and notify Buyer when there are anticipated or actual delays in its subcontracts that could affect performance under this order. Notification shall not be construed to relieve Seller of its obligation to comply with Order delivery requirements.

16. **INSPECTION.** The delivery of the Products in strict accordance with the specifications of this Order is of paramount importance. To assure attainment of this requirement, Buyer shall upon providing reasonable notice to Seller have the right of reasonable access to any area of Seller's premises or the premises of Seller's subcontractors where any part of the Work under this Order is being performed. At no additional cost, all Products shall be subject places. Buyer shall perform inspections, surveillance, and testing so as not to unduly delay the Work. Seller shall, without additional cost to Buyer, provide reasonable assistance for the safety and convenience of Buyer in its performance of such duties. Seller shall at no additional cost to Buyer provide and maintain an inspection and quality control system in accordance with sound business practices and acceptable to Buyer. Seller shall permit Buyer to review procedures, practices, processes, and related documents to determine such acceptability. Seller shall a continuing obligation to notify Buyer promptly of any violation or deviation from Seller's approved

inspection or quality control system and advise Buyer during the period of any such violation or deviation. Records of all inspection work by Seller shall be kept complete and available to Buyer during the performance of this Order and for six (6) years after final payment hereunder.

17. SELLER'S NOTICE OF DISCREPANCIES. Seller shall notify Buyer in writing when discrepancies in Seller's process of Products are discovered or suspected regarding Products delivered or to be delivered under this Order. If the Products contain minor discrepancies which cannot be reworked to conform to this Order's terms, conditions, and specifications, Seller shall report such discrepancies to Buyer as soon as possible for potential inspection of such Products by Buyer. Buyer's inspection of such Products will solely determine the disposition of nonconforming Products and will convey its findings to Seller. Buyer's requirement that Seller report minor discrepancies shall not imply Buyer's willingness to accept any non-conforming Products nor relieve Seller's obligations to perform fully under this Order. Major discrepancies defined as those that adversely affect performance, durability, reliability, interchangeability, weight, health, safety, and maintainability and which cannot be eliminated by re-work will not be considered for Buyer's inspection under this clause and will not be accepted by Buyer.

18. BUYER'S ACCEPTANCE OR REJECTION. Notwithstanding any prior payment, testing, inspection, or passage of title, Buyer's acceptance of Products is subject to its inspection of such Products within a reasonable time after receipt at Buyer's facility or such other place as Buyer may designate in the Order. Buyer may inspect all or a sample of Products, at Buyer's option, and may reject all or any portion of the Products if Buyer determines that they are defective or nonconforming. No inspection, tests, approval, design approval, or acceptance of the Products, failure to inspect or test the Products, or failure to discover any defect or other nonconformance shall (a) relieve Seller of any obligations under this Order, (b) relieve Seller of any warranties or any latent defects, fraud, gross mistake amounting to fraud, or negligence, or (c) impair any rights or remedies of Buyer, including revocation of acceptance.

If Buyer determines that Seller delivered non-conforming Products, Buyer shall, at Seller's expense (including transportation charges, if any, and in addition to any other rights, have the right to: (a)reject the Products and require Seller to promptly correct or replace the Products with Products acceptable to Buyer in accordance with Buyer's instructions, (b) reject and return the Products for credit or refund, and rescind the Order as to the rejected Products, or (c) reject the Products and deduct from the amount due Seller the cost of remedying such defects, including reasonable charges for all materials, time, and labor, or the cost of obtaining replacement Products from another source. Buyer shall also have the right to accept non-conforming Products with an equitable adjustment in price or other consideration, but such acceptance does not release Seller from its warranty or latent defect obligations.

Repair, replacement and other correction, and redelivery, all at Seller's expense, shall be completed as Buyer's Authorized Representative may reasonably direct. Following rejection, Seller shall not deliver corrected or re-worked Products without disclosing the former rejection and corrective action taken. If, after notice of rejection by Buyer, Seller fails to promptly replace or correct defective Products in accordance with Buyer's instructions, Buyer may (a) by contract or otherwise, replace or correct such Products and charge to Seller the cost occasioned by Buyer thereby, (b) without further notice, terminate this Order for default in accordance with the "Termination for Default" clause, or (c) require a reduction in price that is equitable under the circumstances.

In the event the products and/or work are subsequently rejected by Buyer for reasons other than loss or damage caused in transit, title will be delivered from Buyer and will revert immediately to Seller. For any Products that are rejected or for which acceptance is revoked, the quantity under the Order shall be automatically reduced and no substitution or replacement shall be made, unless authorized in writing by Buyer.

19. CHANGES. No change to or modification of this Order will be binding upon Buyer unless in writing, specifically identifying that it is amending this Order, and signed or approved electronically by Buyer's Authorized Representative. Buyer's Authorized Representative may at any time, without notice to sureties, if any, and in writing, direct changes within the scope of this Order, including changes, in whole or in part, to any of the following: (a) technical requirements and descriptions, specifications, statement of Work, drawings, or designs; (b) description of services to be performed; (c) shipping or packing methods; (d) time or place of performance, delivery, inspection, or acceptance; (e) reasonable changes in quantities or delivery schedules; and (f) amount of

Products furnished or to be furnished to Buyer; Seller shall comply promptly with such direction. Except for rights granted to Seller under this clause, a change pursuant to this clause shall not give rise to nor authorize any other modification of or amendment to the terms and conditions of this Order.

If a change to this clause increases or decreases the cost or time required to perform this Order or otherwise affects any other provisions of this Order, the Parties shall negotiate an equitable adjustment in the price or delivery schedule or in such other provisions of this Order as may be so affected to reflect the increase or decrease, and Buyer shall modify this Order in writing accordingly. Seller agrees to provide, at Buyer's request, detailed technical and cost information adequate for Buyer to determine the reasonableness of any cost adjustments.

Unless otherwise agreed in writing, Seller must assert any claim for adjustment under this clause to Buyer's Authorized Representative in writing within twenty (20) days after Seller's receipt of Buyer's directed change to this Order and deliver a fully supported proposal to Buyer's Authorized Representative within sixty (60) days after Seller's receipt of Buyer's directed change to this Order. Buyer if it decides that the facts justify such action, may receive and act upon any such claim asserted at any time. If Seller's proposal includes the cost of Property made obsolete or excess by the change, Buyer shall have the right to prescribe the disposition of such Property. Buyer may examine Seller's pertinent books and records to verify the amount of Seller's claim. Failure of the Parties to agree upon any adjustment shall not excuse Seller from performing in accordance with Buyer's direction.

If Seller considers Buyer's conduct to constitute a change, Seller shall notify Buyer's Authorized Representative immediately in writing as to the nature of such conduct and its effect upon Seller's performance. Pending direction from Buyer's Authorized Representative, Seller shall take no action to implement any such change. Any action taken by Seller in response to any direction which falls within the purview of the "Changes" clause given by an person other than Buyer's Authorized Representative shall be at Seller's own risk.

Buyer's technical personnel may provide written technical direction. However, technical direction and management surveillance shall not impose tasks upon Seller that are additional to or different from the general tasks and requirements established in the Order.

If any technical direction is interpreted by Seller to all within the "Changes" clause, Seller shall not implement such direction but shall notify Buyer's Authorized Representative in writing of such interpretation with ten (10) working days after Seller's receipt of such direction. Such notice shall (a) include the reason upon which Seller bases its belief that the technical direction falls within the purview of the "Changes" clause; and (b) include Seller's best estimate as to revision in estimated cost, fee, performance time, delivery schedules, and any other contractual provisions that would result from implementing the technical direction. If, after reviewing Seller's notice, Buyer's Authorized Representative is of the opinion that such direction is within the purview of the "Changes" clause and Buyer's Authorized Representative considers such changes desirable, Buyer's Authorized Representative will issue unilateral, written direction to proceed pursuant to the authority granted under the clause. Nothing in this clause shall excuse Seller from proceeding with the changes authorized by Buyer's Authorized Representative.

20. STOP WORK ORDER. Buyer may, at any time, by written order to Seller, require Seller to stop all or and part of the Work called for by this Order for a period of up to one hundred (100) days. The written order shall be specifically identified as a "Stop Work Order" pursuant to this clause, and the period, as Buyer may desire, may be extended up to a total of one hundred and eight (180) days. If Buyer desires an additional extension beyond that, the Parties may reach agreement on such an extension. If the Parties are unable reach such an agreement, Buyer shall either (a) cancel the Stop Work Order or (b) terminate the Order as provided in the "Termination for Convenience" clause. If a Stop Work Order is not cancelled and the work covered by this Order is terminated for Buyer's convenience, the reasonable costs resulting from the Stop Work Order shall be allowed in arriving at the termination settlement, provided however, that said adjustment does not exceed the Order price.

Upon receipt of the Stop Work Order, Seller shall immediately comply with its terms and take all reasonable steps to mitigate damages and minimize the incurrence of costs, including but not limited to costs incurred by Subcontractors and stand-by costs, allocable to the Work covered by the Order during the period of Work stoppage. Upon cancellation or expiration of the Stop Work Order. Seller shall immediately resume its obligations under the Order.

For each Stop Work Order, if Seller submits a claim for an equitable adjustment within thirty (30) days after the end of the period of Work stoppage, Buyer shall make an equitable adjustment in Seller's delivery schedule, price, and/or any other provision of the Order that may be affected and shall modify the Order accordingly, provided that if Buyer decides the facts justify such action, Buyer may receive and act upon, in accordance with the "Disputes" clause, any such claim filed at any time prior to final payment under this Order.

21. TERMINATION FOR CONVENIENCE. Buyer may terminate, for its convenience and without cause, all or any part of this Order by issuing a written notice of termination to Seller specifying the extent of termination and the effective date of such termination. In such event, Buyer shall have all rights and obligations accruing to it wither at law or in equity, including Buyer's right to title and possession of the Products and materials paid for, and Buyer may take immediate possession of all Work so performed.

Upon receipt of the notice of termination, Seller shall, except as directed by Buyer, immediately proceed with the following obligations: (a) complete performance of any Work not terminated; (b) undertake to protect and preserve Property in the possession of Seller in which Buyer has an interest; Buyer shall provide Seller a nominal fee for providing this service; (c) cease Seller's activities in a reasonably sound manner and as specified in the notice of termination; (d) place no further subcontracts or orders except as necessary to complete the continued portion of this Order; (e) terminate all subcontracts to the extent that they relate to the Work terminated; (f) undertake any other prudent actions that would mitigate termination expenses; (g) comply with Buyer's instructions in the notice of termination and any subsequent written instructions; and (h) transfer title and deliver to Buyer the Manufacturing Materials and the completed or partially completed plans, drawings, information, and Property that, if the Order had been completed, would be required to be furnished to Buyer. Seller shall be entitled to be paid for delivered and accepted Products, Work in progress, Subcontractor's appropriate expenses, the protection and preservation of Buyer's Property, and a reasonable administrative fee. In no event will Buyer be liable for anticipated profits or unabsorbed overhead or for any sum in excess of the total price of the Order. In the event of a partial termination, Seller shall continue to perform on the unterminated elements of the Order.

After termination, Seller shall submit a final termination settlement proposal for equitable adjustment to Buyer in the form and with the certifications prescribed by Buyer. If the termination is partial, Seller may submit a proposal for an equitable adjustment of the price of the continued portion of the contract. Seller shall submit the proposal promptly, but not later than ninety (90) days calendar days after the date of the notice of termination, unless extended in writing by Buyer's Authorized Representative upon written request of Seller within the 90-day period. If Seller fails to submit the proposal with the time allowed, Buyer may determine, on the basis of information available, the amount, if any, due Seller because of the termination and shall pay the amount determined; such determination shall be conclusive. If Buyer determines that the circumstances justify it, a termination settlement proposal may be received and acted on after the 90 days or any extension.

If Seller timely submits a final termination settlement proposal, Seller and 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 agreed-upon amount may include a reasonable allowance for profit on Work completed; however, the agreed-upon amount may not exceed the total Order price as reduced by (a) the amount of payments previously made and (b) the Order price of Work not terminated. The Order shall be modified and Buyer shall pay Seller the agreed-upon amount. If, within one hundred and twenty (120) days from the date of the termination notice, the Parties fail to agree on the entire amount to be paid because of the termination of Work, Buyer shall pay Seller the amount determined by Buyer to be due Seller, and the failure of the Parties to reach agreement shall be a dispute under the "Disputes" clause. A dispute shall not excuse continued performance on the non-terminated portion of this Order.

Buyer may withhold from the amounts otherwise due Seller for completed Products or manufacturing materials such sum as Buyer determines to be necessary to protect Buyer against loss because of outstanding liens or claims of former lienholders.

22. TERMINATION FOR CAUSE. Buyer may, subject to the foregoing "Termination for Convenience" clause, by written notice of cause to Seller, terminate this Order in whole or in part without granting an extension of time, if Seller fails to: (a) wholly or partially deliver the Products or perform the services within the time specified in this Order or any extension of the Order; (b) make progress, so as to endanger performance of this Order; or (c) perform any of the other provisions of this Order; and in either of these latter two circumstances, does not cure such failure

within ten (10) days (or such longer period as Buyer may authorize in writing) after receipt of the notice from Buyer specifying the failure.

Upon receipt of the notice of termination for cause, Seller shall, except as directed by Buyer, immediately proceed with the following obligations: (a) complete performance of any Work not terminated; (b) undertake to protect and preserve Property in the possession of Seller in which Buyer has an interest; Buyer shall provide Seller a nominal fee for providing this service; (c) cease Seller's activities in a reasonably sound manner and as specified in the notice of termination; (d) place no further subcontracts or orders except as necessary to complete the continued portion of this Order; (e) terminate all subcontracts to the extent that they relate to the Work terminated; (f) undertake any other prudent actions that would mitigate termination expenses; (g) comply with Buyer's instructions in the notice of termination and any subsequent written instructions; and (h) transfer title and deliver to Buyer the Manufacturing Materials and the completed or partially completed plans, drawings, information, and Property that, if the Order had been completed, would be required to be furnished to Buyer. The Parties shall agree on the amount of payment for the protection and preservation of Buyer's Property. In the event of a partial termination, Seller shall continue to perform on the unterminated elements of the Order.

In the event Buyer terminates any or all of this Order for cause, Buyer shall have the right to re-procure, upon such terms and in such manner as Buyer may deem appropriate or expedient, Products similar to those so terminated. Seller shall be liable to Buyer for any excess cost for re-procuring similar Products, as well as for an administrative fee equal to ten percent (10%) of the price (or prorated terminated portion thereof) but not more than $2,500. If Seller disagrees with the amount claimed as excess re-procurement costs, Seller may raise it as an issue in accordance with their rights under the "Disputes" clause.

If this Order is terminated in whole or in part for cause, Buyer, in addition to any rights it may enjoy, shall have right to require Seller to transfer title and deliver to Buyer, in the manner and to the extent directed by Buyer, any usable Manufacturing Materials, whether or not such Manufacturing Materials are in Seller's possession at the time of termination. Buyer shall pay the Order price determined in accordance with the "Termination for Convenience" clause for Manufacturing Materials delivered and accepted by Buyer except that Seller shall not be entitled to profit thereon. Buyer will not require delivery of, accept, nor retain unusable materials or Products and documentation or drawings (for example, Products or materials with major discrepancies) and therefore does not agree to payment for these. Seller agrees that any assistance given it by Buyer on this Order or any acceptance of delinquent or nonconforming Products will be solely for the purpose of mitigating damages; it is not the intention of Buyer to condone any delinquency, waive any defect, or waive any rights Buyer has under this Order.

Buyer may withhold from the amounts otherwise due Seller for completed Products or materials any sum that Buyer determines to be necessary to protect Buyer against loss because of outstanding liens or claims of former lienholders. Any disagreement over money owed shall be in accordance with the "Disputes" clause. Should it be determined that for any reason Seller was in default of this Order or that the default was excusable, then the rights and remedies of the Parties shall be as if the Order had been terminated according to the "Termination for Convenience" clause.

23. OTHER TERMINATION. Seller shall promptly notify Buyer of and Buyer may terminate the whole or any part of this Order by written notice to Seller in the event of (a) suspension of Seller's business, (b) insolvency of Seller, (c) institution of voluntary or involuntary bankruptcy, (d) reorganization arrangement or liquidation proceeding by or against Seller, (e) appointment of a trustee or receiver for Seller's Property or business, (f) any assignment by Seller for the benefit of creditors, or (g) change in control of Seller. Such termination shall be deemed for default and the rights and obligations of the parties shall be determined as provided in the "Termination for Cause" clause.

24. FORCE MAJEURE. Seller shall not be liable to Buyer for delays in performance occasioned by causes beyond Seller's reasonable control and without its fault or negligence, including but not limited to, (a) acts of God or of the public enemy, (b) acts of the government in its sovereign capacity, (c) fires, (d) floods, (e) epidemics, (f) quarantine restrictions, (g) strikes, (h) freight embargoes, (i) unusually severe weather, (j) acts of terrorism, and (k) delays of Seller's suppliers, provided however that the delays of Seller's suppliers are beyond the control of both Seller and its suppliers, Seller and Seller's suppliers are without fault or negligence, and the Products to be furnished by Seller's suppliers were not 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), and shall include in such notice Seller's good faith estimate of the likely duration of the force majeure condition. In all cases, Seller shall use reasonable efforts to avoid or minimize all such delays, including exercising work-around plans or obtaining Products from other sources; otherwise, Seller shall be liable for delays in performance occasioned by such delays. Seller's ability to sell Products at a more advantageous price or Seller's economic hardship in buying materials or processing necessary for manufacture of the Products will not constitute a force majeure event.

If Seller's delivery is delayed due to a force majeure event, Buyer may, at Buyer's sole option, cancel deliveries that had been scheduled during the excusable delay period or elect to extend the period of performance commensurate with the period of delay. If delay due to a force majeure event affects delivery of Products to Buyer, Seller will allocate its available supply of Products in a manner that assures Buyer of at least the same proportion of Seller's total output of Products as was allocated to Buyer prior to the force majeure event.

25. PROPERTY FURNISHED TO SELLER. Any materials, equipment, designs, drawings, tools, or other property (collectively or singularly "Property") furnished by Buyer or specifically paid for by Buyer under the Order, shall remain Buyer's Property, shall only be used in performing orders for Buyer, and Buyer reserves the right to remove any such Property without charge to Buyer. Any such Property the Buyer furnishes to Seller is provided "AS IS" and without express or implied warranty and Seller's use of such Property shall be at its own risk. Seller shall be responsible for risk of loss of furnished Property while in Seller's custody and shall be responsible for its proper maintenance.

26. WORK AT BUYER'S PREMISES. If this Order involves Work by Seller on Buyer's premises or any premises under Buyer's control or responsibility, Seller shall comply with all the rules and regulations established by Buyer for access to, property brought onto, and activities in and around premises controlled by Buyer. Seller shall (a) comply with all workplace safety rules and requirements of the Buyer and those set forth in the laws of the state(s) where this Order is being performed which are in effect on the date of this Order, and (b) take all additional precautions required by Buyer or otherwise necessary for safety and accident prevention purposes or for the preservation of the life and health of the Parties' personnel performing or in any way coming into contact with performance of this Order on Buyer's premises during the progress of such Work, including Buyer's safety training when required at Buyer's discretion. While on Buyer's premises, Seller, Seller's employees, Seller's Subcontractors, and the Employees of Seller's Subcontractors are subject to the applicable rules and regulations governing Buyer's visitors and contractors. Seller shall promptly inform Buyer of any injury, accident, incident, exposure, or damage that occurs on Buyer's premises. Any violation of such rules and requirements, unless promptly corrected as directed by Buyer, shall be considered a material breach of and grounds for termination of this Order in accordance with the Termination for Cause clause herein. Seller engaged personnel, including delivery personnel, may not bring firearms, weapons, cameras, alcohol, illegal drugs, or unauthorized passengers onto any Buyer premises. Seller engaged personnel may not enter areas or perform any work where explosives or other serious hazards are present without Buyer's advance approval.

Seller agrees to save harmless and defend Buyer from and against any and all claims, demands, actions, debts, liabilities, judgments, costs, and attorney's fees arising out of claims on account of, or in any manner predicated upon loss of, or damage to the Property of, the injuries to, or the death of, any or all persons whatsoever, in any manner caused or contributed to by Seller, Seller's Employees, Seller's Subcontractors, or the Employees of Seller's Subcontractors while in, upon or about Buyer's premises, and to indemnify and save Buyer harmless from and on account of damages of any kind which Buyer may suffer as a result of the acts of any of Seller's Employees or Subcontractors in or about the area involved. Buyer reserves the right to participate in the defense of any such claims, demand, and actions.

Prior to the commencement of any Work to be performed under this Order and at any time thereafter before substituting or adding new personnel to work on Buyer's premises, Seller must provide proof of citizenship or immigration status for all of Seller's Employees and the Employees of Seller's Subcontractors who will perform Work at Buyer's premises or will have access to technical data so that Buyer may determine what level of access to Buyer's facilities and technical data is allowed in order to comply with United States law.

27. INFORMATION DISCLOSED TO BUYER. Except for information of Seller which is expressly marked as confidential or proprietary and to which Buyer had agreed prior to the issuance of this Order, or agrees hereafter

in advance of its disclosure to receive pursuant to a mutually executed Proprietary Information Exchange Agreement (PIEA) or Non-Disclosure Agreement (NDA), any knowledge or information which Seller has disclosed or may hereafter disclose to Buyer in connection with the purchase of the Products covered by this Order shall not be deemed to be confidential or proprietary information, and it shall be received by Buyer free from any restrictions regarding its use or disclosure.

28. INFORMATION DISCLOSED TO SELLER. Except in the performance and for the purpose of this Order or under express authorization from Buyer, Seller shall keep confidential, not divulge to or indirectly or directly use for the benefit of any other party, and otherwise protect from disclosure all information, drawings, specifications, data, Property and any derivation therefrom or features thereof (a) obtained from Buyer and marked as confidential and/or proprietary or (b) prepared by Seller in connection with this Order. Except as required for the efficient performance of this Order, Seller shall not make copies or permit copies of such information or Property without prior written consent of Buyer.

Upon Buyer's request, and in any event upon the completion, termination, or cancellation of this Order, Seller shall return all such information and Property to Buyer or make such other disposition thereof as is directed to Buyer. Seller shall not sell or dispose of any scrap or any completed or partially completed or defective proprietary Property before receiving written authorization from Buyer and before rendering such Property unsuitable for use.

Seller will immediately give notice to Buyer of any unauthorized use or disclosure of confidential and/or proprietary information.

This clause shall not apply to information after its entry into the public domain by means other than as a result of a breach of this clause.

Notwithstanding the above, in the event there is an NDA or PIEA in effect between the Parties, the provisions of such agreement shall take precedence and govern the Seller's obligations.

29. PUBLIC RELEASE OF INFORMATION. Seller shall not at any time during or subsequent to performance of this Order, with the prior written consent of Buyer, release the existence of terms of this Order or any information, knowledge, or data (including business, technical, or financial information that are of a proprietary trade secret nature) of any part of the subject matter of this Order that Seller may receive from Buyer during the course of this Order. This includes but is not limited to advertisements, brochures, new releases, photographs, films, public announcements, denial or confirmation of the same, or interviews with news media representatives and the like. This clause shall apply equally to subcontracts and Seller shall include the substance of this clause, including this sentence, in all of its subcontracts. Seller shall be responsible to Buyer for any breach of such obligation by any subcontractor.

30. USE OF BUYER'S NAME. Seller shall not, without first obtaining the written consent of Buyer, use the name of Buyer or Buyer's Affiliates in Seller's advertising, promotion materials, press releases, or other publication or publicity matters whereby Seller expressly or impliedly declares it holds a business relationship with Buyer or Buyer's Affiliates.

31. COMPLIANCE WITH LAWS. In performing under this Order, the Parties shall comply with all applicable statutes, rules, regulations, laws, and orders, including, but not limited to, (a) all applicable laws relating to anti-corruption, including the Foreign Corrupt Practices Act, as amended ("FCPA") (U.S.C. §§78dd-1, et seq.), regardless of whether Seller is within the jurisdiction of the United States, (b) the Fair Labor Standards Act of 1938, as amended, (c) the Walsh-Healy Public Contracts Act, as amended, (d) the Contract Work Hours and Safety Standards Act, and (e) the Occupational Safety and Health Act ("OSHA") of 1970. Seller shall promptly notify Buyer if it becomes aware of any breach of this clause and, if requested, provide Buyer with reasonable assistance to enable Buyer to meet any reporting requirements buyer may have with respect to such laws.

Anti-Trafficking Laws. Seller represents that it shall comply with all applicable laws and regulations prohibiting trafficking in persons and/or the use of forced labor.

Buyer or its authorized representative may at any time audit all pertinent books, records, work sites, offices and

documentation of Seller in order to verify compliance with this clause. Seller will in all its lower-tier subcontracts relating to Buyer's Order include provisions which secure for Buyer all of the rights and protections within this clause.

Whenever Seller has knowledge, whether substantiated or not, that any actual or suspected violation of this clause has occurred, Seller shall immediately provide written notice to Buyer and provide all relevant information. Seller shall cooperate fully during any subsequent investigation of the actual or suspected violation by Buyer or its representative or the cognizant government agency. Such cooperation shall include but not be limited to allowing inspection of its work site, offices, and documentation as necessary to support any investigation.

32. **LIENS.** Seller warrants that there are no liens or property rights of any kind attached upon or against the Order Products, or any part thereof, for or on account of any Work performed, provided, or furnished by Seller pursuant to this Order. If any lien or encumbrance is asserted against these Products, or any part thereof, Buyer shall have the right to discharge the same by filing a bond or security, or in its discretion, by paying the amount of such claims, and in such event, Buyer shall have the right to deduct from the Order price the amount thus paid; if the Order price has already been paid, Seller shall repay to Buyer, upon demand, that amount thus paid by Buyer for the purpose of discharging such lien claim, plus all administrative and legal expenses incurred by Buyer in this claim resolution.

If requested by Buyer, Seller shall furnish all applicable lien waivers, affidavits, or other similar documents relating to the Products under this Order. Seller shall affirmatively notify Buyer of any liens attached upon or levied against Products covered under this Order.

33. **WARRANTIES.** Seller warrants to Buyer and to Buyer's Affiliates that all Products delivered hereunder shall: (a) conform to the applicable specifications, drawings, samples, symbols, or other descriptions specified by Buyer; (b) be merchantable, of good material and workmanship, and free from defects; (c) if provided in accordance with Seller's drawings, specifications, or designs, be fit and sufficient for the purpose intended ; (d) if built to Buyer's specifications, or designs, free from defects and in strict accordance with such drawings, specifications, or designs, (e) be compliant with all requirements of this Order and applicable laws and regulations, (f) be free from any liens, restrictions, reservations, security interests, or encumbrances, (g) consist of new materials, (h) not infringe any patent, published patent application, or other intellectual property rights of any third party existing as of the date of delivery, and (i) not utilize misappropriated third-party trade secret information. Seller further warrants to Buyer this it will perform all services under this Order with the degree of skill and judgment normally provided by providers of similar services and that such services will be performed competently and provided in a workmanlike manner. The foregoing warranties are conditioned on Seller being given notice by Buyer of any warranty defect occurring with thirteen (13) months of Buyer's acceptance of said Products and materials.

If any nonconformity with this warranty appears within twelve (12) months after Buyer's inspection and acceptance of such Products, Buyer may, at its option, either (a) require prompt correction, substitution, repair, or replacement of the defective or non-conforming Products at Seller's expense, (b) return the Products, at Seller's expense, for credit or refund, or (c) accept the non-conforming Products for an equitable reduction in price. The return of defective or non-conforming Products to Seller and the redelivery to Buyer of corrected or replaced Products shall be at Seller's expense. Products required to be corrected or replaced shall be subject to this clause and to the "Buyer's Acceptance or Rejection" clause of this Order in the same manner and to the same extent as Products originally delivered under this Order, but only as to the corrected or replaced part or parts thereof. Even if the Parties disagree about the existence of a breach of this warranty, Seller shall promptly comply with Buyer's direction to (a) repair, rework, or replace the Products, or (b) furnish any materials or parts and installation instructions required to successfully correct the defect or nonconformance. In the event Seller fails promptly to correct or replace as directed by Buyer, in addition to the rights stated above or otherwise, Buyer shall have the right to terminate this Order as provided in the "Termination for Cause" clause. If the Parties later determine that Seller did not breach this warranty, the Parties shall equitably adjust the price.

Warranties shall remain in effect as to the Products furnished, services, and/or repaired under this Order for a period of twelve (12) months from the date of Buyer's acceptance of the Products or the original equipment manufacturer warranty, whichever is longer in duration. The warranty period is extended for the equivalent period of time from the date the Buyer notifies Seller of any defect in the Products through the date the defect is remedied

by Seller, including delivery to Buyer. All warranties shall survive inspection, testing, acceptance of, and payment for the Products.

Counterfeit Parts. Seller also warrants that the Products shall not be Counterfeit. For purposes of this Order, Counterfeit means that a Product: (a) is an unauthorized copy or substitute of a like product from an original equipment or component manufacturer; (b) is not traceable to any original equipment or component manufacturer sufficient to ensure authenticity in the design and manufacture, (c) do no contain proper external or internal materials or components required by the original equipment manufacturer or are not constructed in accordance with the original equipment manufacturer's design, (d) have been reworked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from the original equipment manufacturer's design, but are represented as authentic or new or (e) have not passed successfully all required original equipment manufacturer testing, verification, screening, and quality control processes. Counterfeit Products shall be deemed non-conforming to this Order.

Any hardware, software, and firmware Products delivered under this Order: (a) 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 (1) damage, destroy, or alter any software or hardware, (2) reveal, damage, destroy, or alter any data, (3) disable any computer program automatically, or (4) permit unauthorized access to any software or hardware; (b) shall not contain any third-party software (including software that may be considered free software or open-source software) that (1) may require any software to be published, accessed, or otherwise made available without the consent of Buyer or (2) may require distribution, copying, or modification of any software free of charge; and (c) shall be able to accurately process date and time data (including, but not limited to, calculating, comparing, and sequencing) to the extent that other information technology, used in combination with the information technology being acquired, properly exchanges data with it.

34. **FOREIGN SALES VALUED AT OR ABOVE $500,000.** If the Products provided pursuant to this Order are valued at or above $500,000 and are intended for incorporation in, or use in connection with, military equipment to be used by the armed forces of a foreign government or international organization, Buyer shall so inform Seller. Seller thereafter agrees to promptly notify Buyer in writing if it has made, intends to make, or upon the making, of any payment, loan, or donation intended as a political contribution or as a fee or commission required to be reported under Part 130 or International Traffic in Arms Regulations ("ITAR"), and Seller agrees to include this clause in all subcontracts of $500,000 or more made hereunder.

35. **INSURANCE.** Seller and Seller's Subcontractors shall maintain such public liability insurance, automobile insurance, workers' compensation insurance, and product liability insurance, customary for its industry and as will adequately protect Buyer against damages, liabilities, claims, losses, and expenses, whether or not such damages, liabilities, claims, losses, or expenses occur due to work on or off premises owned or controlled by Buyer. At a minimum, Seller shall maintain General Commercial Liability coverage of $2 Million combined single limit for bodily injury and property damage. Automobile coverage of $2 Million combined single limit for bodily injury or property damage, and Workers Compensation coverage per the amounts specified under state law or laws applicable to Seller. In addition to insurance requirements contained in this Order, Seller shall maintain, in full force and effect, any other insurance as Seller's industry warrants or as is legally required.

Upon request by Buyer, Seller shall promptly furnish to Buyer certificates from Seller's insurers showing such coverage in effect prior to commencing Work on Buyer's Property. Such certificates shall be kept current and incompliance throughout the period when work is being performed and until final acceptance by Buyer. If a self-insurer, Seller will be required to furnish evidence that it has been qualified by the appropriate state insurance department in place of furnishing a certificate of insurance. The certificate of insurance or evidence of qualification shall be filed with Buyer and shall be subject to the approval of Buyer before Work is commenced under this Order shall not constitute a waiver of Seller's or subcontractor's obligations hereunder, and shall be cause for Seller to be declared in default under this Order.

36. **INDEMNIFICATION.** Seller shall, at its expense, defend, indemnify, and hold harmless Buyer, Buyer's Employees, and Buyer's Affiliates from and against any and all losses, costs, expenses, damages, claims, demands, suits, actions, awards, penalties, fines, or liabilities, including reasonable attorney and professional fees and costs, profit disallowed, and the cost of settlement, compromise, judgment, or verdict incurred by or demanded of Buyer,

Buyer's Employees, or Buyer's Affiliates which arise out of, result from, or occur in connection with Seller's, Seller's Employees', Seller's Subcontractors', or the Employees of Seller's Subcontractors' negligence, omissions, willful misconduct, or breach of the terms of this Order, including but not limited to (a) Seller's breach of any warranty contained herein; (b) any claim based on the death or bodily injury to any person, destruction or damage to Property, or contamination of the environment and any associated cleanup costs; (c) any claim by a third party against Buyer alleging that the Products provided under this Order infringe a patent, copyright, trademark, trade secret, or other proprietary right of a third party, whether such Products are provided alone or in combination with other Products.

Seller shall, without limitations as to time, defend, indemnify, and hold Buyer harmless from all liens which may be asserted against Property covered hereunder, including without limitation mechanic's liens or claims arising under workers' compensation or occupational disease laws and from all claims for injury to persons or Property arising out of or related to such Property unless the same are caused solely and directly by Buyer's negligence.

Seller warrants that the sale and use of each and all Products now or hereafter delivered hereunder will not infringe on any U.S. or foreign patent, copyright, trademark, or other proprietary or intellectual property rights. With respect to the Products provided hereunder, Seller shall, at its expense, defend, indemnify, and hold harmless Buyer, Buyer's Employees, and Buyer's Affiliates from and against any and all losses, costs, expenses, damages, claims, demands, suits, actions, awards, penalties, fines, or liabilities, including reasonable attorney and professional fees, profit disallowed, and the cost of settlement, compromise, judgment, or verdict incurred by or demanded from Buyer. Buyer's Employees, or Buyer's Affiliates arising out of, resulting from, or occurring in connection with any actual or alleged: (a) patent, copyright, or trademark infringement; (b) unlawful disclosure, use, or misappropriation of a trade secret; or (c) violation of any other third-party intellectual property right. Seller shall report to Buyer promptly and in reasonable written detail each notice of claim of infringement based upon the performance of this Order to which Seller has knowledge.

In lieu of the foregoing, Buyer may, at its option, procure the right to use said Products, substitute equivalent Products acceptable to Buyer, or modify such Products to render them non-infringing. Seller shall have no obligation to defend a claim or pay any losses to the extent such infringement claim results for, arises out of, or is caused by: (a) the use of Products other than as permitted by this Order; or (b) the use of any Products furnished in combination with other products where the infringement would not have occurred but for such combined use. Should Buyer's or Buyer's Affiliates use any Products purchased from Seller be enjoined, be threatened by injunction, or be the subject of any legal proceeding, Seller shall, at its expense, either (a) substitute fully equivalent non-infringing Products; (b) modify the Products so that they no longer infringe but remain fully equivalent in form, fit, and functionality; (c) obtain for Buyer and Buyer's Affiliates the right to continue using the Products; or (d) if none of the foregoing is possible, refund all amounts paid for the infringing Products.

Prior to service or filing of any significant pleading, motion, brief, discovery, response, or other document on behalf of Buyer, Seller shall provide such documents to Buyer for review and approval. In no event will Seller enter into any settlement without Buyer's prior written consent. Buyer and Buyer's Affiliates may participate in such defense or negotiations to protect their interest. 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.

37. INTELLECTUAL PROPERTY. All inventions conceived, developed, or first produced by or for Seller, either alone or with others, in the course of, as a result of, or derived from any Work performed under this Order and any patents (both domestic and foreign) based on any such inventions, together will all copyrights subsisting therein, shall be the exclusive Property of Buyer. Such inventions include, but are not limited to, all works of authorship, ideas, information, data, designs, discoveries, documents, drawings, improvements, invention (whether patentable or not), know how, samples, software, software documentation, specifications, photographs, processes, video tapes, sound recordings, trade secrets, images, intellectual property, and writings. Buyer's Property rights to such inventions shall include rights to extension, renewal, publication, reproduction, use, license, and exclusion. Seller shall (a) promptly disclose all such inventions to Buyer in written detail, and shall execute all necessary documents to perfect Buyer's title thereto and to obtain and maintain effective protection thereof, (b) cooperate with Buyer and (c) perform all acts necessary or appropriate in connection with the filing, prosecution, maintenance, or assignment of related patents or patent applications to Buyer.

38. **TITLE TO DRAWINGS, SPECIFICATIONS, DATA, AND WORK PRODUCT.** Any Work produced under this Order is to be deemed a work-for-hire and made in the course of services rendered to the extent permitted by law, and, to the extent not so permitted, shall be assigned to and shall be the exclusive Property of Buyer, with the Buyer having the sole right to obtain, hold, and renew, in its own name and for its own benefit, patents, copyrights, registrations, or other appropriate protection. To the extent that exclusive title or ownership rights in such work may not originally vest in Buyer as contemplated hereunder, Seller irrevocably assigns, transfers, and conveys to Buyer all rights, title, and interest therein.

Buyer shall at all times have title to all drawings, specifications, data, and work product generated by Seller under this Order. Seller agrees to use all drawings, specifications, data, and work product generated by Seller under this Order solely in connection with this Order, and shall not disclose such drawings, specifications, data or work product to any person, firm, or corporation other than those Employees of Buyer, Seller, or approved Subcontractors that have a need to know. Seller shall, upon Buyer's request or upon completion of this Order, promptly return or deliver all drawings, specifications, data, and work product to Buyer, together will all copies or reprints then in Seller's possession or control.

39. **EXPORTS AND REGISTRATION.** Seller is responsible for the security and safekeeping of all data, information, hardware, and software received from Buyer and any derivations therefrom (collectively, "technical data"). Seller acknowledges, understands, warrants, and agrees to comply with all applicable U.S. export laws and regulations, including, but not limited to, the U.S. Department of State's International Traffic in Arms Regulation ("ITAR"), and U.S. Department of Commerce's Export Administration Regulations ("EAR"); compliance includes but is not limited to: (a) abiding by export or re-export authorizations and restrictions relating to the data, information, hardware, software, or services covered by this Order, including technical assistance agreements ("TAAs") and all associated provisos; and (b) maintaining valid registration at all times with the Department of State Directorate of Defense of Trade Controls ("DDTC"), pursuant to 22 C.F.R. 122. By acceptance of this Order, Seller represents that it is properly registered with the Directorate of Trade Controls, U.S. Department of State, if it is a provider of defense articles or defense services to Buyer under this Order.

40. **IMPORTS.** Seller assumes all responsibility and liability for any shipments covered by this Order that require U.S. Government import clearance authorizations.

41. **ASSURANCE OF PERFORMANCE.** This Order imposes an obligation on each Party that the other's expectation of receiving due performance will not be impaired.

If Buyer, in its sole discretion, determines that there is significant risk that Seller will fail to meet its performance or delivery requirements under this Order, Buyer may require Seller to perform under a performance assurance plan, which may include specific reporting and performance requirements reasonably tailored to ensure Seller's adequate performance.

42. **DISPUTES.** The Parties will attempt to settle any disagreement between them through frank and open negotiations, which shall include if not resolved at a lower-level direct interaction, by the respective chief executive officers of the Parties. Any disagreement that cannot be settled through negotiations between the Parties shall give rise to dispute, resolution to be achieved through appropriate legal proceedings. The Parties agree that the provisions of this Order shall be interpreted in accordance with its fair meaning and not strictly against either Party. The parties also agree to a federal or state court of competent subject matter jurisdiction in the state of Ohio as the forum for dispute resolution. Irrespective of the place of performance, this Order shall be governed by and construed according to the laws of the state of Ohio. In the event litigation is pursued, the Prevailing Party shall be entitled to recover its reasonable costs and expenses, including, without limitation, its reasonable attorneys' fees.

43. **RELATIONSHIP OF THE PARTIES.** The Parties understand and acknowledge that Seller shall perform under this Order as Buyer's independent contractor and that this Order does not create a joint venture, partnership, franchise, employment, or agency relationship between Seller and Buyer. Neither Party has the authority to obligate or bind the other in any manner, including the ability to purchase Products or equipment, or incur debts, liabilities, or contracts of whatsoever kind; neither Party will make any representations to the contrary. Nothing contained in this Order will give rise or is intended to give rise to rights of any kind to any third parties.

It is further understood, acknowledged and agreed that: (a) the personnel furnished by Seller to perform Work hereunder this Order shall be treated as Seller's Employees exclusively, having no direct relationship whatever with Buyer, and Seller shall have the right to exercise full control over said Employees, including said Employees' employment, direction, compensation, and discharge; (b) said Employees shall be paid by Seller for all services rendered hereunder this Order; (c) Seller shall carry the mandatory minimum workers' compensation insurance; and (d) Seller shall be responsible for all obligations and reports covering social security, unemployment insurance, workers' compensation, income tax, disability insurance, or other employee-related demands as may be required by regulations, ordinances, and local, state or federal law.

44. **ASSIGNMENT, DELEGATION, AND SUBCONTRACTING.** Without Seller's consent and upon written notice to Seller, Buyer may assign to this Order or any of its rights or obligations hereunder to Buyer's Affiliates. Without Buyer's prior written consent, Seller shall not (a) assign (whether voluntary, involuntary, by merger, change of control, consolidation, acquisition, dissolution, operation of law, transfer, or any other manner), subcontract, or delegate any of its rights, duties, or interests, in whole or in part, in this Order, and Seller shall not assign any of the sums due or to become due under this Order. Any attempt to assign, delegate, or subcontract in violation of this clause is void and shall not be binding on Buyer without Buyer's written consent. No assignment, delegation, or subcontracting by Seller, with or without Buyer's consent, shall relieve Seller of any of its obligations under this Order or prejudice any of Buyer's rights against Seller, whether arising before or after the date of any assignment, delegation, or subcontracting. This clause does not limit Seller's ability to purchase standard commercial supplies or raw materials; however, none of the Products to be delivered under this Order shall be acquired by Seller from a subcontractor or third party in completed or substantially completed form without the prior written consent of Buyer.

45. **REMEDIES.** Each of the rights and remedies reserved by Buyer in this Order shall be cumulative and additional to any other or further remedies in law or equity.

46. **NOTICES.** Notices given under this Order shall be either (a) delivered personally, (b) delivered by overnight courier, (c) mailed by certified first class mail, postage prepaid to receiving Party's address as it appears on the face of this Order, (d) sent by facsimile to the facsimile number provided by Buyer or Seller, respectively, or (e) sent by electronic transmission (email) with proof of delivery. Any notice shall be deemed given (a) on the date delivered, if delivered personally, (b) three (3) business days after being placed in the mail, if delivered by mail as specified, or (c) upon confirmation receipt that it was transmitted satisfactorily, if transmitted by facsimile or electronic transmission. Any notice must be acknowledged by the receiving Party within two (2) business days of receipt.

47. **RECORDS RETENTION REQUIREMENTS.** Unless a different period is set forth elsewhere in this Order, Seller shall retain all pertinent books, documents, papers, and records dating back to the time this Order was issued and involving transactions related to this Order for a period of six (6) years after final payment on this Order. Such records shall include, without limitation, catalogs, price lists, invoices, underlying data and basis for cost estimates, and inventory records. At the conclusion of this time period, Seller shall make a written request to Buyer for permission to (a) destroy such records, (b) package and ship same to Buyer, or (c) maintain said records at Seller's facilities, or (d) any combination of the above.

48. **AUDIT RIGHTS.** Seller will maintain suitably detailed records as may be necessary to adequately reflect Seller's compliance with the terms of this Order. Seller will permit Buyer's auditors upon receipt of reasonable advance notice to have access at all reasonable times to Seller's books and other pertinent records and Seller will require each of its Subcontractors to do likewise with respect to their books and records. Seller and each subcontractor will also furnish other information as may be needed by Buyer's Authorized Representatives in auditing compliance.

Buyer may perform audits up to two (2) years following completion of this Order. If, as a result of an audit, any invoice submitted by Seller is found to be in error, an appropriate adjustment will be made to the invoice or the next succeeding invoice following the discovery of the error and will be paid promptly by Seller or Buyer, as the case may be. Seller will promptly correct any other Seller deficiencies discovered as a result of the audit.

49. **ADDITIONAL FLOW-DOWN CLAUSES.** In the event that any clause which is not already incorporated herein is required to be included in this Order by law, regulation, or Buyer's customer contracts, Seller agrees to enter into a modification of this Order to inset the clause or any such clause or requirements. If any such additional clause or requirement causes an increase or decrease in the cost of, or the time required for the performance of, any part of the Work under this Order, an equitable adjustment shall be made in the Order price or delivery schedule, or both, pursuant to the "Changes" clause.

50. **SEVERABILITY.** If any provision of this Order is held to be illegal, invalid, or unenforceable by applicable law, that provision will be severed from this Order, the remaining provisions will remain in full force and effect, and a similar, legal, valid, and enforceable provision will be sustained in lieu of the severed provision.

51. **SURVIVABILITY.** This clause and other clauses of this Order which by their nature should apply beyond this Order's term shall remain in force after any termination, suspension, expiration, or completion of this Order.

52. **HEADINGS AND CAPTIONS.** Headings and captions are for convenience of reference only and do not alter the meaning or interpretation of any provision of this Order.

53. **ERRORS.** Stenographic or clerical errors on the face hereof are subject to correction.

54. **EQUITABLE ADJUSTMENT PRICING.** If required, all Order pricing adjustments shall be based on Seller's costs plus a reasonable profit on such costs. Seller's costs shall be those that are reasonable, allowable, and allocable to the Order under the standards of FAR Part 31 and, if applicable, DFARS Part 231, in effect as of the date of the Order.

55. **REPRESENTATIONS AND CERTIFICATIONS.** The following representations and certifications are material representations relied upon by Buyer in making award to Seller and Seller shall notify Buyer of any change of circumstances during performance under the Order affecting the continuing validity of such representations and certifications made by Seller.

56. **ITAR/FCPA DISCLOSURE CERTIFICATION.** By signing this Order, Seller hereby represents it has not paid, or offered or agreed to pay, or has caused to be paid, or offered or agreed to be paid directly or indirectly, in respect of this Order any political contributions, fees or commissions (as defined in Part 130 of the International Traffic In Arms Regulations ["ITAR"], as amended and/or the Foreign Corrupt Practices Act ["FCPA"], as amended).

Seller further represents that it will not offer, pay, promise to pay, or authorize the payment of money, or offer, give, promise, give, or authorize the giving of anything of value to a Territory official (as defined in the FCPA, as amended), to any Territory political party or any candidate for Territory political office, or to any person, while knowing or being aware of a high probability that all or a portion of such money or thing of value will be offered, given a promised, directly or indirectly, to any Territory official, to any Territory political party or official thereof, or to any candidate for Territory political office, for the purposes of:

(a) influencing any act or decision of such Territory official, political party, party official, or candidate in his or its official capacity, including a decision to fail to perform his or its official functions; or

(b) inducing such Territory official, political party, party official, or candidate to use his or its influence with the Territory government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality, in order to assist Buyer or Seller in obtaining or retaining business for or with or directing business to Buyer or Seller.