

Appendix 'A'

**26TH SERIES
STANDARD PURCHASE ORDER TERMS AND CONDITIONS**

1. Definitions

As used herein "Buyer" means Lockheed Martin Corporation acting through its Aeronautics Material Management Center; "Seller" means the party identified on the face of this purchase order; Except in the term "commercial item" as defined at FAR 2.101 and its plural commercial items, "item" or "items" means all required articles, materials, supplies and services (singular "item," or "item," plural "items," or "items"); "PO" means this purchase order; "Buyer's Authorized Representative" means the person or persons authorized by Buyer to alter, modify or change the provisions of this PO, "Government" means the Government of the United States of America and those authorized or delegated responsibility to act on its behalf," except where specifically stated to be the government of another country; and "Prime Contract" means the Government contract under which this PO is issued. "Commercial Item," "commercial component" "component" and "nondevelopmental item" shall have the meaning as set forth at FAR 52.202-1.

2. Delivery

(a) Delivery shall be made in strict accordance with the terms of this PO.

(b) In the event of termination or change, no claim will be allowed for any manufacture or procurement by Seller in advance of reasonable flow time unless Buyer's prior written consent has been obtained by Seller for such advance manufacture or procurement. Buyer shall have the right to return or store at Seller's expense any Item delivered in advance of the scheduled delivery date specified for such Item unless Buyer has given such prior written consent for such advance delivery.

(c) If, at any time, it appears to Seller that any delivery schedule cannot be met, Seller shall notify Buyer as soon as possible as to the cause or causes thereof; action being taken to remove such cause or causes and when on-schedule status will be achieved. Seller, at its expense, shall take reasonable action necessary, with or without request of Buyer to meet such schedules as set forth herein or to recover to the maximum extent possible any delay caused by Seller in meeting such schedule. Notification given and/or action taken by Seller under this clause shall in no way limit Buyer's rights under other provisions of this PO, at law, or in equity.

3. Variation in Quantity

Items shall not be supplied in excess of quantities specified herein, except for allowed shipping tolerances, if any. Seller shall be liable for handling charges and return shipment costs for any excess quantities; and, unless Seller agrees to pay and does pay such charges and costs within a reasonable time, the over-shipped material will be retained by Buyer at no cost and shall become the property of Buyer.

4. Prices

Unless otherwise specified, prices are F.O.B. destination and shall include all applicable federal, state and local taxes, duties, tariffs, and similar fees imposed by any government. The price includes all charges for boxing, packing, crating, drayage, storage, dunnage, and bundling. Seller warrants that prices charged for Items are not higher than those charged to any other customer, including the Government, for items of like grade and quality in similar or lesser quantities.

5. Invoices, Payments, and Discounts

Unless otherwise provided, terms of payment shall be Net 30 days from the latest of the following:

- (a) Buyer's receipt of Seller's correct invoice,
- (b) Scheduled delivery date, or scheduled completion of performance of the Items; or
- (c) Actual delivery, or completion of performance of the Items.

Buyer shall have a right of setoff against payments due under this PO for any amounts at issue under this PO and/or under other purchase orders between Buyer and Seller.

6. Warranty

- (a) Seller warrants for a period of one year from the date of delivery under this PO that all Items shall be free from defects in material and workmanship and shall conform to applicable specifications, drawings and all other requirements of this PO. If Seller is responsible for the design of the Items, Seller warrants for such period that all Items delivered under this PO shall be free from defect in design, and if Seller is responsible for designing the Items to meet specified performance requirements of Buyer, Seller warrants for such period that all such Items shall be fit and sufficient for the purposes intended by Buyer.

Buyer's approval of designs furnished by Seller shall not relieve Seller of its obligations under this warranty. Seller's warranties, together with its service guarantees, if any, shall run to Buyer and its customers.

- (b) In the event of a breach of any warranty hereinabove set forth, Buyer may require Seller to repair or replace at Buyer's election defective or nonconforming Items. Seller shall be liable for the payment of all packing and transportation costs attributable to the repair or replacement of defective or nonconforming Items.
- (c) If the Items delivered under this PO are, or are to be, incorporated in an end item(s) to be delivered to Buyer's customer(s), Seller's obligation under this clause shall be extended to one year after delivery of such end item(s) to such customer(s).
- (d) Year 2000 compliant, as used in this clause, means that with respect to information technology, that the information technology accurately processes date/time data (including but not limited to, calculating, comparing, and sequencing) from, to, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to the extent that other information technology, used in combination with the information technology being acquired, properly exchanges date/time data with it.

Any and all products provided hereunder will be Year 2000 compliant at the time of delivery to Lockheed Martin Corporation (Lockheed Martin), including but not limited to accurately inputting, storing, manipulating, comparing, calculating, updating, displaying, outputting, and transferring such dates and data unless otherwise expressly provided herein by Lockheed Martin.

This provision takes precedence over all other provisions of this agreement with respect to Year 2000 compliance. In the event of a discovery of any non-compliance, either before, concurrent with, or subsequent to delivery of a good or service under this agreement, the discovering party shall notify the other party within five (5) business days of discovery. If the defective good or service is being presented for acceptance or has already been delivered, at Lockheed Martin's option, the defective good or service shall be repaired or replaced within ten (10) business days of such notice at no cost to Lockheed Martin.

Nothing in this provision shall be construed to limit any other rights or remedies under this contract, at law or in equity that Lockheed Martin may have with respect to Year 2000 compliance.

- (e) The rights and remedies of Buyer provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided at law, in equity, or under this PO.

7. Compliance with Laws and Self Certification

- (a) Seller shall comply with the applicable provisions of all Federal, state, and local laws and ordinances and all lawful orders, rules and regulations promulgated thereunder including without limitation the Arms Export Control Act. Seller agrees to indemnify Buyer against any loss, cost, damage or liability by reason of Seller's violation of this clause.
- (b) Seller warrants that each chemical substance constituting or contained in Items sold or otherwise transferred to Buyer hereunder is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Administration pursuant to The Toxic Substances Control Act (15 U.S.C. Sec. 2601 et seq.) as amended.
- (c) Seller shall provide to Buyer with each delivery any Material Safety Data Sheet applicable to the Items and containing such information as required by the Occupational Safety and Health Act of 1970 and regulations promulgated thereunder.
- (d) This paragraph 7(d) contains certifications and representations that are material representations of fact upon which Buyer will rely in making awards to Seller. By submitting its written offer, or providing oral offers/quotations at the request of Buyer, or accepting any PO, including oral orders from Buyer, Seller represents and certifies as set forth below in this clause. Seller shall immediately notify Buyer of any change of status with regard to these certifications and representations.
 - (1) Previous Contracts and Compliance Reports Seller represents that if Seller has participated in a previous contract or subcontract subject either to the Equal Opportunity clause (FAR 52.222-26) of this solicitation/PO, the clause originally contained in Section 310 of Executive Order No. 10925, or the clause contained in Section 201 of Executive Order No. 11114, (i) that Seller has filed all required compliance reports and (ii) that representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.
 - (2) Affirmative Action Compliance Seller represents (1) that Seller has developed and has on file at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (2) that in the event such a program does not presently exist, Seller will develop and place in operation such a written Affirmative Action Compliance Program within 120 days from the award of this Purchase Order.

8. Responsibility for Property

Unless otherwise specified, Seller shall be liable for any loss or destruction of or damage to property of Buyer; and, Seller shall be responsible for returning any such property in as good condition as when received except for reasonable wear and tear and for the utilization of it in accordance with the provisions of this PO. Upon request of Buyer, such property will be delivered to Buyer at Seller's expense. Seller shall promptly notify Buyer if such property is lost, destroyed or damaged. Title thereto shall not be affected by the incorporation or attachment to any property not owned by Buyer, nor shall any such property, or any part thereof; be or become a fixture or lose its identity as personalty by reason of affixation to any realty. All property of Buyer furnished hereunder to Seller shall be used solely in the performance of this PO unless otherwise specified in writing by Buyer.

9. Special Tooling and Test Equipment

Except as may be otherwise provided for in this PO, jigs, dies, fixtures, molds, patterns, special gages, and other items of special tooling (including software) and special test equipment, shall be furnished by and at the expense of Seller. Special tooling and test equipment shall be kept in good condition by Seller and replaced as necessary by Seller, without expense to Buyer. Title to special tooling and test equipment shall remain in Seller, except that Buyer may, at any time, reimburse Seller for the cost of part or of all special tooling and test equipment, and upon payment therefor shall become the sole owner thereof. Buyer shall at all times have unrestricted access to all such tooling, equipment, and information pertinent thereto for purposes of quality control, evaluation and verification. This paragraph shall not apply to special tooling or special test equipment (as those terms are defined in clauses incorporated by reference in clause 36) that is either provided by the Government or is acquired or fabricated for the Government pursuant to the clauses incorporated by reference in clause 36.

10. Use of Data Furnished by Buyer

The information contained in reports, drawings, documents or other records (information) which are furnished to Seller by Buyer relative to this PO, to the extent that such information is not in the public domain, shall not be disclosed to others, except to subcontractors as necessary for completion of this PO, in which event the subcontractors shall have the same obligation of nondisclosure and restriction on use. Such information shall not be used or reproduced for any purpose whatsoever except in the performance of work under this PO. Upon completion, termination or cancellation of this PO, Seller shall, if requested by Buyer, return all property to Buyer thirty (30) days after the effective date of such completion, termination or cancellation. All such Information furnished to Seller by Buyer and retained by Seller shall remain subject to the foregoing restrictions on use, reproduction and disclosure.

11. Patents, Copyrights, Mask Works and Trade Secrets

Seller agrees to defend, indemnify and hold harmless Buyer, its customers and agents against any liability, including without limitation, costs, expenses and attorney's fees, for or by reason of any actual or alleged infringement of any patent, copyright, mask work or trade secret arising out of the manufacture, use, sale, delivery or disposal of goods furnished under this PO and not attributable to Seller's compliance with Buyer's detail design and stated requirement for a specific structure. Buyer shall notify Seller, as soon as practicable, of any claim of infringement resulting therefrom received by Buyer. In the event of any such claim against Buyer, Seller shall furnish to Buyer, when so notified by Buyer, all evidence and information in the possession of Seller pertaining to such claim. Seller shall provide a written report to Buyer promptly and in reasonable detail, regarding each notice or claim of patent, copyright, mask work or trade secret infringement relating to the performance of this PO of which Seller has knowledge.

The indemnity and hold harmless provisions of this clause shall not be applicable to actual or alleged patent infringements of a United States patent if this PO is issued under a Government prime contract which contains FAR clause 52.227-1, 'Authorization and Consent,' with its Alternate 1. Where payment is made for or results in the performance of experimental, developmental, or research work under this PO, then unless this PO is issued under a Government prime contract, Seller shall disclose and does hereby assign to Buyer all inventions resulting therefrom. Furthermore, Seller shall assist Buyer, to the extent reasonably requested, in securing and defending patent protection thereon, and does grant Buyer the right to use for any purpose all data specified to be delivered hereunder.

12. Patents, Rights in Data, and Computer Software

(a) Clauses Applicable to this PO.

- (1) Subject to subparagraphs (2) through (4), those FAR part 52.227 and DFARS part 252.227 clauses related to patents, rights in data, and computer software that are incorporated in the prime contract(s) under which this PO is issued, are incorporated herein by reference. Such clauses typically include (but are not limited to) DFARS 252.227-7013, -7014, 7015, -7017, -7025, -7026, -7027, -7030, and -7037; the precise clauses to be incorporated in this PO shall be determined based on the clauses incorporated in the prime contract(s) under which this PO is issued. In the event the prime contract(s) include DFARS 252.227-7013 and DFARS 252.227-7015, and the Government will pay any portion of development costs, then DFARS 252.227-7015 will not be incorporated into this PO. The date of each clause thus incorporated in this PO shall be the date of the clause in the prime contract as of the date of this PO.

Seller acknowledges it is been provided the opportunity to examine the clauses thus incorporated in this PO, and is familiar with such incorporated clauses.

- (2) Seller agrees to comply with clauses thus incorporated in this PO as the Contractor." Seller further agrees that, except to the extent Buyer's rights are limited by the terms of an incorporated clause, the rights of the Government in such clauses may also be exercised by or through Buyer, and Government" in such clauses shall be so construed. In DFARS clause 252.227-7013, Contract No." means the prime contract(s) under which this PO is issued and, in the Government Purpose Rights legend and Limited Rights legend, the entries for Contractor" name and address shall be identified as Prime Contractor" and shall mean Buyer" name and address; Seller shall also include an entry for Subcontractor" name and address, which shall mean Seller." In DFARS clause 252.227-7014, Contract No." means the prime contract(s) under which this PO is issued and, in the Government Purpose Rights legend and Restricted Rights legend, the entries for Contractor" name and address shall be identified as Prime Contractor" and shall mean Buyer" name and address; Seller shall also include an entry for Subcontractor" name and address, which shall
 - (3) If this PO is for other than experimental, developmental, or research work, the Patent Rights-Retention by Contractor" clauses do not apply to Seller.
 - (4) When, and to the extent, the clause at DFARS 252.227-7025 entitled, Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends," is applicable to this PO, the term Government" in paragraph (c)(1) of such clause means Government and Buyer.
- (b) Minimum Rights in Data, Computer Software, and Computer Software Documentation.

Rights in technical data, computer software, and computer software documentation shall be as specified in the clauses incorporated by reference through subparagraph (a) or as specified elsewhere in this PO. If, however, neither the clauses incorporated by reference through subparagraph (a) nor other provisions of this PO address the rights to be provided by Seller as to particular technical data, computer software, or computer software documentation, then such technical data, computer software, and computer software documentation furnished by Seller under this PO shall be, at a minimum, provided with the following rights:

- (1) As to other than commercial items: technical data furnished by Seller under this PO shall be provided with "Unlimited Rights" as that term is defined in DFARS 252.227-7013 (June 1995), which is incorporated in this PO by reference for purposes of this subparagraph(b)(1).
- (2) As to other than commercial computer software, and other than commercial computer software documentation: computer software, and computer software documentation furnished by Seller under this PO shall be provided with "Unlimited Rights" as that term is defined in DFARS 252.227-7014 (June 1995), which is incorporated in this PO by reference for purposes of this subparagraph (b)(2).
- (3) As to commercial items: technical data furnished by Seller under this PO shall be provided with at least the rights set forth in subparagraph (b) of DFARS clause 252.227-7015 (Nov 1995), which is incorporated in this PO by reference for purposes of this subparagraph (b)(3).
- (4) As to commercial computer software, and commercial computer software documentation: commercial computer software and commercial computer software documentation furnished by Seller under this PO shall be, at a minimum, provided with the rights customarily provided to the public.

13. Entry on Buyer's Property; Insurance

- (a) In the event that Seller or Seller's employees, subcontractors, or agents enter onto Buyer's premises for any reason in connection with this PO, Seller and the other parties shall observe all security requirements and all plant safety, plant protection, and traffic regulations.
- (b) Seller, and any subcontractors used by Seller in connection with this PO, shall carry Worker's Compensation and Employee's Liability Insurance to cover Seller's and such subcontractors' legal liability on account of accidents to their respective employees. Seller and its subcontractors shall carry adequate Comprehensive General Liability and adequate Comprehensive Automobile Liability Insurance covering the legal liability of Seller and such subcontractors on account of accidents arising out of the operations of Seller or such subcontractors and resulting in bodily injury, including death, being sustained by any person or persons, or in any damage to property. At Buyer's request, Seller shall furnish to Buyer certificates from Seller's and/or its subcontractors' insurers showing such coverage in effect and agreeing to give Buyer ten (10) days' prior written notice of cancellation of such coverage.

14. Amendments Required by the Prime Contract

Seller agrees that upon Buyer's request, it will from time to time enter into amendments of this PO to incorporate additional provisions herein or to change the provisions hereof, as Buyer may reasonably deem necessary in order to comply with the provisions of the prime contract(s) or with the provisions of amendments to the prime contract(s) under which this PO is issued. If any such amendment to this PO causes an increase or decrease in the cost of this PO, or the time required for performance of this PO, an equitable adjustment shall be made in the price or delivery schedule, or both, in accordance with the provisions of this PO's "Changes" clause.

15. Remedies/Waiver

- (a) The rights and remedies provided herein shall be cumulative and in addition to any other rights and remedies provided at law or in equity.
- (b) Failure by Buyer either to enforce at any time the provisions hereof or to protest at any time any breach or default hereof neither shall be construed as evidence to interpret the requirements of this PO, nor as a waiver of the requirements of such provisions, nor of the right of Buyer thereafter to enforce each and every such provision. Buyer's approval of documents shall not relieve Seller from compliance with specifications related to this PO.

16. Assignment

Seller shall not assign any of its rights under this PO without the prior written consent of Buyer, except that claims for monies due or to become due under this PO may be assigned to a bank, trust company or other financing institution, including any Federal lending agency, by Seller without such consent. Seller shall furnish Buyer with two signed copies of any such assignment. Payment to an assignee of any such claim shall be subject to set-off or recoupment for any present or future claim or claims which Buyer may have against Seller. Buyer may make direct settlements or adjustments in price, or both, with Seller under the terms of this PO notwithstanding any assignment of claims for monies due or to become due hereunder and without notice to the assignee.

17. Ozone Depleting Substances (ODS)

If Seller has not obtained specific authorization from Buyer or the Government to continue the use of Class I Ozone Depleting Substances (ODS), then Seller shall notify Buyer if any of such ODS are required in the performance of this PO or will be delivered as part of the Item(s) under this PO.

18. Rescission, Adjustment or Termination for Illegal or Improper Activity

- (a) In the event the Government takes action pursuant to FAR 52.203-8 entitled "Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity" to cancel the solicitation or rescind the prime contract to which this PO relates, and such action results from Seller's violation of subsection (a), (b), (c) or (d) of the Office of Federal Procurement Policy Act (41 U.S.C. 423) (the Act) as amended by section 4304 of the National Defense Authorization Act for Fiscal Year 1996 (Pub. L. 104-106), Buyer may (1) rescind this PO; (2) recover from Seller all amounts paid by Buyer to Seller in connection with this PO; (3) recover from Seller any amounts, including any penalty prescribed by law, which Buyer is required to pay to the Government; and (4) recover from Seller any other costs, expenses, liabilities, incurred by Buyer in connection with Seller's violation of the Act.
- (b) Seller agrees to pay Buyer the amount Buyer's price or fee is reduced by the Government pursuant to FAR clause 52.203-10, entitled "Price or Fee Adjustment for Illegal or Improper Activity," to the extent such reduction results from Seller's violation of the Act, as amended (41 U.S.C. 423), and as implemented in the FAR. In the event the Government terminates for default any of Buyer's prime contracts under which this PO is issued, as a result of Seller violation of the Act, Buyer shall have the right to terminate this PO for default in whole or in part.
- (c) Buyer's rights and remedies under this clause shall be in addition to any other rights and remedies provided by law, regulation, or under this PO.

19. Consideration

Seller shall, for the consideration hereinafter mentioned and within the time specified, accomplish all required services, testing, manufacturing and other work; deliver to Buyer the Items provided for in this PO; and grant to Buyer the right to exercise the options, if any, provided for in this PO.

20. Technical Surveillance

Buyer and authorized representatives of Buyer's customers shall have direct access to all areas of Seller's and Seller's subcontractors' plants where work is being performed in connection with any Item to be delivered under this PO, to review progress and witness testing of such Items. Seller shall include this clause in all of Seller's subcontracts under this PO.

21. Governing Law

This PO shall be construed, interpreted and applied in accordance with the Federal law of Government contracts as enunciated and applied by Federal

judicial bodies and boards of contract appeals. To the extent that the Federal law of Government contracts is not dispositive, if this PO specifies that the Items furnished hereunder are to be delivered directly to or performed at or on behalf of a specified Buyer facility, the laws, excluding choice of state law rules, of the state where such Buyer's facility is located shall apply. For Items neither delivered directly to nor performed at or on behalf of a specified Buyer facility, the laws of the state of Texas, excluding choice of state law rules, shall apply.

22. Acceptance of Order

This PO is the entire agreement between the Buyer and Seller in respect of the subject matter of this PO and is subject to the terms and conditions herein. This PO supersedes all communications, representations and agreements, oral, and written, between Buyer and Seller in respect of the subject matter of this PO. Either: (a) acknowledgment of this PO, (b) furnishing of Items under this PO, (c) acceptance of payment under this PO, or (d) commencement of performance of this PO, shall constitute Seller's unqualified acceptance of this PO. Additional or differing terms or conditions proposed by Seller or included in Seller's acknowledgment hereof shall be void and have no effect unless accepted in writing by Buyer.

23. Packing, Shipment and Shipping Instructions

- (a) Unless otherwise specified by Buyer, Seller shall assure that all packing and packaging shall comply with good commercial practice and applicable carrier's tariffs. The use of commercial practices shall not relieve Seller of responsibility for packaging in a manner that will insure receipt of Items in an acceptable condition at the destination specified in this PO.
- (b) Seller shall ensure the packaging, labeling and shipping of all HAZARDOUS SUBSTANCES including DANGEROUS MATERIALS, conforms with all applicable international, federal, state and local laws and regulations.
- (c) Seller shall mark on the outside of each exterior container: (i) the PO number(s) or numbers of the Items packed in that container; (ii) the sequence and quantity of each exterior container in each shipment (such as 1 of 3); (iii) the bill of lading/express receipt number. If shipments against more than one purchase order are packed in one exterior container, mark each intermediate container with its applicable purchase order number.
- (d) Seller shall properly describe Seller's Less than Truckload shipments in accordance with the National Motor Freight Classification to insure the correct classification rate. Include this PO number on all carrier bills of lading and shipping labels. Combine on the same bill of lading, all shipments consigned to the same Buyer address and ship on the same day. No C.O.D. (Collect on

Delivery) shipments will be received by Buyer. There shall be no deviation from these routing instructions unless such deviation is approved prior to shipping by Buyer's Authorized Procurement Representative or Buyer's Traffic Department.

- (e) No material or supplies purchased, manufactured or otherwise acquired for use in the performance of or to be delivered under this PO shall be transported on vessels, aircraft or other carriers leased to or from, owned, operated, or controlled by any prohibited country identified in the International Traffic in Arms Regulations (ITAR), 22 CFR 126.

No vessels, aircraft, or other carrier, while carrying any such material or supplies, shall make an enroute stop in any prohibited country identified in the ITAR, 22 CFR 126. Seller shall insert the provisions of this paragraph (e) in all subcontracts hereunder.

24. Public Release of Information

No public release (including, without limitation, news releases, articles, manuscripts, brochures, advertisements, still and motion pictures, speeches, trade association meetings, symposia, photographs, films, announcements, discussions, denials or confirmations of same) regarding any part of the subject matter of this PO or any phase of any program hereunder shall be made without the prior written approval of Buyer. Seller agrees that for every instance, if any, where Buyer provides such prior written approval, Seller, in any resulting release, shall include information, if any, provided by Buyer stating which Government agency sponsors or sponsored the related project or effort.

25. Disputes

Except as otherwise provided in this PO, Buyer and Seller shall have the right to redress any dispute arising under or related to this PO, which is not disposed of by agreement, by pursuing any right or remedy which Buyer or Seller, as the case maybe, may have at law, or in equity, or under this PO in any United States court of competent jurisdiction. Pending resolution of any dispute, Seller shall proceed diligently with the performance of work, including the delivery of Items in accordance with Buyer's direction. Upon resolution of any such dispute, this PO shall be equitably adjusted, if necessary, to reflect such resolution.

26. Severability of Provisions

Any provision of this PO that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, and shall be unenforceable in that jurisdiction without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provisions in any other jurisdiction.

27. Contractual Commitments

The parties agree that there shall be no adjustment in the price, time for performance or any other provision of this PO unless Buyer's authorized representative shall have issued a written order directing a change hereto.

28. Notification of Changes

- (a) Only Buyer's Authorized Representative may direct or redirect Seller's effort hereunder. In the event, however, Seller considers any conduct including any action, inaction, written or oral communication by Buyer or Buyer's customer to constitute a change to this PO, other than a written change order issued by Buyer's Authorized Representative, Seller shall notify Buyer as soon as possible but in no event later than fifteen (15) days from the date Seller identifies the conduct considered to constitute a change to this PO. On the basis of the most accurate information available to Seller, the notice shall state: (1) the date, nature and circumstances of the conduct regarded as a change; (2) the name, function, and activity of each Buyer employee, customer employee and Seller employee involved in or knowledgeable about such conduct; (3) the identification of any documents and the substance of any oral communication involved in such conduct; (4) the particular elements of contract performance which Seller considers to be affected by the conduct, including an estimate of any cost or schedule impact; (5) Seller's estimate of the time by which Buyer must respond to Seller's notice to minimize cost, delay or disruption of performance.
- (b) Seller shall take no action in reliance on the conduct considered to constitute a change unless and until Buyer's Authorized Representative issues a written change order covering the conduct in question.

29. Change and Follow-On Proposals

Circumstances may arise during the course of performance under this PO where Buyer may request Seller to submit to Buyer technical and cost proposals relating to (1) anticipated changes or modifications to this PO prior to the implementation of a change or modification under the Changes clause of this PO, or (2) potential follow-on POs for the Items furnished hereunder. In such cases, Seller agrees to furnish to Buyer a technical and/or cost proposal as requested within thirty (30) days of the request. Seller agrees to furnish current information to Buyer in sufficient detail for Buyer to determine price reasonableness and cost realism. Information furnished by Seller shall be submitted in the manner and in the detail specified in the pricing instructions included in Buyer's request for proposal.

30. Offset/Countertrade Cooperation

Buyer is currently involved in a number of foreign offset/countertrade arrangements in various foreign countries in connection with the sale of Buyer's products to foreign countries. All offset or countertrade credit value resulting from this PO shall accrue solely to the benefit of Buyer for its use on the offset/countertrade program of Buyer's choice. Seller agrees to cooperate with Buyer in the fulfillment of such foreign offset/ countertrade obligations which Buyer may have undertaken or may undertake in the future. In the event Seller solicits bids, procures or offers to procure any goods or services relating to the work to be performed under this PO, Buyer shall be entitled, to the exclusion of all others, to all offset credits or other similar benefits which may result from such activity. In addition, Seller agrees to provide to Buyer, at no additional cost, a report every six months during the performance of this PO summarizing by country Seller's lower tier proposal and procurement activity related to this PO.

31. Notification of Debarment/Suspension Status

Seller shall provide immediate notice to Buyer in the event of being suspended, debarred, proposed for debarment or declared ineligible for the award of contracts, by any Federal Agency, during the performance of this PO.

32. Incorporation of Certifications and Representations

All certifications and representations provided by Seller to Buyer in connection with this PO and the solicitation to which this PO relates are incorporated herein by this reference. Seller acknowledges that Buyer has relied on such certifications and representations in making the award of this PO.

33. Lower-Tier Subcontracts

- (a) Notwithstanding any other provision of this PO, Seller shall not procure any of the completed or substantially completed Items described herein from any other party, by subcontract or otherwise, without the prior written consent of Buyer.
- (b) To the maximum practical extent, Seller shall select subcontractors on a competitive basis for work subcontracted in connection with this PO.
- (c) In the event Seller contemplates making an award to a lower-tier subcontractor which is a foreign concern, or a domestic concern where any defense articles or technical data may be disclosed to foreign nationals, Seller shall ensure that all necessary US export licenses are obtained prior to the transfer of any defense articles or technical data or other information to the prospective lower tier subcontractor.

34. Indemnity/Commercial Items

This clause applies only to the portion, if any, of this PO as is for the purchase of a commercial item(s) as such term - "Commercial item"- is defined at FAR 2.101. In the event Buyer is subject to any liability, damage, or expense, including without limitation Government withholding of payments, due to a finding or determination by the Contracting Officer that an item designated herein as a commercial item is not a commercial item, then Seller agrees to indemnify and hold Buyer harmless to the full extent of any such liability, damage, or expense resulting in whole or in part from such finding or determination.

Additionally, in the event of such finding or determination, the clauses of FAR II Part A, DFARS II Part A, and the applicable CAS Appendix (Appendices J, K or L), if any, as is determined to be applicable pursuant to appropriate regulations, shall be applicable as of the effective date of this PO.

35. English Language Requirement

All deliverable documents will be in the English language. An English language speaking person shall be provided during any in plant visits, inspections, reviews, audits, and other similar activities to facilitate communications and ensure mutual understanding.

36. Compliance with Regulations

The following Federal Acquisition Regulation (FAR) and DoD FAR Supplement (DFARS) clauses are incorporated herein by reference, subject to the modifications/applications indicated and the following definitions: "Contract" means this PO; "Contractor" means Seller; and "Subcontractor(s)" means Seller's subcontractor(s). Except as may be otherwise specifically set forth herein; (A) the FAR clauses applicable to this PO are those set forth in the (i) FAR I listing for the portion, if any, of this PO, as is issued under a prime contract having an effective date before October 1, 1995; and, (ii) FAR II listing for the portion, if any, of this PO, as is issued under a prime contract (a) having an effective date on or after October 1, 1995, or (b) listed under the heading "Prime Contracts – FASA ADDED" at the end of this Clause 36; and, (B) the DFARS clauses applicable to this PO are those set forth in the (i) DFARS I listing for the portion, if any, of this PO, as is issued under a prime contract having an effective date before October 1, 1995; and (ii) DFARS II listing for the portion, if any, of this PO, as is issued under a prime contract (a) having an effective date on or after October 1, 1995, or (b) listed under the heading "Prime Contracts – FASA ADDED" at the end of this Clause 36. For the FAR II and DFARS II listings, except where a date is provided, the FAR and DFARS clauses are those in effect as of the date of this PO, or, if no such clause is in effect as of the date of this PO, then such clause as was most recently in effect.

The prime contracts listed under the heading Prime Contracts – FASA ADDED”are dated prior to October 1, 1995, but, due to prime contractual modifications, have been changed to include certain FAR and DFARS clauses having an effectivity of October 1995 or later.

Buyer and Seller agree that they intend for the clauses thus incorporated to establish obligations on Seller as a subcontractor to Buyer, including without limitation those obligations on Seller which are necessary to permit Buyer to comply with its obligations to the U.S. Government under Buyer’s prime contract(s).

<u>FAR I</u>	<u>TITLE</u>
52.203-6	Restrictions on Subcontractor Sales to the Government (JUL 1985).
52.203-7	Anti-kickback Procedures (JUL 1995) - If this PO exceeds \$100,000. Delete paragraph (c)(1). In paragraph (c)(2), sentence two, insert Buyer and to”after the sixth word fo.” In paragraph (c)(3), insert Buyer and”after the sixth word with.” Add the following to the end of paragraph (c)(4): In addition to any other remedies which the Buyer has at law, in equity, or under this PO, Buyer shall have the right to withhold from Seller the amount, if any, that the Contracting Officer directs Buyer to withhold from Seller.”
52.203-12	Limitation on Payments to Influence Certain Federal Transactions (JAN 1990) - If this PO exceeds \$100,000. Change the beginning of paragraphs c(1) and c(2) to read: Seller shall file with Buyer a disclosure form...,” and such person”means Seller.
52.204-2	Security Requirements (APR 1984) - If access to classified material is required.
52.204-4	Printing/Copying Double-Sided on Recycled Paper (MAY 1995).
52.208-1	Required Sources for Jewel Bearings and Related Items (APR 1984) - Contracting Officer”and contract administration office”mean Buyer in paragraph (d).
52.210-7	Used or Reconditioned Material, Residual Inventory, and Former Government Surplus Property (APR 1984) - Contracting Officer”means Buyer.
52.211-5	New Material (MAY 1995) - Contracting Officer” and Government”mean Buyer in the last two sentences.
52.212-8	Defense Priority and Allocation Requirements (SEP 1990).
52.212-13	Stop Work Order (AUG 1989) - Contracting Officer” and Government”mean Buyer.

- 52.215-1 **Examination of Records by Comptroller General (FEB 1993)** - If this PO exceeds \$10,000.
- 52.215-2 **Audit - Negotiation (FEB 1993).**
- 52.215-22 **Price Reduction for Defective Cost or Pricing Data (JAN 1991)** - In paragraph (a)(2), "subcontractor" means Seller or Seller's subcontractors, and "Contractor" means Buyer. If Buyer is subject to any liability or expense, including without limitation Government withholding of payments, as the result of: 1) Seller's or its lower-tier subcontractors' submission and/or certification of alleged or actual defective cost or pricing data, as set forth in this clause and in FAR 52.215-23; or 2) their furnishing, as prospective subcontractors, alleged or actual defective cost or pricing data, which data was certified or required to be certified by Buyer to be accurate, complete and current as of the date of final price agreement given on Buyer's Certificate of Current Cost or Pricing Data, and which data Seller was given timely notice by Buyer to furnish and/or update prior to such date of Buyer's final price agreement; or 3) the Government Contracting Officer's rejection of Seller's or Seller's lower-tier subcontractor's claim for exemption from submission of certified cost or pricing data on the basis that the price offered by the Seller or lower-tier subcontractor is based on an established catalog or market price of a commercial item sold in substantial quantities to the general public, is a price set by law or regulation; or, on any other basis set forth in FAR 15.804-3 or other pertinent law or regulation; or 4) their furnishing data of any description that is allegedly or actually inaccurate as set forth in this clause and in FAR 52.215-23; then, Seller agrees to indemnify and hold Buyer harmless to the full extent of any damage or expense resulting from such action.
- 52.215-23 **Price Reduction for Defective Cost or Pricing Data - Modifications (NOV 1994).**
- 52.215-24 **Subcontractor Cost or Pricing Data (NOV 1994).**
- 52.215-25 **Subcontractor Cost or Pricing Data - Modifications (NOV 1994).**
- 52.215-26 **Integrity of Unit Prices (APR 1991), with its Alternate I (APR 1991)** - Delete paragraph (c).
- 52.215-27 **Termination of Defined Benefit Pension Plans (SEP 1989)** - If this PO requires certified cost or pricing data and any preaward or postaward cost determinations will be subject to FAR 31.2. "Government" means Government and Buyer.

- 52.215-39 **Reversion or Adjustment of Plans for Postretirement Benefits Other Than Pensions (PRB) (FEB 1995)** - If this PO requires certified cost or pricing data or if any preaward or postaward cost determinations will be subject to FAR subpart 31.2.
- 52.215-40 **Notification of Ownership Changes (FEB 1995)** - If this PO meets the applicability requirements of FAR 15.804-8(g).
- 52.219-8 **Utilization of Small Business Concerns and Small Disadvantaged Business Concerns (FEB 1990)** - If this PO offers further subcontracting opportunities, or exceeds \$500,000.
- 52.219-9 **Small Business and Small Disadvantaged Business Subcontracting Plan (FEB 1995)** - If this PO contains the clause at FAR 52.219-8. "Contracting Officer" means Buyer in the first sentence of paragraph (c).
- 52.219-13 **Utilization of Women-Owned Small Businesses (AUG 1986)** - If this PO exceeds \$2,500, except subcontracts to be performed entirely outside the U.S. and its territories and possessions, and subcontracts for personal services.
- 52.220-3 **Utilization of Labor Surplus Area Concerns (APR 1984)** - If this PO exceeds \$2,500, except subcontracts with foreign contractors that are to be performed entirely outside the U.S. and its territories and possessions, subcontracts for personal services, and subcontracts with the petroleum and petroleum products industry.
- 52.220-4 **Labor Surplus Area Subcontracting Program (APR 1984)** - If this PO exceeds \$500,000. "Contracting Officer" means Buyer.
- 52.222-1 **Notice to the Government of Labor Disputes (APR 1984)** - "Contracting Officer" means Buyer.
- 52.222-4 **Contract Work Hours and Safety Standards Act - Overtime Compensation (JUL 1995)** - Add the following: (f) Buyer shall have the right at its election either to withhold or to recover from Seller such sums as the Contracting Officer withholds or recovers from Buyer because of liabilities of Seller or its subcontractors under this clause."
- 52.222-20 **Walsh Healy Public Contracts Act (APR 1984)** - If this PO exceeds \$10,000.
- 52.222-21 **Prohibition of Segregated Facilities**
- 52.222-26 **Equal Opportunity (APR 1984).**
- 52.222-35 **Affirmative Action for Special Disabled and Vietnam Era Veterans (APR 1984)** - If this PO exceeds \$10,000.
- 52.222-36 **Affirmative Action for Handicapped Workers (APR 1984)** - If this PO exceeds \$2,500.

- 52.222-37 **Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era (JAN 1988)** - If this PO is for \$10,000 or more.
- 52.223-2 **Clean Air and Water (APR 1984).**
- 52.223-3 **Hazardous Material Identification and Material Safety Data (NOV 1991)** - "Government" means Buyer or the Government.
- 52.223-7 **Notice of Radioactive Materials (NOV 1991)** - "Government" means Buyer or the Government. In paragraph (a), "Contracting Officer" means Buyer.
- 52.223-11 **Ozone - Depleting Substances (JUN 1996).**
- 52.223-14 **Toxic Chemical Release Reporting** - If this PO was awarded on the basis of competition and exceeds \$100,000, including the value of all options. Delete paragraph (e).
- 52.225-10 **Duty-Free Entry (APR 1984)** - Except where noted herein, "Contracting Officer" and "contract administration office" mean Buyer, and "foreign" means non-U.S. In Paragraph (b)(1), change "20 days" to "30 days," and "contract" means the prime contract(s). In Paragraph (b)(2), delete the fifth word "determines" and substitute the words "has been notified" in lieu thereof. In Paragraph (d), "Contracting Officer" means Contracting Officer, and "this contract" means the prime contract(s). In Paragraph (e), "this contract" means the prime contract(s), and "Contracting Officer" means Contracting Officer. In Paragraph (h), "contract administration office" means contract administration office, and "Contracting Officer" means Contracting Officer.
- 52.225-11 **Restrictions on Certain Foreign Purchases (MAY 1992).**
- 52.228-3 **Workers' Compensation Insurance (Defense Base Act)** - If the Defense Base Act applies to this PO.
- 52.228-5 **Insurance - Work on a Government Installation (SEP 1989)** - If work is to be performed on a Government installation.
- 52.229-3 **Federal, State and Local Taxes (JAN 1991)** - "Government" and "Contracting Officer" mean Buyer.
- 52.229-6 **Taxes - Foreign Fixed-Price Contracts (JAN 1991)** - The FAR takes cognizance of the fact that Tax Agreements have been entered into between the United States Government and the Consortium Countries (Belgium, Denmark, the Netherlands and Norway) under which United States expenditures for the common defense are exempt taxes and duties of the Consortium Countries in which such expenditures are made. In accordance with and subject to the above clause, Seller has not included any allowance for such aforementioned taxes and duties in the PO price. In addition, the PO prices herein contain no allowance for any

other taxes or duties applicable to this PO which may be levied or assessed by any governmental agency or taxing authority outside the United States. In the event that Seller or any subcontractor hereunder is required to pay or bear the burden of any other such taxes or duties, the PO price herein shall be correspondingly increased.

- 52.233-3 **Protest After Award (AUG 1989)** - Add "Prime" before "Protest." "Contracting Officer" and "Government" mean Buyer.
- 52.234-1 **Industrial Resources Developed Under Defense Production Act Title III (FEB 1995)** - "Contracting Officer" means Buyer.
- 52.242-12 **Report of Shipment (REPSHIP) (DEC 1989).**
- 52.243-1 **Changes - Fixed Price (AUG 1987)** - "Contracting Officer" and "Government" mean Buyer.
- 52.244-5 **Competition in Subcontracting (APR 1984).**
- 52.245-2 **Government Property (Fixed-Price Contracts) (DEC 1989)** - "Government" means Buyer except 1) in the terms "Government-furnished property" and "Government property," 2) the second time it appears in Paragraphs (b)(1)(ii), 3) in Paragraph (c)(1), 4) in Paragraph (f), and 5) in Paragraph (j) and subparagraph (j)(1), "Government" means Government or Buyer. The fourth sentence of paragraph (h) is changed to read: "Neither the Government nor the Buyer shall be liable..."
- 52.245-17 **Special Tooling (DEC 1989)** - Applicable to the extent special tooling, as defined in this clause, is acquired or fabricated by Seller for the Government or furnished by the Government (directly or through Buyer) for use in connection with and under the terms of this PO. "Contracting Officer" means the cognizant U.S. Government Contracting Officer, but Seller acknowledges actions of the Contracting Officer may be performed through Buyer as directed by this Contracting Officer.
- 52.245-18 **Special Test Equipment (FEB 1993)** - "Contracting Officer" means the cognizant U.S. Government Contracting Officer, but Seller acknowledges actions of the Contracting Officer may be performed through Buyer as directed by the Contracting Officer.
- 52.246-2 **Inspection of Supplies - Fixed-Price (JUL 1985)** - "Contracting Officer" means Buyer. "Government" means Buyer except that the first time it appears in the first sentence of Paragraph (b) and in the fourth sentence of Paragraph (b), and throughout (c) and (d), it means Buyer and the Government (provided, however, that an inspection system accepted by the Government will be deemed acceptable to the Buyer), and the first time it appears in Paragraph (k), it means Government or Buyer. The

provisions in the clause for access, rights to inspect, safety protection, and relief from liability apply equally to Buyer and the Government.

- 52.246-23 **Limitation of Liability (APR 1984).**
- 52.246-25 **Limitation of Liability - Services (APR 1984)** - If this PO is over \$25,000.
- 52.247-63 **Preference for U.S.-Flag Air Carriers (APR 1984)** - If this PO involves international air transportation.
- 52.247-64 **Preference for Privately-Owned U.S. - Flag Commercial Vessels (JUL 1995)** - If this PO exceeds \$25,000.
- 52.248-1 **Value Engineering (MAR 1989)** - Contracting Officer"means Buyer, except in Paragraph (j), sentence 3, where it means Contracting Officer. "Government" means Buyer in Paragraphs (e)(1), (e)(2), (g)(4), and (l)(4), and means Government and Buyer in the first sentence of Paragraph (m), and in sentence 2 of the legend. Replace the share percentage figures in Paragraphs (f) and (j) with those the parties agree to.
- 52.249-2 **Termination for Convenience (Fixed-Price) (APR 1984)** - "Government"and "Contracting Officer"mean Buyer, except in Paragraph (m), where they mean Government and Contracting Officer, respectively. In Paragraph (c), the term "45 days" is changed to "90 days." The term "1 year" in Paragraph (d) is changed to "6 months."
- 52.249-8 **Default (APR 1984)** - "Government"and "Contracting Officer" mean Buyer, except in paragraph (c), where they mean Government and Contracting Officer, respectively.

FAR II

TITLE

Part A

The clauses listed in this FAR II, Part A, are not applicable to the portion, if any, of this PO which is for a commercial item(s) as described in FAR 2.101. However, no item purchased under this PO shall be regarded as a commercial item(s) unless it is specifically so designated in this PO

- 52.203-6 **Restrictions on Subcontractor Sales to the Government** - If this PO exceeds \$100,000.
- 52.203-12 **Limitation on Payments to Influence Certain Federal Transactions** - If this PO exceeds \$100,000. Change the beginning of paragraphs c(1) and c(2) to read: "Seller shall file with Buyer a disclosure form..."and "such person"means Seller.
- 52.204-4 **Printing/Copying Double Sided on Recycled Paper.**
- 52.215-2 **Audit & Records - Negotiation.**

52.215-22

Price Reduction for Defective Cost or Pricing Data (OCT 1995) (or, if included in Buyer's prime contract, 52.215-10, Price Reduction for Defective Cost or Pricing Data (OCT 1997)) - In paragraph (a)(2), "subcontractor" means Seller or Seller's subcontractors, and "Contractor" means Buyer. If Buyer is subject to any liability or expense, including without limitation Government withholding of payments, as the result of: 1) Seller's or its lower-tier subcontractors' submission and/or certification of alleged or actual defective cost or pricing data, as set forth in this clause and in FAR 52.215-23 (or 52.215-11, as applicable); or 2) their furnishing, as prospective subcontractors, alleged or actual defective cost or pricing data, which data was certified or required to be certified by Buyer to be accurate, complete and current as of the date specified by Buyer in its Certificate of Current Cost or Pricing Data, and which data Seller was given timely notice by Buyer to furnish and/or update prior to such date specified in such certificate; or 3) the Government Contracting Officer's rejection of Seller's or Seller's lower-tier subcontractor's claim for exception from submission of certified cost or pricing data on the basis that the price offered by the Seller or lower-tier subcontractor is based on an established catalog or market price of a commercial item sold in substantial quantities to the general public, is a price set by law or regulation, is a commercial item; or, on any other basis set forth in FAR 15.804-1 (or FAR 15.403-1, as applicable) or other pertinent law or regulation; or 4) their furnishing data of any description that is allegedly or actually inaccurate as set forth in this clause and in FAR 52.215-23, (or 52.215-11, as applicable), then Seller agrees to indemnify and hold Buyer harmless to the full extent of any damage or expense resulting from such action.

52.215-23

Price Reduction for Defective Cost or Pricing Data - Modifications (OCT 1995) (or, if included in Buyer's prime contract, 52.215-11, Price Reduction for Defective Cost or Pricing Data - Modifications (OCT 1997)).

52.215-24

Subcontractor Cost or Pricing Data (OCT 1995) (or, if included in Buyer's prime contract, 52.215-12, Subcontractor Cost or Pricing Data (OCT 1997)).

52.215-25

Subcontractor Cost or Pricing Data - Modifications (OCT 1995) (or, if included in Buyer's prime contract, 52.215-13, Subcontractor Cost or Pricing Data - Modifications (OCT 1997)).

52.215-26

Integrity of Unit Prices (OCT 1995), with its Alternate I (APR 1991) (or, if included in Buyer's prime contract 52.215-14, Integrity of Unit Prices (OCT 1997) with its Alternate 1 (OCT 1997)).

- 52.215-27 **Termination of Defined Benefit Pension (or, if included in Buyer's prime contract 52.215-15, Termination of Defined Benefit Pension (OCT 1997))** - If this PO requires certified cost or pricing data and any preaward or postaward cost determinations will be subject to FAR part 31. "Government" means Government and Buyer.
- 52.215-39 **Reversion or Adjustment of Plans for Postretirement Benefits Other Than Pensions (PRB) (or, if included in Buyer's prime contract 52.215-18, Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions (OCT 1997))** - If this PO requires certified cost or pricing data or if any preaward or postaward cost determinations will be subject to FAR part 31.
- 52.215-40 **Notification of Ownership Changes (or, if included in Buyer's prime contract 52.215-19, Notification of Ownership Changes (OCT 1997))** - If this PO requires cost or pricing data, or if any preaward or postaward cost determination will be subject to FAR subpart 31.2.
- 52.222-1 **Notice to the Government of Labor Disputes** - Contracting Officer"means Buyer.
- 52.222-4 **Contract Work Hours and Safety Standards Act - Overtime Compensation** - If this PO exceeds \$100,000. Add the following: (f) Buyer shall have the right at its election either to withhold or to recover from Seller such sums as the Contracting Officer withholds or recovers from Buyer because of liabilities of Seller or its subcontractors under this clause."
- 52.222-20 Walsh Healy Public Contracts Act** - If this PO exceeds \$10,000.
- 52.222-37 **Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era** - If this PO is for \$10,000 or more.
- 52.223-2 **Clean Air and Water.**
- 52.223-14 **Toxic Chemical Release Reporting** -If this PO was awarded on the basis of competition and exceeds \$100,000 including the value of all options. Delete paragraph (e).
- 52.228-5 **Insurance - Work on a Government Installation** - If work is to be performed on a Government installation.
- 52.234-1 **Industrial Resources Developed Under Defense Production Act Title III** - Contracting Officer"means Buyer.
- 52.237-8 **Restriction on Severance Payments to Foreign Nationals.**
- 52.244-5 **Competition in Subcontracting.**
- 52.246-23 **Limitation of Liability (APR 1984)** - Not applicable to the extent this PO is issued under a prime contract dated after January 1997.

- 52.246-25 **Limitation of Liability - Services (APR 1984)** - If this PO is over \$25,000; but, not applicable to the extent this PO is issued under a prime contract dated after January 1997.
- 52.247-63 **Preference for U.S. - Flag Air Carriers** - If this PO involves international air transportation.
- 52.247-64 **Preference for Privately Owned U.S. - Flag Commercial Vessels** - If this PO exceeds \$50,000 unless specified as \$100,000 elsewhere herein.
- 52.248-1 **Value Engineering** - Contracting Officer" means Buyer, except in Paragraph (j), sentence 3, where it means Contracting Officer. Government" means Buyer in Paragraphs (e)(1), (e)(2), (g)(4), and (l)(4), and means Government and Buyer in the first sentence of Paragraph (m), and in sentence 2 of the legend. Replace the share percentage figures in Paragraphs (f) and (j) with those the parties agree to.

FAR II

TITLE

Part B

Unless otherwise specifically set forth, the clauses listed in this FAR II, Part B, are applicable to both (i) commercial items, if any, meeting the definition thereof in FAR 2.101 and designated in this PO as commercial items, and (ii) items, if any, which are other than such commercial items.

- 52.203-7 **Anti-kickback Procedures** - If this PO exceeds \$100,000. Delete paragraph (c)(1). In paragraph (c)(2), sentence two, insert Buyer and to" after the sixth word to." In paragraph (c)(3), insert Buyer and" after the sixth word with." Add the following to the end of paragraph (c)(4): In addition to any other remedies which the Buyer has at law, in equity, or under this PO, Buyer shall have the right to withhold from Seller the amount, if any, that the Contracting Officer directs Buyer to withhold from Seller."
- 52.204-2 **Security Requirements** - If access to classified material is required.
- 52.211-5 **New Material** - Contracting Officer" and Government" mean Buyer in the last two sentences.
- 52.211-6 **Listing of Other than New Material Residual Inventory, and Former Government Surplus Property.** (This clause is not applicable for subcontracts under prime contracts entered into after 11-01-97).
- 52.211-7 **Other Than New Material, Residual Inventory, and Former Government Surplus Property** - Contracting Officer" means Buyer. (This clause is not applicable for subcontracts under prime contracts entered into after 11-01-97).

52.211-15	Defense Priority and Allocation Requirements.
52.215-42	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data - Modifications (or, if included in Buyer's prime contract 52.215-21, Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data - Modifications (OCT 1997)).
52.215-43	Audit - Commercial Items. (Applies only to commercial items, if any.)
52.219-8	Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns - If this PO offers further subcontracting opportunities, or exceeds \$500,000.
52.219-9	Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan - If this PO contains the clause at FAR 52.219-8. "Contracting Officer" means Buyer in the first sentence of paragraph (c).
52.222-21	Prohibition of Segregated Facilities
52.222-26	Equal Opportunity.
52.222-35	Affirmative Action for Special Disabled and Vietnam Era Veterans - If this PO exceeds \$10,000.
52.222-36	Affirmative Action for Handicapped Workers - If this PO exceeds \$2,500.
52.223-3	Hazardous Material Identification and Material Safety Data - "Government" means Buyer or the Government.
52.223-7	Notice of Radioactive Materials - "Government" means Buyer or the Government. In paragraph (a), "Contracting Officer" means Buyer.
52.223-11	Ozone - Depleting Substances.
52.225-10	Duty-Free Entry - Except where noted herein, "Contracting Officer" and "contract administration office" mean Buyer, and "foreign" means non-U.S. In Paragraph (b)(1), change "20 days" to "30 days," and "contract" means the prime contract(s). In Paragraph (b)(2), delete the fifth word "determines" and substitute the words "has been notified" in lieu thereof. In Paragraph (d), "Contracting Officer" means Contracting Officer, and "this contract" means the prime contract(s). In Paragraph (e), "this contract" means the prime contract(s), and "Contracting Officer" means Contracting Officer. In Paragraph (h), "contract administration office" means contract administration office, and "Contracting Officer" means Contracting Officer.
52.225-11	Restrictions on Certain Foreign Purchases.
52.228-3	Workers' Compensation Insurance (Defense Base Act) - If the Defense Base Act applies to this PO.
52.229-3	Federal, State and Local Taxes - "Government" and "Contracting Officer" mean Buyer.

- 52.229-4 **Federal, State and Local Taxes (Noncompetitive Contract)** - "Government" and "Contracting Officer" mean Buyer except in (a), the excepted tax definition, "Government" means Government.
- 52.229-5 **Taxes - Contracts Performed in U.S. Possessions or Puerto Rico**
- 52.229-6 **Taxes - Foreign Fixed-Price Contracts** - The FAR takes cognizance of the fact that Tax Agreements have been entered into between the United States Government and the Consortium Countries (Belgium, Denmark, the Netherlands and Norway) under which United States expenditures for the common defense are exempt from certain taxes and duties of the Consortium Countries in which such expenditures are made. In accordance with and subject to the above clause, Seller has not included any allowance for such aforementioned taxes and duties in the PO price. In addition, the PO prices herein contain no allowance for any other taxes or duties applicable to this PO which may be levied or assessed by any governmental agency or taxing authority outside the United States. In the event that Seller or any subcontractor hereunder is required to pay or bear the burden of any other such taxes or duties, the PO price herein shall be correspondingly increased.
- 52.242-12 **Report of Shipment (REPSHIP)**
- 52.242-15 **Stop Work Order** - "Contracting Officer" and "Government" mean Buyer.
- 52.243-1 **Changes - Fixed Price** - "Contracting Officer" and "Government" mean Buyer.
- 52.244-6 **Subcontracts for Commercial Items and Commercial Components.**
- 52.245-2 **Government Property (Fixed-Price Contracts)** - "Government" means Buyer except 1) in the terms "Government-furnished property" and "Government property," 2) the second time it appears in Paragraph (b)(1)(ii), 3) in Paragraph (c)(1), 4) in Paragraph (f), and 5) in Paragraph (j) and subparagraph (j)(1), "Government" means Government or Buyer. The fourth sentence of paragraph (h) is changed to read: "Neither the Government nor the Buyer shall be liable..."
- 52.245-17 **Special Tooling (DEC 1989)** - Applicable to the extent special tooling, as defined in this clause, is acquired or fabricated by Seller for the Government or furnished by the Government (directly or through Buyer) for use in connection with and under the terms of this PO. "Contracting Officer" means the cognizant U.S. Government Contracting Officer, but Seller acknowledges actions of the Contracting Officer may be performed through Buyer as directed by the Contracting Officer.

- 52.245-18 **Special Test Equipment (FEB 1993)** - "Contracting Officer" means the cognizant U.S. Government Contracting Officer, but Seller acknowledges actions of the Contracting Officer may be performed through Buyer as directed by the Contracting Officer.
- 52.246-2 **Inspection of Supplies - Fixed-Price** - "Contracting Officer" means Buyer. "Government" means Buyer except that the first time it appears in the first sentence of Paragraph (b) and in the fourth sentence of Paragraph (b), and throughout paragraphs (c) and (d), it means Buyer and the Government (provided, however, that an inspection system accepted by the Government will be deemed acceptable to the Buyer), and the first time it appears in Paragraph (k), it means Government or Buyer. The provisions in the clause for access, rights to inspect, safety protection, and relief from liability apply equally to Buyer and the Government.
- 52.249-2 **Termination for Convenience (Fixed-Price)** - "Government" and "Contracting Officer" mean Buyer, except in Paragraph (n), where they mean Government and Contracting Officer, respectively. In paragraph (c), "120 days" and "120-day period" mean 60 days and 60-day period, respectively. In Paragraph (d), the term "45 days" is changed to 90 days." The term "1 year" in Paragraph (e) is changed to 6 months."
- 52.249-8 **Default** - "Government" and "Contracting Officer" mean Buyer, except in paragraph (c), where they mean Government and Contracting Officer, respectively.

DFARS I

TITLE

- 252.203-7001 **Special Prohibition on Employment (APR 1993)** - If this PO exceeds \$25,000. "Contracting Officer" means Buyer.
- 252.204-7000 **Disclosure of Information (DEC 1991)**- In paragraph (b) "45 days" is changed to 60 days," and "Contracting Officer" means Buyer.
- 252.209-7000 **Acquisition from Subcontractors Subject to On-Site Inspection Under the Intermediate-Range Nuclear Forces (INF) Treaty (DEC 1991)** - If this PO exceeds \$25,000, except if for commercial or commercial-type products.
- 252.210-7003 **Acquisition Streamlining (DEC 1991)** - If this PO exceeds \$1,000,000.
- 252.211-7011 **Audit of Contract Modifications - Commercial Items - (MAY 1991)** If this PO exceeds \$500,000.
- 252.215-7000 **Pricing Adjustments (DEC 1991)**

252.215-7003	Industrial Modernization Incentive Program (DEC 1991) - If Seller is participating in a Government-approved IMIP business agreement.
252.219-7003	Small Business and Small Disadvantaged Business Subcontracting Plan (DoD Contracts) (MAY 1994) - If this PO contains the clause at FAR 52.219-8.
252.223-7001	Hazard Warning Labels (DEC 1991).
252.223-7002	Safety Precautions for Ammunition and Explosives (MAY 1994) - If this PO involves ammunition or explosives.
252.223-7003	Change in Place of Performance - Ammunition and Explosives (MAY 1991) - Contracting Officer"means Buyer.
252.223-7005	Hazardous Waste Liability (OCT 1992) - Contracting Officer"means Buyer. "Government"means Government and Buyer.
252.223-7006	Prohibition on Storage and Disposal of Toxic and Hazardous Materials (APR 1993), with its Alternate I (NOV 1995) - If this PO requires, may require, or permits a subcontractor to treat or dispose of Non-DOD-owned toxic or hazardous materials as defined in the clause. "Government"means Government and Buyer.
252.223-7007	Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives (FEB 1996) - If this PO is for the development, production, manufacture, or purchase of arms, ammunition, and explosives ('AA&E') or when AA&E will be provided to the subcontractor as Government-furnished property. In paragraph (e) add the words "and Buyer"after the word "office."
252.225-7001	Buy American Act and Balance of Payments Program (JAN 1984).
252.225-7002	Qualifying Country Sources as Subcontractors (DEC 1991)
252.225-7007	Trade Agreements Act (JAN 1994).
252.225-7008	Supplies to be Accorded Duty-Free Entry (DEC 1991) - If this PO is for supplies.
252.225-7009	Duty-Free Entry - Qualifying Country End Products and Supplies (DEC 1991) - If this PO is for supplies.
252.225-7010	Duty-Free Entry - Additional Provisions (DEC 1991) - If this PO is for supplies.
252.225-7012	Preference for Certain Domestic Commodities (MAY 1994).
252.225-7014	Preference for Domestic Specialty Metals (DEC 1991), with Alternate I (DEC 1991).
252.225-7015	Preference for Domestic Hand or Measuring Tools (DEC 1991).
252.225-7016	Restriction on Acquisition of Anti-friction Bearings (APR 1993).

252.225-7017	Preference for United States and Canadian Valves and Machine Tools (APR 1995).
252.225-7023	Restriction on Acquisition of Carbonyl Iron Powders (APR 1992).
252.225-7024	Restriction on Acquisition of Night Vision Image Intensifier Tubes and Devices (DEC 1991) - If this PO is for second or third generation night vision intensifier tubes and device. The term "this contract" means this PO.
252.225-7025	Foreign Source Restrictions (APR 1993) - If this PO is for any of this clause's restricted items.
252.225-7026	Reporting of Contract Performance Outside the United States (APR 1993) - If this PO is for over \$100,000, except a PO for commercial items (as defined in DFARS 211.7001), construction, natural gases, utilities, petroleum products and crudes, timber (logs), or subsistence.
252.225-7027	Limitation on Sales Commissions and Fees (DEC 1991) - Countries listed in the prime contract(s) are incorporated herein by reference.
252.225-7028	Exclusionary Policies and Practices of Foreign Governments (DEC 1991).
252.225-7030	Restriction On Acquisition of Carbon, Alloy, and Armor Steel Plate (OCT 1992).
252.225-7038	Restriction on Acquisition of Aircraft Fuel Cells (FEB 1994) - The term "this contract" means this PO.
252.228-7005	Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles (DEC 1991).
252.231-7000	Supplemental Cost Principles (DEC 1991).
252.232-7006	Reduction or Suspension of Contract Payments Upon Finding of Fraud (AUG 1992) - To the extent that payments to Buyer are suspended or reduced under this clause due to Seller fraud, Buyer shall suspend or reduce further payments to Seller.
252.235-7003	Frequency Authorization (DEC 1991) - If this PO requires the development, production, construction, testing, or operation of a device for which a radio frequency authorization is required.
252.235-7010	Acknowledgment of Support and Disclaimer (MAY 1995).
252.239-7000	Protection Against Compromising Emanations (DEC 1991) - Government" means Government and Buyer.
252.239-7016	Telecommunications Security Equipment, Devices, Techniques, and Services (DEC 1991) - If this PO requires securing telecommunications.
252.243-7001	Pricing of Contract Modifications (DEC 1991).
252.246-7001	Warranty of Data, with Alternate II (DEC 1991) - Contracting Officer" and Government" mean Buyer.

- 252.247-7023 **Transportation of Supplies by Sea (DEC 1991)** - If this PO exceeds \$25,000. Contracting Officer" means Buyer. In paragraph (d), delete the phrase, "within 30 days. Washington, D.C. 20590," and replace with the phrase furnish with each invoice submitted for payment."
- 252.247-7024 **Notification of Transportation of Supplies by Sea (DEC 1991).**
- 252.249-7001 **Notification of Substantial Impact on Employment (DEC 1991)** - If this PO is for \$500,000 or more. Contracting Officer" means Buyer.
- 252.249-7002 **Notification of Proposed Program Termination or Reduction (MAY 1995)** - If this PO is for \$500,000 or more.

DFARS II

TITLE

Part A

The clauses listed in this DFARS II, Part A, are not applicable to the portion, if any, of this PO which is for a commercial item(s) as described in DFARS 2.101. However, no item purchased under this PO shall be regarded as a commercial item(s) unless it is specifically so designated in this PO.

- 252.203-7001 **Special Prohibition on Employment** - If this PO exceeds \$50,000 unless specified as \$100,000 elsewhere herein. Contracting Officer" means Buyer. For prime contracts dated March 1999 or after, substitute the following clause: 252.203-7001, **Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies."**
- 252.209-7000 **Acquisition from Subcontractors Subject to On-Site Inspection Under the Intermediate-Range Nuclear Forces (INF) Treaty** - If this PO exceeds \$50,000 unless specified as \$100,000 elsewhere herein, except if for commercial or commercial-type products.
- 252.225-7012 **Preference for Certain Domestic Commodities.**
- 252.225-7014 **Preference for Domestic Specialty Metals, with its Alternate I.**
- 252.225-7026 **Reporting of Contract Performance Outside the United States** - If this PO is for over \$100,000, except a PO for commercial items (as defined in FAR 2.101), construction, natural gases, utilities, petroleum products and crudes, timber (logs), or subsistence.
- 252.247-7024 **Notification of Transportation of Supplies by Sea.**

DFARS II

TITLE

Part B	Unless otherwise specifically set forth, the clauses listed in this DFARS II, Part B, are applicable to both (i) commercial items, if any, meeting the definition thereof in DFARS 2.101 and designated in this PO as commercial items, and (ii) items, if any, which are other than such commercial items.
252.204-7000	Disclosure of Information - In paragraph (b) "45 days" is changed to 60 days,"and Contracting Officer"means Buyer.
252.211-7000	Acquisition Streamlining - If this PO exceeds \$1,000,000.
252.215-7000	Pricing Adjustments.
252.219-7003	Small Business and Small Disadvantaged Business Subcontracting Plan (DoD Contracts) - If this PO contains the clause at FAR 52.219-8.
252.223-7001	Hazard Warning Labels.
252.223-7002	Safety Precautions for Ammunition and Explosives - If this PO involves ammunition or explosives.
252.223-7003	Change in Place of Performance - Ammunition and Explosives - Contracting Officer"means Buyer.
252.223-7005	Hazardous Waste Liability - Contracting Officer" means Buyer. Government"means Government and Buyer.
252.223-7006	Prohibition on Storage and Disposal of Toxic and Hazardous Materials, with its Alternate I - If this PO requires, may require, or permits a subcontractor to treat or dispose of Non-DOD-owned toxic or hazardous materials as defined in the clause. Government"means Government and Buyer.
252.223-7007	Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives - If this PO is for the development, production, manufacture, or purchase of arms, ammunition, and explosives (AA&E) or when AA&E will be provided to the subcontractor as Government-furnished property. In paragraph (e) add the words "and Buyer"after the word "office."
252.225-7001	Buy American Act and Balance of Payments Program.
252.225-7002	Qualifying Country Sources as Subcontractors.
252.225-7007	Trade Agreements Act.
252.225-7008	Supplies to be Accorded Duty-Free Entry - If this PO is for supplies.
252.225-7009	Duty-Free Entry - Qualifying Country End Products and Supplies - If this PO is for supplies.
252.225-7010	Duty-Free Entry - Additional Provisions - If this PO is for supplies.
252.225-7015	Preference for Domestic Hand or Measuring Tools.

252.225-7016	Restriction on Acquisition of Anti-friction Bearings.
252.225-7017	Preference for United States and Canadian Valves and Machine Tools (APR 1995).
252.225-7024	Restriction on Acquisition of Night Vision Image Intensifier Tubes and Devices - If this PO is for second or third generation night vision intensifier tubes and device. The term "this contract."
252.225-7025	Foreign Source Restrictions (APR 1993) - If this PO is for any of the clause's restricted items and is issued under a prime contract having an effective date prior to September 1996.
252.225-7025	Foreign Source Restrictions (SEP 1996) - If this PO is for any of the clause's restricted items and is issued under a prime contract having an effective date after August 1996.
252.225-7025	Restriction of Acquisition of Forgings (JUN 1997) - If this PO is for any of the clause's restricted items and is issued under prime contract having an effective date after May 1997.
252.225-7027	Limitation on Sales Commissions and Fees - Countries listed in the prime contract(s) are incorporated herein by reference.
252.225-7027	Restriction on Contingent Fees for Foreign Military Sales - Applicable for subcontracts issued under Buyer's prime contracts dated after December 1996. Countries listed in the prime contract(s) are incorporated herein by reference.
252.225-7028	Exclusionary Policies and Practices of Foreign Governments.
252.225-7030	Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate.
252.225-7038	Restriction on Acquisition of Aircraft Fuel Cells - The term "this contract" means this PO.
252.228-7005	Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles.
252.231-7000	Supplemental Cost Principles.
252.232-7006	Reduction or Suspension of Contract Payments Upon Finding of Fraud - To the extent that payments to Buyer are suspended or reduced under this clause due to Seller fraud, Buyer shall suspend or reduce payments to Seller.
252.235-7003	Frequency Authorization - If this PO requires the development, production, construction, testing, or operation of a device for which a radio frequency authorization is required.
252.235-7010	Acknowledgment of Support and Disclaimer.
252.239-7000	Protection Against Compromising Emanations - Government" means Government and Buyer.
252.239-7016	Telecommunications Security Equipment, Devices, Techniques, and Services - If this PO requires securing telecommunications.

- 252.243-7001 **Pricing of Contract Modifications.**
- 252.246-7001 **Warranty of Data, with Alternate II** - Contracting Officer and Government mean Buyer.
- 252.247-7023 **Transportation of Supplies by Sea** - If this PO exceeds \$50,000 unless specified as \$100,000 elsewhere herein. Contracting Officer means Buyer. In paragraph (d), delete the phrase, "within 30 days...Washington, D.C. 20590," and replace with the phrase furnish with each invoice submitted for payment:
- 252.249-7001 **Notification of Substantial Impact on Employment** - If this PO is for \$500,000 or more. Contracting Officer means Buyer.
- 252.249-7002 **Notification of Proposed Program Termination or Reduction** - If this PO is for \$500,000 or more.

PRIME CONTRACTS - FASA ADDED

F41689-94-G-0001	F41689-90-G-0701	F41689-91-C-0731
F08635-86-C-0249	F33657-88-C-2094	F33657-90-D-0048
F08635-96-D-0019	F33657-90-D-0031	F33657-91-C-0041
F33600-94-C-0060	F33600-93-C-0063	F33600-94-C-0068
F33600-95-C-0084	F33600-92-C-0110	F33600-95-C-0098
F33600-96-D-0036	F33600-96-C-0044	F33600-95-C-0234
F33600-96-C-0002	F33600-92-G-0004	F33657-93-G-3022
F33657-90-C-2233	F33657-93-C-2380	F33657-88-C-0037
F33657-84-C-0247	F33657-82-C-2034	F33657-82-C-2038
F33657-93-C-2374	F33657-89-C-0009	F33657-94-C-2259
F33657-95-C-2028	F33657-84-C-0192	F33657-90-C-2002
F33657-82-C-2120	F33657-95-C-2022	F33657-95-C-2005
F33657-95-C-2017	F33657-95-C-2016	N00019-95-C-0063
N00019-95-C-0080	N00019-95-C-0081	N68520-92-G-0003
N00019-85-C-0146	F42620-95-C-0100	F42620-92-C-0381
F42620-95-C-0222	F42620-95-C-0308	F42600-89-C-0832
F42620-91-C-0569	F42600-87-C-2567	F42620-91-C-0815
F42620-91-D-0378	F42600-91-G-7544	F42620-92-C-0065
F42620-92-C-0360	F42620-92-D-0158	F42620-93-D-0168
F42620-94-C-0028	F42620-94-D-0071	F42620-95-D-0176
F42620-95-D-0177	F42620-95-D-0178	F42620-96-C-0019
F42620-91-D-0035	F42620-91-D-0036	F42620-91-D-0037
F42620-91-D-0039	F42620-92-D-0056	F42620-95-D-0079
F42620-95-D-0080	F42620-95-D-0131	F42600-87-D-1616
F42600-89-D-0658	F42620-92-D-0316	F42620-94-C-0013
F42620-94-C-0072	F42620-95-C-0236	F42620-93-C-0066
F42600-90-C-0398	F42620-91-C-0732	F42620-92-C-0069
F42620-92-C-0093	F42620-94-C-0012	F42620-95-C-0110
F04606-87-D-0034	F04606-95-D-0065	F04606-87-G-0075
F04606-91-D-0486	F33657-86-C-0171	F04606-95-C-0339
F04606-88-G-0820	F41608-86-G-0657	F41608-92-G-0032
F33606-95-C-0339	F04606-96-D-0030	F33615-89-C-3600
F33615-88-C-3611	F33615-90-C-3000	F33615-95-D-3214
F33615-93-C-1204	F33615-94-C-1554	F33615-89-C-2916
F33615-92-C-3805	F33615-94-C-3210	F33615-94-C-3008
F33615-88-C-3402	F33615-87-C-3207	F33615-95-C-5021
F33615-92-C-5981	F33615-95-C-5538	

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