

## 1. Acceptance of Purchase Order

Agreement by Seller to furnish the services, or its commencement of such performance, or acceptance of any payment, shall constitute Seller's unqualified acceptance of this Purchase Order. Any prices or delivery schedule to which Buyer has not specifically agreed to in writing, or any other terms or conditions proposed by Seller inconsistent with or in addition to the terms and conditions herein, shall be void. Modifications or additions to these Purchase Order terms and conditions must be in writing and signed by Buyer's Purchasing Representative. These terms and conditions, together with all supplements, documents, exhibits, attachments, and any other agreements incorporated by reference into this Purchase Order, constitute the entire agreement between Buyer and Seller (collectively "the Parties" and singularly a "Party") with respect to the subject matter of this Purchase Order, and supersede any prior or contemporaneous written or oral agreements pertaining thereto.

## 2. Deliverable Work Product

"Deliverable Work Product" shall mean a document, report, or similar work (including rights therein) created or produced by Seller in connection with the performance of services pursuant to this Purchase Order. In no event will Deliverable Work Product be construed as goods, which are expressly excluded from these Service Terms and Conditions of Purchase.

## 3. Timely Performance; Notice of Delay

- (a) On time performance is a material condition of this Purchase Order and failure to perform according to the schedule in this Purchase Order, if unexcused, shall be considered a material breach. Acceptance of late performance shall not constitute waiver of this provision. Buyer also reserves the right to refuse to make payment on work performed in advance of required schedules until scheduled performance dates.
- (b) Seller shall notify Buyer in writing immediately of any actual or potential delay to the performance of this Purchase Order. Such notice shall include a proposed revised schedule, but such notice and proposal or Buyer's receipt or acceptance thereof, shall not constitute a waiver of Buyer's rights and remedies hereunder.

## 4. Termination for Convenience

- (a) Buyer, by written notice, may terminate this Purchase Order for convenience and without cause, in whole or in part, at any time, and such termination shall not constitute default. In the event of partial termination, Seller shall perform the non-terminated balance of work under the Purchase Order.
- (b) If Buyer terminates for convenience, Seller shall be reimbursed for actual, reasonable, substantiated, and allocable costs, plus a reasonable profit for work performed to date of termination provided Seller submits its termination settlement proposal to Buyer promptly, but no later than ninety (90) days from the effective date of the termination. In no event shall the amount of any settlement be in excess of the Purchase Order value. Buyer may take immediate possession of all Deliverable Work Product resulting from services upon written notice of termination to Seller.

## 5. Termination for Default

- (a) Buyer may, after providing Seller with ten (10) calendar days written notice, and upon Seller's failure to cure such default in that ten (10) day period ("Cure Period"), terminate this Purchase Order in whole or in part at any time by notice in writing for (i) breach of any one or more of its terms, (ii) failure to perform the services within the time specified by this Purchase Order or any written extension, (iii) failure to make progress so as to endanger performance of this Purchase Order, or (iv) failure to provide adequate assurance of future performance; provided, however, there shall be

no Cure Period for default related to failure to meet the delivery schedule or for defaults incapable of cure.

- (b) To the extent allowed by law, Buyer may also terminate this Purchase Order in whole or in part without a Cure Period in the event of Seller's suspension of business, insolvency, bankruptcy, appointment of a receiver for Seller's property or business, or any assignment, reorganization or arrangement by Seller for the benefit of its creditors (collectively hereinafter "Insolvency"). Seller agrees to provide detailed written notice to Buyer within five (5) days of initiating such Insolvency proceedings. In the event of partial termination, Seller shall perform the non-terminated balance of work under the Purchase Order.
- (c) If this Purchase Order is terminated for default, Buyer may by written notice require Seller to transfer title and deliver to Buyer any completed or partially completed Deliverable Work Product. Upon direction of Buyer, Seller shall also protect and preserve property in its possession in which Buyer has an interest. The Parties shall agree on the amount of payment for such delivery and for the protection and preservation of the property above.

## 6. Force Majeure

Except for a default of Seller's subcontractor at any tier, neither Buyer nor Seller shall be liable for any failure to perform due to any cause beyond their reasonable control and without their fault or negligence, including acts of God or of the public enemy, acts of the government in its sovereign or contractual capacity (including acts of government related to economic sanctions and embargoes), fires, floods, epidemics, terrorism, quarantine restrictions, strikes, freight embargoes, and unusually severe weather. In the event that causes of the type described above ("Force Majeure") adversely affect performance of this Purchase Order, the Party whose performance is so affected shall so notify the other Party's authorized representative in writing. Buyer may reasonably adjust the delivery schedule due to the existence of a Force Majeure.

## 7. Disputes and Governing Law

- (a) Either Party may submit a dispute to a court of competent jurisdiction provided that the Parties' senior management representatives have first attempted in good faith to negotiate a resolution for a period of no less than ten (10) business days following written notice from the Party claiming dispute. To the extent permitted by applicable law, the Parties waive any right they may have to a trial by jury. Either Party may seek injunctive or other equitable relief in any court of competent jurisdiction at any time.
- (b) Pending resolution or settlement of any dispute arising under this Purchase Order, Seller will proceed diligently as directed by Buyer with the performance of this Purchase Order. Irrespective of the place of performance, this Purchase Order shall be governed and construed in accordance with the laws of the State within the United States from which Buyer issues this Purchase Order, without regard to its conflicts of laws provisions. However, any provision in this Purchase Order that is: (i) incorporated in full text or by reference from the Federal Acquisition Regulation (FAR) or; (ii) incorporated in full text or by reference from any agency regulation that implements or supplements the FAR or; (iii) that is substantially based on any such agency regulation or FAR provision, shall be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, boards of contracts appeals, and quasi-judicial agencies of the United States Government. The provisions of the "United Nations Convention on Contracts for International Sale of Goods" shall not apply to this Purchase Order.

## 8. Remedies

- (a) Buyer may exercise all rights and remedies at law and in equity, including Seller's liability for Buyer's excess re-procurement costs for services. Failure of either Party to enforce any of its rights shall not constitute a waiver of such rights or of any other rights and shall not be construed as a waiver or relinquishment of any such provisions, rights or remedies; rather, the same shall remain in full force and effect.
- (b) Buyer shall be entitled at all times to set off any amount owing at any time from Seller to Buyer, against any amount payable at any time by Buyer to Seller.

## 9. Proprietary Rights

- (a) Unless otherwise expressly set forth in this Purchase Order, all specifications, information, data, drawings and other items supplied to Buyer by Seller shall be disclosed to Buyer on a non-proprietary basis and may be used and/or disclosed by Buyer without restriction.
- (b) All specifications, information, data, drawings, and other items which are (i) supplied to Seller by Buyer or (ii) obtained or developed by Seller in the performance of this Purchase Order or paid for by Buyer shall be proprietary to Buyer, shall be used only for purposes of providing services to Buyer pursuant to this Purchase Order, and shall not be disclosed to any third party without Buyer's express written consent. All such items supplied by Buyer or obtained by Seller in performance of this Purchase Order or paid for by Buyer shall be promptly provided to Buyer on request or upon completion of this Purchase Order.
- (c) Any invention or intellectual property first made or conceived by Seller in the performance of this Purchase Order or which is derived from or based on the use of information supplied by Buyer (collectively, the "Foreground IP") shall be considered to be the property of Buyer. Seller hereby assigns its rights in the Foreground IP to Buyer and shall execute such documents necessary to perfect Buyer's title thereto. Unless otherwise expressly agreed in a contemporaneous or subsequent writing to the contrary or otherwise expressly set forth in this Purchase Order, any work performed pursuant to this Purchase Order which includes any copyright interest shall be considered a "work made for hire". To the extent any of such works do not qualify as a "work made for hire", Seller hereby assigns to Buyer all its intellectual property rights, including its copyright rights, in such works effective immediately upon creation of such works, including when they are first fixed in a tangible medium.
- (d) With respect to any applicable FAR and DFARS clauses incorporated into this Purchase Order relating to license rights in noncommercial technical data, Seller grants to Buyer the right to use, disclose, transfer, copy, modify, combine, integrate or make derivative works of any such noncommercial technical data delivered under this Purchase Order, to the extent necessary, and for such period as is required, for Buyer to complete its performance under Buyer's U.S. Government programs.
- (e) Notwithstanding anything to the contrary in this Section 9, applicable U.S. Government Procurement Regulations incorporated into this Purchase Order shall, when applicable, take precedence over any conflicting provision of this Section 9 to the extent that such Regulations so require. The incorporation by reference of such U.S. Government Regulations dealing with subcontractors rights in Technical Data, subject inventions, copyrights, and similar intellectual property are not intended to, and shall not, unless otherwise required by applicable law, obviate or modify any greater rights which Seller may have previously granted to Buyer pursuant to prior agreements between the Parties.

## 10. Buyer's Property

- (a) All drawings, tools, jigs, dies, fixtures, materials, and other property supplied by Buyer shall be and remain the property of Buyer ("Buyer's Property" as used in this Section 10), which shall be returned to Buyer upon Buyer's request.
- (b) Seller shall use Buyer's Property only in the performance of work under this Purchase Order unless Buyer consents otherwise in writing.
- (c) Seller shall not furnish or offer for sale goods made in accordance with Buyer's specifications and / or drawings to another party without Buyer's prior written consent.
- (d) Seller shall maintain Buyer's Property and shall be responsible for all loss or damage to Buyer's Property except for normal wear and tear. Seller shall (i) within two (2) working days, report to Buyer the loss, theft, damage, destruction of Buyer's Property, or if any such property is found to be malfunctioning or otherwise unsuitable for use and (ii) determine and report the root cause and all pertinent facts as soon as they become known, and corrective action taken to prevent recurrence, at no additional cost to Buyer.
- (e) Upon request, Seller shall provide Buyer with adequate proof of insurance against such risk of loss or damage.
- (f) Seller shall clearly mark, maintain in inventory, and keep segregated or identifiable all of Buyer's Property.

## 11. Release of Information

Without prior written approval of Buyer, Seller shall not (i) publish, distribute, use, or otherwise disclose this Purchase Order, or the existence of this Purchase Order, to any third party for any purposes not required by the express terms of the Purchase Order, or (ii) use the Buyer Company name (or the name of any division, affiliate or subsidiary thereof), logo, trademark, service mark, or trade dress for the purpose of advertising, making a news release, creating a business reference, creating website content, or for goods or service endorsement.

## 12. Order of Precedence

Buyer deems the requirements and provisions of this Purchase Order as consistent. Seller shall promptly request Buyer's written determination to resolve any inconsistency, ambiguity, or conflict among the requirements and provisions. Subject to Section 9(e) above, the following order of precedence shall apply: (1) order-specific text on the Purchase Order, which includes specifications incorporated by reference such as drawings and Buyer Quality Notes; (2) documents incorporated by reference on the Purchase Order and not otherwise referenced in this Section 12 (e.g., prime contract flow-through documents); (3) these Service Terms and Conditions of Purchase (T006) and Supplements thereto; (4) Proprietary Information Agreement or Non-Disclosure Agreement, if applicable; (5) the Statement of Work; (6) United States Government specifications; and (7) Seller specifications, which include Seller drawings, Seller samples, and Seller catalog descriptions.

## 13. Warranty

- (a) Seller warrants that no goods will be delivered pursuant to this Purchase Order. Seller further warrants that the performance of services shall conform with the requirements of this Purchase Order and to high professional standards.
- (b) These warranty entitlements shall inure to the benefit of both Buyer and Buyer's customers.

- (c) At Buyer's direction, Seller shall promptly correct or reimburse the purchase price of nonconforming services. Corrected services shall be subject to this Section 13 and the Inspection Section of this Purchase Order to the same extent as services originally performed under this Purchase Order. Seller shall be liable for and save Buyer harmless from any loss, damage, or expense that Buyer may suffer related to nonconforming services, or from any other breach of the warranties in this Section 13.

#### **14. Inspection**

- (a) All services or Deliverable Work Product shall be subject to inspection and test at all reasonable times and places by Buyer or Buyer's customer before, during, and after performance. Buyer may require Seller to promptly (i) correct the defective services or Deliverable Work Product at no cost or (ii) reimburse the amounts paid for such services. Buyer's acceptance of services or Deliverable Work Product shall not diminish Buyer's rights or be final or binding on Buyer if latent defects, fraud, or misrepresentation on the part of Seller exists.
- (b) Seller will provide reasonable support and access to Buyer in the inspection and test of the services without additional charge.
- (c) Neither Buyer's inspection nor Buyer's failure to inspect shall relieve Seller of any responsibility to perform according to the terms of this Purchase Order.

#### **15. Changes**

Buyer shall have the right by written notice to suspend or stop work or to make changes from time to time in the services to be performed by Seller or to the schedule. If such suspension, stoppage, or changes cause an increase or decrease in the cost of performance of this Purchase Order or in the time required for its performance, an equitable adjustment shall be negotiated promptly and the Purchase Order shall be modified in writing accordingly. Any claim by Seller for adjustment under this Paragraph 15 must be asserted in writing within twenty (20) days from the date of receipt by Seller of notification of the change or suspension and shall be followed as soon as practicable with specification of the amount claimed and supporting cost figures. Failure to agree to any such change shall be resolved in accordance with Section 7 Disputes and Governing law herein. However, nothing herein shall excuse Seller from proceeding with this Purchase Order as changed pending resolution of the claim.

#### **16. Infringement**

Seller represents and warrants that all services and Deliverable Work Product provided by Seller pursuant to this Purchase Order, which are not of Buyer's design, do not infringe or misappropriate any third party intellectual property rights and that any use or sale of such Deliverable Work Product by Buyer or any of Buyer's customers shall be free from any claims of infringement. Seller shall indemnify and hold Buyer, and its customers harmless from any and all expenses, liability, and loss of any kind (including all costs, expenses, and attorneys' fees) arising out of claims, suits, or actions alleging such infringement, which claims, suits, or actions Seller, hereby, agrees to defend, at Seller's expense, if requested to do so by Buyer. Moreover, Seller may replace or modify infringing Deliverable Work Product with comparable Deliverable Work Product acceptable to Buyer of substantially the same form, fit, and function to remove the source of infringement, and Seller's obligations under this Purchase Order including those contained in Section 13 Warranty and in this Section 16 shall apply to the replacement and modified Deliverable Work Product. If the use or sale of any of the above Deliverable Work Product is enjoined because of such claim, suit or action, Seller, at no expense to Buyer, shall obtain for Buyer and its customers the right to use and sell said Deliverable Work Product.



**17. Taxes**

Seller's prices shall not include any taxes or fees for which Buyer has furnished a valid exemption certificate or other evidence of exemption acceptable to the applicable government agency. Seller shall separately state on Seller's invoice any applicable sales and use taxes in the price. Seller agrees to remit any taxes collected from Buyer to the relevant tax authority.

**18. Assignments, Subcontracting, Organizational Changes, Place of Performance, and Independent Contractor**

- (a) Seller may not assign any rights, delegate any of its obligations due or to become due under this Purchase Order, or subcontract all or substantially all of its obligations under this Purchase Order, without the prior written consent of Buyer. Any such purported assignment, delegation, or subcontracting by Seller without such consent shall be void. Buyer may assign this Purchase Order to (i) any affiliated company, (ii) any successor in interest, or (iii) Buyer's customer.
- (b) Seller shall promptly notify Buyer in writing of any Seller name or ownership changes, or mergers or acquisitions.
- (c) Seller shall not change the place of performance under this Purchase Order without Buyer's prior written consent.
- (d) In connection with Seller services hereunder, Seller is an independent contractor and this Purchase Order does not create an agency, partnership, or formal business relationship of any kind between Buyer and Seller or between Buyer and Seller's employees. All Seller personnel providing services under this Purchase Order are deemed employees of Seller. Seller has no authority to bind Buyer or to commit Buyer to any obligation or liability. Seller, as an independent company contracting to Buyer, shall be responsible for all taxes, fees, licenses or other legal or governmental requirements for the work and its employees performing services under this Purchase Order.

**19. Compliance with Law**

- (a) Seller, in the performance of this Purchase Order, warrants that it shall comply with all relevant laws, orders, rules, ordinances, and regulations (whether federal, state, or local), including but not limited to:
  - 1. all U.S. laws and regulations including:
    - i. the Fair Labor Standards Act of 1938, as amended (the "FLSA"), and the regulations and orders of the United States Department of Labor under the FLSA;
    - ii. the Occupational Safety and Health Act of 1970 (OSHA), as amended;
    - iii. the U.S. Department of Transportation regulations on hazardous materials and any other pertinent federal, state, or local statutes, laws, rules, or regulations;
  - 2. the laws and regulations of Seller's place of performance;
  - 3. the applicable domestic and international prohibitions on child labor, human trafficking, and slavery;
  - 4. the United States Foreign Corrupt Practices Act, 15 U.S.C. § 78 et seq. (the "FCPA"), and other Anti-Corruption Requirements as defined in paragraph 19(b), below; and
  - 5. the Anti-Kickback Act of 1986.

(b) Anti-Corruption Requirements:

1. Seller acknowledges that its actions may subject it and Buyer to liability under the FCPA, the anti-corruption laws, regulations, and policies of the home country of any supplier to this Purchase Order, the United States of America, and/or the anti-corruption laws, regulations, and policies of any other country with jurisdiction over the activities performed pursuant to this Purchase Order (together and individually hereinafter referred to as the "Anti-Corruption Requirements"). Seller acknowledges that it is familiar with the prohibitions under, and the requirements of, the Anti-Corruption Requirements.
2. Neither Seller nor any of its principals, consultants, subcontractors, shareholders, directors, officers, employees, or agents has performed or will perform any act which Buyer could reasonably believe would constitute a violation of the Anti-Corruption Requirements or which Buyer could reasonably believe would cause Buyer to be in violation of the Anti-Corruption Requirements, or present a credible risk, as determined by Buyer, of a violation of the Anti-Corruption Requirements.
3. If at any time Seller becomes aware of information or circumstances that suggest any of the provisions of this Section 19 may not be accurate, it shall notify Buyer immediately in writing, but not more than seven (7) days after becoming aware of such circumstances.
4. No payment will be made hereunder to any person other than Seller; and no payment will be made to Seller under this Purchase Order other than the payment of the compensation in accordance with the terms hereof. Seller's price quotations and invoice prices shall accurately and fairly reflect the commensurate value of the goods and services provided under this Purchase Order.
5. In connection with this Purchase Order, Seller shall maintain books, records, and accounts, which in reasonable detail, accurately and fairly reflect the transactions and asset dispositions of Seller and allow Buyer to (i) maintain accurate books and records, and (ii) comply with the requirements for internal management controls set forth in the Anti-Corruption Requirements as well as relevant U.S. laws and regulations.
6. Seller shall cooperate with, and provide assistance to, Buyer in implementing adequate due diligence procedures in connection with the selection and retention of consultants and subcontractors by Buyer or Seller.

- (c) Seller warrants that it and its officers, employees or representatives (i) have complied with the Anti-Kickback Act of 1986 and has not offered or given and will not offer or give to any employee, agent, or representative of Buyer any gratuity or any kickback within the meaning of the Anti-Kickback Act of 1986 and (ii) have not, for the purpose of improperly obtaining or rewarding favorable treatment in connection with the award of this Purchase Order to Seller from Buyer: (1) provided, attempted to provide, or offered to provide any kickback; (2) solicited, accepted, or attempted to accept any kickback; or (3) included, directly or indirectly, the amount of any kickback prohibited by (1) or (2) of this Section in the price charged by Seller to Buyer under this Purchase Order. Any breach of this warranty shall constitute a material breach of this Purchase Order. For purposes of this Section, the term "kickback" means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to Buyer or Buyer's officers, employees or representatives, including any of their family members, subcontractors, or subcontractor employees, for the purpose of improperly obtaining or rewarding favorable treatment in connection with this Purchase Order. Any breach of this warranty shall be a material breach of each contract between Buyer and Seller.

- (d) Seller warrants that it has and shall maintain all registrations and licenses and shall obtain permits as required to perform the work hereunder.
- (e) For Purchase Orders placed in support of and charged to a U.S. Government (“Government”) prime contract or higher-tier subcontract for an item meeting the Federal Acquisition Regulation (FAR) definition of a commercial item, the following provisions and clauses set forth in the FAR or the Defense Federal Acquisition Regulation Supplement (DFARS) shall apply. The version of each FAR and DFARS provision or clause shall be the version in effect as of the date of the prime contract. Such FAR and DFARS provisions and clauses are incorporated herein, unless made inapplicable by a corresponding note in this Section 19(e), with the same force and effect as if given in full text. Upon Seller's request, Buyer's Purchasing Representative will make their full text available. Also, the full text of a FAR or DFARS provision or clause may be accessed electronically at these addresses: <http://farsite.hill.af.mil/> or <http://www.acq.osd.mil/dpap/sitemap.html>. In all clauses listed herein, terms shall be revised to suitably identify the party to establish Seller's obligations to Buyer and to the Government; and to enable Buyer to meet its obligations under its prime contract. Without limiting the generality of the foregoing, and except where further clarified or modified below, the term “Government” and equivalent phrases shall mean “Buyer”, the term “Contracting Officer” shall mean “Buyer's Purchasing Representative”, the term “Contractor” or “Offeror” shall mean “Seller”, “Subcontractor” shall mean “Seller's Subcontractor” under this Purchase Order, and the term “Contract” shall mean this “Purchase Order”. For the avoidance of doubt, the words “Government” and “Contracting Officer” do not change: (1) when a right, act, authorization or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or duly authorized representative, such as in FAR 52.227-1 and FAR 52.227-2 and (2) when title to property is to be transferred directly to the Government. Nothing in this Purchase Order grants Seller a direct right of action against the Government. If any of the following FAR or DFARS clauses do not apply to this Purchase Order, such clauses are considered to be self-deleting. Seller shall incorporate into each lower tier contract issued in support of this Purchase Order all applicable FAR and DFARS clauses in accordance with the flow down requirements specified in such clauses.

**A. THE FOLLOWING FAR CLAUSES ARE APPLICABLE TO PURCHASE ORDERS FOR COMMERCIAL ITEMS UNDER ALL GOVERNMENT CONTRACTS:**

1. **52.203-7** “Anti-Kickback Procedures” (Excepting paragraph (c)(1))(Applicable to Purchase Orders that exceed \$150,000 or the dollar threshold in effect as of the date of the prime contract.)
  2. **52.203-12** “Limitation on Payments to Influence Certain Federal Transactions” (Applicable to Purchase Orders exceeding \$150,000 or the dollar threshold in effect as of the date of the prime contract.)
  3. **52.203-13** “Contractor Code of Business Ethics and Conduct” (Applicable to Purchase Orders (i) that have a value more than \$5,500,000 or the dollar threshold in effect as of the date of the prime contract; and (ii) that have a performance period of more than 120 days.) (In Paragraph (b)(3)(i), the meaning of “agency office of the Inspector General” and “Contracting Officer” does not change, in Paragraph (b)(3)(ii) the meaning of “Government” does not change, and in Paragraphs (b)(3)(iii) and (c)(2)(ii)(F), the meaning of “OIG of the ordering agency”, “IG of the agency” “agency OIG” and “Contracting Officer” do not change.)
  4. **52.203-19** “Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements”
- 52.204-10** “Reporting Executive Compensation and First-Tier Subcontract Awards” (Applicable to Purchase Orders of \$30,000 or more (or the dollar threshold in effect as of the date of the prime contract) when Buyer is the Prime Contractor.) (The usual substitution of the



**STANDARD HARD-CODED PURCHASE ORDER TERMS AND CONDITIONS**

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- parties is not applicable to this clause. Seller shall report to Buyer the information required under the clause.)
5. **52.204-21** “Basic Safeguarding of Covered Contractor Information Systems” (Applicable to Purchase Orders, other than those for commercially available off-the-shelf items, in which Seller may have Federal contract information residing in or transiting through its information system.)
  6. **52.204-23** “Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities”
  7. **52.209-6** “Protecting the Government’s Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment” (Applicable to Purchase Orders exceeding \$35,000 or the dollar threshold in effect as of the date of the prime contract, except for Purchase Orders for commercially available off-the-shelf items.)
  8. **52.219-8** “Utilization of Small Business Concerns” (Applicable to Purchase Orders (except to small business concerns) that offer further subcontracting opportunities.)
  9. **52.222-21** “Prohibition of Segregated Facilities”
  10. **52.222-26** “Equal Opportunity” (Applicable to Purchase Orders that are not exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended.)
  11. **52.222-35** “Equal Opportunity for Veterans” (Applicable to Purchase Orders of \$150,000 or more, or the dollar threshold in effect as of the date of the prime contract.)
  12. **52.222-36** “Affirmative Action for Workers with Disabilities” (Applicable to Purchase Orders exceeding \$15,000 or the dollar threshold in effect as of the date of the prime contract.)
  13. **52.222-37** “Employment Reports on Veterans” (Applicable to Purchase Orders of \$150,000 or more, or the dollar threshold in effect as of the date of the prime contract.)
  14. **52.222-40** “Notification of Employee Rights Under the National Labor Relations Act” (Applicable to Purchase Orders that exceed \$10,000 or the dollar threshold in effect as of the date of the prime contract.)
  15. **52.222-41** “Service Contract Labor Standards” (Applicable to Purchase Orders that are subject to the Service Contract Labor Standards statute.)
  16. **52.222-50** “Combating Trafficking in Persons”
  17. **52.222-54** “Employment Eligibility Verification” (Applicable to Purchase Orders (i) for construction or commercial or noncommercial services (except commercial services that are part of a purchase of a COTS item, or an item that would be a COTS item, but for minor modifications, performed by the COTS provider, and that are normally provided for that COTS item); (ii) has a value more than \$3,500 or the dollar threshold in effect as of the date of the prime contract; and (iii) includes work performed in the United States.)
  18. **52.222-55** “Minimum Wages Under Executive Order 13658” (Applicable to Purchase Orders regardless of dollar value, that are subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, and are to be performed in whole or in part in the United States.)
  19. **52.222-62** “Paid Sick Leave Under Executive Order 13706” (Applicable to Purchase Orders, regardless of dollar value, that are subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute and are to be performed in whole or in part in the United States.)

20. **52.224-3** "Privacy Training" (Applicable to Purchase Orders, regardless of dollar value, when Seller's employees will (i) have access to a system of records; (ii) create, collect, use, process, store, maintain, disseminate, disclose, dispose, or otherwise handle personally identifiable information; or (iii) Design, develop, maintain, or operate a system of records.)
21. **52.225-26** "Contractors Performing Private Security Functions Outside the United States" (Applicable to Purchase Orders that will be performed outside the United States in areas of (i) combat operations, as designated by the Secretary of Defense, or (ii) other significant military operations, upon agreement of the Secretaries of Defense and State that the clause applies in that area.)
22. **52.232-40** "Providing Accelerated Payments to Small Business Subcontractors" (Applicable to Purchase Orders with small business concerns when Buyer receives Accelerated Payments under its prime contract.)
23. **52.244-6** "Subcontracts for Commercial Items"
24. **52.247-64** "Preference for Privately Owned U.S.-Flag Commercial Vessels" (Applicable to Purchase Orders, except those exempted in paragraph (e) (4) of the clause.)

**B. THE FOLLOWING DFARS CLAUSES ARE APPLICABLE TO PURCHASE ORDERS FOR COMMERCIAL ITEMS UNDER DoD CONTRACTS:**

1. **252.203-7002** "Requirement to Inform Employees of Whistleblower Rights"
2. **252.204-7012** "Safeguarding of Unclassified Controlled Technical Information" (Applicable to Purchase Orders under DoD contracts awarded after November 17, 2013 and before August 26, 2015.)
3. **252.204-7012** "Safeguarding Covered Defense Information and Cyber Incident Reporting" (Applicable to Purchase Orders under DoD contracts awarded after August 25, 2015 and before October 8, 2015.)
4. **252.204-7012** "Safeguarding Covered Defense Information and Cyber Incident Reporting" (DEVIATION 2016-O0001) (Applicable to Purchase Orders under DoD contracts awarded after October 7, 2015 and before December 30, 2015.)
5. **252.204-7012** "Safeguarding Covered Defense Information and Cyber Incident Reporting" (INTERIM RULE 12/30/2015) (Applicable to Purchase Orders under DoD contracts awarded after December 29, 2015 and before October 21, 2016 for operationally critical support, or for which Purchase Order performance will involve a covered contractor information system.)
6. **252.204-7012** "Safeguarding Covered Defense Information and Cyber Incident Reporting" (FINAL RULE 10/21/2016) (Applicable to Purchase Orders under DoD contracts awarded after October 20, 2016 for operationally critical support, or for which Purchase Order performance will involve covered defense information.)
7. **252.204-7015** "Disclosure Of Information To Litigation Support Contractors"
8. **252.215-7010** "Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data" (Applicable to Purchase Orders exceeding the simplified acquisition threshold defined in FAR part 2.)
9. **252.223-7008** "Prohibition of Hexavalent Chromium" (Applicable to all Purchase Orders for supplies, maintenance and repair services, or construction materials.)
10. **252.225-7040** "Contractor Personnel Authorized to Accompany U.S. Armed Forces Deployed Outside the United States" (Applicable to Purchase Orders that will be performed when Seller's personnel or Seller's subcontractors are supporting U.S. Armed Forces deployed outside the United States in contingency operations, peace operations consistent with Joint Publication 3-07.3, or other military operations or military exercises, when designated by the Combatant Commander or as directed by the Secretary of Defense.)
11. **252.225-7048** "Export-Controlled Items"
12. **252.227-7013** "Rights in Technical Data Noncommercial Items" (Applicable to solicitations and resulting Purchase Orders when Buyer will be required to deliver to the Government

Seller's technical data for commercial items for which the Government will have paid for any portion of the development costs.)

13. **252.227-7015** "Technical Data – Commercial Items" (Applicable whenever any technical data related to commercial items developed in any part at private expense will be provided under this Purchase Order for delivery to the Government.)
  14. **252.227-7037** "Validation of Restrictive Markings on Technical Data" (Applicable to Purchase Orders requiring the delivery of technical data.)
  15. **252.239-7010** "Cloud Computing Services" (Applicable to Purchase Orders that involve or may involve cloud services)
  16. **252.239-7018** "Supply Chain Risk" (Applicable to Purchase Orders involving the development or delivery of any information technology, as defined in the clause, as a service or a supply.)
  17. **252.244-7000** "Subcontracts for Commercial Items and Commercial Components (DoD Contracts)"
  18. **252.246-7003** "Notification of Potential Safety Issues" (Applicable to Purchase Orders for (i) parts defined as critical safety items in accordance with this clause; (ii) systems and subsystems, assemblies, and subassemblies integral to a system; and (iii) repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system.)
  19. **252.247-7023** "Transportation of Supplies by Sea"
- (f) Seller agrees to defend, indemnify, and save Buyer harmless from any loss, damage, fine, penalty, or expense that Buyer may suffer because of Seller's failure to comply with the warranties and certifications in this Section 19.

## 20. Responsibility and Insurance

- (a) Seller shall maintain, and require its subcontractors to maintain, the insurance coverages that are specified in this Purchase Order or, if none are specified, the following minimum insurance coverage and limits: Statutory Workers' Compensation coverage and Employers' Liability with a limit of \$500,000; Commercial General Liability (including bodily injury and property damage, products / completed operations coverage and contractual liability coverage) with a limit of \$1,000,000 per occurrence. When applicable to Seller's performance on the Purchase Order, Seller shall also maintain, and require its subcontractors to maintain, (i) Automobile Liability coverage with a limit of \$1,000,000 per accident; and (ii) Professional Liability covering the services provided by Seller under this Purchase Order. Upon Buyer's request, Seller shall (1) provide Buyer with certificates of insurance evidencing required insurance, (2) arrange for a waiver of subrogation in favor of Buyer, and / or (3) in the case of the Commercial General Liability and Automobile Liability policies direct that Buyer be added as an additional insured.
- (b) If work is to be performed on premises owned or controlled by Buyer, then Seller shall comply with all the rules and regulations established by Buyer for access to and activities in and around premises owned or controlled by Buyer. Seller shall be responsible for the actions and failure to act of all parties retained by, through, or under Seller in connection with the performance of this Purchase Order.

## 21. Indemnity Against Claims

- (a) Seller shall keep its work hereunder and Buyer premises free and clear of all liens and encumbrances in any way arising from performance of this Purchase Order by Seller or by any of its vendors or subcontractors. Seller may be required by Buyer to provide a satisfactory release of

liens as a condition of final payment.

- (b) Seller shall, without limitation, indemnify and save Buyer and its customer(s) and their respective officers, directors, employees and agents harmless from and against (i) all claims and resulting costs, expenses (including attorney fees and costs) and liability which arise from personal injury, death, or property loss or damage attributed to, or caused by, the services performed by Seller pursuant to this Purchase Order, except to the extent that such injury, death, loss or damage is caused solely and directly by the negligence of Buyer, and (ii) all claims (including resulting costs, expenses and liability) by the employees of Seller or any of its subcontractors.

## 22. Offsets

Seller agrees to identify and retain for Buyer's use any rights to offset credits generated by its suppliers and subcontractors arising out of or resulting from this Purchase Order. Seller shall provide a copy of each purchase order or subcontract placed with a foreign source under this Purchase Order in support of Buyer's rights to offset credit. Seller shall execute all necessary documents to evidence Buyer's right to use or assign any offset credits. Buyer reserves the right to assign offset credits generated through Seller's efforts under this Purchase Order to third parties. Seller shall include the substance of this Section 22, in favor of Buyer, in its subcontracts issued at all tiers pursuant to this Purchase Order.

## 23. Export/Import Controls

- (a) Seller hereby certifies that, in connection with the performance of this Purchase Order, it will comply with U.S. export and import control laws and regulations, including but not limited to the International Traffic in Arms Regulations ("ITAR") ([22 CFR 120 et seq.](#)), the Export Administration Regulations ("EAR") ([15 CFR Part 730-774](#)), the regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") ([31 CFR Part 500-598](#)), the regulations administered by the U.S. Department of Justice, Bureau of Alcohol, Tobacco, Firearms, and Explosives ("ATF") found in [27 CFR Chapter II](#), and all other applicable U.S. Government regulations relating to the importation of goods into the United States (including, but not limited to, the regulations administered by U.S. Customs and Border Protection ("CBP") at [19 CFR 0 et seq.](#) and other import regulations promulgated by other U.S. agencies which may be enforced by CBP) (collectively "U.S. export and import control laws and regulations"). If Seller engages in the United States in the business of either manufacturing, exporting, or brokering in ITAR-controlled defense articles or furnishing ITAR-controlled defense services, Seller hereby certifies that it is currently registered with the U.S. Department of State Directorate of Defense Trade Controls ("DDTC").
- (b) Seller shall ensure that any disclosure, export, reexport, transfer and retransfer of, and access to, any hardware, software, controlled technical data, technology, and/or services (collectively referred to as "items") received under this Purchase Order is undertaken in accordance with U.S. export control laws and regulations. In no event will the parties export, reexport, or retransfer hardware, which is expressly excluded from these Service Terms and Conditions of Purchase. Seller agrees that no items controlled under U.S. export and import laws and regulations and provided by Buyer in connection with this Purchase Order shall be provided to any person or entity, including non-U.S. person employees, subsidiaries, or affiliates, unless the transfer is expressly permitted by a U.S. Government license or other authorization, or is otherwise in accordance with applicable laws and regulations.



This Paragraph (c) applies only in circumstances in which Seller or its sub-tier supplier is either the design authority or the exporter. Seller shall notify Buyer if any deliverable under this Purchase Order is subject to U.S. export and import control laws and regulations described in Paragraph 23(a). Before providing Buyer any deliverable subject to the EAR or the ITAR, Seller shall provide in writing to the Buyer's Procurement Representative the export jurisdiction and classification of any such item or controlled data. After this initial disclosure, Seller shall timely notify the Buyer's Procurement Representative in writing of any changes to the export jurisdiction and classification of the item or controlled data.

- (c) Seller hereby warrants that neither Seller, nor any immediate or ultimate parent, majority shareholder, subsidiary, affiliate, or lower-tier subcontractor is listed on any [Restricted Party](#) List of an agency of the U.S. Government, any applicable non-U.S. Government or international organization, or any applicable state, local government, or municipality, nor are their export privileges denied, suspended or revoked. For purposes of this provision, "Restricted Party List" is defined to include lists administered by the U.S. Departments of State, Commerce, and Treasury (e.g., Specially Designated Nationals List) or other U.S. government agency and other similar lists that relate to export controls, economic sanctions, or anti-corruption. Seller shall immediately notify Buyer if Seller, or any immediate or ultimate parent, majority shareholder, subsidiary, affiliate, or lower-tier subcontractor is added to any such Restricted Party List or if any of their export privileges become denied, suspended, or revoked. Seller shall not deal with any Restricted Party in relation to this Purchase Order.
- (d) If the technical data and/or technology provided by Seller is transmitted from outside the United States, the technical data and/or technology may also be subject to the export and import control laws and regulations of the country. Seller shall abide by all applicable export and import control laws and regulations of that country to the extent consistent with U.S. law. Seller also shall be responsible for complying with any laws or regulations governing the importation of the technical data and/or technology into the United States.
- (e) Buyer shall not import or export hardware pursuant to this Purchase Order. If Buyer seeks any export authorizations for the technical data and/or technology covered by this Purchase Order, Seller will provide Buyer with appropriate information as necessary.
- (f) Seller shall promptly notify Buyer of any known or suspected violation of export or import control laws or regulations, or the initiation or existence of any U.S. Government investigation into same. Seller shall comply with requests from Buyer for additional information regarding any changed circumstance, known or suspected violation, or U.S. Government investigation.
- (g) If this purchase order forms the whole or part of a sale by buyer of defense articles or defense services being sold in support of a foreign military sale or commercially to or for the use of the armed forces of a foreign country or international organization, seller shall upon acceptance of this order, or within ten (10) days of being requested by buyer to do so, report any political contributions, fees, or commissions in furtherance of the requirements stipulated in part 130 of the international traffic in arms regulations, 22 c.f.r. §§130.9 and 130.10.

- (h) Seller shall not engage in any subcontracts relating to this Purchase Order except in accordance with the terms and conditions of Section 18, Assignments, Subcontracting, Organizational Changes, and Place of Manufacture, and as compliant with U.S. export and import control laws and regulations, and any authorizations granted thereunder. If Buyer authorizes Seller to engage in subcontracting for procurements related to this Purchase Order, Seller shall incorporate into its subcontracts the provisions of Section 23 requiring compliance with U.S. and other applicable export and import control laws and regulations.
- (i) Seller shall indemnify Buyer for all liabilities, penalties, losses, damages, costs or expenses that may be imposed on or incurred by Buyer in connection with any violations of non-U.S. or U.S. export or import control laws and regulations, by Seller, its officers, employees, agents, suppliers, or subcontractors at any tier.

#### **24. Severability**

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

#### **25. Standards of Business Ethics and Conduct; No Solicitation**

- (a) By the acceptance of this Purchase Order, Seller represents that it has not participated in any conduct in connection with this Purchase Order that violates the Buyer Code of Conduct. If, at any time, Buyer determines that Seller is in violation of the applicable Standards of Business Ethics and Conduct, Buyer may cancel this Purchase Order upon written notice to Seller and Buyer shall have no further obligation to Seller.
- (b) Except as may be agreed in writing during the term of this Purchase Order, or for twelve (12) months after its termination or expiration, neither Buyer nor Seller will solicit directly or indirectly for employment or employ any person then employed (or who was employed within the preceding twelve (12) months) by the other party or an affiliate of the other party, who has been involved in the activities to which the Purchase Order relates.

#### **26. Priority Rating**

If so identified, this Purchase Order is a “rated order” certified for national defense use, and Seller shall follow all the requirements of the Defense Priorities and Allocation System Regulation (15 C.F.R. Part 700).

#### **27. Survivability**

Seller's obligations that by their very nature must survive expiration, termination, or completion of this Purchase Order shall survive expiration, termination, or completion of this Purchase Order.

#### **28. Electronic Transmissions**

Neither Party shall contest the validity of this Purchase Order due to the use of electronic signatures or use of commercially acceptable standards in the transmission of this Purchase Order.

### **29. Buyer's Access to Records and Facilities**

Seller shall maintain general records relating to this Purchase Order for a minimum of four (4) years after completion of this Purchase Order or for such longer period as required by law or this Purchase Order. In order to assess Seller's work quality and / or compliance with this Purchase Order, Buyer or its authorized agents and representatives shall have the right during normal business hours and with adequate notice to inspect all relevant records, tooling, and furnished property relating to any of Seller's obligations under this Purchase Order.

### **30. Quality Requirements Flow Down**

Seller shall require lower-tier suppliers to comply with quality assurance requirements comparable to those contained in this Purchase Order. Seller shall assume responsibility for the quality of all procured material and workmanship. Seller shall include this clause in its subcontracts with lower-tier suppliers and require lower-tier suppliers to flow down this clause to their lower-tier suppliers.

### **31. Information Technology Assurance**

Seller shall maintain data protection processes and systems sufficient to adequately protect specifications, information, data, drawings, software, and other items which are (i) supplied to Seller by Buyer, or (ii) obtained or developed by Seller in the performance of this Purchase Order or paid for by Buyer (collectively, "Buyer Data"), and to comply with any law or regulation applicable to such data. If an event occurs whereby Seller knows, or reasonably believes, that Buyer Data has been actually or potentially disclosed to, or accessed or acquired by, an unauthorized individual or individuals ("Security Incident"), Seller shall (i) use commercially reasonable efforts to investigate, contain, and remediate the Security Incident, and (ii) notify Buyer in writing promptly, but not later than seventy-two (72) hours after discovering the Security Incident. Seller's notification to Buyer of a Security Incident shall include sending an email to [purchasing@esaero.com](mailto:purchasing@esaero.com), and Seller shall encrypt emails to Buyer containing details of a Security Incident using industry standard encryption methods. The obligations contained in this Section are in addition to, and do not alter, Seller's obligations under applicable U.S. Government Procurement Regulations.