

TRACEWELL SYSTEMS TRUSTED INNOVATION	Terms & Conditions	Q-0299
	Title: Standard PO Terms & Conditions	Rev 0.6

The following requirements apply to this purchase order. Any FAR or DFAR clause whose threshold is not met or is not applicable shall be considered self-deleting.

**Applicable to all:**

This contract and any matter arising out of or related to this contract shall be governed by the laws of the state of Ohio.

By the acceptance of this Purchase Order, Seller represents that it has not participated in any conduct in connection with this Order that violates the business ethics and conduct standards of the Seller.

Tracewell Standard terms are NET 30, FOB Tracewell Systems Inc. Product shall be properly packed for shipment using best commercial practices to prevent damage. The Seller shall comply with the Buyers standard routing and shipping instructions if provided. If such instructions are not attached or have not been previously received, the seller may use standard commercial shipping methods to arrive by the buyers due date. No additional charges will be allowed for packing, crating, freight, express or cartage unless specified on the face of the Order. Any loss or damage, whenever occurring, which results from Sellers improper packaging or crating shall be borne by Seller. All items shall be properly identified with Buyer's purchase order number, line item, and part number releasing.

Parts identified as rated must comply with all provisions set forth in 15 CFR 700. Responses for DO rated orders are due to Tracewell Purchasing within 5 days, DX rated orders must be responded to within 2 days.

During the term of this contract, the contractor agrees to comply with and be subject to all provisions of 29 C.F.R. Part 471, Appendix A to Subpart A, which is specifically incorporated herein by reference.

This contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-300.5(a) and 60-741.5(a) and 41 CFR 60-1. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.

**PROPERTY OR EQUIPMENT FURNISHED BY BUYER:** All tooling, jigs, dies, fixtures, material and other property supplied or paid for by Buyer will be maintained by Seller to meet the performance requirements of Buyer's order. Seller will be responsible to protect Buyer's property from loss or damage.

Seller shall not be permitted to move, transfer dispose of or use such property in any manner or for any purpose whatsoever without proper notification and authorization from Buyer. Seller agrees to indemnify and save Buyer harmless from any claims and expense (including expense of litigation) for bodily injury and property damage which may arise or result from the use of Buyer's property, whether or not arising from joint or concurring negligence of other parties.

**WARRANTY:** Seller warrants that it has clear title to all items furnished subject hereto and that they are being delivered free and clear of any encumbrances. The Seller further warrants that all such items shall conform to the Sellers specifications, the requirements of this Order and approved samples, drawings or specifications, if any, and further, that such shall be merchantable and fit for the Buyer's or its customer's intended use and that such items shall be free from defects in design, material and workmanship (collectively, the "Seller Warranty"). Seller's Warranty shall remain in effect for a one (1) year period after acceptance of items by the Buyer or for such longer period of time as the item is normally warranted. Such warranty shall be

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transferable to buyer's customer without loss. Neither approval by the Buyer of the Sellers design nor acceptance of the goods shall release or discharge Seller from liability for damages resulting from a breach of the Seller's Warranty.

If any defect, failure or other non-conformity appears, Buyer shall have the right to take the following actions: (1) require Seller to repair or replace such defective items, at Seller's sole expense, including all shipping and transportation costs (2) retain and dispose of such defective items and an equitable adjustment will be made in the Order price for such defective items. (3) return such defective items at Sellers sole expense, including shipping and transportation costs and receive an equitable adjustment, made to the Order price for such defective items.

**Counterfeit Mitigation:** Seller shall not deliver counterfeit work to Tracewell Systems Inc., under this contract. All components shall be directly supplied from OCM/OEM or shall include Certificates of Conformance and Traceability to OCM/OEM manufacturing lot in compliance with AS5553 and AS6081. Seller shall immediately notify Tracewell Systems if seller becomes aware or suspects that counterfeit product has been supplied. In the event that Work delivered under this Contract constitutes or includes Counterfeit Work, SELLER shall, at its expense, promptly replace such Counterfeit Work with genuine Work conforming to the requirements of this Contract. Notwithstanding any other provision in this Contract, SELLER shall be liable for all costs relating to the removal and replacement of Counterfeit Work, including without limitation TRACEWELL SYSTEMS INC.'s costs of removing Counterfeit Work, of installing replacement Work and of any testing necessitated by the reinstallation of Work after Counterfeit Work has been exchanged. The remedies contained in this paragraph are in addition to any remedies TRACEWELL SYSTEMS INC. may have at law, equity or under other provisions of this Contract. Seller shall disclose in writing to Tracewell Systems Inc. when the source of components is not an authorized source for the component being purchased and must provide traceability back to the source, or provide appropriate risk mitigation evidence for approval. This clause shall be flowed do all applicable sub-contractors of the seller.

**Conflict Minerals:** Consistent with the U.S. public policy underlying the enactment of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act(the "Dodd-Frank Act"), the Seller recognizes the significant risks associated with sourcing tin, tantalum, tungsten and gold (referred to here as "Conflict Minerals") from the Democratic Republic of the Congo and adjoining countries ("Conflict Region"). Seller shall not knowingly provide any goods containing Conflict Minerals from the Conflict Region. In compliance with the Dodd-Frank Act, seller conduct a reasonable inquiry into the country of origin of any Conflict Minerals incorporated into any goods provided under the order, conduct due diligence of its supply chain, as necessary, to determine if any Conflict Minerals from the Conflict Region are incorporated into any goods provided under the order. In compliance with the Dodd-Frank Act, seller shall issue the Conflict Minerals report, as required and necessary, at no cost to the buyer, using the standard and most recent Conflict Minerals Reporting Template available from [www.conflictreesourcing.org](http://www.conflictreesourcing.org).

**Fair Labor Standards Act:** Seller represents and warrants that the goods and/or services to be furnished hereunder were or will be produced in compliance with the requirements of the Fair labor Standards Act of 1938, as amended, the Orders and regulations issued pursuant thereto.

**Right of Access:** The seller will allow access to all facilities and all applicable records at all level of the supply chain related to this purchase order to Buyer, any subsequent buyer or customer, or regulatory authority.

**Non-conforming product:** Seller understands that their product is essential to product conformity and safety and that failure to provide conforming product may result in catastrophic failure leading to critical mission failure, severe bodily harm, or death. Seller shall notify buyer of

TRACEWELL SYSTEMS TRUSTED INNOVATION	Terms & Conditions	Q-0299
	Title: Standard PO Terms & Conditions	Rev 0.6

any non-conforming product and shall obtain approval from the buyer prior to dispositioning non-conforming product for use-as-is.

**Notice of changes to product or process:** The seller shall notify the buyer of any changes in product, services, and/or process, changes of suppliers, and/or changes in manufacturing facility location. Parts shall fully meet all design requirements and qualifications as initially approved unless otherwise deviated in writing.

**Notice of delay:** Whenever anything delays or threatens to delay the timely performance of this order, Supplier must immediately notify the Buyer in writing of all relevant information with respect to such delay.

**Certificate of Conformance:** Seller must provide a certificate of conformance for all parts and/or services unless otherwise noted or waived.

**Special Processes:** Processes where the output cannot be verified by later monitoring and measurement (i.e. Plating/Anodizing/Chromating, Welding, Painting, etc.) shall have prior agreement with Tracewell Systems Quality. Supplier shall submit a certificate of conformance indicating all requirements of the process have been met with each lot or shipment.

Tracewell Vendor Scorecards are based on Shipment performance, both on-time and quantity variation, as well as Quality performance and responsiveness to Tracewell Systems communications. Shipments to Tracewell Systems Inc. shall be no more than 7 days earlier and 0 days later than the confirmed delivery date to be considered on-time.

Supplier shall maintain all applicable test and product acceptance records, including any statistical records for product conformance, for products for a minimum retention period of 5 years unless otherwise noted on the PO. Test specimens or coupons shall be provided to Tracewell Systems if identified on the PO.

Vendor shall have an approved Quality Management System unless waived. This QMS shall be compliant to ISO9001 current revision at a minimum. TS16949 and AS9100 are acceptable alternatives. A valid certificate of 3<sup>rd</sup> party compliance shall be submitted to Tracewell Systems Purchasing. Any vendor that is not 3<sup>rd</sup> party certified requires approval from the Tracewell Quality Director. Vendor personnel shall be qualified to applicable standards as required by design documentation, such as IPC-A-610, IPC/WHMA-A-620, J-STD-001 or others as identified. Vendors providing certification services to Tracewell systems shall be compliant to ISO 17025.

**SHELF-LIFE:** If applicable, product shall be supplied with no less than 80%, or 6 months if greater, of its applicable shelf-life remaining.

**SDS (Safety Data Sheets):** An appropriate safety data sheet (“SDS”) and labeling, as and if required by law, will precede, accompany, or be referenced to on shippers, each shipment by Supplier. Further, Supplier shall send, or provide internet links, to Buyer updated SDS’s and labeling as required by law. All containers of hazardous goods (and all documents relating thereto) shall bear prominent and adequate warnings. The Supplier shall indemnify the buyer against all claims, proceedings, actions, damages, costs, expenses and any other liability or loss incurred by the Buyer as a result of any breach of this condition.

**SEVERABILITY:** If any provision of this Order is held to be invalid, or unenforceable by a court of competent jurisdiction, that provision will be severed from this Purchase Order; the remaining provisions will remain in full force and effect; and a similar valid and enforceable provision will be substituted in lieu of the severed provision.

**ENTIRE AGREEMENT:** This Order constitutes the entire agreement between the parties and contains all the agreements and conditions of sale; no course of dealing or usage of the trade

TRACEWELL SYSTEMS TRUSTED INNOVATION	Terms & Conditions	Q-0299
	Title: Standard PO Terms & Conditions	Rev 0.6

shall be applicable unless expressly incorporated in this order. The terms and conditions contained in the Order may not be added to, modified, superseded or otherwise altered except by a written modification signed by the Buyer's Operation's Manager. Each delivery shall be deemed to be only upon the terms and conditions contained in this Order.

**INDEMNIFICATION:** To the fullest extent permitted by law, Seller agrees to indemnify, hold harmless and defend Buyer and its directors, officers, employees and agents, from and against any loss, liability, cost expense, suits, actions, claims and all other obligations and proceedings whatsoever, including without limitations, all judgments rendered against and all fines and penalties imposed upon Buyer and any reasonable attorney's fees and any other cost of litigation arising out of, including without limitation Seller's negligence, willful misconduct, breach of the terms of this Order, warranty or product liability.

**WAIVER:** The Buyer's failure to insist upon strict compliance shall not be deemed to be a waiver of any right granted Buyer herein. Buyer shall not be deemed to waive any such right unless such waiver is in writing signed by Buyer; such waiver shall not constitute a waiver of any other default under this Order.

**Flow Down:** Seller shall flow down all applicable contract requirements to the supply chain.

FAR 52.222-21 Prohibition of Segregated Facilities

FAR 52.222-26 Equal Opportunity

FAR 52.225-13 Restrictions on Certain Foreign Purchases

FAR 52.244-6 Subcontracts for Commercial Items

DFAR 252.203-7002 Requirement to Inform Employees of Whistleblower Rights

DFAR 252.204-7014 Limitations on the Use or Disclosure of Information by Litigation Support Contractors

DFAR 252.204-7015 Notice of Authorized Disclosure of Information for Litigation Support

DFAR 252.204-7018 Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services

DFAR 252.223-7008 Prohibition of Hexavalent Chromium

DFAR 252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals

DFAR Excluding paragraph (d) and e (1) and modifying paragraph c (6) as noted in the

DFAR 252.225-7048 Export-Controlled Items

DFAR 252.225-7056 Prohibition Regarding Business Operations with the Maduro Regime

DFAR 252.225-7060 Prohibition of Certain Procurements from the Xinjiang Uyghur Autonomous Region

DFAR 252.227-7037 Validation of Restrictive Markings on Technical Data

DFAR 252.244-7000 Subcontracts for Commercial Items

<b>TRACEWELL SYSTEMS TRUSTED INNOVATION</b>	<b>Terms &amp; Conditions</b>	<b>Q-0299</b>
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DFAR 252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System

DFAR 252.246-7008 Sources of Electronic Parts

Applicable to PO's exceeding \$3,500

FAR 52.222-54 Employment Eligibility Verification

Applicable to PO's exceeding the Micro-Purchase Threshold

FAR 52.223-18 Encouraging Contractor Policies to ban Text Messaging While Driving

Applicable to PO's exceeding \$10,000

FAR 52.222-40 Notification of Employee Rights Under the National Labor Relations Act

Applicable to PO's exceeding \$15,000

FAR 52.222-36 Equal Opportunity for Workers with Disabilities

Applicable to PO's exceeding \$35,000

FAR 52.209-6 Protecting the Governments Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Non COTS items only)

Applicable to PO's exceeding \$150,000

FAR 52.203-7 Anti-Kickback Procedures

FAR 52.203-12 Limitation on Payments to influence Certain Federal Transactions

FAR 52.222-35 Equal Opportunity for Veterans

FAR 52.222-37 Employment Reports on Veterans

Applicable to PO's exceeding the Simplified Acquisition Threshold

FAR 52.203-6 Restrictions on Subcontractor Sales to the Government

FAR 52.203-17 Contract Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights

FAR 52.227-1 Authorization and Consent

FAR 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement

DFAR 252.215-7010 Requirements for Certified Cost or Pricing Data and Other Data Than Certified Cost or Pricing Data

Applicable to PO's exceeding \$500,000

DFAR 252.226-7001 Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business

Concerns

Applicable to PO's exceeding \$550,000

FAR 52.222-50 Combating Trafficking in Persons

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If product is identified as Government Property the following clause(s) apply

FAR 52.245-1 Government Property

If product is identified as operationally critical or involves covered defense information

DFAR 252.204-7009 Limitations on the Use or Disclosure of Third-Party Contractor  
Reported Cyber Information

DFAR 252.204-7012 Safeguarding Covered Defense Information and Cyber Incident  
Reporting

DFAR 252.204-7020 NIST SP 800-171 DoD Assessment Requirements