

1. Acceptance of Purchase Order

Agreement by Seller to furnish the materials, and products (“goods”) or services, including the products resulting from services hereby ordered, or its commencement of such performance, or acceptance of any payment, shall constitute Seller’s unqualified acceptance of this Purchase Order subject to these terms and conditions. In the event that this Purchase Order does not state price or delivery, Buyer will not be bound to any prices or delivery to which it has not specifically agreed in writing. Any terms or conditions proposed by Seller inconsistent with or in addition to the terms and conditions herein contained shall be void and of no effect unless specifically agreed to by Buyer in writing. Modifications hereof or additions hereto, to be effective, must be made in writing and be signed by Buyer’s Purchasing Representative. These terms and conditions, together with any referenced exhibits, attachments or other documents, constitute the entire agreement between the Parties with respect to the subject matter of this Purchase Order; and supersede any prior or contemporaneous written or oral agreements pertaining thereto.

2. Shipping Instructions; Risk of Loss

(a) Seller shall be responsible for ensuring the proper packaging of goods hereunder. No charges will be allowed for packing, crating, freight, local cartage, and/or any other services unless so specified in this Purchase Order.

(b) Seller shall at all times comply with Buyer’s written shipping instructions. Unless otherwise directed, all items shipped on the same day from and to a single location must be consolidated on one bill of lading or airbill, as appropriate. Seller shall submit all required shipping papers to Buyer prior to final payment. Title to goods furnished under this Purchase Order shall pass to Buyer upon formal acceptance, regardless of when or where Buyer takes physical possession, unless the Purchase Order specifically provides for earlier passage of title.

(c) For goods purchased F.O.B. Origin (as “F.O.B. the place of shipment” is described in the Uniform Commercial Code Section 2-319), Seller shall bear the expense of and risk of loss of, or damage to, the goods until the goods are put into the possession of the carrier designated by Buyer. Seller shall not insure and not declare a value except when transportation rates are based on “released value,” in which instance Seller shall annotate on the bill of lading the lowest released value provided in applicable tariffs.

(d) For goods purchased F.O.B. Destination (as “F.O.B. the place of destination” is described in the Uniform Commercial Code Section 2-319) Seller shall bear the expense of transport of, and risk of loss or damage to, the goods to the named place.

(e) Purchase Order number(s) must appear on all correspondence, shipping labels, and shipping documents, including all packing sheets, bills of lading, airbills, and invoices.

3. Delivery; Notice of Delay; Obsolescence

(a) Time is of the essence and failure to deliver in accordance with the delivery schedule under this Purchase Order, if unexcused, shall be considered a material breach of this Purchase Order. No acts of Buyer, including without limitation modifications of this Purchase Order or acceptance of late deliveries, shall constitute waiver of this provision. Buyer also reserves the right to refuse or return at Seller’s risk and expense shipments made in excess of this Purchase Order or in advance of required schedules, or to defer payment on advance deliveries until scheduled delivery 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 to Buyer’s rights and remedies hereunder.

(c) During performance of this Purchase Order, Seller shall notify Buyer of any planned obsolescence of the good(s) set out in this Purchase Order.

4. Termination for Convenience

(a) Buyer may, by written notice, 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 is not excused from performance of the non-terminated balance of work under the Purchase Order.

(b) In the event of termination for convenience by Buyer, Seller shall be reimbursed for actual, reasonable, substantiated and allocable costs, plus a reasonable profit for work performed to date of termination. Any termination settlement proposal shall be submitted 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 goods, complete or incomplete, and all products resulting from services upon written notice of termination to Seller.

5. Termination for Default

(a) Buyer may, by notice in writing, terminate this Purchase Order in whole or in part at any time for (i) breach of any one or more of its terms, (ii) failure to deliver goods or 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. Buyer may also terminate this Purchase Order in whole or in part in the event of Seller's suspension of business, insolvency, appointment of a receiver for Seller's property or business, or any assignment, reorganization or arrangement by Seller for the benefit of its creditors. In the event of partial termination, Seller is not excused from performance of the non-terminated balance of work under the Purchase Order.

(b) In the event of Seller's default hereunder, Buyer may exercise any or all rights and remedies accruing to it, both at law, including without limitation, those set forth in Article 2 of the Uniform Commercial Code, or in equity, including but not limited to, Seller's liability for Buyer's excess re-procurement costs for goods or services.

(c) If this Purchase Order is terminated for default, Buyer may require Seller to transfer title to, and deliver to Buyer, as directed by Buyer, any (1) completed supplies, and (2) partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (collectively referred to as "manufacturing materials" in this Section) that Seller has specifically produced or acquired for the terminated portion of this Purchase Order. Upon direction of Buyer, Seller shall also protect and preserve property in its possession in which Buyer has an interest.

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. Such causes include, but are not limited to, acts of God or of the public enemy, acts of the government in its sovereign or contractual capacity, fires, floods, epidemics, terrorism, quarantine restrictions, strikes, freight embargoes, and unusually severe weather. In the event that performance of this Purchase Order is hindered, delayed or adversely affected by causes of the type described above ("Force Majeure"), then the Party whose performance is so affected shall so notify the other Party's authorized representative in writing and, at Buyer's option, this Purchase Order shall be completed with such adjustments to delivery schedule as are reasonably required by the existence of Force Majeure or this Purchase Order may be terminated for convenience pursuant to Section 4.

7. Disputes and Governing Law

(a) Any controversy or claim that may arise out of or in connection with this Purchase Order shall be submitted in writing to senior management representatives of the Parties for resolution. If the Parties senior management representatives are unable after good faith efforts to settle the dispute to the mutual satisfaction of the Parties within ten (10) business days after the dispute is submitted in writing to the senior management representatives, or such later date as may be agreed in writing by the Parties, either Party may submit the dispute to a court of competent jurisdiction. To the extent permitted by applicable law, the parties waive any right they may have to a trial by jury. Notwithstanding the above, 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 this Purchase Order is issued by Buyer, without regard to its conflicts of laws provisions, except that 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, including any amendments or changes to this Purchase Order.

8. Remedies

(a) Except as otherwise provided herein, the rights and remedies of both Parties hereunder shall be in addition to their rights and remedies at law or in equity. 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 or any of its affiliated companies to Buyer, against any amount payable at any time by Buyer or any of its affiliated companies to Seller.

9. Proprietary Rights

(a) Unless otherwise expressly agreed in a contemporaneous or subsequent writing to the contrary or otherwise expressly set forth in this Purchase Order and subject to Paragraph 9(d) below, all specifications, information, data, drawings, software 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) Unless otherwise expressly agreed in a contemporaneous or subsequent writing to the contrary or otherwise expressly set forth in this Purchase Order and subject to Paragraph 9(d) below, all 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 shall be proprietary to Buyer, shall be used only for purposes of providing goods or 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) Unless otherwise expressly agreed in a contemporaneous or subsequent writing to the contrary or otherwise expressly set forth in this Purchase Order and subject to Paragraph 9(d) below, 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 shall be considered to be the property of Buyer; and Seller 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 and subject to Paragraph 9(d) below, any work performed pursuant to this Purchase Order which includes any copyright interest shall be considered a "work made for hire". Subject to Paragraph 9(d) below, 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) 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, software 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 or paid for by Buyer shall be and remain the property of Buyer; and if Seller fails to return such property upon Buyer's demand, Buyer shall have the right, upon reasonable notice, to enter Seller's premises and remove any such property at any time without being liable for trespass or damages of any sort.

(b) All such items shall be used only in the performance of work under this Purchase Order unless Buyer consents otherwise in writing.

(c) Goods made in accordance with Buyer's specifications and drawings shall not be furnished or quoted by Seller to any other person or concern without Buyer's prior written consent.

(d) Seller shall have the obligation to maintain any and all property furnished by Buyer to Seller and all property to which Buyer acquires an interest by this Purchase Order and shall be responsible for all loss or damage to said property except for normal wear and tear.

(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.

(g) Nothing in the Terms and Conditions shall be construed or interpreted to limit or in any way restrict the rights of the Government in regard to data, tooling or designs it owns or has a right to use, including its right to authorize a Seller's use of such data, tooling or design.

11. Release of Information

Seller shall not publish, distribute, or use any information developed under or about the existence of this Purchase Order, or use the VT Group 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 a website content or for goods or service endorsement without prior written approval of Buyer.

12. Order of Precedence

(a) In the event of any inconsistency or conflict between or among the provisions of this Purchase Order, such inconsistency or conflict shall, subject to Section 9(d) above, be resolved by the following descending order of preference: 1. Order-specific provisions provided in full text on the Purchase Order; 2. Documents incorporated by reference on the Purchase Order which apply to the Purchase Order as a whole and not to a specific line item therein; 3. These General Terms and Conditions of Purchase and Supplements thereto; 4. Statement of Work; and 5. Specifications attached hereto or incorporated by reference (see Paragraph 12(b) below).

(b) Buyer's specifications, including but not limited to VT Group Quality Notes (see [http://qnotes.VT Group.com/](http://qnotes.VTGroup.com/)), shall prevail over those of the United States Government, and both of the foregoing shall prevail over specifications of Seller. In the event of conflict between specifications, drawings, samples, designated type, part number, or catalog description, the specifications shall govern over drawings, drawings over samples, whether or not approved by Buyer and samples over designated type, part number, or catalog description. In cases of ambiguity in the specifications, drawings, or other requirements of this Purchase Order, Seller must, before proceeding, consult Buyer, whose written interpretation shall be final.

13. Warranty

(a) Seller warrants the goods delivered pursuant to this Purchase Order, unless specifically stated otherwise in this Purchase Order, shall (i) be new (ii) be free from defects in workmanship, materials, and design and (iii) be in accordance with all the requirements of this Purchase Order. Seller further warrants that the performance of work and services shall conform with the requirements of this Purchase Order and to high professional standards. All warranties in this Purchase Order shall survive inspection, test, final acceptance and payment of goods and services.

(b) Seller warrants that the goods delivered pursuant to this Purchase Order shall (i) be and only contain materials obtained directly from the Original Component Manufacturer (OCM) or the Original Equipment Manufacturer (OEM), (collectively, the Original Manufacturer (OM)) or an authorized OM reseller or distributor; (ii) not be or contain Counterfeit Items, as defined below; and (iii) contain only authentic, unaltered OM labels and other markings. Seller shall obtain and retain all documentation required to fully trace the distribution and sale of the goods delivered hereunder back to the relevant OM, and, on request of Buyer, shall provide such authenticating documentation. Counterfeit Items include, but are not limited to, goods or separately-identifiable items or components of goods that: (i) are an illegal or unauthorized copy or substitute of an OM item; (ii) are not traceable to an OM sufficient to ensure authenticity in OM design and manufacture; (iii) do not contain proper external or internal materials or components required by the OM or are not constructed in accordance with OM design; (iv) have been re-worked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OM design but not disclosed as such or are represented as OM authentic or new; (v) have not passed successfully all OM required testing, verification, screening, and quality control processes; or (vi) an item with altered or disguised documentation, package labeling, or item marking intended to mislead a person into believing a non-OM item is genuine, or that an item is of better or different performance when it is not. Seller further warrants that it has and shall have an internal Counterfeit Item control process for goods delivered hereunder in accordance with the standards or instructions set forth in any Buyer's specifications, including but not limited to VT Group Quality Notes, or other provisions incorporated into this Purchase Order. Buyer shall have the right to audit, inspect, and / or approve the processes at any time before or after delivery of the goods ordered hereunder. Buyer shall have the right to require changes to the processes to conform to Buyer's defined standards, if any. Failure of the Seller to conform its processes to Buyer's defined standards may result in the termination of this Purchase Order in accordance with the termination provisions set forth herein. Seller shall include the substance of this Section 13 (b) in any agreement between Seller and its lower tier sellers.

(c) Seller warrants that any hardware, software and firmware goods delivered under this Purchase Order: (i) shall not contain any viruses, malicious code, Trojan horse, worm, time bomb, self-help code, back door, or other software code or routine designed to: (a) damage, destroy or alter any software or hardware; (b) reveal, damage, destroy, or alter any data; (c) disable any computer program automatically; or (d) permit unauthorized access to any software or hardware; (ii) shall not contain any third party software (including software that may be considered free software or open source software) that (a) may require any software to be published, accessed or otherwise made available without the consent of Buyer, or (b) may require distribution, copying or modification of any software free of charge; and (iii) shall not infringe any patent, copyright, trademark, or other proprietary right of any third party or misappropriate any trade secret of any third party.

(d) These warranty entitlements shall inure to the benefit of both Buyer and Buyer's customers. As used in this Purchase Order, Buyer's customer(s) shall include its direct and indirect customers such as direct sale end-users, higher-tier subcontractors, prime contractors and the ultimate user under relevant prime contract(s).

(e) Seller shall be liable for and save Buyer harmless from any loss, damage, or expense whatsoever that Buyer may suffer from breach of any of these warranties. Remedies shall be at Buyer's election, including, but not limited to, the prompt repair, replacement or reimbursement of the purchase price of nonconforming goods and, in the case of services either the prompt correction of the defective services at no cost or reimbursement of the amounts paid for such services. Return to Seller of defective or nonconforming goods and redelivery to Buyer of repaired or replaced goods shall be at Seller's expense. Goods or services required to be corrected, repaired or replaced shall be subject to this Section and the Inspection Section of this Purchase Order in the same manner and to the same extent as goods or services originally delivered under this Purchase Order, but only as to the repaired or replaced goods or parts thereof or the corrected service thereof. Seller shall promptly comply with Buyer's direction to (i) repair, rework or replace the goods, (ii) furnish any material or parts and installation required to successfully correct the defect or nonconformance or (iii) successfully correct the defective or nonconforming service.

14. Inspection

(a) All goods and services shall be subject to inspection and test at all reasonable times and places by Buyer or Buyer's customer before, during and after performance and delivery. Buyer may require Seller to repair, replace or reimburse the purchase price of rejected goods or Buyer may accept any goods and upon discovery of nonconformance, may reject or keep and rework any such goods not so conforming. Cost of repair, rework, replacement, inspection, transportation, repackaging, and/or reinspection by Buyer shall be at Seller's expense. Buyer's acceptance of goods or services shall not be deemed to diminish Buyer's rights or be final or binding on Buyer if latent defects, fraud, or misrepresentation on the part of Seller exists.

(b) If inspection and test are made on the premises of Seller or Seller's lower-tier subcontractors, Seller shall furnish without additional charge all reasonable facilities, information and assistance necessary for the safe and convenient inspection and tests required by the inspectors in the performance of their duty. The foregoing provisions of this Section are supplementary to and not in lieu of the provisions of Paragraph 14 (a) above.

(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. Notwithstanding any other provision of the Purchase Order, the risk of loss of, or damage to, nonconforming goods remains with Seller until cure or acceptance.

15. Changes

(a) 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 rendered or the goods to be furnished by Seller hereunder or the delivery 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(a) 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. However, nothing herein shall excuse Seller from proceeding with this Purchase Order as changed pending resolution of the claim.

(b) Information, advice, approvals or instructions given by Buyer's technical personnel or other representatives shall be deemed expressions of personal opinion only and shall not affect Buyer's and Seller's rights and obligations hereunder unless set forth in a writing which is signed by Buyer's Purchasing Representative and which states it constitutes an amendment or change to this Purchase Order.

16. Infringement

Seller warrants that all goods and services (for purposes of this Section 16 hereinafter "items"), provided by Seller pursuant to this Purchase Order, which are not of Buyer's design, shall be free from claims of infringement (including misappropriation) of third party intellectual property rights and that any use or sale of such items by Buyer or any of Buyer's customers shall be free from any claims of infringement. Seller shall indemnify and save Buyer, and its customers harmless from any and all expenses, liability, and loss of any kind (including all costs and expenses including 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. Seller may replace or modify infringing items with comparable items acceptable to Buyer of substantially the same form, fit, and function so as to remove the source of infringement, and Seller's obligations under this Purchase Order including those contained in Section 13 and in this Section 16 shall apply to the replacement and modified items. If the use or sale of any of the above items is enjoined as a result 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 item.

17. Taxes

Unless this Purchase Order specifies otherwise, the price of this Purchase Order includes, and Seller is liable for and shall pay, all taxes, impositions, charges, customs duties or tariffs and exactions imposed on or measured by this Purchase Order except for applicable sales and use taxes that are separately stated on Seller's invoice. Prices shall not include any taxes, impositions, charges or exactions for which Buyer has furnished a valid exemption certificate or other evidence of exemption. To the extent that Buyer is required to do so under applicable law or tax regulations, Buyer may deduct from any payments due to Seller pursuant to this Purchase Order such taxes as Buyer is required to withhold from such payments and pay such taxes to the relevant tax authorities; provided, however, that Buyer provides Seller with relevant tax receipts or other suitable documentation evidencing the payment of such taxes promptly after such taxes are paid.

18. Assignments, Subcontracting, Organizational Changes, and Place of Manufacture

(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 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 organizational changes made by Seller, including name or ownership changes, mergers or acquisitions.

(c) Seller shall not change the location of manufacture of the goods to be provided to Buyer under this Purchase Order without Buyer's prior written consent.

19. Compliance with Law

(a) Seller warrants that the goods to be furnished and the services to be rendered under this Purchase Order shall be manufactured, sold, used and rendered in compliance with all relevant federal, state, local law, orders, rules, ordinances, and regulations, including but not limited to the Foreign Corrupt Practices Act, 15 U.S.C. § 78 et seq. (the "FCPA") and all laws and regulations of Seller's place of performance, and in compliance with applicable international prohibitions on child labor. Seller certifies that with respect to the production of the goods and/or the performance of the services covered by this Purchase Order, it has fully complied with Sections 6, 7, 12, and 15 of the Fair Labor Standards Act of 1938, as amended, and of regulations and orders of the United States Department of Labor under Section 14 thereof, if applicable.

(b) Seller warrants that all goods delivered under this Purchase Order are in conformance with the latest OSHA requirements.

(c) Seller warrants that in the performance of this Purchase Order, it will comply with all applicable U.S. Department of Transportation regulations on hazardous materials and any other pertinent federal, state, or local statutes, laws, rules, or regulations.

(d) Seller warrants that it has 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. Any breach of this warranty shall be a material breach of each contract between Buyer and Seller.

(e) For Purchase Orders placed in support of and charged to a U.S. Government ("Government") Prime Contract or subcontract thereunder procuring an item meeting the Federal Acquisition Regulation (FAR) definition of a commercial item, the following clauses set forth in the FAR or the Defense Federal Acquisition Regulation Supplement (DFARS) in effect as of the date of the prime contract or higher-tier subcontract are incorporated herein by reference as if set forth in full text unless made inapplicable by its corresponding note, if any. 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. If any of the following FAR or DFARS clauses do not apply to this Purchase Order, such clauses are considered to be self-deleting.

(f) Seller shall include the appropriate flow down clauses as required by FAR and DFARS in low-tier subcontracts and/or supplier agreements.

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.)

2. 52.203-12 “Limitation on Payments to Influence Certain Federal Transactions” (Applicable to Purchase Orders exceeding \$150,000.)
3. 52.203-13 “Contractor Code of Business Ethics and Conduct” (Applicable to Purchase Orders (i) that have a value more than \$5,000,000; 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. 52.204-10 “Reporting Executive Compensation and First-Tier Subcontract Awards” (Applicable to Purchase Orders of \$25,000 or more and when Buyer is the Prime Contractor.) (The usual substitution of the parties is not applicable to this clause. Seller shall report to Buyer the information required under the clause.)
5. 52.209-6 “Protecting the Government’s Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment” (Applicable to Purchase Orders of \$30,000 or more.)
6. 52.215-22 “Limitations on Pass-Through Charges – Identification of Subcontract Effort” (Applicable to solicitations for Purchase Orders that will incorporate FAR clause 52.215-23 or 52.215-23 Alt I.)
7. 52.215-23 & Alt I “Limitations on Pass – Through Charges” (Include Alternate I if it is Included in the prime contract) (Under other than DoD prime contracts, applicable to time and material and labor hour Purchase Orders that exceed the simplified acquisition threshold; and under DoD prime contracts, applicable to time and material, labor hour, and fixed price Purchase Orders, except those identified in FAR 15.408(n)(2)(i)(B)(2), that exceed the threshold for obtaining cost or pricing data in accordance with FAR 15.403-4.)
8. 52.219-8 “Utilization of Small Business Concerns”
9. 52.222-21 “Prohibition of Segregated Facilities” (Applicable to Purchase Orders exceeding \$10,000.)
10. 52.222-26 “Equal Opportunity” (Applicable to Purchase Orders exceeding \$10,000.)
11. 52.222-35 “Equal Opportunity for Veterans” (Applicable to Purchase Orders exceeding \$100,000.)
12. 52.222-36 “Affirmative Action for Workers with Disabilities” (Applicable to Purchase Orders exceeding \$15,000.)
13. 52.222-40 “Notification of Employee Rights under the National Labor Relations Act” (Applicable to Purchase Orders that exceed \$10,000 and are issued under prime contracts resulting from Solicitations issued after December 12, 2010.)
14. 52.222-41 “Service Contract Labor Standards” (Applicable to Purchase Orders that are subject to the Service Contract Labor Standards statute.)
15. 52.222-50 & Alt I “Combating Trafficking in Persons” (Alternate I is applicable to Purchase Orders if it is included in the prime contract.)
16. 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 \$3,000; and (iii) includes work performed in the United States.)
17. 52.244-6 “Subcontracts for Commercial Items”
18. 52.247-64 “Preference for Privately Owned U.S.-Flag Commercial Vessels”

19. 52.222-17 “Nondisplacement of Qualified Workers” (Applicable to Purchase Orders over the simplified acquisition threshold when services are to be performed by Seller (1) under service contracts, as defined at 22.001, (2) that succeed purchase orders for performance of the same or similar work at the same location and (3) that are not exempted by 22.1203-2 or waived in accordance with 22.1203-3. Seller to furnish information needed by Buyer to comply with paragraphs d and e of this clause.)

20. 52.232-39 “Unenforceability of Unauthorized Obligations”

21. 52.203-17 “Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights” (Applicable to Purchase Orders over the simplified acquisition threshold under prime contracts awarded by civilian agencies other than NASA and the Coast Guard.)

22. 52.232-40 “Providing Accelerated Payments to Small Business Subcontractors” (Applicable to Purchase Orders under DoD, GSA and NASA contracts awarded after December 26, 2013.)

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

1. 252.225-7048 “Export-Controlled Items”

2. 252.215-7003 “Excessive Pass-Through Charges – Identification of Subcontract Effort” (APR 2007) (Applicable to solicitations for Purchase Orders issued under Department of Defense (DoD) solicitations issued after April 25, 2007 and before May 13, 2008 and that do not specifically incorporate the FAR Limitations on Pass-Through Charges provision, except solicitations for firm-fixed price (FFP) Purchase Orders and fixed-price (FP) Purchase Orders with economic price adjustment.)

3. 252.215-7003 “Excessive Pass-Through Charges – Identification of Subcontract Effort” (MAY 2008) (Applicable to solicitations for Purchase Orders issued under DoD solicitations issued after May 12, 2008 and before October 14, 2009 and that do not specifically incorporate the FAR Limitations on Pass-Through Charges provision, except solicitations for FFP Purchase Orders and FP Purchase Orders with economic price adjustment.)

4. 252.215-7004 “Excessive Pass-Through Charges” (APR 2007) (Applicable to Purchase Orders issued under DoD contracts awarded after April 25, 2007 and before May 13, 2008 and that do not specifically incorporate the FAR Limitations on Pass-Through Charges clause, except FFP Purchase Orders and FP Purchase Orders with economic price adjustment.)

5. 252.215-7004 & Alt I “Excessive Pass-Through Charges” (MAY 2008) (Include Alternate I if it is included in the prime contract) (Applicable to Purchase Orders under DoD contracts awarded after May 12, 2008 and before October 14, 2009 and that do not specifically incorporate the FAR Limitations on Pass-Through Charges clause, except FFP Purchase Orders and FP Purchase Orders with economic price adjustment.)

6. 252.223-7008 “Prohibition of Hexavalent Chromium” (Applicable to all Purchase Orders for supplies, maintenance and repair services, or construction materials.)

7. 252.225-7008 “Restriction on Acquisition of Specialty Metals” (Applicable to Purchase Orders for the delivery of specialty metals as end items to Buyer or Seller to the extent necessary to ensure compliance of the end products that Buyer will deliver to the Government when DFARS clause 252.225-7009 is in the prime contract.)

8. 252.225-7009 “Restriction on Acquisition of Certain Articles Containing Specialty Metals” (excluding paragraph (d) and paragraph (e)(1) which are deleted from this clause). (Applicable to Purchase Orders for items containing specialty

metals to ensure compliance of the end products that Buyer will deliver to the Government under prime contracts awarded, or modified to include the clause, after July 28, 2009 according to the clause).

9. 252.225-7010 “Commercial Derivative Military Article – Specialty Metals Compliance Certificate” (Applicable to solicitations for Purchase Orders that will incorporate DFARS clause 252.225-7009.)
10. 252.225-7014 & Alt I “Preference for Domestic Specialty Metals and Alternate I” (Applicable to Purchase Orders for items containing specialty metals that the Buyer will deliver to the Government under prime contracts awarded before July 29, 2009 and that do not specifically incorporate a different specialty metals clause.)
11. 252.225-7014 (Deviation (Dev.) No. 2006-O0004) & Alt. I (Dev. No.2006-O0004) “Preference for Domestic Specialty Metals” (DEVIATION No.2006-O0004) and Alternate I (DEVIATION No. 2006-O0004)” (Applicable to Purchase Orders for items containing specialty metals that the Buyer will deliver to the Government under prime contracts awarded after November 15, 2006 and before October 26, 2007 and that do not specifically incorporate a different specialty metals clause.)
12. 252.225-7014 (Dev. No. 2007-O0011) & Alt I (Dev. No. 2007-O0011) “Preference for Domestic Specialty Metals” (DEVIATION No. 2007-O0011) and Alternate I (DEVIATION No. 2007-O0011) (Applicable to Purchase Orders for items containing specialty metals that the Buyer will deliver to the Government under prime contracts awarded after October 25, 2007 and before January 29, 2008 and that do not specifically incorporate a different specialty metals clause.)
13. 252.225-7014 (Dev. No. 2008-O0002) & Alt I (Dev. No. 2008-O0002) “Preference for Domestic Specialty Metals” (DEVIATION No. 2008-O0002) and Alternate I (DEVIATION No. 2008-O0002) (Applicable to Purchase Orders for items containing specialty metals that the Buyer will deliver to the Government under prime contracts awarded after January 28, 2008 and before July 29, 2009 and that do not specifically incorporate a different specialty metals clause.)
14. 252.227-7013 “Rights in Technical Data Noncommercial Items” (Applicable whenever any technical data for commercial items developed in part at Government expense will be provided for delivery to the Government under this Purchase Order.)
15. 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.)
16. 252.227-7037 “Validation of Restrictive Markings on Technical Data” (Applicable to Purchase Orders requiring the delivery of technical data.)
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”
20. 252.247-7024 “Notification of Transportation of Supplies by Sea”
21. 252.203-7002 “Requirement to Inform Employees of Whistleblower Rights”

22. 252.204-7012 “Safeguarding of Unclassified Controlled Technical Information” (Applicable to Purchase Orders under DoD contracts awarded after November 17, 2013.)

23. 252.239-7018 “Supply Chain Risk” (Applicable to Purchase Orders involving the development or delivery of any information technology under DoD contracts awarded after November 18, 2013.)

24. 252.246-7007 “Contractor Counterfeit Electronic Part Detection and Avoidance System” (Applicable to Purchase Orders when the goods and services include electronic parts or assemblies containing electronic parts. This clause applies to all Sellers, at all tiers, without regard to whether the Seller itself is subject to CAS.)

25. 252.204-7015 “Disclosure of Information to Litigation Support Contractors”

(f) Seller warrants that it has and shall maintain all registrations and licenses and shall obtain permits all as required to perform the work hereunder.

(g) Seller further agrees to defend, indemnify and save Buyer harmless from any loss, damage, fine, penalty, or expense whatsoever that Buyer may suffer as a result of Seller’s failure to comply with the warranties in this Section 19. The foregoing is in addition to and not in mitigation of any other requirements of this Purchase Order.

20. Responsibility and Insurance

(a) Seller shall maintain, and cause its subcontractors to maintain, the insurance coverages that are specified as required 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 cause 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 (i) provide Buyer with certificates of insurance evidencing required insurance, (ii) arrange for a waiver of subrogation in favor of Buyer and / or (iii) 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 controlled by Buyer or Buyer’s customer. 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 and all goods supplied by it hereunder and Buyer premises free and clear of all liens and encumbrances, including mechanic’s liens, 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 (including claims under Workers’ Compensation or Occupational Disease laws or other equivalent laws in Seller’s country) 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 goods supplied, or the services performed by Seller pursuant to this Purchase Order, including, without limitation, latent defects in such goods and/or services, 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. International Transactions

(a) Payment will be in United States dollars unless otherwise agreed to by specific reference in this Purchase Order.

(b) Seller agrees that Buyer, its subsidiaries, affiliates or its designees may exclusively use the value of the Purchase Order to satisfy any international offset obligations that Buyer may have with Seller's country, subject to the offset qualifying laws, rules and regulations of that country.

23. Export/Import Controls

(a) If Seller is a U.S. company that engages in the business of either manufacturing or exporting defense articles or furnishing defense services Seller hereby certifies that it has registered with the U.S. Department of State Directorate of Defense Trade Controls and understands its obligations to comply with International Traffic in Arms Regulations ("ITAR") and the Export Administration Regulations ("EAR").

(b) Seller shall control the disclosure of and access to technical data, information and other items received under this Purchase Order in accordance with U.S. export control laws and regulations, including but not limited to the ITAR. Seller agrees that no technical data, information or other items provided by Buyer in connection with this Purchase Order shall be provided to any foreign persons or to a foreign entity, including without limitation, a foreign subsidiary of Seller, without the express written authorization of Buyer and Seller's obtaining of the appropriate export license, technical assistance agreement or other requisite documentation for ITAR-controlled technical data or items. It shall be the sole responsibility of Seller to determine whether the information provided by Buyer is technical data as outlined in the ITAR (22 CFR 120-130) prior to any release to a third party abiding by the terms outlined herein. 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 such laws and regulations by Seller.

(c) Seller shall immediately notify Buyer if it is or becomes listed on any Excluded or Denied Party List of an agency of the U.S. Government or its export privileges are denied, suspended or revoked.

(d) Should Seller's goods or services originate from a foreign location, those goods may also be subject to the export control laws and regulations of the country in which the articles or services originate. Seller agrees to abide by all applicable export control laws and regulations of that originating country. 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 such laws and regulations by Seller, its officers, employees, agents, suppliers or subcontractors at any tier. Seller shall be responsible for complying with any laws or regulations governing the importation of the articles into the United States of America.

(e) Buyer may be required to obtain information concerning citizenship, nationality, and related information of Seller's personnel. Seller agrees to provide such information as necessary and certifies the information to be true and correct.

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

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 Standards of Business Ethics and Conduct of VT Group (available at http://www.vt-group.com/wordpress/wp-content/uploads/2015/08/VT_Group_Supplier_Code_of_Ethics_August2015.pdf) or, alternatively, equivalent Business Ethics and Conduct Standards of Seller. 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.

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, including but not limited to obligations under the Termination for Convenience, Termination for Default, Proprietary Rights, Release of Information, Warranty, Infringement, Compliance with Law, Responsibility and Insurance, Indemnity Against Claims, Export/Import Controls, Electronic Transmissions, and Seller Records provisions of this Purchase Order, shall survive expiration, termination or completion of this Purchase Order.

28. Electronic Transmissions

(a) The Parties agree that this Purchase Order, if transmitted electronically and the electronic signatures thereon are authenticated; that neither Party shall contest the validity of such on the basis that this Purchase Order was electronically transmitted or contains an electronic signature.

(b) Seller shall, at Buyer’s request and Seller’s expense, send and receive business transactions by electronic means using Web-based technologies. Such Web-based technologies for electronic transmissions may include, but not be limited to: (a) email; (b) the Internet directly between Buyer and Seller; (c) electronic marketplace or portal (“EXOSTAR”); and (d) Buyer’s current and future electronic data interchange (“EDI”) systems. When using either EXOSTAR or Buyer’s EDI systems the standard terms and conditions which may be a part of such systems shall be supplemented by, and superseded to the extent inconsistent with, these General Terms and Conditions of Purchase.

29. Seller Records

Seller shall maintain general records relating to this Purchase Order for a minimum period of four years after completion of final delivery of materials, goods or services pursuant to this Purchase Order or for such longer period as required by statute or as may be specified elsewhere in this Purchase Order.