

Terms and Conditions – Onsite Commercial Contractor

General Provisions

DEFINITIONS

As used in this Contract, the following terms shall have the meanings set forth below:

“Buyer” means BAE Systems Space & Mission Systems Inc. (SMS) as represented by an authorized representative.

“Contract” means the purchase order or subcontract or other such type designation, including all referenced documents, exhibits, and attachments, under which these terms and conditions are incorporated by reference.

“Contractor” means the party identified on the face of this Contract with whom Buyer is contracting, including any applicable Contractor personnel (e.g., Contractor’s officers, employees, agents, and suppliers and other Subcontractors).

“Government” means the United States of America (“U.S.”) or its authorized representative.

“Parties” means Buyer and Contractor collectively, as referred to herein.

“Party” means Buyer or Contractor individually, as referred to herein.

“Subcontractor” means any supplier or other company, at any tier, utilized by Contractor to perform Work required by this Contract.

“Work” means all required labor, articles, materials, supplies, goods, and services constituting the subject matter of this Contract.

SECTION I – GENERAL PROVISIONS

ACCEPTANCE OF CONTRACT TERMS AND CONDITIONS

- (a) This Contract integrates, merges, and supersedes any prior offers, negotiations, and agreements (including any letter contract) concerning the subject matter hereof and constitutes the entire agreement between the Parties. Contractor’s acknowledgment, acceptance of payment, or commencement of performance shall constitute Contractor’s unqualified acceptance of this Contract.
- (b) Unless expressly accepted in writing by Buyer, additional or differing terms or conditions proposed by Contractor or included in Contractor’s acknowledgment are objected to by Buyer and have no effect.
- (c) The headings used in this Contract are inserted for the convenience of the Parties and shall not define, limit, or describe the scope or the intent of the provisions of this Contract.

APPLICABLE LAWS

- (a) This Contract and any matter arising out of or related to this Contract shall be governed by and construed and enforced in accordance with the laws of the state shown in Buyer’s address printed on the face of this Contract (without regard to that state’s conflicts of law provisions), including its provisions of the Uniform Commercial Code, but specifically excluding the provisions of the 1980 U.N. Convention on the International Sale of Goods.
- (b) Contractor represents and warrants that all Work has been manufactured and sold, and all services provided, in compliance with: (1) all applicable local, state, and federal laws, orders, rules, regulations, and ordinances of the U.S. and the country where Contractor will be performing this Contract; and (2) Buyer’s “Supplier Guiding Principles”, which are included below. In performing this Contract, Contractor shall procure all relevant licenses/permits, and pay all fees, taxes and other required charges, and shall comply with all applicable guidelines and directives of any local, state, and/or federal governmental authority.

BAE Systems, Inc. Proprietary Information

The information contained herein is the private property of BAE Systems, Inc. that is being made available to the recipient under the terms of a nondisclosure agreement or by other special arrangement. It may not be used, in whole or in part, except for the limited purpose for which it has been furnished. It may not be distributed or reproduced, except as specifically authorized by BAE Systems, Inc. and with this legend conspicuously attached. This information is exempt from public disclosure under 5 U.S.C. 552(b)(4), and its use by Government personnel is subject to the restrictions imposed by 18 U.S.C. 1905

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- (c) Contractor shall be responsible for compliance with all requirements and obligations relating to its employees under all local, state, and federal statutes, ordinances, rules, and obligations including, but not limited to, employer's obligations under laws relating to: income tax withholding and reporting; civil rights; equal employment opportunity; discrimination on the basis of age, sex, race, color, religion, disability, national origin, or veteran status; overtime; minimum wage; social security contribution and withholding; unemployment insurance; employer's liability insurance; workers' compensation; veteran's rights; and all other employment, labor, or benefits related laws.
- (d) Notwithstanding Contractor's other representations and warranties contained herein, Contractor represents and warrants that Contractor does not source or use any "conflict minerals", as defined in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as well as California Senate Bill 861, from the Democratic Republic of the Congo or any adjoining countries ("DRC Countries") for use in the manufacture of their products supplied to Buyer. "Conflict minerals" include: (a) columbite-tantalite, also known as coltan (the metal ore from which tantalum is extracted); (b) cassiterite (the metal ore from which tin is extracted); (c) gold; (d) wolframite (the metal ore from which tungsten is extracted); (e) the derivatives of (a)-(d); or (f) any other mineral or its derivatives determined by the U.S. Secretary of State to be financing conflict in the DRC Countries.

ASSIGNMENT

- (a) Contractor shall not assign its rights or obligations under this Contract without Buyer's prior written consent.
- (b) Contractor may assign rights to be paid amounts due, or to become due, under this Contract to a financing institution if Buyer is promptly furnished a signed copy of such assignment reasonably in advance of the due date for payment of any such amounts. Amounts assigned shall be subject to setoff or recoupment for any present or future claims of Buyer against Contractor. Buyer shall have the right to make settlements and/or adjustments in the price of this Contract without notice to any assignee financing institution.

CHANGES

- (a) Buyer may at any time, by written order and without notice to sureties or assignees, make changes within the general scope of this Contract in any one or more of the following: (1) drawings, designs, or specifications; (2) method of shipping or packing; (3) place of inspection, acceptance, or point of delivery; (4) description of Work to be performed; (5) time of performance; (6) place of performance; (7) delivery schedule; and (8) amount of Buyer-furnished property or equipment.
- (b) If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of Work to be performed under this Contract, Buyer shall make an equitable adjustment in the: (1) estimated price, delivery, or completion schedule, or both; (2) amount of any fixed fee; and/or (3) other affected terms. Changes to the delivery schedule, however, may be subject to a price adjustment only.
- (c) Contractor must submit any proposal for adjustment under this clause within thirty (30) days from the date of receipt, from Buyer, of the written order directing the change. If Contractor's proposal includes the cost of property made obsolete or unusable by the change, Buyer shall have the right to prescribe the manner of disposition of such property.
- (d) Failure to agree to any adjustment shall be resolved in accordance with the "Disputes" clause of this Contract. However, nothing in this "Changes" clause shall excuse Contractor from proceeding without delay in the performance of this Contract as changed.

CONSEQUENTIAL DAMAGES

Except as provided otherwise in this contract, neither party will be liable to the other party (or any person or entity claiming through such other party) for any consequential, special, punitive, exemplary, or incidental losses or damages, including lost profits, arising out of or in connection with this contract, regardless of the cause of action and whether or not such party has been informed of, or otherwise might have anticipated, the possibility of such damages.

CONTRACT DIRECTION

- (a) Sole authority to make changes in or amendments to this Contract and to affect deviations (by way of addition or deletion) from Work specified herein is granted by Buyer to Buyer's Supply Management Representative ("SMR") for this Contract (as indicated on the face of this Contract). All contractual direction, in order to be valid, must be written and signed by the

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SMR or his/her authorized representative. Buyer reserves the right to change or amend the SMR or his/her contact information at any time provided notification is sent to Contractor within ten (10) days of any such change.

- (b) Except as otherwise provided herein, all notices to be furnished by Contractor to Buyer shall be in writing and sent to Buyer's SMR.

CONTRACT WORK

Contractor certifies to thorough familiarity with all of the terms, conditions, obligations, guarantees, warranties, plans, specifications, drawings, addenda, and other materials referred to in the attached Contract and related documents, as well as the location of the job site and the conditions under which the Work is to be performed.

DIMINISHING MANUFACTURING SOURCES AND MATERIAL SHORTAGES

At any time during the life of this Contract, if Contractor becomes aware of diminishing manufacturing sources or material shortages related to any Work to be provided under this Contract, Contractor shall immediately notify Buyer in writing.

DISPUTES

- (a) All disputes, controversies, or claims arising out of or in connection with this Contract, or the breach, termination, or invalidity thereof, that after good faith negotiations cannot be resolved by the Parties, may be resolved by submitting the dispute, controversy, or claim to a court of competent jurisdiction or, if agreed upon by the Parties, an arbitration proceeding.
- (b) Pending final resolution or settlement of any dispute arising under this Contract, Contractor shall proceed diligently with the performance of this Contract as directed by Buyer.

ENVIRONMENTAL, HEALTH AND SAFETY (EHS)

- (a) Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions, safety programs, and environmental programs in connection with the performance of the work in accordance with all applicable laws and regulations.
- (b) Contractor shall give notices required by applicable laws, statues, ordinances, codes rules and regulations, and lawful orders of public authorities, bearing on safety of persons or property or their protection from damage, injury, or loss. Contractor shall provide Buyer with copies of all notices required of Contractor by Law.
- (c) Contractor shall be solely responsible for the safety of its employees, lower tier subcontractors, suppliers, and any other person directly or indirectly employed by the Contractor.
- (d) Contractor, including lower tier Subcontractors, are responsible for awareness, knowledge, and full compliance with all applicable rules, regulations, laws, and practices applicable to the Work. These processes may include, but are not limited to, those prescribed by Buyer and any other government or agency governing the safety and health of employees, other site personnel, the public, and protection of the environment.
- (e) Contractor shall comply with the requirements of the following exhibits: Space & Mission Systems Contractor Safety Guide, Space & Mission Systems Approved Contractor Chemical List, and Space & Mission Systems Contractor Orientation. These exhibits establish EHS requirements applicable to the Contractor's performance of Work at Space & Mission Systems facilities and are hereby incorporated by reference. In the event of an inconsistency or conflict between or among the provisions of this Contract, the inconsistency shall be resolved by giving precedence in the following order:
 - (1) Space & Mission Systems Approved Contractor Chemical List,
 - (2) Space & Mission Systems Contractor Orientation,
 - (3) Space & Mission Systems Contractor Safety Guideline,
 - (4) These Terms and Conditions.
- (f) Contractors reasonably determined to be high risk by Space & Mission Systems, under the Space & Mission Systems Contractor Safety Program Risk Matrix, shall obtain a passing grade of an A, B, or C in ISNetworld prior to performance of Work. If Contractor is awarded Contract and is not subscribed to ISNetworld or has a failing grade of an F, the Contractor

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shall promptly take all steps necessary to subscribe and obtain a passing grade within 30 days of being awarded the contract. Buyer may grant Contractor a grace period for subscription and qualification or otherwise waive the requirements on a case-by-case basis, as confirmed by Buyer in writing.

- (g) If Buyer, in its sole discretion, deems unsafe any part of the Work or job site where Work is to be performed, Buyer, without assuming responsibility for Contractor's safety program, may require by Interim Directive, Contractor to stop performance of the Work, take corrective measures satisfactory to Buyer, or both. If Contractor does not adopt corrective measures, Buyer may perform them and deduct their cost from the sum due to Contractor. Contractor agrees to make no claim for damages arising out of or related to Contractor's compliance with Buyer's reasonable safety requests under this clause.
- (h) Contractor shall be responsible for all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorneys' fees, all expenses of litigation and/or settlement, and court costs, arising from any failure of Contractor to comply with this clause.

EQUAL EMPLOYMENT OPPORTUNITY

BAE Systems Space & Mission Systems Inc. is an equal employment opportunity employer and is a federal contractor. Consequently, the parties agree that, to the extent applicable, they will comply with Executive Order 11246, the Vietnam Era Veterans Readjustment Assistance Act of 1974 and Section 503 of the Vocational Rehabilitation Act of 1973 and also agree that these laws are incorporated herein by this reference. The Contractor also agrees to comply with the provisions of Executive Order 13496 (29 CFR Part 471, Appendix A to Subpart A), as applicable, relating to the notice of employee rights under federal labor laws.

EXPORT CONTROL

- (a) Contractor shall comply with all applicable U.S. export control and economic sanctions laws and regulations including, but not limited to, the requirements of: (1) the International Traffic in Arms Regulations ("ITAR") (22 C.F.R. 120-130) as amended; (2) the Export Administration Regulations ("EAR") (15 C.F.R. 730-774) as amended; (3) the Office of Foreign Assets Control Regulations (31 C.F.R. 501-598) as amended; and (4) Department of Defense Directive 5230.25, Withholding of Unclassified Technical Data from Public Disclosure. Contractor shall not transfer any export-controlled item, data, or service, to include transfer to foreign persons employed by, associated with, or under contract to Contractor or Contractor's Subcontractors, without the authority of an export license, agreement, or applicable exemption or exception.
- (b) Contractor shall notify Buyer if any deliverable under this Subcontract is restricted by export control laws or regulations. Before providing Buyer any such deliverable, Contractor shall notify Buyer in writing of the correct export jurisdiction and classification of the deliverable (i.e., whether the deliverable is subject to the ITAR or EAR).
- (c) Contractor represents that Contractor is not listed in any of the restricted or excluded party lists maintained by the Government including, but not limited to, the Specially Designated Nationals List published by the U.S. Department of the Treasury, Office of Foreign Assets Control and the Denied Persons List, Entity List, and Unverified List published by the U.S. Department of Commerce, Bureau of Industry and Security (collectively the "Restricted or Excluded Party Lists"). Contractor shall immediately notify Buyer if: (1) Contractor becomes listed in any of the Restricted or Excluded Party Lists; (2) Contractor's export privileges are denied, suspended, or revoked in whole or in part by any U.S. or non-U.S. government entity or agency; or (3) Contractor is or becomes involved in any violation or potential violation of the ITAR or EAR that could affect Contractor's performance of this Subcontract.
- (d) If Contractor is engaged in the business of exporting, manufacturing (whether exporting or not), or furnishing an/a item, data, or service subject to the ITAR, Contractor represents that it is registered with the U.S. Department of State, Directorate of Defense Trade Controls, as required by the ITAR, and it maintains an effective export/import compliance program in accordance with the ITAR. If Contractor is engaged in the business of exporting, manufacturing (whether exporting or not), or furnishing an/a item, data, or service subject to the EAR, Contractor represents that it maintains an effective export/import compliance program in accordance with the EAR. Upon Buyer's request, Contractor shall promptly provide Buyer with copies of policy and procedure documentation evidencing Contractor's effective export/import compliance program in accordance with the ITAR and/or EAR, as relevant.
- (e) Where Contractor is a signatory under a Buyer export license or agreement, Contractor shall comply with such license or agreement and immediately notify Buyer in writing of any changed circumstances relating to Contractor's export/import

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activities that could affect Contractor's performance of this Subcontract including, but not limited to, ineligibility to export/import, a violation or potential violation of the ITAR or EAR, or the initiation or existence of a U.S. or non-U.S. government investigation into Contractor's export/import practices. Contractor shall provide Buyer all information and documentation as may reasonably be required by Buyer for Buyer to prepare and submit any export license or agreement application relevant to this Subcontract.

- (f) Contractor shall include paragraphs (a) through (e), and this paragraph (f), of this clause or equivalent provisions in all lower-tier subcontracts entered into by Contractor to perform Work required by this Subcontract.
- (g) Contractor shall indemnify and hold Buyer harmless from and against any and all penalties, fines, losses, costs, claims, causes of action, damages, liabilities, and expenses, including, but not limited to, attorneys fees, all expenses of litigation and/or settlement, and court costs, arising from any failure of Contractor to comply with this clause.

EXTRAS

Work shall not be supplied in excess of quantities specified in this Contract. Contractor shall be liable for handling charges and return shipment costs for any excess quantities, unless agreed to in writing by Buyer.

FAIR LABOR STANDARDS ACT

Contractor represents that all Work provided under this Contract has, where applicable, been manufactured in compliance with all terms, rules, and regulations issued under the Fair Labor Standards Act of 1938 ("FLSA"), as amended. The administration and enforcement of the FLSA is the responsibility of the U.S. Department of Labor, and any questions as to the requirements of the FLSA or its applicability to Work provided under this Contract should be addressed to the Administrator, Wage and Hour Division, U.S. Department of Labor, Washington, D.C., 20210, or to a Labor Department Regional Office.

FORCE MAJEURE

- (a) Neither Party shall be liable for damages for delay in delivery arising out of causes beyond its reasonable control and without its fault or negligence including, but not limited to, acts of God or of the public enemy, acts of any U.S. or foreign governmental authority, fires, floods, epidemics, quarantine restrictions, strikes, embargoes, or unusually severe weather.
- (b) If the delay in delivery is caused by the delay of a Subcontractor of Contractor and if such delay arises out of causes beyond the reasonable control of both Contractor and the Subcontractor, and without fault or negligence of either of them, Contractor shall not be liable to Buyer in damages unless the articles or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required delivery schedule. Contractor shall notify Buyer in writing within five (5) days after the beginning of any such delay.

FURNISHED EQUIPMENT

- (a) Equipment which may be provided to Contractor by either Buyer ("Furnished Equipment") shall be used only as documented within Buyer's statement of work, or other contractual document.
- (b) Buyer shall retain full title to and ownership of the Furnished Equipment. Contractor shall have exclusive possession of and control over the Furnished Equipment and shall assume full responsibility and risk of loss for the Furnished Equipment and its use, but Contractor shall not remove or allow the removal of the Furnished Equipment from Buyer's premises without Buyer's prior written approval.
- (c) Contractor accepts the Furnished Equipment "AS IS, WHERE IS." Buyer makes no warranties, express or implied, with respect to the Furnished Equipment, and Buyer expressly disclaims all warranties, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Contractor acknowledges that it has examined the Furnished Equipment and assures Buyer that, as of the date of delivery, it is in a good state of repair, conforms to all applicable local, state, and federal safety regulations and is fit for the purpose for which it is intended to be used by Contractor. Contractor acknowledges that Buyer has not made and does not hereby make any representation, warranty, or covenant with respect to the title, merchantability, condition, quality, description, durability, or suitability of the Furnished Equipment in any respect or in any connection with or for the purposes and uses of Contractor.

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- (d) Contractor shall not lease, assign, loan, or sell any of the Furnished Equipment or any interest in any of the Furnished Equipment, without Buyer's prior written consent. In addition, Contractor shall keep the Furnished Equipment free and clear of all liens, claims, and encumbrances during the term of this Contract.
- (e) Contractor shall be responsible for all costs associated with preparing the Furnished Equipment for the purposes and use of the Contractor, including but not limited to costs associated with relocating Furnished Equipment before and after use.
- (f) Contractor shall be fully responsible for the operation of the Furnished Equipment and of any and all devices necessary for the proper operation and use of the Furnished Equipment and shall be responsible for training and certification of operators and others as necessary in the proper operation, use, application, and maintenance of the Furnished Equipment. Buyer expressly disclaims any and all responsibility with respect to such matters.
- (g) Contractor agrees to be responsible for the expense of all repairs made to Furnished Equipment during the term of this Contract or upon termination of use, including labor, materials, parts, and other items, except minor operating repairs and ordinary maintenance items, which shall be Buyer's responsibility. Contractor shall not alter the Furnished Equipment and shall not affix or connect any accessory equipment or device to the Furnished Equipment if such alteration or addition would impair or reduce the value of such Furnished Equipment or would impair the safe use or operation thereof.
- (h) Contractor shall indemnify, defend, save, and hold harmless Buyer, its subsidiaries, affiliates, officers, employees, representatives, agents, and successors and assigns from and against any and all claims, demands, losses, suits and judgments, and all costs and expenses in connection therewith, including attorneys' fees, arising out of or in any way related to the Furnished Equipment use for this Contract, and including, without limitation, any of the foregoing involving allegations of negligence or other wrongful conduct on the part of Buyer or any theory of Buyer's strict liability in tort, except in those cases where the Furnished Equipment is of Buyer's design and the alleged defect relates solely to Buyer's design.
- (i) Contractor, at its expense, shall keep the Furnished Equipment insured against all risks for not less than its full replacement value, as determined by Buyer, and shall maintain comprehensive public liability insurance, including products, completed operations, and broad form contractual liability, according to the Insurance clause of these Terms and Conditions.
- (j) Contractor agrees to execute appropriate Uniform Commercial Code forms and such other documents as may be required by Contractor to reflect Buyer's ownership of the Furnished Equipment. As directed by Buyer, Contractor agrees while the Furnished Equipment remains in the possession or control of Contractor, Contractor shall ensure that at all times the Furnished Equipment clearly displays signs or markings attached thereto evidencing Buyer's ownership of the Furnished Equipment.
- (k) Buyer shall have the right, but not the obligation, at all reasonable times to inspect the Furnished Equipment and observe its use. Buyer assumes no responsibility and waives no rights as a result of any such inspection or observation.
- (l) Contractor shall return Furnished Equipment in good working condition. With the exception of those items that have been worn out or used up in the normal course of use, and with the exception of those items Buyer agrees have become obsolete, Contractor agrees at its own expense to return the Furnished Equipment to Buyer upon expiration of the term of this Contract or upon termination of use by Buyer at any time. Prior to such return, Contractor and Buyer will agree upon a list of those, worn-out and obsolete, items, if any, to be scrapped for Buyer's account. Notwithstanding the foregoing, if Buyer terminates use, Buyer may, in its discretion, without notice, liability, or legal process, enter the premises where the Equipment may be and take possession thereof.

GRATUITIES/KICKBACKS/BRIBERY/ANTI-BOYCOTT

- (a) Contractor represents and warrants that neither it nor any of its employees, agents, or representatives has offered or given any kickback or gratuity to Buyer's employees, agents, or representatives with a view toward securing this Contract or securing favorable treatment with respect thereto.
- (b) Contractor represents and warrants that: (1) it and all of its employees, agents, or representatives, and any other person or entity working for or on behalf of any of the foregoing (collectively, "Contractor Parties"), are familiar with and understand the provisions and requirements of the U.S. Foreign Corrupt Practices Act of 1977 as amended and all other anti-corruption and/or anti-bribery laws, regulations, and requirements of any jurisdiction applicable to Contractor Parties (collectively, "Applicable Anti-Corruption Laws"); and (2) Contractor Parties, at all times and in all actions relating to this Contract, shall be in compliance with Applicable Anti-Corruption Laws.

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- (c) Contractor shall comply, to the extent applicable, with U.S. laws regarding boycotts, embargoes, and economic sanctions against certain countries, entities, and individuals.

HAZARDOUS MATERIALS

As used in this Contract, a hazardous material is a material which: (A) is defined as a hazardous material by the Occupational Safety and Health Act of 1970, U.S. Department of Transportation, EPA, IATA, IMDG, or any other federal, state, or local environmental, health, or safety agency; (B) in the course of normal operations or foreseeable emergencies, may produce dusts, gases, vapors, mists, fumes, or smoke; or (C) if used without special precautions, would constitute a health or physical hazard to humans.

- (a) Contractor shall not be obligated to commence work until any hazardous material discovered at the worksite has been removed, rendered, or determined to be harmless by Buyer and, if required, as certified by an independent testing laboratory and approved by the appropriate governmental agency.
- (b) Contractor is responsible for compliance with any requirements in the contract documents regarding hazardous materials or substances. If after commencing the work, hazardous material is discovered at the worksite, Contractor shall be entitled to immediately stop work in the affected area. Contractor shall promptly report the condition to Buyer and design professional.
- (c) Contractor shall not resume nor be required to continue any work affected by any hazardous material without written mutual agreement between the Parties after the hazardous material has been removed or rendered harmless and only after approval, if required, of the governmental agency with jurisdiction.
- (d) Buyer shall be responsible for retaining an independent testing laboratory to determine the nature of the material encountered and whether the material requires corrective measures or remedial action. Such measures shall be the sole responsibility of Buyer and shall be performed in a manner minimizing any adverse effect upon the Work.
- (e) If Contractor incurs additional costs or is delayed due to the presence or remediation of hazardous material, Contractor shall be entitled to an equitable adjustment in the contract price or the contract time in accordance with this agreement.
- (f) Buyer shall not be responsible for hazardous materials or substances the Contractor brings, or causes to be brought, on Buyer's premises unless such materials or substances are required by contract documents. Contractor shall reimburse Buyer for the cost and expense the Buyer incurs for: (a) remediation of hazardous materials or substances the Contractor brings onto Buyer's premises and negligently handles; or (b) where the Contractor fails to perform its obligations under this section 3.13.
- (g) Contractor shall notify Buyer, in writing, sixty (60) days prior to the delivery of, or prior to any servicing required by these Contract Documents, of items containing any radiation source and/or equipment (i.e., x-ray machines, sealed sources, density gauges, etc.). Contractor shall obtain approval from Buyer prior to initiating Work activities involving the use of items containing any radiation source.
- (h) Contractor shall label products which contain or are manufactured with ozone depleting substances in the manner and to the extent required by 40 C.F.R. Part 82, Subpart E, as follows:

WARNING: Contains (or manufactured with, if applicable) * _____, a substance(s) which harm(s) public health and environment by destroying ozone in the upper atmosphere. *Contractor shall insert the name of the substance(s).
- (i) When the use or storage of explosives, lasers, radiation sources or other hazardous materials, substance, or equipment, or unusual methods are necessary for the execution of the Work, the Contractor shall comply with applicable laws, statutes, ordinances, codes rules and regulations, and lawful orders of public authorities. Such activities shall be conducted under the supervision of properly qualified personnel provided by the Contractor.

MATERIALS BROUGHT TO THE WORKSITE

- (a) Contractors shall only use materials and chemicals listed in the Contract Documents that have been reviewed for use by Buyer.
- (b) Safety Data Sheets (SDS) as required by Law, including US address and phone number for manufacturing/supplier in Section 1 and pertaining to materials or substances used or consumed in the performance of the work, whether obtained by Contractor, Subcontractors, Buyer, or Others, shall be maintained at the worksite by Contractor and made available to Buyer, Subcontractors, and Others.
 - (1) Proprietary or trade secret information about products containing a hazardous material, as defined below, shall be disclosed as required by 42 U.S.C. 11043, 40 C.F.R. 372.45, and 29 C.F.R. 1910.1200(i), as amended.

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- (2) Mandatory resubmission of an SDS is required with each change in: (A) formulation of the material that affects its hazardous characteristics; (B) information regarding the material's hazardous characteristics; and (C) information regarding handling procedures for the material.
- (c) Contractor represents that each chemical substance constituting or contained in work sold or otherwise transferred to Buyer hereunder is on the list of chemical substances compiled and published by the U.S. Environmental Protection Agency ("EPA") pursuant to the Toxic Substances Control Act (15 U.S.C. 2601-2692) as amended.
- (d) For materials that do not require an SDS, Contractor agrees to submit a list to Buyer of the hazardous materials, including those considered as ingredients, with their common chemical names and percentage of content of each to be incorporated into work provided under this Agreement. A statement shall be made to the effect that the degree of toxicity will not be increased by making any change in the composition without first advising Buyer. All shipments CONTAINING hazardous materials shall be clearly marked in accordance with all applicable federal, state, and local regulations.
- (e) Contractor shall be responsible for the proper delivery, handling, application, storage, removal, and disposal of all materials and substances brought to the worksite by Contractor and used or consumed in the performance of the work. Upon the issuance of the Certificate of Substantial Completion, Buyer shall be responsible for materials and substances brought to the worksite by Contractor if such materials or substances are required by the Contract Documents.
- (f) To the extent caused by the negligent or intentionally wrongful acts or omissions of Contractor, its agents, officers, directors, and employees, Contractor shall indemnify and hold harmless Buyer, its parent company and affiliates, and their (i.e., Buyer's, parent company's and affiliates') respective agents, officers, directors, and employees, from and against any and all claims, damages, losses, costs, and expenses, including but not limited to attorneys' fees, costs, and expenses incurred in connection with any dispute resolution procedure, arising out of or relating to the delivery, handling, application, storage, removal, and disposal of all materials and substances brought to the worksite by Contractor.

HAZARDOUS MATERIALS and **MATERIALS BROUGHT TO THE WORKSITE** in its entirety shall survive the completion of the work or agreement termination.

INDEPENDENT CONTRACTOR RELATIONSHIP AND CONTRACTOR PERSONNEL

- (a) Contractor's relationship to Buyer shall be that of an independent contractor and this Contract does not create an agency, partnership, or joint venture relationship between Buyer and Contractor or Buyer and Contractor personnel. Contractor is not granted and shall not exercise the right or authority to assume or create any obligation or responsibility including, without limitation, contractual obligations and obligations based on warranties or guarantees, on behalf of or in the name of Buyer. Contractor shall not misrepresent its authority to any third-party. Personnel supplied by Contractor hereunder shall be deemed employees of Contractor and shall not for any purposes be considered employees or agents of Buyer. Contractor assumes full responsibility for the actions and supervision of such personnel while performing Work under this Contract. Buyer assumes no liability for Contractor personnel.
- (b) Contractor shall inform Buyer if a former employee of Buyer or its parent or any subsidiary will be assigned Work under this Contract, and any such assignment shall be subject to Buyer's consent.
- (c) Nothing contained in this Contract shall be construed as granting to Contractor or any Contractor personnel rights under any Buyer benefit plan.
- (d) Contractor shall ensure that Contractor personnel assigned to work on Buyer's premises comply with any on-premises guidelines and: (1) do not bring weapons of any kind onto Buyer's premises; (2) do not manufacture, sell, distribute, possess, use, or be under the influence of controlled substances or alcoholic beverages while on Buyer's premises; (3) do not possess hazardous materials of any kind on Buyer's premises without Buyer's authorization; (4) remain in authorized areas only; (5) not conduct any non-Buyer related business activities (such as interviews, hirings, dismissals, or personal solicitations) on Buyer's premises; (6) not send or receive non-Buyer related mail through Buyer's mail systems; and (7) not sell, advertise, or market any products or memberships, or distribute printed, written, or graphic materials, on Buyer's premises without Buyer's written permission or as permitted by law.
- (e) All persons, property, and vehicles entering or leaving Buyer's premises are subject to search.
- (f) Contractor shall promptly notify Buyer and provide a report of any accidents or security incidents involving loss of or misuse or damage to Buyer's intellectual or physical assets.
- (g) Prior to entry on Buyer's premise, Contractor shall coordinate with Buyer to gain access to facilities. Contractor shall provide information reasonably required by Buyer to ensure proper identification of Contractor personnel including, but

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not limited to, verification of citizenship, lawful permanent resident status, protected individual status, or other status. Contractor personnel shall comply with all Buyer security, safety, rules of conduct, badging and personal identity, and related requirements while on Buyer's premises. The Contractor shall comply with the statement of work, terms and conditions and applicable Buyer contractor safety documentation. The Contractor will be required to obtain approval to perform work at SMS locations, characterize and receive approval for the scope of work and obtain approval for the hazardous materials that will be used to complete work.

- (h) Contractor personnel shall: (1) not remove Buyer assets from Buyer's premises without Buyer's authorization; (2) use Buyer assets only for purposes of this Contract; (3) only connect with, interact with, or use computer resources, networks, programs, tools, or routines that Buyer agrees are needed to provide services related to this Contract; and (4) not share or disclose Buyer user identifiers, passwords, cipher keys, or computer dial port telephone numbers. Buyer may periodically audit Contractor's data residing on Buyer information assets.
- (i) Buyer may, at its sole discretion, have Contractor remove any specified employee of Contractor from Buyer's premises and request that such employee not be reassigned to Buyer's premises for Work under this Contract.
- (j) Contractor shall be responsible for and indemnify, defend, and hold harmless Buyer (and Buyer's affiliates and their respective directors, officers, employees, and agents) from and against all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorneys' fees, all expenses of litigation and/or settlement, and court costs, by reason of property damage or loss or injury or death to any person caused in whole or in part by the actions or omissions of Contractor or Contractor personnel.
- (k) Contractor shall indemnify, defend, and hold harmless Buyer (and Buyer's affiliates and their respective directors, officers, employees, and agents) from and against any actual or alleged liability, losses, costs, damages, attorneys' fees, and other expenses which Buyer may sustain or incur in consequence of: (1) Contractor's failure to pay any Contractor personnel for Work rendered under this Contract; or (2) any claims made by Contractor personnel against Buyer.
- (l) Violation of this clause may result in termination of this Contract in addition to any other remedy available to Buyer at law or in equity. Contractor shall reimburse Buyer for any unauthorized use of Buyer assets.

INFORMATION OF BUYER

- (a) Information provided by Buyer to Contractor remains the property of Buyer. Contractor agrees to keep confidential and otherwise protect from disclosure all information obtained by Contractor from Buyer in connection with this Contract and identified by Buyer as confidential or proprietary including, but not limited to, information subject to a non-disclosure agreement between the Parties. Unless otherwise expressly authorized herein or by Buyer, Contractor shall use such information, and any other information provided by Buyer to Contractor, only in the performance of and for the purposes of this Contract. Contractor shall maintain data protection processes and systems sufficient to adequately protect Buyer's information and comply with any law or regulation applicable to such information.
- (b) If Contractor becomes aware of any compromise of information provided by Buyer to Contractor (an "Incident"), Contractor shall take appropriate immediate actions to investigate and contain the Incident and any associated risks and shall promptly notify Buyer of the Incident. As used in this clause "compromise" means that any information provided by Buyer has been exposed to unauthorized access, inadvertent disclosure, known misuse, loss, destruction, or alteration other than as required to perform Work. Contractor shall additionally provide its reasonable cooperation to Buyer in any investigation Buyer may conduct regarding the nature and scope of an Incident. Any costs that may be incurred by Buyer or Contractor for investigative or remedial actions related to an Incident shall be borne by Contractor.
- (c) Any Buyer provided information identified as proprietary, confidential, or subject to restrictions on public disclosure by law or regulation shall be encrypted by Contractor: (1) if transmitted via the Internet; or (2) during electronic storage if potentially accessible by the Internet or otherwise by non-authorized users.
- (d) Upon Buyer's request, and in any event upon the completion or cancellation of this Contract, Contractor shall return to Buyer all information provided by Buyer to Contractor or make such other disposition as may be directed by Buyer. In all subcontracts issued by Contractor for performing Work, Contractor shall, with Buyer's prior written consent, be permitted to disclose Buyer's information under the same obligations as are contained in this clause.
- (e) Contractor shall be liable to Buyer for any loss of Buyer's confidential or proprietary information provided by Buyer to Contractor.

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- (f) Prior to commencement of Work, Contractor shall have a written agreement with all Contractor personnel performing services hereunder sufficient to enable Contractor to comply with this clause.
- (g) The provisions in this clause are in addition to and do not alter, change, or supersede any obligations contained in any non-disclosure agreement between the Parties.

INFORMATION OF CONTRACTOR

Contractor shall not provide any confidential or proprietary information to Buyer without prior execution of a non-disclosure agreement by the Parties.

INSPECTION OF WORK (ACCEPTANCE/REJECTION)

- (a) Buyer may inspect all Work at reasonable times and places including, when practicable, during manufacture and before shipment. Contractor shall provide all information, facilities, and assistance necessary for safe and convenient inspection without additional charge. To the extent Work is being performed on Buyer's premises, Contractor shall keep a representative on Buyer's premises for the entire time such Work is being performed and such representative shall be authorized to represent Contractor as to all phases/aspects of the Work. Contractor shall advise Buyer at all times of the name and contact information (including mobile phone number) of/for this representative.
- (b) No such inspection shall relieve Contractor of its obligations to furnish and warrant all Work in accordance with the requirements of this Contract. Buyer's final inspection and acceptance shall be at destination. Acceptance is not conclusive as to latent defects, fraud, or gross mistakes amounting to fraud.
- (c) If any Work delivered by Contractor to Buyer, or upon Buyer's inspection of Work at any time, (such Work) is found to be defective in material or workmanship, or otherwise not in conformity with this Contract, Buyer may, in addition to any other remedies available at law or at equity: (1) accept all or part of such Work at an equitable price reduction; (2) reject such Work; or (3) require Contractor, at Contractor's cost, to make all repairs, modifications, or replacements at the direction of Buyer necessary to enable such Work to comply in all respects with the requirements of this Contract, in a reasonable timeframe as determined by Buyer.
- (d) Replaced or repaired Work shall be subject to the provisions of this clause to the same extent as original Work.
- (e) Except as otherwise specified in this Contract, Contractor shall: (1) bear all risks as to rejected Work after notice of rejection; (2) pay all shipping costs on rejected Work; and (3) not re-tender rejected Work without disclosing the corrective action taken.

INSURANCE

In the event that Supplier, its employees, agents, or subcontractors enter the site(s) of BAE Systems or its Customer for any reason in connection with this Contract, then Supplier and its subcontractors shall at each of their sole cost and expense obtain and maintain in force throughout the original term, and any extension, of this Contract (to include the warranty period), the following minimum limits of insurance placed with a company reasonably acceptable to BAE Systems, each of which shall be primary to any insurance of BAE Systems:

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Automobile General Liability: For Owned, Hired & Non-Owned (bodily injury) (property damage)	\$1,000,000 Combined Single Limits each accident
Commercial General Liability (CGL): Public Liability (bodily injury)	\$1,000,000 each occurrence \$2,000,000 aggregate
Public Liability (property damage)	\$1,000,000 each occurrence \$2,000,000 aggregate
Employer's Liability:	\$1,000,000 each accident/disease each employee/ disease policy limit
Errors & Omissions:	\$1,000,000 each claim \$2,000,000 aggregate
Products Liability:	\$1,000,000 each occurrence \$2,000,000 aggregate
Worker's Compensation:	Statutory
Umbrella/Excess Liability:	\$10,000,000 per occurrence and in the aggregate.
Property and Contractor's Equipment Insurance	Sufficient to cover all Supplier's Equipment Insurance and Supplier's employee owned tools and equipment brought onto BAE Systems/Customer Property

- (a) The insurance coverage and limits required of the Supplier under this Contract are the minimum requirements of BAE Systems. These minimum requirements are neither a limit of the Supplier's liability under this Contract, nor a recommended insurance program for Supplier. The Supplier alone should seek professional assistance if the Supplier has any question concerning its exposure to loss under this Contract or the applicable insurance coverage that may be necessary to address such exposure.
- (b) Supplier shall name BAE Systems as an additional insured under each of the insurance policies required by this Contract, except Workers Compensation Insurance and Professional Liability/Errors & Omissions insurance. The Supplier acknowledges that each policy maintained pursuant to this paragraph is primary as with respect to the interest of BAE Systems and is not contributory with any insurance that BAE Systems may carry.
- (c) All policies, including Workers Compensation, shall contain a Waiver of Subrogation in favor of BAE Systems.
- (d) Before commencing performance under this Contract, Supplier shall deliver a Certificate of Insurance and/or actual insurance policies required by this Contract. Any Certificate of Insurance shall contain a provision that the coverage provided under the policies, as well as the policies themselves, will not be canceled or materially changed unless the insurers provide BAE Systems with thirty (30) Days' written notice of the intent to cancel a policy, or materially change the coverage provided under the policy.

INTELLECTUAL PROPERTY

- (a) Contractor agrees that Buyer shall be the owner of all inventions, data, copyrights, reports, technology, designs, works of authorship, mask works, technical information, computer software, business information, and other information conceived, developed, or otherwise generated in the performance of this Contract by or on behalf of Contractor. Contractor hereby assigns and agrees to assign all right, title, and interest in the foregoing to Buyer including, without limitation, all copyrights, patent rights, and other intellectual property rights therein and further agrees to execute, at Buyer's request and expense, all documentation necessary to perfect Buyer's title in the same.
- (b) Contractor shall promptly disclose to Buyer in writing any invention, data, copyright, report, technology, design, work of authorship, mask work, technical information, computer software, business information, or other information conceived, developed, or otherwise generated in the performance of this Contract by or on behalf of Contractor.
- (c) Contractor shall maintain and disclose to Buyer written records of, and otherwise provide Buyer with full access to, the subject matter covered by this clause. All such subject matter shall be deemed information of Buyer and subject to the protection provisions of the clause entitled "Information of Buyer." Contractor agrees to assist Buyer, at Buyer's request

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and expense, in every reasonable way, in obtaining, maintaining, and enforcing patent and other intellectual property protection on the subject matter covered by this clause.

- (d) Contractor warrants that Work performed or delivered under this Contract shall not infringe or otherwise violate the intellectual property rights of any third-party in the U.S. or any foreign country. Contractor agrees to defend, indemnify, and hold harmless Buyer (and Buyer's affiliates and their respective directors, officers, employees, and agents) from and against any claims, damages, losses, costs, and expenses, including attorneys' fees, arising out of any action by a third-party that is based upon a claim that Work performed or delivered under this Contract infringes or otherwise violates the intellectual property rights of any third-party. Contractor shall report to Buyer promptly and in reasonable written detail each notice or claim of infringement or other violation of the intellectual property rights of any third-party arising out of the performance of this Contract of which Contractor has knowledge. In the event of any claim or suit against Buyer on account of any infringement or other violation of the intellectual property rights of any third-party arising out of the performance of this Contract, Contractor shall furnish to Buyer, when requested, all evidence and other information in Contractor's possession pertaining to such suit or claim.
- (e) To the extent that any pre-existing inventions, technology, designs, works of authorship, mask works, technical information, computer software, and other information or materials are used, included, or contained in Work performed or delivered under this Contract and not owned by Buyer pursuant to this or a previous agreement with Contractor, Contractor grants to Buyer an irrevocable, nonexclusive, world-wide, royalty-free license to: (1) make, have made, sell, offer for sale, use, execute, reproduce, display, perform, distribute (internally or externally) copies of, and prepare derivative works based upon, such pre-existing inventions, technology, designs, works of authorship, mask works, technical information, computer software, and other information or materials and derivative works thereof; and (2) authorize others to do any, some, or all of the foregoing.
- (f) All reports, memoranda, or other materials in written form, including machine readable form, prepared by Contractor pursuant to this Contract and furnished to Buyer by Contractor hereunder shall become the sole property of Buyer.

INTERPRETATION OF PLANS AND SPECIFICATIONS

It is understood that ambiguities and inconsistencies may arise in and between drawings and specifications related to the work (whether provided by Buyer, Contractor, or otherwise). In the event of any question concerning the interpretation of plans and specifications, Contractor shall request, in writing, direction from Buyer and shall perform Work in conformity with Buyer's written direction.

LIABILITY FOR CONTRACTOR PROPERTY/ACTIONS

- (a) Contractor shall be responsible for their own Work, property, and/or materials, including, but not limited to, tools, equipment, scaffolding, job trailers, personal property, staging, and vehicles, and shall bear the risk of any loss or damage thereto. Contractor shall continuously maintain adequate protection of the Work and protect workmen, public, and Buyer's property from injury or loss arising in connection with this Contract.
- (b) Contractor shall not cause any unnecessary hindrance or delay to other contractors at the job site and shall bear the costs of all damages done to the Work of such other contractors by Contractor or their employees, and shall be directly responsible to any other contractor or subcontractor whose Work is so damaged. In the event that the Work of Contractor is damaged by any other subcontractor or contractor on the site, such other contractor or subcontractor shall be directly responsible to Contractor, and Contractor will not seek compensation or damages from Buyer by reason thereof.

MAINTENANCE OF RECORDS (Applies if this contract is a time-and-material or labor-hour type contract.)

- (a) Contractor shall maintain complete and accurate records in accordance with generally accepted accounting principles to substantiate Contractor's charges hereunder. Such records shall include, but not be limited to, applicable time sheets, job cards, phone bills, travel receipts, material receipts, tax records, permits and associated permit costs, Subcontractor invoices, job summaries and any other records required to support Contractor invoices. Contractor shall retain such records for seven (7) years from final payment under this Contract, or as agreed upon by the Parties.
- (b) Buyer shall have access to such records, and any other records Contractor is required to maintain under this Contract, for the purpose of audit during normal business hours, upon reasonable notice, for so long as such records are required to be retained.

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MATERIALS AND LABOR

Unless otherwise directed in writing by the Buyer, work to be delivered under this Contract shall consist of new materials, not used, reconditioned, remanufactured, or of such age as to impair such materials' usefulness or safety.

Unless directed otherwise, Contractor shall pay for all materials and labor, including sales tax and other tax, ordered for or used in the Work, and Buyer shall suffer no claim of lien or statutory withholding notice with respect to the Work. Contractor shall present to Buyer satisfactory evidence of any such payment on demand.

Unless directed otherwise, Materials, supplies, equipment, temporary facilities, and tools purchased by Contractor or their subcontractor for Work and for which reimbursement was paid by Buyer and any materials salvaged from the job shall be turned over to Buyer or removed from the site as directed by Buyer.

NOTICE OF LABOR DISPUTES

Whenever Contractor has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Contract, Contractor shall immediately give notice thereof, including all relevant information relating thereto, to Buyer.

OCCUPATIONAL SAFETY AND HEALTH ACT (OSHA) COMPLIANCE

Any Work furnished by Contractor pursuant to this Contract shall comply with the Occupational Safety and Health Act of 1970 and regulations issued pursuant thereto, collectively referred to as "OSHA." Contractor agrees to repair, modify, or replace any Work not complying with OSHA at Contractor's sole cost and expense, and to hold harmless and indemnify Buyer (and Buyer's affiliates and their respective directors, officers, employees, and agents) from any liability and expense (including attorneys' fees) by reason of property damage or personal injury (including death) occasioned in whole or in part from a violation of OSHA.

PACKAGING AND SHIPMENT

- (a) Unless otherwise specified, all Work shall be packed in accordance with the best available commercial practices and in compliance with applicable federal, state, and local transportation regulations. Contractor is solely liable for packaging design. Contractor shall reimburse Buyer for any expense incurred by Buyer as a result of improper preservation, packaging, packing, or marking. Unless otherwise specified, prices include all charges for packing, shipping, hauling, storage, and transportation to the point of delivery.
- (b) Contractor shall ship all Work to the destination specified by Buyer in this Contract. Buyer reserves the right to specify the mode of shipment.
- (c) A complete packing list shall be enclosed with all shipments. All shipping documents, shipping labels, packing sheets and lists, and Bills of Lading, as well as any interior and exterior containers, shall show full and complete information, where applicable, as to the names and addresses of consignor and consignee, Contract number, Contract line item number, dates of shipment, serial number of the item being shipped, and quantity.
- (d) Unless otherwise specified, if any transportation charges paid by Contractor are subject to reimbursement, Contractor shall show such charges on its invoice as a separate line item with the freight bill receipt attached accordingly.

PAYMENTS, PRICES, AND TAXES

- (a) All payments are contingent on acceptance of Work by Buyer
- (b) Invoices shall be submitted to Buyer within thirty (30) days after shipment or completion of Work. Invoices shall be supported by documents in such form as Buyer may reasonably request and shall bear such certification as may be required by law, regulation, or this Contract. Draft invoices will not be accepted. Contractor shall issue separate invoices for each shipment or completed phase of Work. All invoices shall include full and complete information, where applicable, as to the amount of material shipped or Work completed (including additional information at Buyer's sole discretion), Contract number, Contract line item number, dates of shipment or completion of Work, serial number of the item being shipped, and quantity.
- (c) Each payment made shall be subject to reduction for amounts which are found by Buyer or Contractor not to have been properly payable and shall also be subject to reduction for overpayments. Contractor shall promptly notify Buyer of any such overpayments and remit the amount of the overpayment, except as otherwise directed by Buyer.

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- (d) Buyer shall have a right to recoup or setoff, as the case may be, against payments due or at issue under this Contract or any other agreement between the Parties.
- (e) Payment shall be deemed to have been made as of the date of mailing of Buyer's payment or electronic funds transfer.
- (f) Unless otherwise specified, prices include all federal, state, and local taxes, duties, tariffs, and similar fees imposed by any government, all of which shall be listed separately on the invoice. Prices shall not include taxes, impositions, charges, and exactions for which Buyer has furnished an exemption certificate.
- (g) No adjustments to the prices, payments, or value of Work shall be made based on the fluctuation in currencies or rates of exchange, unless the Parties agree otherwise.
- (h) Contractor warrants that the price of all Work set forth herein does not exceed that price which is charged by Contractor to any other customer purchasing similar Work of like quantity, quality, and circumstance.

PROJECT DOCUMENTATION

- (a) Contractor shall provide the following within two weeks of project completion and before final payment:
 - (b) "Record drawings" documenting changes made by the Contractor in the field. At a minimum, the record drawings shall show changes in size, material, location, or other pertinent work
 - (c) Operations and maintenance manuals, test reports, certifications, and spare parts lists. Contractor shall provide three (3) bound copies of complete operations and maintenance instruction manuals together with copies of factory and field test reports, equipment certifications and spare parts lists for all manufactured items or products furnished.

ELECTRONIC CONTRACTING

The Parties agree that if this Contract is transmitted electronically neither Party shall contest the validity of this Contract, or any acknowledgment thereof, on the basis that this Contract or the acknowledgment contains an electronic signature.

PRECEDENCE

Any inconsistencies in this Contract shall be resolved in accordance with the following descending order of precedence: (1) face of this Contract; (2) any non-disclosure agreement between the Parties; (3) this document, including general provisions; and (4) other documents incorporated and made a part of this Contract, with such precedence as indicated on the face of this Contract.

PROHIBITED SOFTWARE

- (a) This clause only applies to Work that includes the delivery of software (including software residing on hardware).
- (b) As used herein, "Prohibited License" means the General Public License ("GPL"), Lesser/Library GPL, Artistic License (e.g., PERL), Affero GPL, Apache license, Berkeley Software Distribution ("BSD") license, MIT license, Mozilla Public License, Netscape Public License, Sun Community Source License, Sun Industry Standards License, or variations thereof including, without limitation, licenses referred to as "Free Software License," "Open Source License," "Public License," or "GPL Compatible License."
- (c) As used herein, "Prohibited Software" means software that incorporates or embeds in, or uses in connection with, as part of, bundled with, or alongside any: (1) open source, publicly available, or "free" software, library, or documentation; (2) software that is licensed under a Prohibited License; or (3) software provided under a license that (A) subjects the delivered software to any Prohibited License, (B) requires the delivered software to be licensed for the purpose of making derivative works or be redistributable at no charge, or (C) obligates Buyer/Contractor to sell, loan, license, sublicense, distribute, disclose, or otherwise make available or accessible to any third-party (i) the delivered software, or any portion thereof, in object code and/or source code formats, or (ii) any products incorporating the delivered software, or any portion thereof, in object code and/or source code formats.
- (d) Contractor shall disclose to Buyer in writing any Prohibited Software that will be used or delivered in connection with this Contract, and shall obtain Buyer's prior written consent before using or delivering such Prohibited Software in connection with this Contract. Buyer may withhold such consent in its sole discretion.

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- (e) Contractor agrees to defend, indemnify, and hold harmless Buyer (and Buyer’s affiliates and their respective directors, officers, employees, and agents), and Buyer’s suppliers from and against any claims, damages, losses, costs, and expenses, including attorneys’ fees, relating to use in connection with this Contract of, or the delivery of, Prohibited Software.

PROJECT SCHEDULE

- (a) Contractor’s timely performance is a critical element of this Contract.
- (b) Buyer will provide schedule milestones which Contractor shall utilize in planning, coordinating, and performing Work under this Contract, including additional Subcontractors and materials, equipment and other suppliers.
- (c) Contractor shall provide all necessary scheduling information to Buyer in the form required by Buyer.
- (d) Contractor shall complete the Work in accordance with the schedule established by Buyer.
- (e) Unless advance shipment has been authorized in writing by Buyer, Buyer may store at Contractor’s expense, or return, with shipping charges paid by Contractor, all Work received in advance of the scheduled delivery date.
- (f) If Contractor becomes aware of difficulty in performing Work, including meeting the delivery schedule, Contractor shall notify Buyer within five (5) days of any such difficulty, in writing, giving pertinent details. This notification shall not change any delivery schedule. If it appears that any completion date will not be met, Contractor shall take some, or all, of the following actions at no additional cost to Buyer: increase workforce in such numbers and skill sets as will substantially eliminate the backlog of Work; increase the number of working hours per shift, shifts per working day, working days per week, or the amount of equipment, or any combination of the foregoing sufficiently to substantially eliminate the backlog of Work; reschedule activities to achieve maximum practical concurrency of accomplishment of activities.
- (g) If Contractor fails to take any of the above actions, Buyer may take such action as is necessary to ensure that the completion date is met and, under the terms of the Contract, may deduct the cost of such actions from the monies due Contractor.
- (h) In the event of a termination pursuant to the “Termination for Convenience” clause of this Contract or a Buyer-directed change pursuant to the “Changes” clause of this Contract, no claim shall be allowed for any manufacture or procurement in advance of Contractor’s normal flow time unless Buyer has provided prior written consent.

PURCHASE MONEY SECURITY INTEREST

Where Buyer makes one or more payments of the purchase price prior to delivery of work to Buyer, Buyer shall possess, and Contractor hereby grants to Buyer, a purchase money security interest in such work. Contractor hereby appoints Buyer as its attorney in fact to execute any and all such documents to evidence or perfect, or both, such purchase money security interest.

QUALITY CONTROL

- (a) Contractor shall provide and maintain a quality control system to an industry recognized quality standard and in compliance with any other specific quality requirements identified in this Contract.
- (b) Records of all quality control inspection work by Contractor shall be kept complete and made available to Buyer.

RELEASE OF INFORMATION

Except as required by law, no public release of any information, or confirmation or denial of same, with respect to this Contract or the subject matter hereof, will be made by Contractor without Buyer’s prior written consent. Contractor shall not use “BAE Systems Space & Mission Systems Inc.,” “Space & Mission Systems,” or any other trademark or logo owned by Buyer (or Buyer’s affiliates), in whatever shape or form, without Buyer’s prior written consent.

RETENTION OF RECORDS

Unless a longer period is specified in this Contract or by law or regulation, Contractor shall retain all records related to this Contract for seven (7) years from the date of final payment under this Contract, or as agreed upon by the Parties. Records related to this Contract include, but are not limited to, financial, proposal, procurement, specifications, production, inspection, test, quality, shipping and export, and certification records. At no additional cost and upon request, Contractor shall timely provide access to such records to Buyer.

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SEVERABILITY

The terms and conditions of this Contract are severable and should any term or provision of this Contract be declared invalid or become inoperative for any reason such as invalidity or failure shall not affect the validity of any other term or provision of this Contract.

STOP WORK

- (a) Buyer may, at any time, by written order to Contractor, require Contractor to stop all or any part of Work called for by this Contract for a period of ninety (90) days after the order is delivered to Contractor, and for any further period to which the Parties may agree. The written order shall be specifically identified as a “Stop Work Order” issued under this clause. Upon receipt of such an order, Contractor shall immediately comply with the order’s terms and take all reasonable steps to minimize the incurrence of costs allocable to Work covered by the order during the period of Work stoppage. Within a period of ninety (90) days after a Stop Work Order is delivered to Contractor, or within any extension of that period which the Parties shall have agreed, Buyer shall either: (1) cancel the Stop Work Order; or (2) terminate Work covered by such order as provided in the “Termination for Default” or “Termination for Convenience” clause of this Contract.
- (b) If a Stop Work Order issued under this clause is canceled or the period of the Stop Work Order or any extension thereof expires, Contractor shall resume Work covered by the order. In either event, an equitable adjustment in accordance with the principles of the “Changes” clause of this Contract shall be made to the delivery schedule, price, or other provisions(s) affected by the Work stoppage, if applicable, provided that Contractor shall submit a claim for equitable adjustment within thirty (30) days after the date of the notice to continue.

SURVIVABILITY

If this Contract expires, is completed, or is terminated, Contractor shall not be relieved of those obligations contained in the following clauses:

- Applicable Laws
- Counterfeit Work
- Electronic Contracting
- Export Control
- Furnished Equipment
- Furnished Property
- Independent Contractor Relationship and Contractor Personnel
- Information of Buyer
- Insurance
- Intellectual Property
- Maintenance of Records
- Prohibited Software
- Release of Information
- Retention of Records
- Warranty

SECURITY BONDS

Buyer may, at any time during this Contract, require Contractor, within five (5) days, to furnish a performance and/or completion bond in an amount to be designated by Buyer, but not exceeding the estimated final cost of the Work to be performed by Contractor in support of this Contract, and Buyer will pay the premium on any such bond directly to the bonding company.

TERMINATION FOR CONVENIENCE

- (a) Buyer reserves the right to terminate this Contract, or any part hereof, for Buyer’s convenience. In the event of such termination, Buyer shall terminate by delivering to Contractor a notice of termination specifying the extent of termination and the effective date. This notice shall be specifically identified as a “Termination Notice.”
- (b) Upon receipt of a Termination Notice and except as otherwise directed by Buyer, Contractor shall immediately: (1) stop all Work to the extent directed in the Termination Notice; (2) cancel and/or stop work under its subcontracts and orders, to

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the extent such agreements relate to Work directed to be terminated; (3) with Buyer's prior written consent, settle any termination claims made by its Subcontractors related to Work directed to be terminated; (4) exert every effort to realize the maximum salvage from the work-in-process, tools, and manufacturing drawings and data produced or acquired by Contractor specifically for Work directed to be terminated; (5) inventory, segregate, and report all property relating to Work directed to be terminated to Buyer; (6) transfer title and deliver to Buyer, as Buyer may direct, all supplies and materials, work-in-process, tools, and manufacturing drawings and data produced or acquired by Contractor specifically for Work directed to be terminated; and (7) take such other action as may be necessary or as Buyer may direct in writing to minimize the cost of the termination.

- (c) Subject to the terms of this Contract, Contractor shall be paid a percentage of this Contract's price reflecting the percentage of Work performed prior to the Termination Notice, plus reasonable charges that Contractor can demonstrate, to the satisfaction of Buyer using Contractor's standard record keeping system, have resulted from the termination. Contractor shall not be paid for any Work performed or costs incurred which reasonably could have been avoided. In no event shall Buyer be liable for lost or anticipated profits, or unabsorbed indirect costs or overhead, or for any sum in excess of the total Contract price. Contractor's termination claim shall be submitted within ninety (90) days from the effective date of the termination.
- (d) Contractor shall continue all Work not terminated.

TERMINATION FOR DEFAULT

- (a) Buyer, by written notice to Contractor, may terminate the whole or any part of this Contract if Contractor: (1) fails to comply with any of the terms of this Contract, including the delivery schedule and requirements related to supervision of the Work, supply of properly skilled workmen, supply of materials of the proper quality and quantity, and cleanliness of the worksite premises; (2) fails to make progress so as to endanger performance of this Contract; (3) fails to provide adequate assurance of future performance; (4) files or has filed against it a petition in bankruptcy; or (5) becomes insolvent or suffers a material adverse change in financial condition.
- (b) Contractor shall have three (3) days (or such longer period as Buyer may authorize in writing) to cure any such failure after receipt of notice from Buyer. Contractor, however, shall not have the opportunity to cure default relating to delivery schedule delays (i.e., any failure to meet the delivery schedule), bankruptcy, or an adverse change in financial condition.
- (c) If this Contract is terminated in whole or in part as provided in this clause, Buyer may procure, upon such terms and in such manner as Buyer may deem appropriate, work similar to that terminated, and Contractor shall be liable to Buyer for any incidental and also for direct damages (i.e., excess or re-procurement costs and consequential damages) incurred for such similar work.
- (d) If this Contract is terminated in whole or in part as provided in this clause, Contractor shall be compensated only for Work actually delivered and accepted. Buyer, however, may withhold from amounts otherwise due Contractor such sum, as Buyer determines to be necessary, to protect Buyer against loss because of outstanding liens or claims of former lien holders. Buyer also may require Contractor to deliver to Buyer any supplies and materials, equipment, manufacturing materials, and manufacturing drawings that Contractor has produced or acquired for the terminated portion of this Contract. Buyer and Contractor shall agree on the amount of payment for these other deliverables.
- (e) If, after notice of termination of this Contract as provided in this clause, it is determined for any reason that Contractor was not in default or that the default was excusable, the rights and obligations of the Parties shall be the same as if the notice of termination had been issued pursuant to the "Termination for Convenience" clause of this Contract.
- (f) The rights and remedies of Buyer provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or in equity or under this Contract including, without limitation, cancellation of this Contract.
- (g) Contractor shall continue all Work not terminated or cancelled.

TITLE AND RISK OF LOSS

Unless otherwise specified in this Contract, where applicable, title to any Work covered by this Contract shall pass to Buyer upon Buyer's final acceptance of such Work, regardless of when or where Buyer takes physical possession. Risk of loss or damage to Work shall remain with Contractor until: (a) delivery of Work to an authorized carrier, if delivery is F.O.B. Origin; or (b) final acceptance by Buyer or receipt of Work by Buyer at the destination specified in this Contract, whichever is later, if transportation is F.O.B. Destination, regardless of the point of inspection. Notwithstanding the above, the risk of loss or damage to Work that fails to conform, so as to give rise to Buyer's right of rejection, shall remain with Contractor until cure and final acceptance.

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WAIVER, REVIEWS, APPROVALS, AND REMEDIES

- (a) Failure by either Party to enforce any of the provisions of this Contract or applicable laws shall not constitute a waiver of the requirements of such provisions or laws, or a waiver of the right of a Party thereafter to enforce such provisions or laws.
- (b) Buyer's review or approval of any Work hereunder, or of any designs, drawings, specifications, or documents prepared hereunder, shall not relieve Contractor of any of its obligations under this Contract, nor excuse or constitute a waiver of any defects or nonconformities in any Work furnished under this Contract, nor change, modify, or otherwise affect any of the provisions of this Contract including, but not limited to, the prices and delivery schedules contained herein.
- (c) The rights and remedies of the Parties set forth in this Contract are cumulative and in addition to any other rights or remedies that they may have at law or in equity.

WARRANTY

- (a) Contractor warrants that all Work furnished pursuant to this Contract shall strictly conform to applicable specifications, drawings, samples, descriptions, and other requirements of this Contract and be free from defects in design, material, and workmanship. This warranty shall begin upon final acceptance and extend for a period of one (1) year.
- (b) If any nonconforming Work is identified within the warranty period, Contractor, at Buyer's option, shall promptly repair, replace, or reperform such Work. Transportation of replacement Work, return of nonconforming Work, and reperformance of Work shall be at Contractor's expense. If repair, replacement, or reperformance of Work is not timely, Buyer may elect to return, reperform, repair, replace, or reprocur the non-conforming Work at Contractor's expense. All warranties run to Buyer.
- (c) No inspection, test, or approval of any kind, including approval of designs, shall affect Contractor's obligation under this clause. Repaired, replaced, or reperformed Work shall be subject to the provisions of this clause to the same extent as the original Work, except that the warranty shall run from the last delivery date.

SECTION II - SUPPLIER GUIDING PRINCIPLES

SUSTAINABILITY VISION

By balancing economic, environmental, and social impacts in our decision making and activities, Space & Mission Systems ("SMS") strives to create long-term, shared value for SMS and our stakeholders. This is our sustainability vision. Whether it is developing sustainable products, working to reduce our environmental footprint, respecting human rights, or investing in local communities where we operate facilities, we are committed to making SMS a more sustainable enterprise and maintaining sound business ethics.

PURPOSE

Our Supplier Guiding Principles set forth the business conduct standards to which SMS expects its suppliers to adhere. In keeping with our values, SMS prefers to do business with companies that share our belief in the importance of economic, social, and environmental sustainability.

SCOPE

Our Supplier Guiding Principles apply to all suppliers with whom SMS, its subsidiaries, including BAE Systems Space & Mission Systems Inc., and affiliates worldwide have a contractual relationship, including contractors and suppliers of goods and services.

As part of the implementation of our Supplier Guiding Principles, these principles will be incorporated into all new or renewed commercial agreements between suppliers and SMS, its subsidiaries, and affiliates worldwide.

Suppliers must be able to demonstrate compliance with SMS's Supplier Guiding Principles at the request and satisfaction of SMS. When SMS becomes aware that a supplier is not in compliance with our Supplier Guiding Principles, the actions, or inaction, of the supplier will be reviewed, and appropriate corrective measures will be implemented.

PRINCIPLES

All suppliers must adhere to the following principles:

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1.) LAWS AND REGULATIONS

Suppliers will comply with all applicable laws, rules, and regulations and requirements in managing their business and in providing goods and services to SMS.

2.) EMPLOYMENT PRACTICES/HUMAN RIGHTS

We expect our suppliers to provide an equitable and safe work environment and to adhere to, among others, the following principles:

1. Suppliers shall not employ anyone under the legal working age, nor condone physical or other unlawful abuse or harassment in any of their businesses;
2. Suppliers shall ensure that there is no forced labor, slavery, or human trafficking within their operations and their supply chain;
3. Suppliers shall judge their employees upon their abilities and not discriminate on the basis of any condition or characteristic which is protected by applicable law or regulation;
4. Suppliers shall respect each employee's right to associate with any legally sanctioned organization; and
5. Work hours, wages, and benefits shall be in compliance with all applicable laws.

3.) ANTITRUST

SMS is committed to free competition in the marketplace. Conduct intended to limit competitive forces is inconsistent with that commitment and may violate antitrust laws. Suppliers shall not communicate with competitors regarding current or future prices, pricing policy, sales volumes or terms, production levels, or any other information that relates to the marketplace.

4.) DEMONSTRATION OF COMPLIANCE

Suppliers will be expected to certify and demonstrate compliance with these Supplier Guiding Principles at SMS's request.