



DELIVERING ON OUR  
PROMISES SINCE 1991

# Commercial Terms and Conditions of Purchase

When Seller's Goods or Services Are Not Connected With a United States Government Contract or Higher-Tier Subcontract

## 1. Acceptance of Purchase Order

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

## 2. Shipping Instructions; Risk of Loss

- (a) Seller shall be responsible for ensuring the proper packaging of goods hereunder. Seller shall not charge for packing, crating, freight, local cartage, and/or any other services unless so specified in this Purchase Order.
- (b) Unless otherwise directed by Buyer in writing, Seller shall consolidate shipments on one bill of lading or air waybill when shipping goods on the same day from and to a single location. 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) When Buyer purchases F.O.B. Origin ("F.O.B. the place of shipment", as defined in the Uniform Commercial Code Section 2-319), Seller shall bear the expense of and risk of loss of, or damage to, the good until Seller delivers the goods to the carrier that Buyer designates. Seller shall not insure or 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) and the relevant line-item number(s) must appear on all correspondence, shipping labels, and shipping documents, including all packing sheets, bills of lading, air waybills, and invoices.

## 3. Delivery; Notice of Delay; Obsolescence

- (a) On time performance is a material condition of this Purchase Order and failure to perform according to the delivery schedule in this Purchase Order, if unexcused, shall be considered a material breach. Acceptance of late deliveries shall not constitute a waiver of this provision. Buyer may refuse or return, at Seller's risk and expense, shipments made more than this Purchase Order or in advance of required schedules. Buyer may 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 of Buyer's rights and remedies hereunder.
- (c) During performance of this Purchase Order, Seller shall notify Buyer of any planned obsolescence of the goods set out in this Purchase Order

## 4. Termination for Convenience

- (a) Buyer, by written notice, may terminate this Purchase Order for convenience and without cause, in whole or in part, at any time, and such termination shall not constitute default. In the event of partial termination, Seller shall perform the non-terminated balance of work under the Purchase Order.
- (b) If Buyer terminates for convenience, Seller shall be reimbursed for actual, reasonable, substantiated, and allocable costs for work performed to date of termination provided Seller submits its termination

settlement proposal to Buyer promptly, but no later than ninety (90) days from the effective date of the termination. In no event shall the amount of any settlement be more than 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, after providing Seller with ten (10) calendar days written notice, and upon Seller's failure to cure such default in that ten (10) day period ("Cure Period"), terminate this Purchase Order in whole or in part at any time by notice in writing for (i) breach of any one or more of its terms, (ii) failure to 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; provided, however, there shall be no Cure Period for default related to failure to meet the delivery schedule or for defaults incapable of cure.
- (b) To the extent allowed by law, Buyer may also terminate this Purchase Order in whole or in part without a Cure Period in the event of Seller's suspension of business, insolvency, bankruptcy, appointment of a receiver for Seller's property or business, or any assignment, reorganization, or arrangement by Seller for the benefit of its creditors (collectively hereinafter "Insolvency"). Seller agrees to provide detailed written notice to Buyer within five (5) days of initiating such Insolvency proceedings. In the event of partial termination, Seller shall perform the non-terminated balance of work under the Purchase Order.
- (c) If this Purchase Order is terminated for default, Buyer may by written notice require Seller to transfer title and deliver to Buyer all items ordered and specifically paid for hereunder.

## 6. Force Majeure

Except for a default of Seller's subcontractor at any tier, neither Buyer nor Seller shall be liable for any failure to perform due to any cause beyond their reasonable control and without their fault or negligence, including acts of God or of the public enemy, acts of the government in its sovereign or contractual capacity (including acts of government related to economic sanctions and embargoes), fires, floods, epidemics, terrorism,

quarantine restrictions, strikes, freight embargoes, and unusually severe weather. If causes of the type described above ("Force Majeure") adversely affect performance of this Purchase Order, the Party whose performance is so affected shall so notify the other Party's authorized representative in writing. Buyer may reasonably adjust the delivery schedule due to the existence of a Force Majeure.

## 7. Disputes and Governing Law

- (a) Either Party may submit a dispute to a court of competent jurisdiction provided that the Parties' senior management representatives have first attempted in good faith to negotiate a resolution for a period of no less than ten (10) business days following written notice from the Party claiming dispute. To the extent permitted by applicable law, the Parties waive any right they may have to a trial by jury. Either Party may seek injunctive or other equitable relief in any court of competent jurisdiction at any time.
- (b) Pending resolution or settlement of any dispute arising under this Purchase Order, Seller will proceed diligently as directed by Buyer with the performance of this Purchase Order. Irrespective of the place of performance, this Purchase Order shall be governed and construed in accordance with the laws of the State within the United States from which Buyer issues this Purchase Order, without regard to its conflicts of law provisions. The provisions of the "United Nations Convention on Contracts for International Sale of Goods" shall not apply to this Purchase Order.

## 8. Remedies

- (a) Buyer may exercise all rights and remedies at law and in equity, including those set forth in Article 2 of the Uniform Commercial Code for both goods and services ordered hereunder. 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 always entitled to set off any amount owing at any time from Seller to Buyer, against any amount payable at any time by Buyer to Seller.

## 9. Proprietary Rights

- (a) Unless otherwise expressly set forth in this Purchase Order, all specifications, information, data, drawings,

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) 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) Any invention or intellectual property first made or conceived by Seller in the performance of this Purchase Order or which is derived from or based on the use of information supplied by Buyer (collectively, the "Foreground IP") shall be the property of Buyer. Seller hereby assigns its rights in the Foreground IP to Buyer and shall execute such documents necessary to perfect Buyer's title thereto. Unless otherwise expressly agreed in a contemporaneous or subsequent writing to the contrary or otherwise expressly set forth in this Purchase Order, any work performed pursuant to this Purchase Order which includes any copyright interest shall be considered a "work made for hire". To the extent any of such works do not qualify as a "work made for hire", Seller hereby assigns to Buyer all its intellectual property rights, including its copyright rights, in such works effective immediately upon creation of such works, including when they are first fixed in a tangible medium.

#### **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 ("Buyer's Property" as used in this Section 10), which shall be returned to Buyer upon Buyer's request.
- (b) Seller shall use Buyer's Property only in the performance of work under this Purchase Order unless Buyer consents otherwise in writing.
- (c) Seller shall not furnish or offer for sale goods made in accordance with Buyer's specifications and/or drawings to another party without Buyer's prior written consent.

- (d) Seller shall maintain Buyer's Property and shall be responsible for all loss or damage to Buyer's Property except for normal wear and tear. Seller shall (i) within two (2) working days, report to Buyer the loss, theft, damage, destruction of Buyer's Property, or if any such property is found to be malfunctioning or otherwise unsuitable for use and (ii) determine and report the root cause and all pertinent facts as soon as they become known, and corrective action taken to prevent recurrence, at no additional cost to Buyer.
- (e) Upon request, Seller shall provide Buyer with adequate proof of insurance against such risk of loss or damage.
- (f) Seller shall clearly mark, maintain in inventory, and keep segregated or identifiable all of Buyer's Property.

#### **11. Release of Information**

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

#### **12. Order of Precedence**

Buyer deems the requirements and provisions of this Purchase Order as consistent. Seller shall promptly request Buyer's written determination to resolve any inconsistency, ambiguity, or conflict among the requirements and provisions. The following order of precedence shall apply: (1) order specific text on the Purchase Order, which includes specifications incorporated by reference such as drawings and quality requirements/flowdowns; (2) documents incorporated by reference on the Purchase Order and not otherwise referenced in this Section 12 (e.g., prime contract flow-through documents); (3) these Commercial Terms and Conditions of Purchase; (4) Proprietary Information Agreement or Non-Disclosure Agreement, if applicable; (5) the Statement of Work; and (6) Seller specifications, which include Seller drawings, Seller samples, and Seller catalog descriptions. For the avoidance of doubt, all Seller goods delivered hereunder must conform to Buyer's specifications set out in this Purchase Order.

#### **13. Warranty**

- (a) Seller warrants that the goods shall be (i) new (ii) free from defects in workmanship, materials, and design and (iii) in accordance with all the requirements of this Purchase Order. Seller further warrants that the performance of services shall conform with the requirements of this Purchase Order and to high professional standards.
- (b) Seller warrants without limitation as to time 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.
- (c) These warranty entitlements shall inure to the benefit of both Buyer and Buyer's customers.
- (d) At Buyer's direction, Seller shall promptly repair, replace, correct, or reimburse the purchase price of nonconforming goods or services. Repaired, replaced, or corrected goods or services shall be subject to Section 13 and the Inspection Section of this Purchase Order to the same extent as goods or services originally delivered under this Purchase Order. Seller shall be liable for and save Buyer harmless from any loss, damage, or expense that Buyer may suffer related to nonconforming goods or services, or from any other breach of the warranties in this Section 13, including, but not limited to, return to Seller of defective or nonconforming goods and redelivery to Buyer of repaired, replaced, or corrected goods.

#### **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 diminish Buyer's rights or be final or binding on Buyer if latent defects, fraud, or misrepresentation on the part of Seller exists.

- (b) Seller will provide reasonable support and access to Buyer in the inspection and test of the goods and services without additional charge.
- (c) Neither the 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**

Buyer shall have the right by written notice to suspend or stop work or to make changes from time to time in the services or the goods to be furnished by Seller or to 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 must be asserted in writing within twenty (20) days from the date of receipt by Seller of notification of the change or suspension and shall be followed as soon as practicable with specification of the amount claimed and supporting cost figures. Failure to agree to any such change shall be resolved in accordance with Section 7 Disputes and Governing law herein.

#### **16. Infringement**

Seller represents and 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, do not infringe or misappropriate any 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 hold Buyer, and its customers harmless from all expenses, liability, and loss of any kind (including all costs, expenses, and

attorneys' fees) arising out of claims, suits, or actions alleging such infringement, which claims, suits, or actions Seller, hereby, agrees to defend, at Seller's expense, if requested to do so by Buyer. Moreover, Seller may replace or modify infringing items with comparable items acceptable to Buyer of substantially the same form, fit, and function to remove the source of infringement, and Seller's obligations under this Purchase Order including those contained in Section 13 Warranty and in this Section 16 shall apply to the replacement and modified items. If the use or sale of any of the above items is enjoined because of such claim, suit or action, Seller, at no expense to Buyer, shall obtain for Buyer and its customers the right to use and sell said item.

#### **17. Taxes and Drawback**

(a) If Seller ships goods to the United States pursuant to this Purchase Order, Seller shall pay all duties, taxes, and fees imposed because of such importation. Seller's prices shall not include any duties, taxes, or fees for which Buyer has furnished a valid exemption certificate or other evidence of exemption acceptable to the applicable government agency. Seller shall separately state on Seller's invoice any applicable sales and use taxes in the price. Seller agrees to remit any taxes collected from Buyer to the relevant tax authority.

(b) Any refund, credit, or rebate of any import duties, taxes, or fees (including any drawback claim), in Seller's price to Buyer, shall inure solely to Buyer's benefit and shall be assigned to Buyer. Seller shall reasonably assist Buyer in Buyer's effort to realize any such available amounts.

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

(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 its obligations under this Purchase Order, without the prior written consent of Buyer. Any such purported assignment, delegation, or subcontracting by Seller without such consent shall be void. Buyer may assign this Purchase Order to (i) any affiliated company, (ii) any successor in interest, or (iii) Buyer's customer.

(b) Seller shall promptly notify Buyer in writing of any Seller name or ownership changes, or mergers or acquisitions.

(c) Seller shall not change the place of performance under this Purchase Order without Buyer's prior written consent.

#### **19. Compliance with Law**

ISO 9001:2015 & AS9100D Compliant | Certified Small, Disadvantaged, and Minority-Owned Business

(a) Seller, in the performance of this Purchase Order, warrants that it shall comply with all relevant laws, orders, rules, ordinances, and regulations (whether federal, state, or local), including but not limited to:

1. all U.S. laws and regulations including:
  - i. the Fair Labor Standards Act of 1938, as amended (the "FLSA"), and the regulations and orders of the United States Department of Labor under the FLSA.
  - ii. the Occupational Safety and Health Act of 1970 (OSHA), as amended.
  - iii. the U.S. Department of Transportation regulations on hazardous materials and any other pertinent federal, state, or local statutes, laws, rules, or regulations.
2. the laws and regulations of Seller's place of performance.
3. the applicable domestic and international prohibitions on child labor, human trafficking, and slavery.
4. the United States Foreign Corrupt Practices Act, 15 U.S.C. § 78 et seq. (the "FCPA"), and other Anti-Corruption Requirements as defined in paragraph 19(b), below; and
5. the Anti-Kickback Act of 1986.

(b) Anti-Corruption Requirements:

1. Seller acknowledges that its actions may subject it and Buyer to liability under the FCPA, the anti-corruption laws, regulations, and policies of the home country of any supplier to this Purchase Order, the United States of America, and/or the anti-corruption laws, regulations, and policies of any other country with jurisdiction over the activities performed pursuant to this Purchase Order (together and individually hereinafter referred to as the "Anti-Corruption Requirements"). Seller acknowledges that it is familiar with the prohibitions under, and the requirements of, the Anti-Corruption Requirements.
2. Neither Seller nor any of its principals, consultants, subcontractors, shareholders, directors, officers, employees, or agents has performed or will perform any act which Buyer could reasonably believe would constitute a violation of the Anti-Corruption Requirements or which Buyer could reasonably believe would cause Buyer to be in violation of the Anti-Corruption Requirements, or present a credible risk, as determined by Buyer, of a violation of the Anti-Corruption Requirements.
3. If at any time Seller becomes aware of information or circumstances that suggest any of the provisions of this Section 19 may not be accurate, it shall notify Buyer immediately in writing, but not more than seven (7) days after becoming aware of such circumstances.
4. No payment will be made hereunder to any person other than Seller; and no payment will be made to Seller

under this Purchase Order other than the payment of the compensation in accordance with the terms hereof. Seller's price quotations and invoice prices shall accurately and fairly reflect the commensurate value of the goods and services provided under this Purchase Order.

5. In connection with this Purchase Order, Seller shall maintain books, records, and accounts, which in reasonable detail, accurately and fairly reflect the transactions and asset dispositions of Seller and allow Buyer to (i) maintain accurate books and records, and (ii) comply with the requirements for internal management controls set forth in the Anti-Corruption Requirements as well as relevant U.S. laws and regulations.

6. Seller shall cooperate with, and help, Buyer in implementing adequate due diligence procedures in connection with the selection and retention of consultants and subcontractors by Buyer or Seller.

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

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

(e) Buyer and Seller acknowledge and agree that Seller's goods and / or services under this Purchase Order are not provided pursuant to a United States Government contract.

(f) Seller agrees to defend, indemnify, and save Buyer harmless from any loss, damage, fine, penalty, or expense that Buyer may suffer because of Seller's failure to comply with the warranties and certifications in this Section 19.

## **20. Responsibility and Insurance**

(a) Seller shall maintain, and require its subcontractors to maintain, the insurance coverages that are specified in this Purchase Order or, if none are specified, the following minimum insurance coverage and limits: Statutory Workers' Compensation coverage and Employers' Liability with a limit of \$500,000; Commercial General Liability (including bodily injury and property damage, products / completed operations coverage and contractual liability coverage) with a limit of \$1,000,000 per occurrence. When applicable to Seller's performance on the Purchase Order, Seller shall also maintain, and require its subcontractors to maintain, (i) Automobile Liability coverage with a limit of \$1,000,000 per accident; and (ii) Professional Liability covering the services provided by Seller under this Purchase Order. Upon Buyer's request, Seller shall (1) provide Buyer with certificates of insurance evidencing required insurance, (2) arrange for a waiver of subrogation in favor of Buyer, and / or (3) in the case of the Commercial General Liability and Automobile Liability policies direct that Buyer be added as an additional insured.

(b) If work is to be performed on premises owned or controlled by Buyer, then Seller shall comply with all the rules and regulations established by Buyer for access to and activities in and around premises owned or controlled by Buyer. Seller shall be responsible for the actions and failure to act of all parties retained by, though, 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 in any way arising from performance of this Purchase Order by Seller or by any of its vendors or subcontractors. Seller may be required by Buyer to provide a satisfactory release of liens as a condition of final payment.

(b) Seller shall, without limitation, indemnify and save Buyer and its customer(s) and their respective officers, directors, employees and agents harmless from and against (i) all claims and resulting costs, expenses (including attorney fees and costs) and liability which arise from personal injury, death, or property loss or damage

attributed to, or caused by, the goods supplied, or the services performed by Seller pursuant to this Purchase Order, except to the extent that such injury, death, loss or damage is caused solely and directly by the negligence of Buyer, and (ii) all claims (including resulting costs, expenses and liability) by the employees of Seller or any of its subcontractors.

## 22. Offsets

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

## 23. Export/Import Controls

(a) Seller hereby certifies that, in connection with the performance of this Purchase Order, it will comply with U.S. export and import control laws and regulations, including but not limited to the International Traffic in Arms Regulations ("ITAR") (22 CFR 120 et seq.), the Export Administration Regulations ("EAR") (15 CFR Part 730-774), the regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") (31 CFR Part 500-598), the regulations administered by the U.S. Department of Justice, Bureau of Alcohol, Tobacco, Firearms, and Explosives ("ATF") found in 27 CFR Chapter II, and all other applicable U.S. Government regulations relating to the importation of goods into the United States (including, but not limited to, the regulations administered by U.S. Customs and Border Protection ("CBP") at 19 CFR 0 et seq. and other import regulations promulgated by other U.S. agencies which may be enforced by CBP) (collectively "U.S. export and import control laws and regulations"). If Seller engages in the United States in the business of either manufacturing, exporting, or brokering in ITAR-controlled defense articles or furnishing ITAR-controlled defense services, Seller hereby certifies that it is currently registered with the U.S. Department of State Directorate of Defense Trade Controls ("DDTC").

(b) Seller shall ensure that any disclosure, export, reexport, transfer and retransfer of, and access to, any hardware, software, controlled technical data, technology, and/or services (collectively referred to as "items") received under this Purchase Order is undertaken in accordance with U.S. export control laws and regulations. Seller agrees that no items controlled under U.S. export and import laws and regulations and provided by Buyer in connection with this Purchase Order shall be provided to any person or entity, including non-U.S. person employees, subsidiaries, or affiliates, unless the transfer is expressly permitted by a U.S. Government license or other authorization or is otherwise in accordance with applicable laws and regulations.

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

(d) Seller hereby warrants that neither Seller, nor any immediate or ultimate parent, majority shareholder, subsidiary, affiliate, or lower-tier subcontractor is listed on any Restricted Party List of an agency of the U.S. Government, any applicable non-U.S. Government or international organization, or any applicable state, local government, or municipality, nor are their export privileges denied, suspended, or revoked. For purposes of this provision, "Restricted Party List" is defined to include lists administered by the U.S. Departments of State, Commerce, and Treasury (e.g., Specially Designated Nationals List) or other U.S. government agency and other similar lists that relate to export controls, economic sanctions, or anti-corruption. Seller shall immediately notify Buyer if Seller, or any immediate or ultimate parent, majority shareholder, subsidiary, affiliate, or lower-tier subcontractor is added to any such Restricted Party List or if any of their export privileges become denied, suspended, or revoked. Seller shall not deal with any Restricted Party in relation to this Purchase Order.

(e) For any goods imported into the United States pursuant to this Purchase Order, Seller shall act as importer of record, obtain necessary import and/or export authorizations, and pay all duties, taxes, and fees. Seller shall ensure goods were not produced wholly or in part with convict labor, forced labor, and/or indentured labor (including forced or indentured child labor). Seller acknowledges that such goods may be subject to the export and import control laws and regulations of the exporting country and is responsible for complying with all relevant non-U.S. export and import laws and regulations, to the extent consistent with U.S. law. Buyer shall not serve as importer of record of any goods shipped to any country pursuant to this Purchase Order. Any exports by Buyer of goods under this Purchase Order, including for testing, calibration, sale, or incorporation into higher-level items, shall be governed under separate agreement. If Buyer seeks any import and/or export authorizations for the goods or items into which the goods are incorporated or seeks to confirm compliance with applicable laws and regulations, Seller will provide Buyer with appropriate information as necessary.

(f) Seller shall promptly notify Buyer of any known or suspected violation of export or import control laws or regulations, or the initiation or existence of any U.S. Government investigation into same. Seller shall comply with requests from Buyer for additional information regarding any changed circumstance, known or suspected violation, or U.S. Government investigation.

(g) If this Purchase Order forms the whole or a part of a sale by Buyer of defense articles or defense services being sold commercially to or for the use of the armed forces of a foreign country or international organization, Seller shall upon acceptance of this Order, or within ten (10) days of being requested by Buyer to do so, with respect to all Purchase Orders received by the Seller's legal entity to date in relation to the Raytheon Customer Contract or Solicitation Number related to the Purchase Order, complete IN-009 "International Traffic in Arms Regulations Certificate and Reporting of Political Contributions, Fees or Commissions," available at [http://www.raytheon.com/suppliers/supplier\\_resource\\_s/](http://www.raytheon.com/suppliers/supplier_resource_s/) in furtherance of the requirements stipulated in Part 130 of the ITAR, 22 C.F.R. §§130.9 and 130.10.

(h) Seller shall not engage in any subcontracts relating to this Purchase Order except in accordance with the terms and conditions of Section 18, Assignments, Subcontracting, Organizational Changes, and Place of Manufacture, and as compliant with U.S. export and import control laws and regulations, and any

authorizations granted thereunder. If Buyer authorizes Seller to engage in subcontracting for procurements related to this Purchase Order, Seller shall incorporate into its subcontracts the provisions of Section 23 requiring compliance with U.S. and other applicable export and import control laws and regulations.

(i) Seller shall indemnify Buyer for all liabilities, penalties, losses, damages, costs, or expenses that may be imposed on or incurred by Buyer in connection with any violations of non-U.S. or U.S. export or import control laws and regulations, by Seller, its officers, employees, agents, suppliers, or subcontractors at any tier.

#### **24. Severability**

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

#### **25. Standards of Business Ethics and Conduct**

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 Banneker Code of Conduct (available at <http://www.banneker.com> or, alternatively, the 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. Survivability**

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

#### **27. Electronic Transmissions**

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

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

Seller shall maintain general records relating to this Purchase Order for a minimum of four (4) years after completion of this Purchase Order or for such longer period as required by law or this Purchase Order. To



assess Seller's work quality and / or compliance with this Purchase Order, Buyer or its authorized agents and representatives shall have the right during normal business hours and with adequate notice to inspect all relevant records, materials, tooling, and furnished property relating to any of Seller's obligations under this Purchase Order.

## 29. Counterfeit Risk Avoidance

(a) Unless Buyer expressly identifies the goods that are procured under this Purchase Order as non-technical and for Buyer's internal use only, Seller shall only deliver goods that (i) are and only contain materials obtained directly from the original manufacturer (OM), an authorized distributor, or an authorized aftermarket manufacturer, and (ii) are not and do not contain Counterfeit Items or Suspect 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. Upon Buyer's request, Seller shall provide Buyer certificates of conformance with respect to the goods delivered. Counterfeit Item means an unlawful or unauthorized reproduction, substitution, alteration, or the false identification of grade, serial number, lot number, date code, or performance characteristic, that has been knowingly mismarked, misidentified, or otherwise misrepresented to be a new, authentic, unmodified item from the OM, an authorized distributor, or an authorized aftermarket manufacturer. A Suspect Counterfeit Item means an item for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the item is authentic. Seller shall not act as or engage an independent distributor, non-authorized distributor, non-franchised distributor, non-authorized supplier, or non-authorized reseller (collectively, Broker), to assist it in delivering goods pursuant to this Purchase Order unless the Buyer provides prior written approval to do so. Any Seller request to procure from a Broker shall include complete and compelling support for such request and shall include all actions completed by Seller to ensure the goods thus procured are not Counterfeit Items. When so authorized by Buyer, Seller shall be responsible for counterfeit risk mitigation testing and providing traceability identifiers (i.e., Date Code / Lot Code,

Serial number) for Broker procured parts, and identifying items delivered to Buyer that contain such parts.

- (b) Unless Buyer expressly identifies the goods that are procured under this Purchase Order as non-technical and for Buyer's internal use only, Seller shall have a Counterfeit Item risk mitigation process, internally and with its suppliers, (reference SAE AS5553 and AS6174), for goods delivered hereunder, and in accordance with the standards or instructions set forth in this Purchase Order. Seller shall provide evidence of the Seller's risk mitigation process to Buyer upon request. Buyer shall have the right to audit and / or inspect 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 standards defined in this Purchase Order. Seller and Seller's subcontractors that are allowed access to the US Government Industry Data Exchange Program (GIDEP) shall participate in monitoring GIDEP reports and Seller shall act on GIDEP reports that affect product delivered to Buyer. Seller shall immediately notify Buyer with the pertinent facts if Seller becomes aware of or suspects that items delivered for the Purchase Order are, or contain, suspect, or confirmed counterfeit items. Buyer shall have the right to quarantine for further investigation any good Buyer discovers to be a Counterfeit Item or Suspect Counterfeit Item. Buyer's investigation may include the participation of third parties or governmental investigative agencies as required by law or regulations by Buyer's customer, or by Buyer, in its sole discretion. The Seller and/or the Seller's subcontractors shall cooperate in good faith with any investigation conducted by Buyer. Buyer shall not be required to return the goods during the investigation process and thereafter if not found to be authentic. Buyer shall not be liable for payment to Seller of the price of any Suspect Counterfeit Items until determined to be authentic. If Buyer determines in its sole discretion that there is credible evidence that a good delivered under this Purchase Order constitutes a Counterfeit Item or Suspect Counterfeit Item, Seller, or its subcontractor, shall, if directed by Buyer to do so, issue a GIDEP alert. Buyer reserves the right to issue its own GIDEP alert if Buyer concludes, in its sole estimation, that a good is a Counterfeit Item or Suspect Counterfeit Item.
- (c) Seller shall include the substance of Section 30, including this flow down requirement, in



DELIVERING ON OUR  
PROMISES SINCE 1991

procurements for goods at all tiers. Failure of Seller or any of its subcontractors to conform to the process specifications and provisions of this Section 30, if unexcused, shall be deemed a material breach of this Purchase Order.

**30. Quality Requirements Flow Down**

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

**31. Information Technology Assurance**

Seller shall maintain data protection processes and systems sufficient to adequately protect specifications,

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

---

**THE ABOVE TERMS AND CONDITIONS ARE HEREBY ACCEPTED AND HEREIN AGREED TO.**

*(Tendering of goods constitutes acceptance of Banneker rates, terms, and conditions)*

COMPANY Banneker Supply Chain Solutions, Inc. \_\_\_\_\_

SIGNATURE \_\_\_\_\_

PRINT NAME \_\_\_\_\_

PRINT TITLE \_\_\_\_\_

DATE \_\_\_\_\_