

## PURCHASE ORDER TERMS AND CONDITIONS

**1. ACCEPTANCE:** (a) The acceptance of this order, by acknowledgment, shipment of goods, performance of services, or commencement of work on supplies shall constitute acceptance of the conditions set forth below and on the face of this order. No purported acceptance of this order on terms and conditions which modify, supersede, or otherwise alter the terms and conditions hereof shall be binding upon Buyer. Any shipment of goods, performance of services, or commencement of work on supplies by Seller shall be deemed to be only upon the terms and conditions contained herein, except to the extent that an authorized purchasing representative of Buyer may otherwise expressly consent in writing, notwithstanding Buyer's payment for any shipment of goods or similar act of Buyer.

(b) If Seller desires to ship any alternate or variable part number in place of the part number specifically callout on this order, the Seller must obtain a fully completed and signed Pre-Delivery Variance form in advance of shipment or an updated order from the buyer noting the alternate or variable part number agreed to. When the Pre-Delivery Variance form is completed, a copy of the signed Pre-Delivery Variance form must accompany the shipment along with all other required packing documentation. The Seller may not ship any alternate or variable part number with only an email or verbal authorization from a Purchasing Representative or Buyer. Failure to obtain a completed and signed Pre-Delivery Variance form or an updated order noting the alternate or variable part number in advance of the shipment will result in the instant rejection of the parts and the Seller will be liable for handling charges and returned shipment cost of the unauthorized part number.

(c) Buyer will not be bound to any prices or delivery to which it has not specifically agreed in writing. Modifications to or additions to the purchase order, to be effective, must be made in writing and be signed by Buyer. These terms and conditions, together with any referenced exhibits, attachments or other documents, constitute the entire agreement between the Parties with respect to the subject matter of this Purchase Order, and supersede any prior or contemporaneous written or oral agreements pertaining thereto.

**2. DELIVERY:** (a) Delivery must be in strict compliance with the schedule contained in this order and shall be made by Seller at such times and places and of such items and quantities as may from time to time be specified by Buyer. If Seller fails to meet its scheduled delivery dates and Buyer elects to call for expedited shipments, Seller will pay the difference between the method of shipping specified and the actual expedited rate incurred. Seller shall be responsible for any additional charges resulting from deviation from Buyer's shipping instructions. If Seller fails to make delivery promptly and regularly, as required hereunder, Buyer may, in addition to other remedies available at law, terminate this order by giving notice to Seller. If Seller is unable to deliver in accordance to purchase order commitment dates, seller may incur costs, penalties, fines, or other damages from resulting production stoppage and shipment delays to its own customers, and Seller shall be responsible for and shall reimburse Buyer for all such costs, penalties, fines or other damages. Title and risk of loss shall remain in Seller until goods are delivered to the F.O.B. point specified herein. If Seller encounters or anticipates difficulty in meeting the delivery schedule, Seller shall immediately notify Buyer in writing, giving pertinent details; provided however, that such data shall be informational only and shall not be construed as a waiver by Buyer of any delivery schedule or date or any rights or remedies provided by law or this order. Parts fabricated in excess of Buyer's purchase order quantities are at Seller's risk. Buyer reserves the right to without loss of discount privileges, to pay invoices covering items shipped in advance of the schedule on the normal maturity after the date specified for delivery.

(b) Packaging and packing of items to be delivered hereunder shall insure safe arrival at their destination.

**3. INSPECTION:** Final inspection and acceptance shall be after delivery to the delivery point designated by Buyer. If any inspection or test is made by Buyer, or Buyer's customer, at Seller's facility or elsewhere, Seller shall provide reasonable facilities and assistance for the inspection personnel. Buyer may reject all goods supplied hereunder which are found to be defective. Buyer will make a reasonable attempt to notify the Seller of the defect(s) identified and Buyer will continue to make reasonable attempts for no less than 14 days. If after 14 days, there has been no response by the Seller in regards to the notification of defective goods, Buyer will return the defective goods and take necessary steps to recover the costs paid for the defective goods. Goods so rejected may be returned to Seller at Seller's expense. At Buyer's request, Seller shall repair or replace defective goods at Seller's expense. Failure to inspect goods, failure to discover defects in goods, or payment for goods, shall not constitute acceptance or limit any of Buyer's rights, including without limitation, those under the warranty provisions of this order. In the event inspection reveals defects and schedule urgency requires that the defects be corrected by ABT to support production, the cost of such correction, including installation and removal, will be charged to Seller. Such charge will also include time and material and appropriate indirect expense. If Seller is unable to deliver quality product Amphenol Borisch may issue supplier probationary letters requiring corrective action.

**4. OVERSHIPMENT:** Goods shall not be supplied in excess of quantities and shipping tolerances, if any, specified herein. Seller shall be liable for handling charges and return shipment costs for any excess quantities, and unless Seller agrees to pay for such costs, the over shipped material will be retained by Buyer at no cost.

**5. PRICES:** (a) Seller warrants that prices charged for the goods are not higher than those charged to any other customer, including the Government, for goods of like grade and quality in similar or lesser quantities. No charge shall be made by Seller for packaging unless agreed upon in writing by Buyer.

(b) The prices set forth in the purchase order exclude all charges for taxes, duties and levies (in the country/ies of manufacture and origin) and the vendor shall be responsible for the payment of any and all applicable taxes, duties, levies and other like charges (in the country/ies of manufacture and origin) unless specifically agreed upon in advance of PO placement and documented by a mutually agreeable writing stating the same.

**6. PAYMENT:** Seller shall be paid upon submission of properly prepared invoices in accordance with Buyer's invoicing instructions for materials and supplies delivered to and accepted by Buyer. Any adjustment in Seller's invoice due to shortages, rejection or other failure to comply with the provisions of this order, or under any other order or contract between Buyer and Seller, may be made by Buyer before payment. Discount periods shall commence the later of scheduled delivery, actual delivery, or receipt of invoice. No charges will be honored unless specified on the face of this order. Invoices must be accompanied by transportation receipt, if transportation is payable as a separate item. Payment for Special tooling or Special Test Equipment assumes that parts made there from will be acceptable dimensionally and functionally, and Buyer reserves the right to withhold payment until samples from such ST/STE are fully approved.

**7. LIMITED WARRANTY:** Seller warrants that all goods furnished shall conform to all Specifications, drawings, samples, or other descriptions cited on the Purchase Order, and that all goods are merchantable, of good material and workmanship, and free from defect and fit for Buyer's intended purpose. Such warranties, together with Seller's service warranties and guarantees, if any, shall survive inspection, test, acceptance of, and payment for the goods and shall inure to Buyer, its successors, assigns, customers at any tier, and ultimate user and joint users. Notice of any defects or nonconformity shall be given by the Buyer to the Seller within fifteen (15) months after acceptance by ultimate user; provided, however, that: (a) in the event the goods are designed by Seller, notice must be given within three (3) years after acceptance by ultimate user; and (b) in the event that Buyer's warranty to its own customers for products that Seller's goods shall be incorporated into runs longer than the warranty period described above, such longer warranty period shall apply. The rights and remedies of the Buyer concerning latent defects shall exist indefinitely, and shall not be affected in any way by any terms and conditions of this contract, including this clause, concerning the conclusiveness of inspection and acceptance. Buyer may, at its option either (i) return for credit, (ii) require prompt correction or replacement of the defective or nonconforming goods, or (iii) have the defective item corrected or replaced at Seller's expense and deduct the costs thereof from any monies due Seller. The return to Seller of any defective or nonconforming goods and delivery to Buyer or any corrected or replaced goods shall be at Seller's expense. Goods required to be corrected or replaced shall be subject to the provisions of this paragraph of this order entitled "inspection" in the same manner and to the same extent as goods originally delivered under this order.

**8. COMPLIANCE WITH LAWS AND REGULATIONS:** Seller will comply with The Fair Labor Standards Act of June 30, 1938 (29 USC 201-209), as amended. Seller also warrants that in the performance of this order Seller will comply with all applicable statutes, rules, regulations and orders of the United States, and of any State or political subdivision thereof, and agrees to indemnify Buyer against any loss, cost damage or liability by reason of Seller's violation of this warranty.

**EEO CLAUSE:** During the performance of this contract (or purchase order), the contractor/vendor agrees to comply with all Federal, State, and local laws respecting discrimination in employment and non-segregation of facilities including, but not limited to, requirements of 41 CFR §§ 60-1.4(a)(7), 29 CFR Part 471, Appendix A to Subpart A, 41 CFR § 60-300.5(a)ii and 41 CFR § 60-741.5(a), if applicable.

**This contractor and subcontractor shall abide by the requirements of 41 CFR § 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.**

**This contractor and subcontractor shall abide by the requirements of 41 CFR § 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.**

**9. CHANGES:** Buyer may at any time, by a written notice, and without notice to sureties or assignees, make changes within the general scope of this order. If any such changes causes an increase or decrease in the cost of, or the time required for the performance of any part of the work under this purchase order, an equitable adjustment shall be made in the price or delivery schedule or both, and in such other provisions of this purchase order as may be affected, and this purchase order shall be modified in writing accordingly. Any claim by Seller for adjustment under this paragraph shall be asserted within twenty (20) days from the date of receipt of the written notice directing the change: provided, however, if Buyer decides that the facts justify such action, Buyer may receive and act upon any such claim asserted at any time prior to final payment under this order. Where the cost of property made obsolete or excessive as a result of a change is included in the equitable adjustment, Buyer shall have the right to prescribe the manner of disposition of such property. Failure to agree to any adjustment shall be a dispute within the meaning of "Disputes" paragraph of this order. However, nothing in this paragraph shall excuse the Seller from proceeding with the order as changed pending resolution of such dispute. Any action taken by Seller which affects any provisions of this order including delivery and price, whether or not accomplished with the concurrence of Buyer's employees, shall not entitle Seller to an equitable adjustment in accordance with this paragraph, unless such action has been specifically directed by written notice issued by Buyer.

**10. BUYER FURNISHED PROPERTY:** Buyer may from time to time furnish property to Seller for performance of this order. Any equitable adjustment of this order occasioned thereby shall be made pursuant the clause hereunder entitled "Changes." Unless otherwise provided in this order or agreed to in writing, property of every description including all tools, equipment, and material furnished

or made available to Seller, title to which is Buyer's, and any replacement thereof, shall be and remain the property of Buyer, and Seller shall indemnify and save harmless Buyer from all liens and claims upon said property arising from any cause. Property other than material shall not be modified without the written consent of the Buyer. Such property shall be plainly marked or otherwise adequately identified by Seller as property of Buyer (by name) and shall be safely stored separately and apart from Seller's property. Seller shall not use such property except for performance of work hereunder as authorized in writing by Buyer (by name) and shall be safely stored separately and apart from Seller's property. Such property while in Seller's possession or control shall be kept in good condition, shall be held at Seller's risk, and shall be kept insured by Seller, at its expense, in any amount equal to the replacement cost with loss payable to Buyer. To the extent such property is not material consumed in the performance of this order, it shall be subject to inspection and removal by Buyer, and Buyer shall have the right of entry for such purpose without additional liability whatsoever to Seller. As and when directed by Buyer, Seller shall disclose the location of such property and/or prepare it for shipment and ship F.O.B. its plant to Buyer (or a Buyer designated location) in as good condition as originally received by Seller, reasonable wear and tear excepted. Buyer may at any time reimburse Seller, and upon payment therefore, shall become the owner, entitled to possession at the completion of this order or at such earlier date as the parties may agree. The offal (scrap) from Buyer furnished property shall be segregated from Seller's material and placed in a separate area or in a container from a Buyer approved source. Before removal of this container, when full, the Seller shall request directions from the Purchasing Department of Buyer. The Seller will prepare shipping documents denoting date, contents, weight, and recipient of the offal material. These shipping documents shall be sent directly to the Buyer's Purchasing Department and a copy shall be retained for Seller's records. At no time will the offal material be removed from Seller's premise without prior approval from the Buyer's Purchasing Department.

**11. STOP WORK ORDER:** Buyer may at any time, by written notice to Seller, stop all or any part of the work called for by this order for a period of up to ninety (90) days after the notice is delivered to Seller ("Stop Work Order"). Upon receipt of the Stop Work Order, Seller shall forthwith comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the 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 Seller, or within any extension of that period to which the parties shall have agreed, the Buyer shall either cancel the Stop Work Order, or terminate the work covered by this order as provided in the "Default" or the "Termination for Convenience" paragraphs of this order, whichever may be appropriate. Seller shall resume work upon cancellation or expiration of any Stop Work Order. Any equitable adjustment shall be made in the delivery schedule or prices hereunder, or both and this order shall be modified in writing accordingly, if the Stop Work Order results in an increase in the time required for the performance of this order or in Seller's costs properly allocable thereto.

**12. TERMINATION FOR DEFAULT:** (a) Buyer may, subject to the provisions of subparagraph (c) below, by written notice of default to Seller, terminate the whole or any part of this order in any one of the following circumstances: (i) if Seller fails to make delivery of the goods or to perform this order within the time specified herein or any extension thereof; or (ii) if Seller fails to perform any of the other provisions of this order, or so fails to make progress as to endanger the performance of this order in accordance with its terms, and does not cure such failure within a period of ten (10) days or longer period (as Buyer may authorize in writing), after receipt of notice from Buyer specifying such failure.

(b) In the event Buyer terminates this order in whole or in part as provided in subparagraph (a) above, Buyer may procure, upon such terms and in such manner as Buyer may deem appropriate, supplies or services similar to those so terminated, and Seller shall be liable to Buyer for any excess costs for the same and any damages, costs, penalties or fines incurred by Buyer due to Seller's failure. Seller shall continue the performance of this order to the extent not terminated hereunder.

(c) Except with respect to defaults of subcontractors, Seller shall not be liable for any delay in the performance of its obligations hereunder if such delay arises out of causes beyond the control and without the fault or negligence of Seller. Such causes may include, but are not limited to, acts of God, or of the public enemy, and specifically EXCLUDE shortages of supplies and disputes with or failures of Seller's employees, affiliates and subcontractors. In every case the failure to perform must be beyond the control and without the fault or negligence of Seller. The term "subcontractor(s)" shall mean subcontractor(s) at any tier.

(d) If this Contract is terminated as provided in subparagraph (a) above, Buyer, in addition to any other rights provided on this order, may require Seller to transfer title and deliver to Buyer or the Government, in the manner and to the extent directed by Buyer, (i) any completed goods, and (ii) such partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and contract rights (herein called "manufacturing materials") as Seller has specifically produced or specifically acquired for the performance of such part of this order as has been terminated; and Seller shall, upon direction of Buyer, protect and preserve property in the possession of Seller in which Buyer or the Government has an interest. Payment for completed goods delivered to and accepted by Buyer shall be at the contract price. Payment for manufacturing materials delivered to and accepted by Buyer and for the protection and preservation of property shall be in amount agreed upon by Buyer and Seller. Failure to agree to such amount shall be a dispute concerning a question of fact within the meaning of the paragraph of this order entitled "Disputes". Buyer may withhold from amounts otherwise due Seller for such completed supplies or manufacturing materials as Buyer determines necessary to protect Buyer or the Government against loss because of outstanding liens or claims of former lien holders.

(e) After notice of termination of this order under the provisions of this paragraph, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to a termination for convenience of Buyer.

(f) The rights and remedies of Buyer provided in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this order.

**13. TERMINATION FOR CONVENIENCE:** Buyer may at any time by written notice terminate all or any part of this order for Buyer's

convenience. If this order is terminated, in whole or in part, for Buyer's convenience, Seller shall be paid an amount, to be mutually agreed upon, which shall be adequate to cover the reasonable costs of Seller's actual performance of work under this order to the effective date of termination; provided that no amount shall be paid to Seller for (i) any anticipatory profits related to work under this order not yet performed, or (ii) costs incurred due to Seller's failure to terminate work as ordered on the effective date of termination.

In no event shall the total amount paid under this provision exceed the prices set forth in this order for the work terminated. If a Government contract applies, a termination for Buyer's convenience shall be accomplished in accordance with FAR 52.249.2, as in effect on the date of this order, which shall be controlling over any conflicting provisions hereof.

**14. INDEMNIFICATION:** If this order is issued under a Government prime contract or subcontract, Seller shall indemnify Buyer against and hold Buyer harmless from all claims, expenses and losses arising out of performance of this order by Seller(i) when such claims, expenses, and losses result from the failure of Seller to furnish to Buyer, in accordance with the provisions of the relevant regulations, cost or pricing data, which is accurate, complete and current at the time of Seller's and Buyer's agreement to the negotiated price or at the time when Buyer request a reaffirmation of the same, and (ii) when such claims, expenses and losses result from Seller's failure to comply with the rules, regulations, and standards of the Cost Accounting Standard Board in connection with covered contracts.

Furthermore, in all cases, to the fullest extent permitted by law, Seller agrees to indemnify, save harmless and defend Buyer, Buyer's parents, and all of Buyer's affiliated companies, their directors, officers, employees, agents and customers ("Indemnitees") from and against any loss, liabilities, costs, expenses, suits, actions, claims and all other obligations and proceedings, including without limitation all judgments rendered against, and all fines and penalties imposed upon Indemnitees and all attorney's fees and any other cost of litigation ("Liabilities") arising out of a breach of these Terms and Conditions, warranty claims, product recall claims, product liability claims, injuries to persons, including death, or damage to property caused by Seller, its employees, agents, subcontractors, or in any way attributable to the performance of Seller, including without limitation, breach of contract, breach of warranty or product liability, infringement of any trade names, trademarks, service marks, copyrights, patents, trade secrets, or any other intellectual property rights related to the Goods and/or Buyer's sale or use thereof; and/or unfair competition by reason of sale or use of the goods by Buyer. With respect to infringement claims above, Seller shall further take any and all actions necessary to ensure that Buyer and its customers will be able to continue to purchase, use, and sell the Goods, including acquiring the necessary consents or licenses at Seller's sole cost and expense. In addition, Buyer may require Seller to modify the Specifications of the Goods or to source the Goods from another supplier to prevent any claims of infringement, which modification or re-sourcing shall be at the sole cost and expense of Seller. Provided, however, that Seller's obligation to indemnify Buyer shall not apply to any liabilities solely arising from Buyer's negligence. Seller waives the application of the doctrine of comparative negligence and other doctrines that may otherwise allocate the liability covered by Seller's indemnity

**15. DATA:** All drawings and specifications, furnished or paid for by Buyer shall be the property of Buyer, shall be subject to removal at any time without additional cost upon demand by Buyer, shall be used in filling orders from Buyer, and shall be used only in filling orders from Buyer, and shall be kept separate from other drawings and specifications, and identified as the property of the Buyer. The information contained in reports, drawings, documents of other records which are furnished to Seller by Buyer relative to this order, to the extent that such information is not in the public domain, shall not be disclosed to others, except to subcontractors necessary for completion of this order, in which event the subcontractor will have the same obligation of nondisclosure. Upon completion, termination, or cancellation of this order, Seller shall return all drawings and specifications to Buyer, in the event Buyer requests return of any such items, within thirty (30) days after the effective date of completion, termination, or cancellation. Any such data of Buyer retained by Seller shall remain subject to the foregoing restrictions on use, reproduction and disclosure. Upon termination of this order, either for cause or convenience, Buyer may, at Buyer's option, use on a non-exclusive basis, all drawings, documents or other records related to this order whether created by Buyer or Seller without further compensation to Seller. Seller may not disclose the existence of this order or the time to be supplied hereunder without Buyer's written consent, except to subcontractors who shall have the same responsibility.

**16. PATENTS AND COPYRIGHTS:** Where payment is made for experimental, developmental, or research work performed under this order, Seller shall disclose and does hereby assign to Buyer all inventions and intellectual property rights resulting there from and does grant Buyer the right to use for any purpose all data specified to be delivered hereunder.

**17. WORK ON BUYER'S DESIGNATED PREMISES:** In the event that Seller, Seller's employees or agents enter on to Buyer's designated premise for any reason in connection with this order, Seller and such other parties shall observe all military security requirements and all plant safety, plant protection, and traffic regulations. Seller shall defend, indemnify, and hold Buyer harmless from all claims, actions, demands, loss and causes of action arising from injury, including death, to any person, or damage to any property, when such injury or damage results in whole or in part from the acts or omissions of Seller, Seller's employees or agents, save and except damage caused by the negligence of Buyer. Seller, and any contractor used by Seller in connection with this order, shall carry Workmen's Compensation and Employees' Liability Insurance to cover Seller's and contractors legal liability on account of accidents to their employees. Seller and contractors shall carry adequate Comprehensive General Liability and adequate Comprehensive Automobile Liability Insurance covering legal liability of Seller and the contractor on account of accidents arising out of the operations of Seller or the contractor and resulting in bodily injury, including death, being sustained by any person or persons, or in any damage to property. At Buyer's request, Seller shall furnish to Buyer certificates from Seller's insurers showing such coverage is in effect, naming Buyer as an "additional insured," and agreeing to notify Buyer thirty (30) days prior written notice of cancellation of coverage.

**18. ASSIGNMENT AND SUBCONTRACTING:** Seller shall not assign any contract resulting from this order or any portion of such contract, nor shall Seller subcontract for completed or substantially completed goods or services purchased hereunder without the prior express consent of Buyer.

**19. NOTICES:** All notices required or permitted to be given hereunder shall be deemed to be properly given if delivered in writing personally or sent by United States certified or registered mail addressed to Seller or Buyer, as the case may be, at the addresses set forth on the face of this order, with postage thereon fully prepaid. The effective time of notice shall be at the time of mailing.

**20. WAIVER:** No waiver by Buyer of any breach of this order or the granting of an extension for performance hereunder shall be deemed to be a waiver of any other or subsequent breach.

**21. DISPUTES:** Pending resolution of any dispute hereunder, Seller shall proceed diligently with the performance of work, including the delivery of goods in accordance with Buyer's direction. Upon resolution of the dispute, this order shall be equitably adjusted, if necessary, to reflect such resolution.

**22. ORDER OF PRECEDENCE:** This order and all documents incorporated by reference constitute the entire agreement of the parties as the subject matter hereof. In the event of any inconsistency among the foregoing, the inconsistency shall be resolved by giving precedence in the following order;(I) the purchase order to which these terms and conditions are attached;(II) Quality Assurance Clauses specified on the Purchase order; (III) these terms and conditions; (IV) the drawings; (V) the specifications; and (VI) the other documents incorporated by reference.

**23. APPLICABLE BY LAW:** The validity, performance and construction of the contract arising from the acceptance of this order shall be governed by and construed in accordance with the laws of the state of Michigan, excluding its choice of law rules. Jurisdiction and venue for any suit between the parties hereto arising out of or connected with this order, or the goods furnished hereunder, shall lie only in the county and state in which Buyer is located.

**24. CONFIGURATION CONTROL:** Seller shall make no change in design, manufacturing, or assembly processes or source of supply, after approval of the first production test item or after acceptance of the first completed end item, without the written approval of the Buyer.

**25. U.S. EXPORT CONTROL LAWS (ITAR AND/OR EAR COMPLIANCE):** Technical data, as defined in 22 CFR 120.10 and the Export Administration Regulation 799.1 Supplement 3, which may be acquired or generated under this Purchase Order, is subject to either the International Traffic in Arms Regulations (ITAR) or Export Administration Regulations, and may require appropriate authorization from the Department of State, Directorate of Defense Trade Controls or Department of Commerce, Bureau of Industry and Security (BIS) to a foreign person. Therefore, Seller understands that, if it is a foreign entity, it shall not re-export or, if it is a U.S. entity, it shall not disclose to any foreign person, any technical data acquired under this Purchase Order until after notifying Buyer and written authorization from the appropriate U.S. Government agency is obtained. Seller hereby agrees to (22CFR 124.13):

1. Limits the use of the technical data to the manufacture of the defense articles required by the contractor or purchase order only; and
2. Prohibit the disclosure of the technical data to any other person except subcontractors within seller's country; and
3. Prohibit the acquisition of any rights in the technical data by any foreign person; and
4. Assure that any subcontracts issued by the seller to subcontractors within seller's country, in order to facilitate seller's execution of this purchase order, to include all six (6) limitations contained in this clause; and
5. Assure the foreign person, including subcontractors destroy or return to Buyer all of the technical data exported by Buyer pursuant to execution of the purchase order and upon fulfillment or its terms; and
6. Assure delivery of the defense articles manufactured by seller under the terms of the purchase order only to the buyer in the U.S. or to an agency of the U.S. Government.

**27. COUNTERFEIT RISK MITIGATION:** Seller will comply with SAE AS5553, Aerospace Standard, Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, & Disposition, Issued 2009-04 and AS6174: Counterfeit Materiel; Assuring Acquisition of Authentic and Conforming Materiel. Including the following clauses:

**Product traceability** - The seller shall maintain a method of item traceability that ensures tracking of the supply chain back to the manufacturer of all Electrical, Electronic, and Electromechanical (EEE) parts included in assemblies and subassemblies being delivered per this order. This traceability method shall clearly identify the name and location of all of the supply chain intermediaries from the manufacturer to the direct source of the product for the seller and shall include the manufacturer's batch identification for the item(s) such as date codes, lot codes, serializations, or other batch identifications.

**Tests and inspections** - The Seller shall perform all tests and inspections required to assure product authenticity, including development of accept/reject criteria and qualification of test/inspection personnel.

**Quality Management System** - The seller shall be compliant and/or be certified to, an appropriate quality standard (e.g., AS9100, AS9120, ISO 9001, and AS9003) unless approved by ABT.

**Financial Responsibility & Product Impound** - The Seller may be liable for remedial costs associated with provision of counterfeit product. If counterfeit parts are furnished under this purchase agreement, such items shall be impounded. The

Seller shall promptly replace such items with items acceptable to the ABT and the seller may be liable for all costs relating to impoundment, removal, and replacement. ABT may turn such items over to US Governmental authorities (Office of Inspector General, Defense Criminal Investigative Service, Federal Bureau of investigation, etc.) for investigation and reserves the right to withhold payment for the items pending the results of the investigation.

**Length of obligation** - The Seller shall be responsible for parts determined to be counterfeit throughout the product life cycle or three years after delivery, whichever is greater.

**Required documentation** - The Seller shall provide deliverable documentation as specified in the PO and applicable Quality Clauses. Documentation includes certificates of conformance, and test/inspection data, manufacturer's labels, etc...

**Fraud Penalties** - This purchase order and activities hereunder are within the jurisdiction of the United States Government. Any knowing and willful act to falsify, conceal or alter a material fact, or any false, fraudulent or fictitious statement or representation in connection with the performance of work under this purchase order may be punishable in accordance with applicable Federal statutes.

**Material content/Authenticity** - The Seller shall ensure that only new and authentic materials are used in products delivered to ABT. The Seller may only purchase parts directly from Original Component Manufacturers (OCMs), OCM franchised distributors, or authorized aftermarket manufacturers. Use of product not provided by these sources is not authorized unless first approved in writing by ABT. The Seller must present compelling support for its request (e.g., OCM documentation that authenticates traceability of the parts to the OCM), and include in its request all actions to ensure the parts thus procured are authentic/conforming parts.

**28. CONFLICT MINERALS:** The Seller shall ensure that products provided to ABT are DRC conflict-free In accordance with Section 1502 of the Security & Exchange Commission, Dodd-Frank Wall Street Reform and Consumer Protection Act".

**Due Diligence** – The Seller shall implement due diligence practices to mitigate risk of DRC conflict minerals entering the supply chain. This process shall include reasonable inquiry, performed in good faith, to determine the country of origin.

**Mitigation** - Products suspected of containing DRC conflict minerals are subject to rejection and return. ABT may also disqualify the Seller to assure that suspect products do not enter the supply chain.

#### **29. OBSOLESCENCE/END OF LIFE (terms)**

The Supplier shall use best efforts to obtain guarantees of availability of critical and single sourced parts incorporated in products supplied to the Purchaser under this agreement and shall pass on in writing to the Purchaser notification of pending obsolescence of any such parts. The Supplier shall not permit any last time buy opportunity to pass, without giving the Purchaser the chance to make arrangements for such purchase.

**30. Safeguarding Covered Defense Information and Cyber Incident Reporting (DFARS 252.204-7012):** Applies to solicitations and contracts, including those for commercial items, for services that include support for government activities related to safeguarding covered defense information and cyber incident reporting. Covered Defense Information (CDI) is any unclassified information that is provided to the seller by or on behalf of DoD in connection with the performance of the contract or collected, developed, received, transmitted, used, or stored by or on behalf of the buyer in support of the performance of the contract. All companies in the federal information supply chain that may have access to CDI are covered under the DFARS 252.204-7012 compliance requirements; it therefore applies to all subcontractors.

DFARS 252.204-7012 requirements include implementing the security controls of the National Institute of Standards and Technology (NIST) SP 800-171, as soon as practical but no later than Dec 31, 2017. A "covered contractor information system" is defined as an unclassified system that is owned, or operated by or for, a contractor and that processes, stores, or transmits covered defense information. If seller cannot meet a particular requirement in NIST SP800-171, seller must request permission to vary from the standard. This request is submitted to sellers contracting officer and the DoD CIO.

Seller must report cyber incidents to the DoD at <https://dibnet.dod.mil> within 72 hours of discovery, and Seller must provide the incident report number, automatically assigned by DoD, to the prime Contractor (or next higher-tier subcontractor) as soon as practicable. Seller must also conduct a review for evidence of compromise, isolate and submit malicious software in accordance with instructions provided by the Contracting Officer, preserve and protect images of all known affected information systems and relevant monitoring/packet capture data for at least 90 days for potential DoD review, and provide DoD with access to additional information or equipment that is necessary to conduct a forensic analysis. This clause is mandatory for all DoD prime contracts and subcontracts. There are no exceptions for small businesses or commercial item contractors. DFARS 252.204-7012 is being flowed down without alteration, except to identify the parties, to all sub-tiers handling covered defense information. The full DFARS clause can be found in its entity under <https://www.acq.osd.mil/dpap/dars/dfars/html/current/252204.htm>

#### **31. PURCHASE ORDER TERMS AND CONDITIONS FOR GOVERNMENT CONTRACTS COVERED BY THE FEDERAL ACQUISITION REGULATION (FARS) AND THE DEPARTMENT OF DEFENSE FAR SUPPLEMENT (DFARS):**

When goods or services furnished by the Seller to ABT for use in connection with a U.S. Government contract or subcontract, in addition to ABT's General Terms and Conditions, the Federal Acquisition Regulation (FAR) provisions, and the Department of

Defense FAR Supplement (DFARS) clauses and provisions, shall apply, as required by the terms of the prime contract, or by operation of law or regulation. The effective version of each DFARS provision shall be the same version as that which appears in noted prime contract, or higher-tier subcontract under which this Purchase Order is a subcontract. In the event of a conflict between these DFARS provisions and the ABT Purchase Order Terms and Conditions or the FAR provisions, the DFARS provisions shall control.

Such contracts shall be identified with a listed priority number on the ABT purchase order provided to Seller, when a priority number is not specified, clause 31 of the ABT's General Terms and Conditions is not applicable. For contracts identified with a priority number, the clauses identified within PRF-033 from the Federal Acquisition Regulation ("FAR") and Department of Defense ("DoD") Federal Acquisition Regulation ("DFARS") are applicable to the contract by the Seller.