

GENERAL TERMS AND CONDITIONS FOR PURCHASE ORDERS –PURCHASES FOR A US GOVERNMENT CONTRACT

1. **DEFINITIONS.** The following terms shall have the meanings set forth below:

- a) **“Buyer”** means the corporate entity of a Textron Systems business unit which issued this Order;
- b) **“Buyer’s Procurement Representative”** means Buyer’s authorized representative whose name appears on the face of this Order;
- c) **“Customer”** means Buyer’s customer at any tier including, if applicable, the U.S. Government;
- d) **“Order”** means the ordering document issued by Buyer such as purchase order, change order, subcontract or contract, including these General Terms and Conditions for Purchase Orders and any referenced documents;
- e) **“Parties”** means Buyer and Seller collectively
- f) **“Products”** means the goods and/or services furnished by Seller pursuant to this Order, including, without limitation, materials, drawings, data, media, information and other tangible and intangible property;
- g) **“Seller”** means the entity to which this Order is addressed and issued;
- h) **“Seller’s Supplier”** means Seller’s lower tier vendors, suppliers or subcontractors at any tier.

2. **ACCEPTANCE OF THE ORDER.** Unless pursuant to a Long Term Agreement where acceptance will be in accordance with said Agreement, Seller shall be deemed to have accepted this Order upon the earliest of (a) written acknowledgement by Seller, (b) commencement of performance by Seller, or (c) Seller’s receipt of any payment, partial or full, from Buyer under this Order. Acceptance of this Order is expressly made conditional on assent to the terms contained herein. By acceptance of this Order, Seller agrees to strictly comply with all of its terms and conditions and specifications, including those contained in all documents incorporated into this Order by reference. Buyer hereby rejects any different or additional terms in Seller’s acceptance of this Order or in any Seller provided documentation (e.g. any preprinted terms on the back of Seller’s invoice, or Seller’s acknowledgment). Any and all different or additional terms shall not be construed as proposals for addition to this Order.

3. **PACKAGING AND SHIPMENT.** Seller shall make deliveries of all Products as specified in this Order without charge for packaging, invoicing, crating or storage, unless otherwise provided for in this Order. Unless otherwise specified on the face of this Order, all Products are to be packed in accordance with good commercial practices. All shipments of Products shall meet the shipping requirements found in the US Department of Transportation’s regulations 49 CFR, the US Occupational Safety and Health Administration’s Hazard Communication Standard (29 CFR 1910.1200) and the International Air Transport Association’s Dangerous Goods Regulations. Unless otherwise specified in this Order, THE PRODUCT NAMED ON EACH LINE ITEM OF THIS ORDER MUST BE PACKAGED SEPARATELY to avoid comingling of Product part numbers. Seller shall provide commercial bills of lading with each shipment and invoice, including the number of pieces in and weight of the shipment. Seller shall plainly mark Order numbers and line item numbers on all invoices, packages, bills of lading and shipping orders. With each shipment, Seller shall provide a packing list clearly referencing the order number, order line item, applicable part numbers, description of the Products, sizes, quantities, and serial numbers (if applicable). The packing list must clearly delineate line items when more than one line item is included in the shipment. Buyer’s count and weight shall prevail relative to any shipment discrepancies. Seller shall mark containers or packages with any necessary lifting, loading, or other handling instructions. Shipments from foreign countries containing wood packaging materials (WPM) must conform to the regulatory requirements described at 7 CFR Part 319, Foreign Quarantine Notices. All documents and markings on containers shall be in English. If delays caused by Seller result in the need for premium transportation, the additional costs for the premium transportation shall be the sole responsibility of Seller. Seller must not prepay, insure, or declare value of any shipment made FCA shipping point.

4. DELIVERY.

(a) **Shipment.** This Order is governed by the provisions of Incoterms © Rules as published by the International Chamber of Commerce 2020, Paris, France. Delivery shall be FCA point specified on this Order. Deliveries shall be strictly in accordance with Buyer’s delivery schedule, and time is of the essence for this Order, and no acts of Buyer, including without limitation, modifications to this Order or acceptance of late deliveries, shall constitute a waiver of this provision. Buyer may seek compensation for any damages, losses, or expenses that result from Seller’s failure to deliver Products in accordance with the delivery dates set forth on this Order.

(b) **Schedule/Timely Performance.** In the event of any anticipated or actual delay, Seller shall: (i) promptly notify Buyer in writing of the reasons for the delay and the actions being taken to overcome or minimize the delay; (ii) provide Buyer with a written recovery schedule; and (iii) if requested by Buyer, ship via air or other expedited routing, at no additional cost to Buyer, to avoid or minimize delay to the maximum extent possible.

(c) **Early Shipments/Over shipments.** Seller shall not make product commitments or production arrangements in excess of the amount or in advance of the time necessary to meet Buyer’s delivery schedule, and, unless otherwise specified herein, no deliveries shall be made in advance of Buyer’s delivery schedule. At Buyer’s sole discretion, early shipments or excess quantities may be stored at Seller’s expense, or returned at Seller’s risk and expense at the full invoice price plus transportation charges and Buyer’s handling charges.

5. **TITLE AND RISK OF LOSS.** Title to Products shall pass to Buyer only upon Buyer’s final acceptance of the Products; however, passing of title shall not relieve Seller of any other obligations under this Order. Risk of loss or damage shall remain with Seller until delivery to Buyer, except that risk of loss or damage to Products that do not conform with the requirements of this Order shall remain with Seller until cured and/or until Buyer’s final acceptance.

6. INSPECTION.

(a) All Products, including raw materials and components, and Seller’s and its subcontractors’ manufacturing facilities shall be subject to inspection and test by Buyer, Buyer’s Customer and/or the Government if this Order is issued under a U.S. Government prime contract, to the extent practicable at all times and places. The exercise of the right of inspection and test, however, shall in no way relieve Seller of its obligation to furnish all Products in strict accordance with this Order. If inspection and test are made on the premises of Seller or any subcontractor of Seller, Seller or such subcontractor shall furnish, without additional charge, all reasonable facilities and assistance for the safe and convenient inspection and test required. All inspection tests shall be performed in such manner as not to cause delay.

(b) All Products shall be subject to final inspection and acceptance by Buyer after delivery, notwithstanding prior payment. It is expressly agreed that payment does not constitute final acceptance. In the event sampling techniques are utilized by Buyer to ascertain Product acceptability, entire lots may be returned when acceptable quality levels indicate rejection. All Products delivered under this Order shall strictly comply with the technical requirements defined in this Order, absent Buyer’s prior written consent. Final acceptance shall not be conclusive with respect to latent defects, fraud or such gross mistakes as amount to fraud.

(c) **Nonconforming parts.** In addition to any other remedies available to Buyer, Buyer, at its option, may either reject any Products not in conformity with the requirements and terms of this Order or rework the same at Seller’s expense. Buyer may require Seller to respond to corrective action questions and provide all information reasonably required by Buyer. Buyer may return any nonconforming Products to Seller for correction or replacement, at Buyer’s election, at full invoice price plus all transportation charges and Buyer’s handling

charges for return and redelivery to be borne by Seller. No replacement of rejected Products shall be made unless specified by Buyer. If Seller fails to accept return of nonconforming Products or fails promptly to correct or replace same, Buyer, without limiting its other rights, may, at Seller's expense, correct or replace the nonconforming Products, to include associated costs for investigation, travel, rework, and any other costs necessitated by Seller's nonconformance. Products which have been rejected shall not thereafter be tendered for acceptance unless Seller identifies the corrective action taken to remedy the defect to Buyer's satisfaction. Such repaired or replaced Products shall be subject to the provisions of this clause and Clause 7, Warranty, to the same extent as the original Products. Seller is responsible for any claims for damages, losses, and expenses that result from Seller's failure to deliver conforming Products.

(d) Where nonconforming Products are determined to be caused by Seller, Buyer, without limiting its other rights, may charge Seller \$400.00 USD for each disposition request submitted.

7. WARRANTY. Unless otherwise stated on the face of this Order, Seller warrants to Buyer and its Customers for a period of twenty-four (24) months from the date of final acceptance by Buyer that all Products (other than services) covered by this Order shall strictly conform to the specifications, drawings, samples, symbols or other descriptions specified by Buyer; shall be free from any liens or encumbrances; shall be new, merchantable, fit and suitable for the purpose intended, and free from defects in design, material and workmanship; and that no conflict of interest exists between the Products to be provided under this Order and Seller's other activities (collectively "Product Warranty"). Seller shall immediately advise Buyer of any such conflict of interest or potential conflict of interest which arises during performance of this Order. Seller warrants that: (i) Software will perform as described in the specifications for a period of twelve (12) months from the date of acceptance; and (ii) at the time of delivery the Software does not contain any virus or other malicious code; and (iii) the Software does not contain any open source components ("Software Warranty").

In addition to any other remedies available to Buyer, Buyer may return any Products, including Software, that do not conform with the Product Warranty or Software Warranty, as applicable, to Seller for correction or replacement, with all transportation charges and Buyer's handling charges for return and redelivery to be borne by Seller. If Seller fails to accept return of nonconforming Products or fails promptly to correct or replace same, at Buyer's election, Buyer, without limiting its other rights, may, at Seller's expense, correct or replace the nonconforming Products or procure the Products from another subcontractor and charge the cost to Seller, such costs to include associated investigation, travel, rework, and any other costs necessitated by Seller's nonconformance. Products which have been rejected pursuant to this clause shall not thereafter be tendered for acceptance unless Seller identifies the corrective action taken to remedy the defect to Buyer's satisfaction. Such repaired or replaced Products shall be subject to the provisions of this clause to the same extent as the original Products and will be warranted for the remainder of the original warranty period or ninety (90) days, whichever is longer.

If the Products provided under this Order includes services, then Seller warrants and represents that the services will be performed in a professional and workmanlike manner and will conform in all material respects to the statement of work or, to standard industry practice if there is no statement of work. This warranty will remain in effect for a period of ninety (90) days following completion of the services. If Seller breaches this warranty, Buyer may demand Seller to re-perform the non-conforming services or, at Buyer's option to request a refund for the non-conforming services.

These warranties are in addition to all other warranties specified herein or implied by law and shall survive final acceptance and payment. All warranties shall run to Buyer, its successors, assigns, Customers, and users of the Products. Seller shall be liable for and save Buyer harmless from any loss, damage, or expense whatsoever that Buyer may suffer from the breach of any of these warranties

8. COUNTERFEIT PARTS PREVENTION.

(a) For purposes of this Order, "Counterfeit Part" means a product or separately-identifiable component that: (i) is produced or altered to resemble or imitate an original or genuine product or new item without the authority or right to do so; (ii) does not contain the proper external or internal materials or components required by the original equipment manufacturer or original component manufacturer (collectively, "OEM"), nor constructed in accordance with the OEM's specification; (iii) are not traceable to an OEM sufficient to ensure authenticity in the OEM design or manufacture; (iv) has not successfully passed all OEM required testing, verification, screening, and quality control processes; or (v) may be of new manufacture, but are misleadingly labeled to provide the impression they are of a different class or quality or from a different source than is actually the case. A part is considered a suspect Counterfeit Part if visual inspection, testing, or other information provide reason to believe that the part may be a Counterfeit Part.

(b) Seller represents and warrants that only new and authentic materials are used in Products to be delivered to Buyer under this Order and that the Products delivered contain no Counterfeit Parts or suspect Counterfeit Parts.

(c) Seller shall only purchase products to be delivered or incorporated as Products to Buyer directly from the OEM, or through an OEM authorized distributor chain. Such products shall not be acquired from independent distributors or brokers unless approved in advance in writing by Buyer. Seller must make available to Buyer, at Buyer's request, OEM documentation that authenticates traceability of the components to the applicable OEM.

(d) If this Order is issued under a U.S. Government contract and Seller is providing electronic parts or assemblies containing electronic parts to Buyer, then DFARS Clauses 252.246-7007, Contractor Counterfeit Electronic Part Detection and Avoidance System and 252.246.7008, Sources of Electronic Parts, are hereby incorporated into this Order and Seller shall comply with all requirements contained therein.

(e) Seller shall immediately notify Buyer and provide all pertinent facts if Seller becomes aware that it has or may have furnished Counterfeit Parts or suspect Counterfeit Parts to Buyer. Seller shall cooperate with Buyer in any investigation relating to such Counterfeit Parts or suspect Counterfeit Parts, including the impounding by Buyer or government agencies of the Counterfeit Parts or suspect Counterfeit Parts for purposes of investigation.

(f) This clause applies in addition to any quality provision, specification, statement of work or other provision included in this Order addressing the authenticity of Products. To the extent such provisions conflict with this clause, this clause shall prevail.

(g) In the event that Products delivered under this Order constitutes or includes Counterfeit Parts or suspect Counterfeit Parts, Seller shall, at its expense, promptly replace such Products so as to conform to the requirements of this Order. Notwithstanding any other provision in this Order, Seller shall be liable for all costs relating to Counterfeit Parts or suspect Counterfeit Parts and the cost of rework or corrective action that may be required to remedy the use or inclusion of such parts, including without limitation Buyer's and Buyer's Customer's costs of removing Counterfeit Parts, of installing replacement Products and of any testing necessitated by the reinstallation of the Products after Counterfeit Parts have been exchanged. All such costs shall be deemed direct damages. The remedies contained in this paragraph are in addition to any remedies Buyer may have at law, equity or under other provisions of this Order.

(h) Seller shall include the requirements of this paragraph or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Products to Buyer.

9. NOTIFICATIONS. Notices and authorizations pursuant to or regarding this Order shall be in writing and shall be delivered in person; by registered or certified mail (in each case, return receipt requested and postage prepaid); by nationally recognized overnight courier (with all fees prepaid and proof of delivery); by facsimile; by email; or as otherwise designated by written notice from either party to the other.

When Seller anticipates making any of the following changes, Seller shall provide written notification of the anticipated change to Buyer not less than thirty (30) days prior to making the change:

- Change in Seller's Suppliers, which have been previously approved by Buyer.
- Change in Seller's quality or process certification (NADCAP, ISO/AS, Government, etc.).

- Change in machinery or inspection methods/techniques, which have been previously approved by Buyer.
- Change in Seller's plans or processes, including any control or frozen plans, which have been previously approved by Buyer.
- Change of geographical location for manufacture of the Products.

At least ten (10) days prior to the occurrence of any of the following, Seller shall provide written notification of such event to Buyer:

- Change in company ownership.
- Change in senior or site management, including quality management.
- Major reduction/change in workforce.
- Acquisitions that may impact current operation or key personnel.

10. INVOICES. An itemized invoice must be sent promptly to Buyer's Accounting Department at apaa@textron.com for Products delivered and accepted as defined herein. If email is not possible, Seller shall mail individual invoices to the following address:

Textron Finance Shared Services Center
2301 Eagle Parkway Suite 250
Fort Worth, Texas 76177

Seller shall issue a separate original invoice for each delivery of Products (unless otherwise directed) that shall include Buyer's Purchase Order number, line item number, correct dollar value, and any discount terms as applicable. Delays in receiving invoices shall be considered just cause for withholding payment without losing any discount privilege. Unless otherwise provided on the face of the Order, payment terms are net thirty (30) days from the later of: (i) the date of acceptance of the Products as defined in Clause 5; or (ii) the date of Buyer's Accounting Department's receipt of an acceptable invoice as described herein. Any payment discounts will be calculated from the same date. Each payment made shall be subject to reduction to the extent of amounts which are found by Buyer not to have been properly payable, and shall also be subject to reduction for overpayments. Except as otherwise provided in this Order, no payment for extras shall be made unless such extras and the price have been authorized by Buyer's Procurement Representative.

11. CHANGES. Only Buyer's Procurement Representative has the authority to change, amend, or modify this Order on behalf of Buyer. Such changes, amendments, or modifications must be in writing and signed by Buyer's Procurement Representative.

Buyer may at any time by a written order, and, without notice to sureties, if any, make changes within the general scope of this Order, in any one or more of the following:

- Drawings, designs or specifications;
- Method of shipment or packing;
- Place or time of delivery;
- Reasonable adjustments in quantities or delivery schedules or both;
- Terms and conditions of this Order required to meet Buyer's obligations under Buyer's Customer and/or Government prime contracts or subcontracts;

and if this Order includes services:

- A description of services to be performed;
- Time of performance (e.g. hours of the day, days of the week, etc.); and
- Place of performance.

If any such change causes an increase or decrease in the cost and/or the time required for performance of this Order, Seller must notify Buyer in writing within ten (10) calendar days of its intent to pursue an equitable adjustment. Seller must submit its claim for an equitable adjustment within thirty (30) calendar days of its aforementioned notice. Seller shall have no other remedies after this period. Buyer and Seller will negotiate an equitable adjustment in the price or schedule, or both, to reflect the increase or decrease. Upon mutual agreement, Buyer will modify this Order in writing accordingly. Notwithstanding the foregoing, Seller shall immediately comply with such direction and continue with performance of this Order pending any equitable adjustment, if any.

12. APPROVALS. Wherever this Order provides for submittal of designs, components, or other items for approval of Buyer, such approvals shall not be construed as Buyer's agreement as to the adequacy of said design, component, or item, nor as an agreement or acknowledgment that the design, component, or item shall meet the requirements of this Order. Such approvals are solely for the purpose of ensuring Buyer's knowledge of Seller's plans and progress and shall indicate only that Seller's general approach towards meeting requirements under this Order is satisfactory. Such approvals shall in no way relieve Seller of its responsibility for any error or deficiency which may exist in the submitted design, component, or other item, as Seller shall be responsible for meeting all the requirements of this Order.

13. SUSPENSION OF WORK.

(a) By written notice Buyer reserves the right to suspend work under this Order for a period not to exceed 180 days. Within such period of any suspension of work, Buyer shall: (i) cancel the suspension of work order; (ii) terminate this Order in accordance with Clause 18, Termination for Convenience of this Order; (iii) cancel this Order in accordance with Clause 16, Termination for Default of this Order; or (iv) extend the stop work period. Upon receipt of such written notice, the Seller shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the Products covered by the Order, including costs incurred by subcontractors, during the period of work stoppage.

(b) Seller shall resume work whenever a suspension is canceled. Buyer and Seller will negotiate an equitable adjustment in the price or schedule or both if: (i) this Order is not canceled or terminated; (ii) the suspension results in a change in Seller's cost of performance or ability to meet the Order delivery schedule; and (iii) Seller submits a claim for adjustment within twenty (20) days after the suspension is canceled. In the event the suspension of work is due to actions of the U.S. Government, such equitable adjustment shall be subject to the equitable adjustment provided by the U.S. Government to Buyer for Seller's portion of Buyer's overall claim. Payment to Seller will be made following Buyer's receipt of payment from the U.S. Government.

14. ADMINISTRATION.

Notwithstanding any other provisions of this Order or any document referenced herein, Buyer's Procurement Representative has the sole authority to make contractual commitments on behalf of Buyer, to provide contractual direction, and to change contractual requirements as defined in this Order.

15. MODIFICATION OF ORDER. This Order integrates, merges, and supersedes any prior offers, negotiations, and agreements concerning the subject matter hereof and constitutes the entire agreement between the parties. No course of dealing or usage of the trade shall be applicable unless expressly incorporated in this Order. The terms and conditions contained in this Order may not be added to, modified, superseded or otherwise altered except by a written modification signed by Buyer's Procurement Representative and delivered to Seller.

16. TERMINATION FOR DEFAULT.

(a) Buyer may, by written notice of default to Seller, terminate the whole or any part of this Order if Seller: (i) fails to make delivery of the Products or to perform the services within the time specified in this Order; (ii) fails to perform any other provision of this Order or breaches any of the terms hereof; (iii) fails to provide adequate assurance of future performance; (iv) fails to make progress so as to endanger performance of this Order in accordance with its terms; or (v) files or has filed against it a petition in bankruptcy or becomes insolvent or suffers a material adverse change in financial condition. Seller shall have ten (10) days (or such longer period as Buyer may authorize in writing) to cure any such failure after receipt

of notice from Buyer specifying such failure. Upon failure to cure the default, Buyer may give Seller written notice of Termination for Default. Default involving delivery schedule delays or adverse change in financial condition shall not be subject to the cure provision.

(b) Following a termination for default of this Order, Buyer may require Seller to transfer title and deliver to Buyer, as directed by Buyer, any (i) completed Products, (ii) any partially completed Products and materials, parts, tools, dies, jugs, fixtures, plans, drawings, information, and contract rights (collectively, "Manufacturing Materials") that Seller has specifically produced or acquired for the terminated portion of this Order. Upon direction from Buyer, Seller shall also protect and preserve property in its possession in which Buyer or its customer has an interest.

(c) If Buyer terminates this Order in whole or in part, in addition to any other remedies of Buyer at law or equity or under this Order, Buyer may procure, upon such terms and in such manner as Buyer deems appropriate, Products similar to those terminated, and Seller shall pay Buyer upon demand all excess reprourement costs (including administrative costs) that Buyer may incur for such reprourement. If after termination for default under this Order, it is determined that Seller was not in default, such termination shall be deemed a termination for convenience.

(d) Seller shall continue performance of the non-terminated portion of this Order as directed by Buyer.

17. BUYER'S REMEDIES. All rights and remedies of Buyer set out in this Order are cumulative and are in addition to any remedies provided at law or equity.

18. TERMINATION FOR CONVENIENCE.

(a) Buyer may terminate, for its convenience, the whole or any part of the work required under this Order by delivering to Seller a written notice of termination specifying the work terminated and the effective date thereof.

(b) Upon receipt of said notice, Seller must immediately cease work and shall immediately cause any and all of Seller's Suppliers to cease work, including but not limited to the manufacture and procurement of materials for the fulfillment of the terminated portion of this Order, and upon request deliver to Buyer all completed and partially completed Products and work in process, as well as any other deliverables described below.

(c) In the event Seller has a claim for adjustment, it must notify Buyer in writing of its intent to file a claim within twenty-one (21) calendar days from the effective date of termination. Seller's final termination claim must be submitted to Buyer within sixty (60) calendar days from the date that Seller's intent to file a claim was submitted to Buyer. Seller shall have no other remedies after this period.

(d) Buyer's only obligation shall be to pay Seller a percentage of the price reflecting the percentage of the work performed prior to the notice of termination plus reasonable charges Seller can demonstrate to the satisfaction of Buyer using its standard record keeping system have resulted from the termination. Seller shall not be paid for any work performed or costs incurred that reasonably could have been avoided. In the event that Buyer terminates this Order pursuant to Government direction, Seller's recovery of termination costs shall be limited to the extent that Buyer is able to recover such costs from the Government. Payment to Seller will be made following Buyer's receipt of payment from the U.S. Government.

(e) In no event shall Buyer be liable for lost or anticipated profits, unabsorbed indirect costs or overhead, or any amount in excess of the total Order price.

(f) Upon Buyer's request, Seller shall make reasonably available to Buyer, any books, records or documents supporting Seller's termination claim proposal.

(g) Upon Buyer's payment to Seller, title to all deliverables shall vest in Buyer. Deliverables include, but are not limited to: Products, work-in-progress, Special Tooling, Special Test Equipment, Manufacturing Materials, plans, drawings, specifications, or other information acquired under this Order. Buyer's right of termination is in addition to and not in derogation of Buyer's rights under Clause 16, Termination for Default, hereof. Notwithstanding the issuance by Buyer of a notice of termination hereunder, any rights of Buyer based on prior breach of performance by Seller shall survive. Upon receipt of a notice of termination, Seller shall continue with performance of any work not terminated under this Order. Seller shall also protect and preserve all property related to this Order that is in the possession of Seller and in which Buyer has or may acquire an interest.

19. INTELLECTUAL PROPERTY.

Any copyright, trademark, trade secret, software, data, idea, concept, process, formula, invention, system, report or other intellectual property resulting from any Seller work performed for this Order, derived from or based on information supplied by Buyer, or conceived or reduced to practice by Seller using Buyer's funds ("Foreground Intellectual Property"), will be the sole property of Buyer. Seller agrees to assign and hereby assigns to Buyer any interest Seller may have in Seller Foreground Intellectual Property conceived by Seller or reduced to practice by Seller. Seller shall deliver all drawings, specifications, and materials depicting such Foreground Intellectual Property upon Buyer's request or upon conclusion of this Order, whichever is first..

Seller hereby grants to Buyer a royalty-free, non-exclusive, perpetual, sublicensable, transferable, irrevocable, worldwide license to use all intellectual property related to the Products, including patents, trademarks, copyrights, trade secrets, know-how, and proprietary information, owned or controlled by Seller prior to the date of this Order ("Seller Background Intellectual Property") solely for purposes of (i) using the Products in accordance with Buyer's intended purpose, and (ii) fulfilling Buyer's obligations under its contracts with Customers. Seller agrees that upon a termination for default of this Order in accordance with Clause 16, Seller hereby grants to Buyer a royalty-free, non-exclusive, perpetual, sublicensable, transferable, irrevocable, worldwide license to use Seller Background Intellectual Property to make, have made, sell, offer for sale, maintain, install, use, execute, and manufacture the Products solely for the purpose of fulfilling Buyer's obligations under its contracts with Customers.

Seller agrees:

(a) to defend, hold harmless, and indemnify Buyer, its successors, affiliates, agents and Customers, against any and all claims, losses, damages, actions, lawsuits, settlements, judgments, and expenses (including reasonable attorneys' and other professional fees) arising out of claims of direct or contributory infringement or inducement to infringe any third party's intellectual property (including, without limitation, any patent, trademark, copyright, industrial design right or misuse or misappropriation of trade secret) in relation to the Products or services procured or provided by Seller under this Order (including, without limitation, their manufacture, purchase, offer for sale, use and/or sale). Seller expressly waives any claim against Buyer that such alleged infringement arose out of compliance with Buyer's specification, except to the extent such infringement is actually embodied in designs created by Buyer that are required by this Order. Seller shall promptly, at its own expense, either procure for Buyer the right to continue to sell and use the item or replace or modify the item so that it becomes non-infringing;

(b) to waive any claim against Buyer, including any hold-harmless or similar claim, in any way related to a third-party claim asserted against Seller for infringement of any intellectual property (including, without limitation, any patent, trademark, copyright, industrial design right or trade secret);

(c) that Buyer and its subcontractors and direct or indirect customers have the worldwide, irrevocable right to repair, reconstruct or rebuild, and to have repaired, reconstructed or rebuilt, Products delivered under this Order without payment of any royalty or other compensation to Seller;

(d) that manufactured parts based on Buyer's proprietary information, designs, drawings or specifications may not be used in any manner for Seller's, Seller's Suppliers, or Seller's affiliates own use or sold to third parties without Buyer's express written consent;

(e) to promptly disclose in an acceptable form to Buyer all such inventions, discoveries, improvements, designs, methods, and/or processes, (whether patentable or not) that are conceived, developed, or reduced to practice by Seller, either alone or with others, in connection with or as a result of this Order and to require its employees to sign any papers necessary to enable Buyer to obtain title to each invention, discovery, improvement, designs, methods, and/or processes, and to file applications for patents throughout the world;

(f) to the extent that this Order is issued for the creation of copyrightable works, that the works shall be considered "works made for hire," and, to the extent that the works do not qualify as such, to assign to Buyer upon delivery thereof all right, title and interest in all copyrights therein (including, without limitation, any source code);

(g) to give Buyer or its designees all assistance reasonably required to perfect any such rights, such as assistance in the preparation and prosecution of patent applications, copyright registrations, and other intellectual property filings; and

(i) Notwithstanding the foregoing, if this Order requires delivery of technical data and/or computer software, as such terms are defined in the FAR and DFARS and/or other prime or higher-tier contract flowdowns, in connection with a Government prime contract, then the Seller shall provide and agree to provide Buyer the unlimited, irrevocable, paid-up, royalty-free right to use and deliver such technical data or computer software as necessary for performance of its prime or higher-tier contractual obligations. The Seller agrees to provide Buyer's Customer with rights in technical data and/or computer software consistent with the FAR and DFARS and/or other prime or higher-tier contract flowdowns incorporated into this Order.

20. DRAWINGS. Seller acknowledges that it has available to it all specifications, drawings, data, and other documents referenced in this Order and that they are adequate to enable Seller to perform the work required herein in accordance with the delivery schedule.

Buyer's Drawings. All drawings, specifications and data furnished by Buyer to Seller hereunder shall remain the property of Buyer or Buyer's Customers (as the case may be) and shall be used by Seller only as and to the extent required for the performance of this Order, unless otherwise approved by Buyer in writing. Upon completion of this Order or upon Buyer's request, whichever occurs first, Seller shall promptly destroy or return to Buyer all drawings, specifications, and other data furnished by Buyer for performance of this Order, together with all copies or reprints in Seller's possession or control. Seller shall thereafter make no further use, either directly or indirectly, of any such drawings, specifications, data or any information derived there from, without Buyer's prior written consent. Notwithstanding the foregoing, nothing in this Clause 20 shall be interpreted as restricting Seller's use of Buyer's Customer's drawings which are received by Seller from Buyer's Customer outside of the context of this Order.

Seller's Drawings. If the performance of the Order obligates Seller to manufacture Seller-designed Buyer part numbered Products to Seller's drawing revision level and where manufacturing will be to a different revision level, Seller will provide Buyer released updated drawings with explanation as to how the present configuration differs from the specified or approved revision level configuration. Seller must receive Buyer's approval of any updated drawing prior to the manufacturing and shipment of Products to Buyer.

Seller hereby grants to Buyer an irrevocable license to Buyer to use any part and/or model numbers (as applicable), used in any drawing, specification, or otherwise in application, use, and maintenance of Type Certificates and other similar configuration documents. In the event such part and/or model numbers are subject to an Intellectual Property claim by a third party, Seller shall procure, at no cost to Buyer, license rights as designated in the previous sentence.

21. PROTECTION OF PROPRIETARY INFORMATION.

Buyer and Seller agree to comply with the terms of any nondisclosure agreement(s) executed between the Parties and to comply with all proprietary information markings and restrictive legends on information provided hereunder by either Party. Seller shall hold all Buyer information in the strictest confidence and, unless approved by Buyer in writing, shall not disclose or use it for any purpose other than as necessary to fulfill its obligations under this Order.

22. USE OF FREE, LIBRE AND OPEN SOURCE SOFTWARE (FLOSS).

(a) This clause only applies to an Order that includes the delivery of software (including software residing on hardware).

(b) Seller shall disclose to Buyer in writing any FLOSS that Seller intends to use or will be delivered in connection with this Order and shall obtain Buyer's prior written consent before using or delivering such FLOSS in connection with this Order. Buyer may withhold such consent in its sole discretion.

(c) As used herein, "FLOSS License" means the General Public License ("GPL"), Lesser/Library GPL, (LGPL), the Affero GPL (APL), the Apache license, the Berkeley Software Distribution ("BSD") license, the MIT license, the Artistic License (e.g., PERL), the Mozilla Public License (MPL), or variations thereof, including without limitation licenses referred to as "Free Software License", "Open Source License", "Public License", or "GPL Compatible License."

(d) As used herein, "FLOSS" means software that incorporates or embeds software in, or uses software in connection with, as part of, bundled with, or alongside any:

(1) open source, publicly available, or "free" software, library or documentation; or

(2) software that is licensed under a FLOSS License; or

(3) software provided under a license that:

(a) subjects the delivered software to any FLOSS License; or

(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 to sell, loan, 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.

(e) Seller agrees to defend, indemnify, and hold harmless Buyer, its Customers and suppliers from and against any claims, damages, losses, costs, and expenses, including reasonable attorneys' fees, relating to use in connection with this Order or the delivery of FLOSS.

23. CYBERSECURITY.

(a) Seller shall ensure that any information system used to collect, process, maintain, use, share, disseminate, or dispose of Buyer's Proprietary Information, intellectual property, Personally Identifiable Information, and/or other sensitive information (collectively, "Sensitive Information") provides adequate security to protect against cyber incidents. "Adequate security" is defined as the implementation of protective measures commensurate with the consequences and likelihood of any unauthorized access, misuse, loss, or modification of Sensitive Information. At a minimum, such measures shall include:

(i) Compliance with all applicable laws and regulations governing the handling of Sensitive Information, including but not limited to privacy laws, export control laws, and other relevant regulations.

(ii) Storing, processing, or transmitting Covered Defense Information (CDI) or Controlled Unclassified Information (CUI) exclusively on systems that are in compliance with the requirements set forth in 48 C.F.R. § 252.204-7012, Safeguarding Covered Defense Information and Cyber Incident Reporting.

(b) Upon discovering any cyber or physical incident affecting Sensitive Information or an information system containing such information, Seller shall:

- (i) Notify Buyer within seventy-two (72) hours of the occurrence, detailing the nature and scope of the incident;
- (ii) Immediately conduct an investigation and provide regular updates to Buyer on the findings;
- (iii) Take reasonable measures, at Seller's expense, to secure Sensitive Information and mitigate the effects of the incident; and
- (iv) Satisfy all legal and regulatory notification requirements while complying with any additional reporting obligations imposed by Buyer.

(c) Seller's performance under this Order is subject to Buyer's right to audit and assess Seller's information security measures to ensure compliance with the above requirements.

24. UNDEFINITIZED ORDERS. If this is an undefinitized Order, by acceptance of this Order per Clause 2, Acceptance of the Order, Seller agrees:

(a) to submit (if not already submitted): (i) a fixed price, or cost-and-fee-type, quote/proposal, as appropriate to the type of Order noted elsewhere in this Order, and (ii) the supporting cost or pricing data if requested by Buyer.

(b) to enter promptly into negotiations in good faith to definitize undefinitized issues prior to the target dates set forth elsewhere in this Order. All terms, conditions, and specifications referenced in the Order shall apply. Federal Law, Executive Orders and Government Procurement Regulations applicable to a definitized Order of the type anticipated by this undefinitized Order shall apply.

(c) to proceed immediately to procure materials and take such other actions as are proper and called for to ensure that the supplies may be delivered or services performed on time. Seller is not authorized to incur obligations which would result in a termination liability to Buyer in excess of the funded amount set forth in this Order authorized through to the anticipated definitization date established in this Order or through such extension of time as may be granted by Buyer in a written amendment to this Order.

(d) in the event this Order is not definitized by the anticipated definitization date established in this Order, this undefinitized Order shall continue in full force and effect until the Buyer, at Buyer's election, has either extended or terminated this order via a Change Order. If the order is terminated, Seller will be paid an amount determinable in accordance with Clause 18, Termination for Convenience hereof.

25. PRICE WARRANTY. Seller warrants that the prices charged under this Order do not exceed those charged by Seller to any other customer, including preferred customers and the U.S. Government, for purchase of the same or substantially similar Products or services in like or similar quantities.

26. TAXES. Unless this Order specifies otherwise, the price of this Order includes, and Seller is liable for and shall pay, all taxes, impositions, tariffs, charges and exactions imposed on or measured by this Contract except for applicable sales and use taxes that are separately stated on Seller's invoice. Prices shall not include any taxes, impositions, charges, tariffs, or exactions for which Buyer has furnished a valid exemption certificate or other evidence of exemption. In case it shall be determined that any tax included in the prices herein was not required to be paid by Seller, Seller agrees to notify Buyer, to make prompt application for the refund thereof, to take all proper steps to procure the same, and, when received, promptly pay the same to Buyer.

27. WORK ON BUYER'S OR ITS CUSTOMER'S PREMISES.

(a) If this Order involves work by Seller on Buyer's or Buyer's Customer's premises, Seller and Seller's Suppliers shall comply with all safety and security regulations and shall take all precautions required by Buyer or otherwise necessary to prevent the occurrence of any injury to person or property during the progress of such work. Seller shall promptly inform Buyer of any injury or damage that occurs.

(b) Seller shall provide timely notice to Buyer prior to introducing any hazardous material to Buyer's premises. Hazardous materials shall include those defined in any Federal, state, local law, ordinance, order, rule, or regulation applicable to the premises. Seller shall equip its employees, agents, and Seller's Suppliers for the use of such hazardous material, and for the use of any other hazardous materials, as identified by Buyer to Seller, used by Buyer on the premises.

(c) Buyer may, at its sole discretion, remove or require Seller to remove any specified personnel of Seller from Buyer's or Buyer's Customer's premises and request that such personnel not be reassigned to any Buyer premises under this Order. Any costs arising from or related to removal of Seller's personnel shall be borne solely by Seller and not charged to this Order.

28. SPECIAL TOOLS AND/OR SPECIAL TEST EQUIPMENT.

(a) "Special tools" means equipment, dies, jigs, fixtures molds, patterns, taps, gauges, and patterns all components of these items (hereinafter collectively referred to as "Special Tooling"), used in the manufacture of Products. Special Test Equipment means either single or multipurpose integrated test units engineered, designed, fabricated, or modified to accomplish special purpose testing (hereinafter collectively referred to as "Special Test Equipment") in performing this Order. Unless otherwise stated in the Order, Special Tooling and Special Test Equipment shall be furnished by and at the expense of Seller, shall be kept in good condition, and, when necessary, shall be replaced by Seller without expense to Buyer.

(b) If the price stated on the face of this Order does not include the cost of the Special Tooling and/or Special Test Equipment, Buyer may, at any time, reimburse Seller for the actual cost of any of the Special Tooling and/or Special Test Equipment and become the owner of same. Upon receipt of Buyer's payment for the Special Tooling and/or Special Test Equipment, Seller agrees to immediately deliver possession of the Special Tooling and/or Special Test Equipment to Buyer. If the price stated on the face of this Order does include the cost of any Special Tooling and/or Special Test Equipment fabricated or acquired by Seller for the purpose of filling this Order, such Special Tooling and/or Special Test Equipment, and any process sheets related thereto, shall become the property of Buyer and shall be identified by Seller as such. Unless otherwise specified in this Order, Buyer shall make payment for the Special Tooling and/or Special Test Equipment only upon acceptance of the first run of Products fabricated therewith. In the event that any Special Tooling and/or Special Test Equipment becomes the property of Buyer, or was furnished to Seller by Buyer, Seller shall, at its own expense, (i) maintain such Special Tooling and/or Special Test Equipment in proper working order, (ii) be responsible for such Special Tooling and/or Special Test Equipment as set forth in Clause 29, Furnished Property, below, and (iii) shall use the same only for the completion of Orders from Buyer, unless otherwise authorized in writing. Seller shall follow its normal industrial practice in maintaining property control records for such Special Tooling and/or Special Test Equipment, and, when this Order has been completed, such Special Tooling and/or Special Test Equipment shall be disposed of as Buyer may direct.

(c) Seller shall include the substance of this clause in all purchase orders and subcontracts issued by it hereunder.

29. FURNISHED PROPERTY. Buyer may provide to Seller property owned by either Buyer or its Customer (Furnished Property). Unless previously authorized in writing by Buyer's Procurement Representative, Furnished Property shall be used only for the performance of this Order. Title to Furnished Property shall, at all times, remain in Buyer or its Customer, as applicable. Seller assumes the risk of and shall be responsible for any loss thereof or damage to the Furnished Property however caused while in Seller's possession, custody, or control, including any transfer to Seller's subcontractors. Seller shall clearly mark, maintain an inventory of, and keep segregated or identifiable all Furnished Property and all other property to which Buyer acquires an interest by virtue of this Order. Seller shall immediately notify Buyer's Procurement Representative, in writing, if Furnished Property is lost, damaged, or destroyed. Without limiting the foregoing, Seller agrees to procure property insurance satisfactory to Buyer, insuring to the full insurable value of all Furnished Property in Seller's possession, against loss of or damage resulting from fire or theft (including extended coverage, malicious mischief and vandalism) or Seller's negligence. Seller shall provide Buyer with a certificate of insurance. Such certificate shall contain the policy number, effective date, expiration date and a statement noting Buyer as an additional insured. Seller's

applicable insurance policies shall be primary to all policies of Buyer. Seller further agrees to pay all taxes assessed against the Furnished Property or the use thereof while in Seller's possession and to file all necessary declarations and reports in connection therewith.

Buyer shall not be liable for any loss, damage or expense resulting, directly or indirectly, from any delay in delivery or non-delivery of any of the Furnished Property or from any Furnished Property that is determined to be defective. Buyer's liability for any claims in any way related to Furnished Property is expressly limited to the replacement of defective property returned to Buyer by Seller within thirty (30) days of Seller's receipt of such defective property. At Buyer's request, or upon completion or termination of this Order, Seller shall submit to Buyer in writing an inventory list of any Furnished Property that remains in Seller's possession. Buyer shall then instruct Seller as to the return or disposition of such Furnished Property. If Buyer requests that any of the Furnished Property be returned, Seller shall deliver such property to Buyer in good condition, subject to ordinary wear and tear and normal manufacturing losses.

30. SAFEGUARDING PRODUCTS IN PROCESS. If this Order includes progress payments or milestone payments are made by Buyer, Seller must properly safeguard against loss, damage and/or theft of all Products, work-in-process, Special Tooling, Special Test Equipment, plans, drawings and specifications.

31. RIGHT OF ACCESS TO FACILITIES AND RECORDS. Subject to all applicable Government security regulations, acceptance of this Order shall grant to authorized representatives of Buyer and its Customer (with the prior concurrence of Buyer's Procurement Representative) right of access to all facilities involved in performing work under this Order and to all applicable records in order to review progress, discuss problems/failures and witness testing pertaining to the requirements of this Order. Additionally, Buyer and its Customer shall have the right to examine, reproduce and audit all Seller's records related to pricing, incurred costs and proposed costs associated with any proposals (prior to or after contract award), invoices, claims, or other compliance requirements.

32. PARTS OBSOLESCENCE.

(a) Buyer may desire to place additional orders for any Products purchased hereunder. Accordingly, Seller shall provide Buyer with a Last-Time-Buy Notice at least twelve (12) months prior to any action to discontinue any Products purchased hereunder. If Seller fails to provide this notice with at least twelve (12) months' notice, Seller shall be liable for any procurement costs, including but not limited to Buyer's administrative costs, to obtain an alternate product.

(b) The price of this Order shall not be subject to adjustment due to any Seller claim of parts obsolescence. Seller certifies that Seller has taken parts obsolescence into account as it relates to the price of this Order.

33. DISPOSAL OF PRODUCTS. Seller shall not sell, or otherwise dispose of as scrap or otherwise, any completed or partially completed or defective Products without defacing or rendering such Products unsuitable for use. Upon completion or termination of this Order, Seller shall, at Seller's expense, dispose of all Products, including partially completed Products, as required or directed by Buyer.

34. PRODUCT ORIGIN.

(a) Prior to shipment of Products to Buyer, Seller must provide Buyer with Certificates of Origin, a statement specifying the Country of Origin, the Product name and description, Buyer and Seller part number, Harmonized (Tariff) Schedule (HTS/HS) number, and manufacturer name and location. If the Products include steel, aluminum, copper, or a derivative, Seller must provide the origin/country of smelt and cast or melted and poured. Seller will also provide, as requested, any other documentation that is required for U.S. and/or Canadian Customs and other Government agency compliance.

(b) If the Products provided under the Order qualify for preferential duty treatment under a Free Trade Agreement such as the United States-Mexico-Canada Agreement (USMCA), Seller must provide Buyer's Global Trade Compliance Department with a USMCA or other Certificate of Origin to enable Buyer to claim preferential duty treatment at the time of entry. Seller acknowledges that the Certificate will be used by Buyer as proof of eligibility for preferential duty treatment, and agrees to provide full cooperation to Buyer for any U.S., Canadian, or other foreign Customs inquiries into preferential duty claims that arise out of any Product furnished under the Order. Unless Buyer requests individual Certificates for each shipment, Seller may provide annual blanket Certificates to cover multiple shipments during the calendar year.

(d) Seller must notify Buyer in writing of any change in the Origin of the Product.

(e) Buyer will notify Seller in writing if Seller fails to supply documentation required under Paragraphs (a) and (b) of this clause, and Seller agrees to provide Buyer the relevant documentation within thirty (30) days of receipt of notice from Buyer.

(f) Seller shall be responsible for all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorneys' fees, all expense of litigation and/or settlement, and court costs, arising from any act or omission of Seller, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this clause.

35. CONFLICT MINERALS. Seller acknowledges that Buyer's ultimate parent company, Textron Inc., is subject to Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") and the implementing rule promulgated by the U.S. Securities and Exchange Commission ("SEC") which require reporting related to tin, tantalum, tungsten and gold (the "Conflict Minerals") contained in products sold by Buyer. Seller shall promptly provide such written certifications concerning Conflict Minerals contained in Products, components, parts, and materials supplied to Buyer by Seller as Buyer may request from time to time. Seller acknowledges that for purposes of any reports Textron Inc. may file with the SEC, Buyer and Textron Inc. will rely on the accuracy and completeness of each such certification. Seller represents and warrants that it has adopted and will maintain a supply chain policy and procedure to conduct, and require its suppliers to conduct, a reasonable inquiry to determine (i) whether the products, components, parts, or materials supplied to Buyer contain Conflict Minerals, and (ii) whether the source of any such Conflict Minerals not derived from recycled or scrap materials may be from the Democratic Republic of the Congo or an adjoining country and if so to perform due diligence to identify the facilities used to process such Conflict Minerals and make efforts to identify the location of each mine or location of origin of such Conflict Minerals with the greatest possible specificity. Seller represents, warrants and certifies that its Products, parts, components and materials are not, and will not be, produced with child, indentured or forced labor.

36. COMPLIANCE WITH APPLICABLE LAWS.

(a) Seller agrees that, in the performance hereof, it shall comply with all applicable laws, both foreign and domestic, statutes, rules, regulations or orders, and same shall be deemed incorporated herein by reference. Seller shall indemnify and hold Buyer harmless to the full extent of any loss, damage, or expense, including lost profit, attorneys' fees, and court costs, resulting from any failure or alleged failure of Seller to comply with any applicable laws, statutes, rules, regulations, or orders, including, without limitation, the export/import laws of the United States.

37. EXPORT/IMPORT COMPLIANCE.

(a) The Parties acknowledge that the Product(s), parts and components thereof, information related thereto, including any designs, drawings, and technical documents, (hereinafter referred to as "Technical Data"), and any related assistance rendered (including any Defense Service as defined in 22 CFR 120.9; hereinafter referred to as "Technical Assistance") furnished or disclosed to either Party under this Agreement (collectively, the "Subject Items") are subject to U.S. and/or foreign export laws and regulations (hereinafter "Export Laws and Regulations"), including but not limited to the Arms Export Control Act of 1976 (22 USC §§ 2751, *et seq.*, the "AECA"), the International Traffic in Arms Regulations (22 C.F.R. 120, *et seq.*, the "ITAR"), the Export Control Reform Act of 2018 (50 U.S.C. §§ 4801, *et seq.*, the "ECRA"), the Export Administration Regulations (15 C.F.R. 731, *et seq.*), and their successors. The relevant Export Laws and Regulations may restrict export, transfer, or re-export of the Subject Items, and further apply to any product(s) manufactured by either Party, its subsidiaries, affiliates, and suppliers, by use of such Technical Data and/or Technical Assistance.

(b) As required for performance of the Order, each Party will be responsible for obtaining, recording, filing, and maintaining any applicable authorization for the transfer of Subject Items and all related documentation, including any licenses and permits, as well as for the payment of associated fees. If Seller is a U.S. entity and is engaged in the business of either

exporting or manufacturing (whether exporting or not) defense articles or the furnishing of defense services (as those terms are defined in the ITAR), Seller represents that it is registered with the Directorate of Defense Trade Controls and maintains an effective trade compliance program in accordance with the ITAR and any other applicable Export Laws and Regulations.

(c) Seller will provide appropriate certification to Buyer regarding the export classification of the Subject Items provided to Buyer on the United States Munitions List ("USML"), the Commerce Control List ("CCL"), or the applicable country's equivalent thereof.

(d) Seller shall not give any Foreign Person (as that term is defined in 22 C.F.R. 120.16 and 15 C.F.R. Part 722) access to the Subject Items without obtaining export authorization, if required, and prior written consent from the Buyer. Any request for such consent must state the intended recipient's citizenship(s) and status under 8 U.S.C. § 1324b(a)(3), reason for access to the Subject Item(s), and such other information as Buyer may reasonably request. No consent granted by Buyer in response to Seller's request under this paragraph shall relieve Seller of its obligations to comply with the provisions of the applicable Export Laws and Regulations or this clause, nor shall any such consent constitute a waiver of the requirements of this clause or consent for Seller to violate any provision of the Export Laws and Regulations.

(e) Seller shall not export, re-export, or transfer any Subject Items to any U.S. Government-designated Specially Designated National or other restricted party (collectively, "Restricted Parties"), including any country, government, or entity subject to U.S. economic sanctions, persons or entities owned or controlled by any Restricted Party, and any export-restricted country or debarred party designated by the relevant U.S. Government agency. If, at any time during performance of this Order, Seller or any Seller's Supplier is listed on a control or sanction list, Seller shall immediately notify Buyer.

(f) The substance of this clause shall be incorporated into any lower-tier subcontract or purchase order entered into by Seller for the performance of any part of the work under this Order.

38. OFFSET CREDITS FOR FOREIGN PROCUREMENTS. Buyer represents that its business base consists, in part, of international orders, and that it must, from time to time, enter into international offset agreements to secure such orders. To the extent that the Products ordered hereunder are components of Buyer's products sold to a foreign nation or concern or are non-recurring activities, tooling, equipment, engineering, etc. associated with Buyer's products sold to a foreign nation or concern, and in recognition that such sale results, directly or indirectly, in business opportunities, sales or revenue for Seller, Seller agrees to cooperate with Buyer in the fulfillment of any offset program obligations that Buyer may be required to accept as a condition of such foreign sale. Seller hereby commits to assume and discharge a proportionate share of said offset obligation(s), either directly or through a mutually agreeable third party, by engaging in such activities as subcontracting, co-production, co-development, technology transfers, counter trade, investments, joint ventures, etc. for Buyer's customer countries.

Buyer expressly claims the right to all industrial benefits and other offset credits arising with respect to any Products ordered hereunder, including any related issues by Seller to sources in the foreign customer's country. Seller agrees to provide all necessary information in such form as may be required to enable Buyer to obtain the aforementioned offset credits.

39. GRATUITIES, KICKBACKS, BUSINESS CONDUCT AND ETHICS. Buyer is committed to building strong business relationships with its suppliers based on lawful, honest, ethical, and impartial business practices. Buyer's expectation is that Seller will also conduct its business in a lawful, honest, ethical, and impartial manner. Seller, including any agent or representative of Seller, shall not offer, promise, or provide gratuities or kickbacks to any employee of Buyer. For the purposes of this clause, "gratuities or kickbacks" include but are not limited to cash payments, gifts, entertainment, or any other benefit provided with the intent to influence or obtain favorable treatment. Failure of Seller to honor this commitment may, at Buyer's option, result in immediate termination of this Order in accordance with Clause 16, Termination for Default, without opportunity to cure. Buyer's further expectation is that Seller will have (or will develop) and adhere to a code of ethical standards. Seller shall also comply with the Textron Code of Conduct for Suppliers and Other Business Partners, available at https://www.textron.com/assets/BCGs/Textron_Code_of_Conduct_Suppliers_Business_Partners.pdf

40. ENVIRONMENTAL AND SAFETY POLICIES. All work shall be performed by Seller in full compliance with all applicable federal, state and local government environmental, health, and safety laws and regulations, and all applicable ISO 14001 policies, or similar policies, enacted by Buyer's facility receiving the Products. All work performed on Buyer's premises shall be performed in conformity with all plant environmental and safety requirements specified by Buyer. All of Seller's and Seller's Supplier personnel performing work under this Order shall be fully trained and otherwise qualified and competent to perform work assigned to them that has actual or potential environmental impacts. Seller shall indemnify, hold Buyer harmless, and at Buyer's election, defend Buyer and its Customer(s) and their respective officers, directors, employees, and agents to the full extent of any loss, damage, or expense, including lost profit, attorney's fees and court costs, that relates to environmental damages, property damage and/or personnel injury, including injury to remediation personnel, and all related liabilities and associated costs relating to or arising from Seller's performance under this Order.

In addition, for all work performed on Buyer's premises, Seller shall provide immediate notice, orally and in writing, to Buyer's Environmental Health and Safety Department of all environmental-related accidents, incidents, and/or damage or liability claims by third parties, of which Seller becomes aware during the performance of work by Seller under this Order. Seller's representatives shall be able to read, speak, and understand the English language well enough to safely follow and understand signage and instructions and instruct those personnel who may not understand the signage and instructions.

41. RECORDS RETENTION. For non U.S. Government funded Orders, Seller shall retain all applicable records related to the work hereunder, including its subcontractor records, for five (5) years after final payment by Buyer. For U.S. Government funded Orders, Seller should refer to Subpart 4.7, Contractor Records Retention, of the Federal Acquisition Regulations for guidance on records retention.

42. SET-OFF. Seller agrees that Buyer shall have the right to set-off against any amounts, which may become payable by Buyer to Seller under this Order or otherwise, any amounts which Seller may owe to Buyer, including any loss, damage, expense, cost or liability, whether arising under this Order or otherwise.

43. INDEMNIFICATION AND INSURANCE. All rights hereunder shall exist by agreement of the parties notwithstanding any limitations regarding indemnity and/or contribution which exist herein or under the laws of any state. Seller agrees to indemnify, hold harmless, and at Buyer's election, defend Buyer and its customer(s) and their respective officers, directors, employees, and agents from and against (i) any and all third party losses, costs, claims (including, without limitation, claims under Workers' Compensation or Occupational Disease laws), penalties, causes of action, damages, liabilities, fees, and expenses, including but not limited to reasonable attorneys' fees, all expenses of litigation and/or settlement, and court costs, that result from incidents, accidents, injuries or deaths to any persons or damage and/or losses to property, which result or are alleged to have resulted from: (a) any act or omission of Seller with respect to the Products or services furnished to Buyer hereunder; (b) any claimed defect in the Products or services supplied to Buyer by Seller; (c) any breach of Seller's obligations or representations hereunder; and (d) any claimed negligence on the part of Buyer with respect to supervision, monitoring, directing or inspecting the Products or services supplied by Seller, or the design/manufacturing or other activities of Seller in making or supplying the Products or services, and (ii) any and all claims (including resulting costs, expenses and liability) by the employees of Seller or any of Seller's Suppliers arising from or related to this Order.

If any Products are determined by Seller, Buyer or any governmental agency or court to contain a defect or a quality or performance deficiency, or not be in compliance with any standard or requirement so as to make it advisable that such Products be reworked or recalled, Seller or Buyer will promptly communicate relevant facts to each other and shall undertake corrective action, provided that Buyer shall cooperate with and assist Seller in any necessary filings and corrective action, and provided that nothing contained in this Section shall preclude Buyer from taking such action as may be required of it under any such law or regulation. Where applicable, Seller shall defend, protect, hold harmless, fully indemnify and pay all reasonable expenses associated with determining whether a recall or rework is necessary, notifying affected customers of the recall, and conducting the recall, including without limitation, shipping, replacement and other related costs. Seller shall perform all necessary repairs or modifications at its sole expense, except to any extent Seller and Buyer agree to the performance of such repairs by Buyer upon mutually acceptable terms. Each Party shall consult the other before making any statements to the public or a governmental agency relating to potential safety hazards affecting Products, except where such consultation would prevent timely notification required by law.

Seller shall maintain, at its own expense: (i) Comprehensive General Liability insurance in an amount of at least \$2 million combined single limit for bodily injury and property damage and a \$2 million annual aggregate; (ii) Comprehensive Automobile Liability insurance in an amount of at least \$2 million combined single limit for bodily injury and property damage and a \$2 million annual aggregate; (iii) Workers' Compensation insurance in accordance with such laws as may be applicable to the work to be performed hereunder; (iv) Employer's

Liability insurance in an amount of at least \$1 million and a \$2 million annual aggregate, and (v) if an aviation product or service, Aviation Liability insurance in an amount of at least \$2 million limit of liability per occurrence which shall include Products and Completed Operations coverage. All such insurance policies shall expressly waive any right of subrogation against Buyer and its employees, officers, directors and agents. The required insurance policies shall be endorsed to require the insurance company to provide Buyer with at least thirty (30) days prior written notice of the effective date of cancellation or material change of any insurance policy. Prior to commencing work hereunder, and upon Buyer request, Seller shall provide Buyer with a certificate of insurance evidencing the insurance coverage as set forth above. Such certificate shall contain the policy number, effective date, expiration date and a statement noting Buyer as an additional insured. Such insurance will be primary and not contributory nor excess with respect to any other insurance available for the protection of Buyer. With respect to the interests of Buyer, such insurance will not be invalidated or minimized by any action or inaction, omission or misrepresentation by the Seller or any other person or party (other than Buyer) regardless of any breach or violation of any warranty, declaration or condition contained in such policies. All provisions of the insurance coverages referenced above, except the limits of liability, will operate to give each Insured or additional insured the same protection as if there were a separate policy issued to each.

44. RELATIONSHIP OF THE PARTIES. This Order shall not constitute, create, or give effect to or otherwise imply a joint venture or partnership of any kind. Each party to this Order is an independent contractor. Neither party shall be deemed to be an employee, agent, partner or legal representative of the other for any purpose, and neither shall have any right, power or authority to create any obligation on behalf of or bind the other in any way.

45. CUSTOMER COMMUNICATION. Buyer shall be solely responsible for all liaison and coordination with the Customer, any higher tier contractor(s), or the U.S. Government, as it affects any applicable prime contract, for this Order, and any related order. Except as required by law, Seller shall not communicate with the Customer, any higher tier contractor(s), or the U.S. Government, with respect to the applicable prime contract, this Order, and/or any related order without prior written approval from Buyer's Procurement Representative. Seller shall promptly notify Buyer's Procurement Representative of any communications initiated by the Customer, any higher tier contractor(s), or the U.S. Government, that affects the applicable prime contract, this Order, and/or any related order. However, nothing in this Order shall be construed as restricting either Party from reporting waste, fraud, or abuse related to the performance a Government contract to a designated investigative or law enforcement representative of a Federal department or such agency authorized to receive such information.

46. ADVERTISING, ANNOUNCEMENTS AND NEWS RELEASES. Except as required by law, Seller shall not, and shall require that Seller's Suppliers at any tier shall not, without first obtaining the written consent of Buyer, advertise, publish, or issue any news release or make any external communications or denial or confirmation of same concerning the fact that Seller has furnished or contracted to furnish Buyer the Products herein mentioned. All requests to issue press releases and external communications regarding Buyer or the existence of this Order must go through Buyer's formal approval process prior to external release with a minimum of thirty (30) days' prior notice. Buyer may disapprove any request in its sole discretion. If Seller receives inquiries from media, writers, or reporters concerning Buyer or the existence of this Order, Seller shall not respond to any such inquiries and promptly notify Buyer. Neither Party is authorized to speak on behalf of the other unless prior consent has been provided.

This clause shall not create or imply any obligation or commitment on the part of the Buyer to co-market, co-brand, co-fund or otherwise engage in joint promotional activities with Seller. Buyer's copyrighted and trademarked materials shall remain the sole and exclusive property of Buyer, regardless of whether such materials are communicated externally, regardless of channel. Unless expressly authorized in writing, Seller shall not use, reproduce or modify Buyer's copyrighted or trademarked materials, including logos.

Seller shall include the substance of this clause in all purchase orders and subcontracts issued by it hereunder and shall be responsible to Buyer for any breach of such obligation by any subcontractor.

47. APPLICABLE LAW, VENUE AND DISPUTES.

(a) This Order and any subsequent changes thereto, and all matters arising from or related to it, shall be construed and enforced in accordance with the laws of the State of Maryland, excluding its choice of law rules, and irrespective of the place of performance of this Order. Any litigation under this Order shall be brought in a court of competent jurisdiction in Baltimore County in the State of Maryland and the parties hereby submit to the exclusive jurisdiction and venue of such court(s), and waive any defense or objection to the exercise of personal jurisdiction and/or venue by any such court(s). If this Order is issued under a Government prime contract, any provision in this Order that is: (i) incorporated in full text or by reference from the Federal Acquisition Regulations (FAR); and/or (ii) incorporated in full text or by reference from any agency regulation that implements or supplements the FAR; and/or (iii) that is substantially based on any such agency regulation or FAR provision, shall be construed and interpreted according to the U.S. federal common law of government contracts as enunciated and applied by U.S. federal judicial bodies, boards of contract appeals, and quasi-judicial agencies of the U.S. Government. If a decision on a question of fact is issued by the Contracting Officer under the Prime Contract "Disputes" clause and the decision relates to this Order, said decision, if binding upon Buyer under the prime contract, shall also be binding upon Buyer and Seller with respect to this Order.

(b) Seller shall, on demand of Buyer, reimburse Buyer for all reasonable costs, expenses (including expert witness fees), and attorneys' fees in the event Buyer engages legal counsel to: (i) enforce against Seller the terms and conditions of this Order and/or any agreement incorporating or that is subject to this Order and its terms and conditions; (ii) recover from Seller damages or losses incurred by Buyer as a result of any breach or default in the performance of any of Seller's obligations under this Order or any such agreement (whether or not such default is later cured); (iii) obtain any remedy or relief available at law or in equity from Seller for any such breach or default; (iv) secure Seller's compliance with or secure the termination of the terms and conditions of this Order and/or any agreement incorporating or that is subject to this Order and its terms and conditions; and/or (v) defend against any suit brought by Seller against Buyer in which Buyer is the prevailing party. Seller's obligation to reimburse Buyer under this subsection applies regardless of whether a lawsuit has been filed. Buyer's rights and remedies under this subsection (b) of this clause are in addition to and cumulative of the other remedies the Buyer has under these Terms and Conditions.

(c) In the event of a dispute arising out of or related to this Order and not otherwise addressed herein, Buyer and Seller agree to timely notify each other in writing of its position and shall negotiate in good faith to resolve any such dispute. If the parties can't agree on a dispute resolution process or otherwise resolve the dispute within a period of thirty (30) days from the date of first notice, the said dispute may be filed in the proper court for disposition pursuant to subsection (a) of this clause.

(d) Pending final resolution of any dispute or appeal hereunder, the Seller shall proceed diligently with the performance of the Order as directed by the Buyer. If the dispute arises out of a difference in interpretation between the parties as to the performance requirements of the Order, then Seller shall continue performance as determined by the Buyer.

(e) Except as may be expressly set forth in the Order, Seller shall not acquire any direct claim or direct course of action against Buyer's Customer under this Order.

48. FORCE MAJEURE. Neither party shall be liable for delays in delivery caused by circumstances beyond its reasonable control and without its fault or negligence, including strikes, lockouts, riots, epidemics, pandemics, quarantine restrictions, government action or inaction, war, fire, flood, explosion, acts of God, or acts of terrorism. In no event shall shipping delays, Product shortages, or lack of finances or cash flow shortages be considered as a cause beyond the control of a party. The party affected by the Force Majeure shall give prompt written notice thereof and, upon cessation of the Force Majeure, take all reasonable steps to resume compliance with its obligations. Notwithstanding the above, if such delays extend Seller's delivery or performance date by more than thirty (30) days, Buyer may terminate such part of this Order remaining to be performed. In the event of such termination, the rights and obligations of the parties shall be determined in accordance with the provisions of Clause 18, Termination for Convenience herein.

49. ASSIGNMENT. Seller shall not assign any of its rights or interest in this Order or all or substantially all of its performance of this Order, without Buyer's prior written consent. Seller shall not delegate any of its duties or obligations under this Order. No assignment, delegation or subcontracting by Seller, with or without Buyer's written consent, shall relieve Seller of any of its obligations under this Order or prejudice any of Buyer's rights against Seller. An assignment without Buyer's written consent is ineffective and void. Seller may, however, assign rights to be paid amounts due, or to become due, 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 set-off or recoupment for any present or future claims of Buyer against Seller. Notwithstanding anything herein to the contrary, Buyer may assign this Order to an affiliate of or successor in interest to Buyer, at any time, after providing Seller with written notice of such assignment.

50. SURVIVAL. This term and the following terms shall survive the completion or termination of this Order:

- Clause 7, Warranty;

- Clause 19, Intellectual Property;
- Clause 21, Protection of Proprietary Information;
- Clause 26, Taxes;
- Clause 29, Furnished Property;
- Clause 32, Parts Obsolescence;
- Clause 37, Export/Import Compliance;
- Clause 40, Environmental and Safety Policies;
- Clause 41, Records Retention;
- Clause 43, Indemnification and Insurance;
- Clause 46, Advertising, Announcements, and News Releases;
- Clause 47, Applicable Law, Venue and Disputes; and,
- any Supplemental Terms and Conditions, listed below, that by their nature should survive.

51. WAIVER. Failure by Buyer to enforce any provision(s) of this Order shall not be construed as a waiver of the requirement(s) of such provision(s), or as a waiver of the right of Buyer thereafter to enforce each and every such provision(s).

52. SEVERABILITY. Each paragraph and provision of this Order is severable, and if one or more paragraphs or provisions are declared invalid, the remaining provisions of this Order will remain in full force and effect.

53. ORDER OF PRECEDENCE. In the event of any inconsistency between any parts of this Order, the inconsistency shall be resolved by giving precedence in the following order:

- Mandatory flow downs in Buyer's prime contract, including any applicable FAR or DFARS clauses which require inclusion into the Order;
- Provisions typed on the face of the Order;
- Master or Long-Term Agreement between Buyer and Seller (If applicable);
- These Terms and Conditions;
- Attachment I;
- Statement of Work;
- Specifications or drawings; and
- Other documents, exhibits, and attachments to the Order.

Nothing in these Terms and Conditions shall be construed or interpreted to limit or in any way restrict the rights of the Government in regard to data it owns or has a right to use.

54. RULES OF CONSTRUCTION. Each party has participated fully in the review and negotiation of this Order. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.

55. ELECTRONIC CONTRACTING. Buyer and Seller agree that if this Order, or any ancillary agreement or correspondence, is transmitted electronically neither Buyer nor Seller shall contest the validity thereof on the basis that this Order, or the acknowledgement, ancillary agreement, or correspondence exists only in electronic form, an electronic record was used in its creation or formation, or it contains only an electronic signature or it was generated automatically, without human intervention by a system intended for the purposes of generating same.

56. SUPPLEMENTAL TERMS AND CONDITIONS (FAR OR DFARS FLOW DOWNS) If the Order contains a U.S. Government Prime Contract Number or if any of the Products to be supplied under an Order (or any other Orders placed under the Agreement under which the Order is placed) are to be used on a U.S. Government contract, the FAR and, if applicable, DFARS clauses listed in the GENERAL TERMS AND CONDITIONS FOR PURCHASE ORDERS – ATTACHMENT I are incorporated herein by reference and made a part of these Terms and Conditions. Buyer may flow down other required terms from its prime contracts. Such supplemental terms will be added on the Order.