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1. DEFINITIONS

As used throughout these terms and conditions, the following terms shall have the meanings set forth below.

“Buyer” means GENERAL ATOMICS AERONAUTICAL SYSTEMS, INC., as identified on the first page of the Order.

“Buyer’s Authorized Procurement Representative” means the person(s) with delegated procurement authority to execute and administer the Order.

“Industrial Participation Obligations” means the past, present and future industrial participation, co-production and offset obligations or any similar obligations that Buyer undertakes, in order to market or sell its products and/or services, and to meet other customer country national objectives.

“Order” means the instrument of contracting, issued by Buyer to Seller, to which these terms and conditions are affixed, including the Order, and all referenced documents, attachments and amendments.

“Party” means each of Buyer and Seller, and collectively “Parties.”

“Seller” means the person, firm, or corporation executing the Order with the Buyer and who will furnish the Work provided for herein. For purposes of the Independent Contractor provision herein only, “Seller” shall also include Seller’s agents, representatives, subcontractors, and suppliers at any tier.

“Work” means all labor, supplies, reports, computer software, data, materials, articles, components or assemblies, and services as described in the Order.

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2. HEADINGS

- a. The division of these terms and conditions into clauses, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of these terms and conditions.
- b. The terms “these terms and conditions,” “hereof,” “hereunder,” and similar expressions herein refer to these terms and conditions and not to any particular clause, or other portion and include any terms and conditions supplemental hereto.
- c. Unless something in the subject matter or context is inconsistent therewith, references herein to clauses are to clauses of these terms and conditions.

3. INDEPENDENT CONTRACTOR

- a. Seller is, and shall be deemed to be, an independent contractor and not an agent or employee of Buyer either expressly or impliedly. The employees used by Seller to perform the Work under the Order shall be Seller's employees exclusively without any relation whatsoever to Buyer. Seller assumes full responsibility for the actions and supervision of such personnel while engaged in the Work under the Order, and Buyer assumes no liability for Seller's personnel.
- b. The Order shall not constitute, create, give effect to, or imply a joint venture, teaming arrangement, partnership, formal business organization or any type of permanent relationship of any kind beyond the specific purposes stated herein. Nothing in the Order shall grant to either party the right to make commitments of any kind for, or on behalf of, the other party.

4. PACKING AND SHIPMENT

- a. Seller shall be responsible for ensuring the proper packaging of the Work hereunder without additional charge for boxing, crating, carting, or storage unless otherwise specified in the Order.
- b. The Work shall be suitably packaged to secure the lowest transportation costs and in accordance with the requirements of common carriers, and be packaged to ensure against damage from weather or transportation.
- c. Buyer's Order number must be plainly marked on all invoices, packages, bills of lading and shipping orders. Packing lists shall accompany each shipment showing materials. Buyer's count or weight shall be final and conclusive on shipments not accompanied by packing lists.

5. INSPECTION

- a. Buyer shall be permitted, at no additional cost, to inspect Seller's applicable facilities, including manufacture, fabrication, distribution, warehouse and testing facilities, and to inspect the Work, at reasonable times and places, during manufacture and before shipment in order to review and assess progress and performance under the Order; including, but not limited to, production, schedule and quality. For these purposes, and upon reasonable advance notice, Seller and its lower-tier subcontractor shall provide Buyer access to Seller's applicable facilities and assistance to enable Buyer and its representatives to safely and conveniently perform inspections, and to determine Seller's orderly, timely and satisfactory compliance with the requirements of the Order. Where applicable, Seller shall flowdown this requirement to its lower tier subcontractors.
- b. Whether or not inspections and design or planning reviews are performed by Buyer, Seller shall not be relieved from responsibility to perform all inspection tests and quality assurance measures to comply with the requirements of the Order.
- c. Any Work which fails to meet the Order requirements may be rejected by Buyer in accordance with the Acceptance and Rejection of Work clause contained herein. If delivered to Buyer's destination, rejected Work shall be removed promptly by Seller at Seller's expense.

6. DELIVERY, NOTICE OF DELAY

- a. Timely performance is a critical element of the Order; thus failure to perform in accordance with the schedule under the Order, if unexcused, shall be considered a material breach of the Order. Unless otherwise noted on the Order, the date of delivery shall mean the date the Work is to be delivered at Buyer's facility, or if the Work includes services, the date the services are to be completed. Seller shall not deliver or perform the Work prior to the scheduled dates unless authorized in writing by Buyer's Authorized Procurement Representative.
- b. All deliveries of Work shall be strictly in accordance with the applicable quantities set forth in the Order and all performance of services shall be strictly in accordance with the performance requirements of the Order. Any Work delivered in excess of the quantities specified in the Order may, at the Buyer's option, be retained by Buyer, at the agreed upon purchase price, or returned to Seller, at Seller's sole expense.
- c. In the event of any anticipated or actual delay, including but not limited to delays attributed to labor disputes, Seller shall:
 - (i) promptly notify Buyer in writing of the reason(s) 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, accelerate the Work or ship via air or other expedited routing, at no additional cost to Buyer, to avoid or minimize delay to the maximum extent possible.

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d. If Seller is unable to meet the required delivery and/or performance schedules for any reason, other than a change directed by Buyer, Buyer shall have the option to (i) terminate the Order, or (ii) fill the Order or any portion thereof, from sources other than Seller and to reduce Seller's Work accordingly at no increase in cost, without any penalty to Buyer, or (iii) accept late delivery and/or performance and recover from Seller any costs Buyer incurs caused by the late delivery and/or performance. This condition shall not limit Buyer's rights under the Termination for Default clause contained herein.

7. TITLE AND RISK OF LOSS

- a. Title to Work shall pass to Buyer upon formal acceptance, as set forth in the Acceptance and Rejection of Work clause contained herein, regardless of when or where Buyer takes physical possession, unless the Order specifically provides for earlier passage of title. Acceptance and passage of title shall not impair the right of Buyer to inspect and reject any item, and shall not relieve Seller of any other obligations under the Order.
- b. Seller shall assume and bear the risk of any loss of, or damage to, the Work covered hereby until formal acceptance by Buyer. Seller shall also bear all risks as to rejected items after notice of rejection.

8. WARRANTY

- a. Notwithstanding inspection and acceptance by Buyer of the Work furnished under the Order, Seller warrants that all Work furnished under the Order will be free from defects in material or workmanship, will conform to all requirements of the Order, and in the case of services, will conform to all requirements of the Order and be performed with the degree of professional skill and sound practices and judgment which is normally exercised by recognized professional firms with respect to services of a similar nature.
- b. Seller warrants that all Work ordered to specifications hereunder will conform to the specifications and to any drawings, samples, or other description furnished or adopted by Buyer in connection with the Order. If the Work is not ordered to such specifications, Seller warrants that they will be free from design and specification defects.
- c. All Work furnished hereunder is warranted to be new, merchantable, to be of good material and workmanship, and to be free from defect for a period of 1 year after delivery and/or performance and acceptance by Buyer. If any Work fails to comply in any respect to the warranty set forth above, Seller, at Buyer's option shall promptly repair or replace the Work, or in the case of services, correct or re-perform the services to eliminate the defect. Transportation of replacement Work and return of nonconforming Work shall be at Seller's expense. If re-performance, repair or replacement of the Work is not timely, Buyer may elect to return, repair, replace, re-perform, or re-procure the nonconforming Work at Seller's expense.
- d. All such warranties and guarantees, if any, shall survive inspection or test, acceptance, and payment. All statutory warranties shall apply. Warranties shall run to Buyer, its successors, assigns, and customers.
- e. Seller further warrants that all Work shall comply with the requirements of the Order and shall conform to the highest standards applicable to them.

9. SPECIAL TOOLS

- a. For purposes of this Special Tools clause, "Special Tools" are dies, tools, and/or patterns which are priced separately and acquired by Seller to satisfy the requirements of the Order.
- b. Title shall pass to Buyer upon payment for Special Tool, and shall be properly identified by Seller as such.
- c. If a Special Tool is needed for the manufacture by Seller of the Work, then Seller will hold such Special Tool in good condition, normal wear and tear excepted, and hand over to Buyer, as applicable, at the completion of the Order unless Buyer directs Seller in writing to dispose of such Special Tool.

10. BUYER-FURNISHED PROPERTY AND MATERIAL

- a. If property and materials, including but not limited to drawings, tools, jigs, dies, and fixtures, are furnished by Buyer to Seller for use in performance of the Order, such property and materials shall remain the property of Buyer; and if Seller fails to return such property upon Buyer's demand, Buyer shall have the right, upon reasonable notice, to enter Seller's premises and remove any such property without being liable for trespass or damages of any sort.
- b. Seller shall clearly mark, maintain in inventory, and keep segregated or identifiable all Buyer-furnished property. All such items shall be used only in the performance of work under the Order, unless Buyer consents otherwise in writing.
- c. Seller shall have the obligation to maintain any and all Buyer-furnished property, and all property to which Buyer acquires an interest by the Order, and shall be responsible for all loss or damage to said property except for normal wear and tear.
- d. Seller shall secure and maintain for the benefit of Buyer, insurance against any loss or damage of all property in which Buyer has an interest hereunder. Coverage will be provided on an all risk basis and value will be at replacement cost. Upon request, Seller shall provide Buyer with adequate proof of insurance against such loss or damage.

11. PAYMENT

- a. As compensation for Services performed by Seller, Buyer shall pay Seller as set forth in the Order. Seller represents that the labor rates set forth in the Order include all profit, wages, salaries, overhead, taxes, and other costs and expenses.
- b. Material shall be furnished by Seller except as specifically provided in the Order. Unless otherwise noted, handling charges are included in the labor rates established in the Order. Buyer shall be credited all cash or trade discounts, rebates, allowances (whether or not taken) and the value of any resulting scrap.
- c. Seller shall not take any action hereunder which could cause the amount for which Buyer would be obligated to Seller to exceed the Order price. Seller shall advise Buyer, in writing, when the cumulative billable value of fees for services, materials or other authorized expenses, if any, are equal to 75% of the Order price. Notwithstanding any other provisions of the Order, Buyer shall not be obligated to pay to Seller any amount in excess of the Order price, provided however, that this sum may be increased by Buyer in writing.
- d. Payment date and cash discount period shall be calculated from either the date of Buyer's receipt of an accurate invoice or Buyer's acceptance of the Work and supporting documentation at destination, whichever occurs last. Each invoice shall include Buyer's Order number.
- e. Payment shall be deemed made on the date Buyer's check is mailed or payment is otherwise tendered in United States dollars. Seller shall promptly repay Buyer any amounts paid in excess of amounts due Seller. Buyer shall be entitled at all times to set-off any amount owing at any time from Seller to Buyer against any amount payable by Buyer to Seller.
- f. Overtime shall mean those hours worked in excess of 40 hours during Seller's standard work week. All such overtime must have prior written approval of Buyer's Authorized Procurement Representative.
- g. If Work is performed on Buyer's premises, Buyer shall not be obligated to make any payments to Seller for days designated by Buyer as holidays or shutdown periods, except for Work specifically authorized in writing by Buyer's Authorized Procurement Representative and performed by Seller on such days.

12. ACCEPTANCE OF ORDER

- a. The Order is Buyer's offer to Seller. Acceptance of Buyer's offer is strictly limited to the terms and conditions set forth in the Order.
- b. Any one of the following methods will constitute acceptance of the Order by Seller: (i) acknowledgement in writing; (ii) commencement of performance, or (iii) acceptance of payment. Seller's acceptance of the Order creates a binding contract between Buyer and Seller, which shall be governed by the provisions of the Order.
- c. Modifications hereto, to be binding, must be in writing and signed by Buyer's Authorized Procurement Representative. The rights and obligations described in the Order shall survive completion and final payment of the Order.
- d. **ADDITIONAL OR DIFFERING TERMS OR CONDITIONS PROPOSED BY SELLER OR INCLUDED IN SELLER'S ACKNOWLEDGMENT HEREOF OR IN ANY SHIPPING DOCUMENTS ARE HEREBY OBJECTED TO BY BUYER AND HAVE NO EFFECT UNLESS EXPRESSLY ACCEPTED IN WRITING BY BUYER'S AUTHORIZED PROCUREMENT REPRESENTATIVE.**

13. ACCEPTANCE AND REJECTION OF WORK

- a. Buyer shall accept the Work or give Seller written notice of rejection due to any defect or nonconformance within a reasonable time after the date of delivery or performance. No payment, prior test, inspection, passage of title, any failure or delay in performing any of the foregoing, or failure to discover any defect or other nonconformance shall relieve Seller of any obligations under the Order or impair any rights or remedies of Buyer, including revocation of acceptance. The Buyer's right of rejection contained in this Acceptance and Rejection of Work clause is in addition to and shall not in any way impact or replace Buyer's rights as set forth in the Warranty clause contained herein.
- b. If Seller delivers defective or non-conforming Work, Buyer may at its option and at Seller's expense: (i) require Seller to promptly correct, reperform or replace the Work; (ii) return or reject all or part of the Work for credit or refund; (iii) correct, repair or modify the Work to comply with the Order, or have a third party do so; or (iv) obtain replacement Work from another source. Reperformance of nonconforming Work shall be at Seller's expense. If re-performance, repair or replacement of the Work is not timely, Buyer may elect to return, repair, replace, or re-procure the nonconforming Work at Seller's expense.
- c. Seller shall not redeliver corrected or rejected Work without disclosing the former rejection or requirement for correction. Seller shall disclose any corrective action taken. Repair, replacement and other correction and reperformance shall be completed by Seller as Buyer may reasonably direct.

14. COUNTERFEIT GOODS

- a. Seller shall not furnish Counterfeit Goods to Buyer. The term “Counterfeit Goods” is defined as Work or separately-identifiable items or components of the Work that:
- (i) are an unauthorized copy or substitute of an original equipment manufacturer or original component manufacturer (collectively, “OEM”) item;
 - (ii) are not traceable to an OEM sufficient to ensure authenticity in OEM design and manufacture;
 - (iii) do not contain proper external or internal materials or components required by the OEM or are not constructed in accordance with OEM design;
 - (iv) have been reworked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OEM design but not disclosed as such or are represented as OEM authentic or new; or
 - (v) have not passed successfully all OEM required testing, verification, screening, and quality control processes.
- b. Notwithstanding the foregoing, any Work that contains modifications, repairs, re-work, or re-marking as a result of Seller’s or its subcontractor’s design authority, material review procedures, quality control processes or parts management plans, and that have not been misrepresented or mismarked without legal right to do so, shall not be deemed Counterfeit Goods. Counterfeit Goods are deemed nonconforming to the Order.
- c. Seller shall implement an appropriate strategy to ensure that any Work furnished to Buyer under the Order does not include Counterfeit Goods. Seller’s strategy shall include, but not be limited to, the direct procurement of items from OEMs or authorized suppliers, conducting approved testing or inspection to ensure the authenticity of items and, when items are to be procured from non-OEM suppliers, obtaining from such non-OEM suppliers appropriate certificates of conformance that provide one or more of the following: (i) the OEM’s original certificate of conformance for the item; (ii) sufficient records providing unbroken supply chain traceability to the OEM; or (iii) test and inspection records demonstrating the item’s authenticity.
- d. If Seller becomes aware or suspects that it has furnished Counterfeit Goods to Buyer under the Order, Seller shall promptly notify Buyer and replace, at Seller’s expense and in no case later than 30 days from discovery, such Counterfeit Goods with OEM or Buyer-approved items that conform to the requirements of the Order. Seller shall be liable for all costs related to the replacement of Counterfeit Goods and any testing or validation necessitated by the installation of authentic Work after Counterfeit Goods have been replaced.
- e. Seller bears responsibility for procuring authentic Work from its subcontractors, and shall ensure that all such subcontractors comply with the requirements of this Counterfeit Goods clause.

15. CONFLICT MINERALS

Work delivered to Buyer shall be free of any known conflict minerals, as defined by the Securities and Exchange Commission (“SEC”) at [17 CFR PARTS 240 and 249b](#), (Dodd-Frank Act Section 1502). If Seller is a registrant with the SEC, Seller shall comply with all the conflict minerals reporting requirements, and perform appropriate due diligence on its supply chain in order to fulfill the reporting obligations of the conflict minerals rule.

16. DIMINISHING MANUFACTURING SOURCES

- a. The Parties recognize that components become obsolete or suppliers at times discontinue or reduce manufacture of components. In the event a component is no longer to be stocked or manufactured as part of Seller’s product or product line, Seller shall notify Buyer’s Authorized Procurement Representative in writing of any pending future action as soon as Seller is aware of any obsolescence issue or has made such decision and no later than 180 days in advance, whichever comes first.
- b. Seller shall provide Buyer with a “Last Time Buy Notice” to allow Buyer the opportunity to purchase additional quantities of components and shall take all reasonable steps to investigate an alternate part.

17. CHANGES

- a. Buyer’s Authorized Procurement Representative may, at any time, issue written directions to Seller requiring changes within the general scope of the Order, including but not limited to, changes to: (i) description of services; (ii) drawings, designs, specifications, planning, and/or other technical documents; (iii) method of shipment, packaging, or packing; (iv) place of inspection, acceptance or delivery; (v) quantities or delivery schedules or both; and, (vi) place of performance. Seller shall proceed with the Work as directed.
- b. If any such direction results in a material change in the amount or character of the Work under the Order, an equitable adjustment in the Order price and other such provisions of the Order as may be affected shall be made and the Order shall be modified in writing accordingly. Any claim by Seller for an adjustment under the Changes clause must be (i) asserted in writing, and delivered to Buyer, within 15 days from the date of receipt by Seller of the notification of change, and (ii) a

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fully supported proposal delivered to Buyer within 45 days after Seller's receipt of such direction. Buyer reserves the right to examine any of Seller's pertinent books and records for the purpose of verifying Seller's claim.

- c. Whether made pursuant to the Changes clause or by mutual agreement, changes shall not be binding upon Buyer until agreed to in writing, as set forth in the Writings Required clause herein.
- d. The issuance of information, advice, approvals, assistance or instructions by Buyer's technical personnel or other representatives shall be deemed expressions of personal opinions only and no such action shall be deemed to be a change under this Changes clause, and shall not be the basis for any equitable adjustment. Furthermore, such expressions of personal opinions shall not affect Buyer's and Seller's rights and obligations hereunder unless the same is in writing and signed by Buyer's Authorized Procurement Representative, and which will expressly state that it constitutes a modification or change to the Order.
- e. Failure to agree to any adjustment shall be a dispute within the meaning of the Disputes clause herein.

18. QUALITY CONTROL

- a. Seller shall have a quality management system acceptable to Buyer, and shall comply with the quality clauses specified in the Order and/or any other specific quality requirements identified in the Order for the Work. The quality and/or inspection system for Work is subject to review, verification and analysis by representatives of Buyer's Quality organization.
- b. Seller shall permit Buyer, authorized Customer representatives, and regulatory authorities (when applicable) access to its facilities at all reasonable times to review procedures, practices, processes and related documents to determine such acceptability.
- c. Seller shall have a continuing obligation to promptly notify Buyer of any known or reasonably suspected violation of or deviation from Seller's approved inspection/quality control system and to advise Buyer of the quantity and specific identity of any Work delivered to Buyer that may be affected.
- d. Seller agrees to identify processes for selecting, qualifying and managing its subcontractors or suppliers, managing product and processes, flowing down applicable requirements to its subcontractors or suppliers, and assessing its subcontractors or suppliers capabilities for compliance.

19. WRITINGS REQUIRED

- a. No notice, order, direction, determination, requirement, consent, approval, or ratification under the Order shall bind either Party unless provided in writing.
- b. No oral statements of any person whatsoever shall, in any manner or degree, modify or otherwise affect the terms of the Order.
- c. No extra charge of any kind, or change in the price or schedule of the Order will be allowed unless specifically agreed to in writing and signed by Buyer's Authorized Procurement Representative and an authorized representative of Seller.

20. RECORDS

- a. Unless a longer period is specified in the Order or by law or regulation, Seller shall retain all records related to the Order for 5 years from the date of final payment received by Seller. This includes documents pertaining to the time worked, costs, expenses and allowances incurred in the performance of the Order in sufficient detail to properly reflect all net costs (direct and indirect) of labor, materials, equipment supplies, services and other costs and expenses for which reimbursement or compensation is claimed.
- b. The labor hours shall be supported by a timekeeping system acceptable to Buyer and shall include evidence of actual payment. Buyer shall have the right to assign representatives to Seller's plant for the purpose of verifying the number and type of direct hours being incurred and making such audit and check of Seller's activities as may be reasonably required. Material charges shall be supported by paid invoices or storeroom requisitions. Upon request, Seller shall make available to Buyer data relative to payroll policies and procedures, including but not limited to collective bargaining agreements with respect to wage payments for straight time, overtime, holidays.
- c. Records related to the Order shall date back to the time the Order was issued, and shall include, but are not limited to, financial, proposal, catalogs, price lists, invoices, and underlying data, and basis for cost estimates, procurement, specifications, production, inventory records, inspection, test, quality, shipping and export, certifications, and receipt records.
- d. Buyer shall have access to such records, and any other records Seller is required to maintain under the Order, for the purpose of audit during normal business hours, upon reasonable notice for as long as such records are required to be retained. Audit rights shall be available to Buyer, at no additional cost, on all performance related reports and other records, except records pertaining to proprietary indirect cost data. Audit of any proprietary indirect cost data, if deemed necessary, may be accomplished through a third party auditor selected by mutual agreement from a nationally recognized firm of certified public accountants.
- e. As a result of any audit performed by Buyer, payments previously made to Seller shall be subject to adjustment for over

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payment or under payment, respectively. Seller shall submit its final invoice promptly after completion of Work. Upon approval of Seller's final invoice and substantiating documentation and upon compliance by Seller with all terms of the Order, Buyer shall promptly pay any balance due to Seller.

21. STOP WORK ORDER

- a. Buyer's Authorized Procurement Representative may, at any time, by written notice to Seller issue a Stop Work Order (SWO) requiring Seller to stop all or part of the Work called for by the Order. Seller shall immediately comply with the SWO, and take all reasonable steps to minimize incurring costs allocable to the Work covered by the SWO during the period of work stoppage.
- b. Within 180 days after the SWO is delivered to Seller, Buyer shall either: (i) extend the SWO, (ii) withdraw the notice and direct Seller to resume Work, or (iii) terminate the Work and the Order, or part thereof, pursuant to the appropriate provision of the Order.
- c. Buyer and Seller shall negotiate an equitable adjustment in the price or schedule or both if: (i) the 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 and/or performance schedule; and (iii) Seller submits a claim for adjustment within 30 days after the end of the period of work stoppage; however, Seller shall not be entitled to any equitable adjustment for any SWO issued due to Seller's performance problems under this Order.

22. TERMINATION FOR CONVENIENCE

- a. Buyer may, at any time by written notice, terminate all or part of the Order for its sole convenience. In the event of such termination, Seller shall immediately discontinue all Work on the terminated portion of the Order hereunder and shall immediately cause any and all of its suppliers and/or subcontractors to terminate such Work.
- b. Seller shall take any necessary action to protect property in Seller's possession in which Buyer has an interest, and direct subcontractors to do the same.
- c. Subject to the terms of the Order, within 90 days after the effective date of termination under this Termination for Convenience clause, Seller may submit to Buyer a claim reflecting the percentage of the Work performed prior to the effective date of such termination for convenience, plus substantiated costs that Seller can demonstrate to the satisfaction of Buyer have resulted from the termination for convenience.
- d. Seller shall not be paid for any Work performed or costs incurred which reasonably could have been avoided. Further, Seller shall not be paid, and in no event shall Buyer be obligated to pay, lost or anticipated profits or unabsorbed indirect costs or overhead. In no event shall Buyer be obligated to pay Seller any amount in excess of the aggregate Order price.
- e. The provisions of this Termination for Convenience clause shall not limit or affect the right of Buyer to cancel the Order for default pursuant to the Termination for Default clause herein.
- f. Seller shall agree to continue all Work not terminated under this Termination for Convenience clause.

23. TERMINATION FOR DEFAULT

- a. Buyer may, by written notice to Seller, cancel all or part of the Order: (i) if Seller fails to deliver and/or perform the Work within the time specified by the Order or any written extension; (ii) if Seller fails to comply with any provision of the Order or fails to make progress, so as to endanger performance of the Order, and, in either of these two circumstances, within 10 days after receipt of notice from Buyer specifying the failure, does not cure the failure or obtain Buyer approval of a written detailed plan adequate to cure the failure if such failure reasonably cannot be cured within such 10 days ; or (iii) in the event of Seller's bankruptcy, suspension of business, insolvency, appointment of a receiver for Seller's property or business, or any assignment, reorganization or arrangement by Seller for the benefit of its creditors.
- b. In the event Buyer terminates or cancels the Order in whole or in part as provided hereinabove, Buyer may procure Work similar to that which is terminated, and Seller shall be liable to Buyer for any excess costs for such replacement Work. Seller shall continue performance of the Order to the extent not terminated under the provisions of this clause.
- c. Buyer may require Seller to transfer title and deliver to Buyer, as directed by Buyer, any (i) completed Work, and (ii) any partially completed Work and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and contract rights (collectively, "Manufacturing Materials") that Seller has specifically produced or acquired for the canceled portion of the Order. Upon direction from Buyer, Seller shall also protect and preserve property in its possession in which Buyer has an interest.
- d. Buyer shall pay the Order price for completed Work accepted. In addition, any payment for manufacturing materials accepted by Buyer and for the protection and preservation of property shall be in an amount agreed upon by Buyer and Seller. Buyer may withhold from any amount due under the Order any sum Buyer determines to be necessary to protect Buyer against any possible loss due to outstanding liens or claims of former lien holders.
- e. The rights and remedies of Buyer provided in this Termination for Default clause shall not be exclusive and are in addition to any other rights and remedies provided by law or in the Order.

24. PROPRIETARY INFORMATION

- a. Buyer and Seller shall each keep confidential and protect from unauthorized use and disclosure, during the term of the Order, and for a period of 10 years thereafter all
 - (i) confidential, proprietary and/or trade secret information, including Buyer-provided specifications and Buyer-provided information pertaining to qualification, certification, manufacturing, and/or quality testing and procedures;
 - (ii) tangible items and software containing, conveying or embodying such information; and
 - (iii) tooling identified as being subject to this clause that is obtained, directly or indirectly, from the other in connection with the Order or other agreement, including Buyer's contract with its customer, if any, (collectively referred to as "Proprietary Information and Materials").
- b. Buyer and Seller shall not disclose to anyone (other than to persons the Parties may designate in writing) or, except in the performance of the Order, make use of information or knowledge relating to details of the business or any other confidential or proprietary information of the Parties or its affiliates, suppliers, or customers which the Parties shall have obtained because of the Order; whether such information was provided in a written medium or conveyed orally or visually and identified as confidential or proprietary at the time the information was disclosed
- c. Buyer and Seller shall each use "Proprietary Information and Materials" of the other only in the performance of and for the purpose of the Order, other contracts between the Parties, and Buyer's contract with its customer, if any. Buyer and Seller shall take all reasonable measures to protect each other's "Proprietary Information and Materials," which measures shall be at least equal to those with which the Parties use to protect its own confidential or proprietary information.
- d. All proprietary rights embodied in designs, tools, patterns, drawings, information data, and equipment supplied by Buyer under the Order are reserved to Buyer and their use is restricted to the work to be performed hereunder. Seller agrees to retain in confidence and, upon request, return to Buyer on completion, termination or cancellation of the Order, all designs, drawings, specifications, and technical information of every kind belonging to Buyer and furnished to Seller in connection with the Order, unless specifically directed otherwise in writing by Buyer.
- e. Notwithstanding the foregoing subparagraph (a), Seller shall have no obligation with respect to any confidential or proprietary information which the Seller can demonstrate (i) was in Seller's rightful possession free of any obligation of confidence prior to its first receipt from Buyer, (ii) is publicly known through no fault of Seller, (iii) is obtained from a third person who had a right to disclose it, or (iv) was independently developed without access to any confidential or proprietary information of Buyer.

25. INTELLECTUAL PROPERTY

- a. Intellectual Property ("IP") - means inventions, discoveries and improvements; know-how; technical data, drawings, specifications, process information, reports and documented information; and computer software. IP includes all worldwide common law and statutory rights to the foregoing, including but not limited to, patents, industrial designs, trade secrets, copyrights, mask work registrations, and the like.
- b. Background IP - Seller shall retain ownership of all IP owned or developed by Seller prior to the effective date of or outside the scope of the Order. Seller grants to Buyer an irrevocable, nonexclusive, sublicensable, perpetual, paid-up, royalty-free, worldwide license (i) to use, reproduce, distribute, modify, and prepare derivative works of such Background IP and (ii) to use, make, have made, offer for sale, sell, distribute and import products and services that incorporate or embody such Background IP; in each case solely as necessary for the purpose of exploiting Buyer's rights in the Work or Foreground IP (as defined below). Seller grants to Buyer such license rights for any purpose in the event Buyer cancels all or part of the Order for Seller default in accordance with the Termination for Default clause of these terms and conditions or in the event Buyer, in its own judgment, must provide Seller with design, manufacturing, or on-site support substantially in excess of what is required of Buyer under the Order in order for Seller to comply with the Order.
- c. Employee Agreements - Seller shall obtain agreements with its personnel to enable the grant of rights to which Buyer is entitled under this clause.
- d. Third Party IP - To the extent Seller incorporates third-party IP into any contract deliverable, Seller shall obtain for Buyer at least the license rights granted above in paragraph "b" of this clause in such third-party IP, at no additional cost to Buyer.
- e. Foreground IP -
 - (i) All IP conceived, developed, or first reduced to practice by, for, or with Seller, either alone or with others, in performance of the Order (collectively, "Foreground IP") shall be the exclusive property of Buyer. To the extent Foreground IP consists of works of authorship, such works shall be works made for hire with the copyrights vesting in Buyer. Seller hereby transfers, conveys, and assigns all right, title and interest in such Foreground IP free of charge to Buyer. Seller hereby irrevocably transfers, conveys, and assigns all right, title and interest in any other Foreground IP not considered a work made for hire free of charge to Buyer. Seller shall protect Foreground IP that is Proprietary Information and Materials as required by the Order, and shall mark documents or portions of documents containing Foreground IP as "GA-ASI Proprietary" information or as otherwise directed by Buyer in writing.

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(ii) Seller will, within 2 months after conception or first actual reduction to practice of any invention and prior to Order completion, disclose in writing to Buyer all inventions, whether or not patentable, in sufficient technical detail to clearly convey the invention to one skilled in the art to which the invention pertains. Seller shall promptly execute all written instruments, and assist as Buyer reasonably directs in order to file, acquire, prosecute, maintain, enforce and assign Buyer's Foreground IP rights. Seller hereby irrevocably appoints Buyer and any of Buyer's officers and agents as Seller's Attorney-in-Fact to act on Seller's behalf and instead of Seller, with the same legal force and effect as if executed by Seller, with respect to executing any such written instruments.

(iii) Buyer grants to Seller a non-exclusive, royalty-free right during the term of the Order to use, reproduce, modify, practice and prepare derivative works of any Foreground IP solely as necessary for Seller to perform its obligations under the Order, except that, notwithstanding the foregoing, Seller may use and disclose Proprietary Information and Materials as permitted under the Order. Seller shall not, without Buyer's prior written consent, use Foreground IP or such derivative works in any manner not authorized under the Order, including, but not limited to, developing, manufacturing, obtaining a certification to manufacture, offering for sale or selling any product, equipment, or service which utilizes or is enabled by Foreground IP.

26. PATENT RIGHTS

If the Order is for, or includes, experimental, development, or research work to be performed in accordance with Buyer's direction, Seller agrees to disclose and, upon request, to assign to Buyer inventions conceived or first actually reduced to practice in the course of or in support of the Order.

27. ADVERTISING, USE OF NAME

- a. Seller shall not, without first obtaining the written consent of Buyer, in any manner advertise or publish the fact that Seller has furnished or contracted to furnish Buyer the Work provided for in the Order. Seller shall require that its subcontractors at any tier adhere to this same policy, and shall be responsible for any breach of such obligation by any of its subcontractors.
- b. Seller agrees that it shall not use the Buyer's name or logo, nor any adaptation or variation thereof, in any manner whatsoever (including, but not limited to, website(s), press releases, reference lists, or similar public announcements concerning the Order or projects contemplated by the Order), without the Buyer's prior written consent in each instance.

28. CONFLICT OF INTEREST

- a. Seller shall exercise reasonable care and diligence during the term of the Order to prevent any action or condition which could result in the appearance of, or an actual, conflict of interest with those of Buyer. This obligation shall include the activities of the employees or agents of Seller and its family members in their interactions with the employees of Buyer and its family members, or Buyer's customer representatives, vendors, suppliers, or subcontractors.
- b. If Seller identifies an actual or potential conflict of interest during the performance of the Order, Seller will immediately make full disclosure in writing to the Buyer.
- c. During the term of the Order, Seller agrees not to enter into any type of contracts that will give rise to a conflict of interest as a result of Seller's performance of work under the Order. A breach of this clause will authorize Buyer to terminate the Order for default.

29. INSURANCE AND PRECAUTIONS

- a. Insurance: Seller shall procure and maintain during the term of the Order, and at its expense, insurance in sufficient amounts to ensure its obligations and liabilities hereunder. Such insurance shall include at a minimum the following:
 - (i) Automobile liability insurance protecting the Seller from automobile bodily injury and property damage liability with limits of at least \$1,000,000 per person and \$1,000,000 per occurrence for bodily injury and \$1,000,000 per occurrence for property damage.
 - (ii) Comprehensive general liability insurance which includes broad form contractual, property damage, products/completed operations, personal injury, premises-operations, independent contractors and subcontractors and fire legal liability. Coverage will be on a per occurrence basis with limits of liability no lower than \$1,000,000 per occurrence and \$1,000,000 aggregate combined single limit, personal injury, bodily injury and property damage.
 - (iii) Such insurance of employees as may be required by any workers' compensation act or other law, regulation or ordinance which may apply in the circumstances.
- b. For (a) above, such policies shall name Buyer as additional insured when requested by Buyer.
- c. Certificates of Insurance: Upon request of Buyer, Seller shall furnish to Buyer certificates of insurance setting forth the amount(s) of coverage, policy number(s) and date(s) of expiration for insurance maintained by Seller and, such certificates will provide that Buyer shall receive 30 days prior written notification from the insurer of any termination or reduction in

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the amount or scope of coverage. Seller's purchase of appropriate insurance coverage or the furnishing of certificates of insurance shall not release Seller of its obligations or liabilities under the Order.

- d. Self-Assumption: Any self-insured retention, deductibles and exclusions in coverage in the policies required under this Insurance and Precautions clause shall be assumed by, for the account of and at the sole risk of Seller or its subcontractor which provides the insurance and, to the extent applicable, shall be paid by such Seller or its subcontractor. In no event shall the liability of Seller or any of its subcontractors thereof be limited to the extent of any of the minimum limits of insurance required herein.
- e. Protection of Property: If Seller's work under the Order involves operations by Seller on Buyer's premises, Seller agrees to comply with all the rules and regulations established by Buyer for access to and activities in and around premises controlled by Buyer or Buyer's customer, and take all proper precautions in its operations against the occurrence of injury to any person or damage to property, and to be responsible for and to hold Buyer harmless from all loss and any claim by reason of injury, including death, to any person or damage to property in connection with such work, and from all fines, penalties, or loss incurred by reason of failure to comply with this clause.

30. INDEMNIFICATION

- a. Seller agrees to indemnify, defend, and hold harmless Buyer, Buyer's officers, agents, employees, and customers against all suits or actions, claims and liabilities, including costs and expenses, attorney's fees and cost of litigation, judgments, liens, and awards for: (i) any asserted trademark, copyright, or patent infringement or other intellectual property right of third parties arising from the manufacture, use, or sale of Work furnished to Buyer under the Order, except where such Work is in accordance with Buyer's detailed design or specification and Seller gives prompt notice to Buyer of such claims which come to Seller's attention; (ii) any breach of representations, certifications, and warranty of Seller hereunder, and (iii) damages of any kind and nature whatsoever incurred by Buyer or any third party for property damage, personal injury or death (including without limitation injury to or death of employees of Seller or any subcontractor thereof), as a result of, arising out of or in any way related to Seller's performance of the Order.
- b. Buyer shall notify Seller in writing of such claim and Buyer shall provide Seller with reasonable information and assistance, at Seller's expense, for the defense thereof.

31. TAXES

- a. Unless Buyer furnishes a valid exemption certificate or other similar evidence of exemption for the taxing jurisdiction in question, Buyer will bear all timely and applicable sales, use, or similar taxes now or hereafter properly imposed on Buyer in respect to the Order or transaction.
- b. Seller agrees to notify Buyer promptly of any proposed or contemplated assessment of additional taxes to be borne by Buyer under subparagraph (a) of this Taxes clause as the result of an audit or other tax review by an applicable governmental agency, prior to payment of such proposed additional taxes. Buyer's obligation to pay such additional tax is subject to such notification permitting Buyer to review the findings of the alleged tax increase prior to payment.
- c. Seller further agrees to take all steps necessary (as requested by Buyer, on account of Buyer, and in cooperation with Buyer) to secure any applicable refunds of any such taxes borne by Buyer under subparagraph (a) of this Taxes clause when such taxes paid by Buyer in whole or in part are subsequently deemed inapplicable.

32. SUBCONTRACTING

- a. Seller will notify Buyer before subcontracting 30% or more of the Order. This is not a restriction on authorized distributors, dealers, wholesaler or industrial suppliers; the purchase of raw materials or standard commercial articles is not a subcontract within the meaning of this clause.
- b. Seller shall require that its subcontractors or suppliers adhere to this same requirement.

33. CYBER SECURITY

Buyer is enhancing its cyber security defenses to minimize cyber-attacks. Seller will support this effort by employing appropriate tools and practices, at Seller's expense, to protect Buyer-provided data, and will notify Buyer within 2 days if a cyber-attack has been detected which may have compromised Buyer's data.

34. FORCE MAJEURE

- a. Neither Seller nor Buyer shall be liable for any failure or delay in performing its obligations hereunder, or for any loss or damage resulting therefrom, due to any cause beyond their reasonable control and without their fault or negligence. Such causes include, but are not limited to: (i) acts of God, war, riot, embargos, acts of civil or military authorities, fire, flood, epidemics, terrorism, quarantine restrictions, strikes, freight embargoes, or unusually severe weather affecting either party; or (ii) similar causes beyond their control and which are not foreseeable or causes beyond the reasonable control of their subcontractors which are not foreseeable.

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- b. The Party whose performance is so affected shall notify the other Party in writing within 10 days after the beginning of any such cause(s). In all cases, Parties shall use reasonable efforts to avoid or minimize all such failures or delay in performing their obligations hereunder, including exercising work-around plans or obtaining the Work from other sources.

35. COMPLIANCE WITH LAWS

Seller agrees that in performing its duties under the Order, Seller will conduct itself in adherence to and comply with all applicable Federal, State and local laws, statutes, rulings, ordinances, orders, and regulations in effect on the date of the Order.

36. EXPORT CONTROLS

- a. Information exchanged pursuant to the Order may include the use of, or access to, Technical Data and Defense Services (as defined in the Export Regulations defined herein) that is subject to export controls under 22 Code of Federal Regulations 120-130 (International Traffic in Arms Regulations) or 15 Code of Federal Regulations 768-799 (Export Administration Regulations) and their successor and supplemental laws and regulations (collectively hereinafter referred to as "Export Regulations").
- b. U.S. Law prohibits the transfer or export of Technical Data and Defense Services without an export license to any employee or other person who is not a United States Citizen or Permanent Resident Alien, as well as to corporations or to any other entity, organization or group that is not incorporated or otherwise organized to do business in the United States.
- c. Seller shall comply with all "Export Regulations" of the Government and the government of any country in which the Parties conduct business pursuant to the Order.
- d. In the event that any required approvals, clearances, and/or export or import authorizations cannot be obtained or maintained (or there is an extraordinary, significant delay in obtaining them), Seller shall immediately notify Buyer's Authorized Procurement Representative.
- e. Seller shall indemnify and save harmless Buyer from and against any and all damages, liabilities, penalties, fines, costs, and expenses, including attorney fees, arising out of claims, suit, allegations or charges of Seller's failure to comply with all applicable "Export Regulations" of the United States. Any failure of Seller to comply with the provisions of this Export Controls clause shall be a material breach of the Order.
- f. Seller acknowledges that it will be responsible for ensuring that all Government export control requirements will be conveyed to all sub-tier suppliers or subcontractors that will be provided or may have access to Technical Data and Defense Services provided under the Order.

37. INDUSTRIAL PARTICIPATION OBLIGATIONS

- a. Notwithstanding that the Order may or may not be issued in direct support of a foreign sale, Seller agrees to support Buyer's Industrial Participation Obligations.
- b. To the exclusion of all others, Seller agrees that Buyer, its subsidiaries, affiliates or its designees may use the value of the Order to satisfy Industrial Participation Obligations that Buyer may have with Seller's country. Seller shall provide documentation or information which Buyer or its assignees may reasonably request to substantiate claims for industrial benefits or Industrial Participation Obligations credits.
- c. Seller agrees to identify and retain for Buyer's use any Industrial Participation Obligations credits generated from the content of the Work which Seller either performs itself and/or procures from suppliers for work arising out of or related to the Order. Promptly after selection of a non-U.S. supplier for work under the Order, Seller shall notify Buyer of the name, address, supplier point of contact (including telephone number) and dollar value of the subcontract. To the exclusion of all others, Seller agrees that Buyer, its subsidiaries, affiliates or its designees may use the value of such credits to satisfy Industrial Participation Obligations that Buyer may have.
- d. Buyer reserves the right to assign Industrial Participation Obligation credits generated through Seller's efforts under the Order to third parties.
- e. Seller shall include the substance of this Industrial Participation Obligations, in favor of Buyer, in its subcontracts issued at all tiers pursuant to the Order.

38. ASSIGNMENTS, CHANGES TO NAME OR PLACE OF MANUFACTURE

- a. Seller will not assign or transfer the Order, including by operation of law, in whole or in part, nor any payments due or to become due hereunder, without the prior written consent of Buyer. In the event written consent is granted, Seller shall promptly supply Buyer with documentation supporting any such assignment.
- b. Payment to an assignee of any claim hereunder shall be subject to set-off or recoupment for any present or future claims which Buyer may have against Seller.
- c. Seller shall provide prior written notice to Buyer of any proposed name changes, mergers or acquisitions affecting the Order.
- d. Seller shall not change the location of performance or manufacture of the Work to be provided to Buyer under the Order without Buyer's prior written consent.

39. DISPUTES

- a. In the event of a dispute between Buyer and Seller, with respect to the rights, duties, or obligations of the Parties hereunder, the dispute shall be submitted in writing for resolution to ascending levels of management of the respective Parties up to the executive level.
- b. If the parties' ascending levels of management are unable, after good faith efforts, to settle the dispute to the mutual satisfaction of both Parties within 60 calendar days after the dispute is submitted in writing, or such later date as the Parties may have agreed in writing, either Party may submit the dispute to a court of competent jurisdiction. **TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY AGREES TO WAIVE ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY.** Notwithstanding the above, either Party may seek injunctive or other equitable relief, at any time, in any court of competent jurisdiction within the State the Order was issued.
- c. Pending final resolution of any dispute, Seller shall proceed with performance under the Order, unless otherwise instructed by Buyer.

40. APPLICABLE LAWS

The Order and any dispute arising hereunder shall be governed by the substantive and procedural laws of the State of California, except, however, that California's choice of law provisions shall not apply.

41. ATTORNEY FEES

If it is necessary for either party to obtain legal representation to enforce any part of the Order, the non-prevailing party agrees to bear the court costs and the attorney fees of the prevailing party.

42. NON-WAIVER

The failure of Buyer to insist, in one or more instances upon performance or to exercise any rights shall not waive or relinquish to any extent Buyer's right to assert or rely upon any such terms or rights on any future occasion.

43. PRECEDENCE

If any of the provisions of the Order are in conflict, the following will be the order of precedence:

- (i) full text provisions contained within the Order;
- (ii) terms and conditions contained herein and referred to as TC-06;
- (iii) statement of work (the most recently agreed to and issued version of statement of work shall control, and Buyer's statement of work will prevail over any subsidiary documents referenced therein);
- (iv) specifications attached or incorporated by reference (the most recently agreed to and issued version of specifications shall control, and Buyer's specifications will prevail over any subsidiary documents referenced therein), and
- (v) other documents, exhibits, or appendices attached to or incorporated by reference into the Order.

In the event of any conflicting provisions, Seller shall promptly notify Buyer thereof.

44. ENTIRE AGREEMENT

- a. These terms and conditions, and those on the face of the Order to which this form is attached, including other specifications or documents incorporated by reference, constitute the complete and exclusive agreement between Buyer and Seller, and supersede all previous negotiations, discussions, communications, representations, agreements, arrangements or understandings, whether written or oral, between the parties related to the subject matter of the Order.
- b. No course of prior dealings between the Parties, and no usage of trade, shall be relevant to supplement or explain any term used in the Order.
- c. No agreement or understanding varying or extending the terms or conditions of the Order will be binding unless executed in writing by Buyer's Authorized Procurement Representative.
- d. If any provision of the Order is declared to be invalid, illegal or unenforceable by a court of competent jurisdiction, the remainder of the provisions in the Order shall remain valid, enforceable and in full force and effect, and the Parties will negotiate in good faith to substitute a provision of like economic intent and effect.