



Purchase Order Terms and Conditions

Prior to accepting this Purchase Order, Buyer urges the Seller to read and understand fully the terms and conditions under which said Purchase Order is issued. Should there be any questions involving these terms and condition the Seller should contact the Buyer's Contractual Point of Contact listed in the Purchase Order.

Defense Priorities and Allocation Systems (DPAS): If a DPAS rating is indicated on the Purchase Order, this Purchase Order is a "rated order" certified for national defense, emergency preparedness, and energy program use, and the Seller shall follow all the requirements of the Defense Priorities and Allocations Systems (DPAS) regulation (15 CFR 700). Acknowledgement of the Purchase Order in writing is required within 10 days ARO on all DX rated orders, and within 15 days ARO on all DO rated orders.

Definitions - As used herein, the following terms have the meanings so indicated: a) "Items" means goods and/or services ordered by Buyer from The Seller pursuant to a Purchase Order. b) "Purchase Order" means a transmission by Buyer to The Seller, electronically through a computer network or otherwise, by mail of hard copy, or by such other means as may be agreed (each a "transmission"), containing a Purchase Order number, a supplier code number, an item, identification or specification number, engineering change number or material code number, and/or such other information evidencing an offer to The Seller by Buyer relating to the purchase of goods or services. c) "Purchase Order Revision" means a transmission revising the information contained in a Purchase Order. d) "Goods" and "Services". The term "goods" as used herein means any and all products, chemicals, parts, products, machines, tooling, test equipment technical data, computer software, computer software documentation, and other tangible items or documentary information furnished or required to be furnished by The Seller under this Purchase Order other than labor. The term "services" means any and all technical assistance, consultation, engineering, program management, and other effort furnished or required to be furnished by The Seller under this Purchase Order other than labor furnished in connection with the product of goods.

- 1. Acceptance and Modifications of Purchase Order:** Agreement by Seller to furnish the goods hereby ordered, signing, and returning a copy of Purchase Order, commencement of performance, shipment of goods, or acceptance of any payment, shall constitute Seller's unqualified acceptance of this Purchase Order subject to these terms and conditions. Any terms or conditions proposed by Seller inconsistent with or in addition to the terms and conditions contained herein shall be void and of no effect unless specifically agreed to by Buyer in writing. Modifications hereof or additions hereto, to be effective, must be made by Seller in writing and be signed by Buyer.
 - 2. Contractual Direction:** Only the Buyer has authority on behalf of Buyer to make changes to this Purchase Order. Buyer's engineering and technical personnel may from time-to-time render assistance or given technical advice, discuss or affect an exchange of information with Seller's personnel concerning the goods hereunder. No such action shall be deemed to be a change under the "Change" article of this Purchase Order and shall not be the basis for equitable adjustment. Except as otherwise provided herein, all notices to be furnished by Seller shall be in writing and sent to the Buyer's Procurement Representative.
 - 3. Invoice and Payment:** Original Invoice shall be submitted to accounts payable for each delivery of goods and contain the following information: purchase order number; unique invoice number, invoice date, remit to address, line-item number, description of good, part number, size, quantity, unit price, extended line item total and total invoice price. Any invoice submitted hereunder will be paid Net 30 (N30) Days after receipt of proper invoice and acceptance of delivered goods by the Buyer. Before payment, Buyer may make any adjustments to Seller's invoice to accommodate shortages, late delivery, rejections, or other failure to comply with the requirements of this Purchase Order. Payment discounts will be taken from the date of an acceptable invoice. Payment shall not constitute final acceptance. Buyer may offset against any payment hereunder for any amount owed to Buyer by Seller. In the event of an overpayment, Seller shall promptly repay Buyer any amount paid in excess of amounts due to Seller.
- By submitting invoice to the Buyer, Seller acknowledges that all Purchase Order terms and conditions were followed, and services/products were provided in compliance with all applicable U.S. laws and regulations.
- 4. Taxes:** All taxes, including, but not limited to, federal, state, and local income taxes; franchise taxes; federal, state and local sales and use taxes (except sales or use taxes imposed on account of a transaction made under this Agreement); gross receipts taxes; and property taxes, are deemed to be included in the price of the goods. If state or local sales or use tax, value-added tax, or custom duty tax is applicable to any of the goods, it will be so noted on the Purchase Order, and the Seller shall bill the applicable tax separately on its invoice.

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5. **Delivery:** Time is of the essence and failure to deliver in accordance with the delivery schedule under this Purchase Order, if unexcused, shall be considered a material breach of this Purchase Order. No acts of Buyer, including without limitation modifications of this Purchase Order or acceptance of late deliveries, shall constitute waiver of this provision. Buyer reserves the right to refuse or return at Seller's risk and expense shipments made in excess of this Purchase Order or in advance of required schedules, or to defer payment on advance deliveries until scheduled delivery dates. Delivery shall not be deemed to be complete until goods have been actually received and accepted by property.

Seller shall control and monitor their sub-tier suppliers to ensure Buyer's contractual obligations. Seller shall notify Buyer in writing immediately of any actual or potential delivery delays under this Purchase Order. Such notice shall include a proposed revised schedule, but such notice and proposal or Buyer's receipt or acceptance thereof shall not constitute a waiver to Buyer's rights and remedies hereunder.

6. **Packing and Shipping:** Unless otherwise specified, all goods shall be suitably packed in accordance with good commercial practices and comply with carrier's regulations. All charges for packing, crating and transportation are included in the price for the goods set forth herein and will be paid by Seller.

Packing List shall accompany each shipment showing the purchase order number as well as the item number, description of goods and quantity. In the event that no such Packing List accompanies any shipment, the count, weight, or other measure of Buyer shall be final and conclusive. Buyer shall not be obligated to accept any shipments in excess of the ordered quantity and may be returned to Seller at Seller's expense.

Unless otherwise stated herein, all deliveries under this Purchase Order shall be F.O.B. destination. Title and risk of loss of all goods shall pass to Buyer, when goods are received, and Buyer takes possession of goods.

7. **Inspection and Acceptance:** At no additional cost to the Buyer, all goods and services are subject to inspection by Buyer or Buyer's customer at reasonable times and places, including at Seller's location or at Seller's low-tier supplier/subcontractor's location. Seller shall comply with requirements for design, test, inspection, verification, use of statistical techniques and related instructions for acceptance, as well as requirements for test specimens as required by the Purchase Order.

If Seller delivers non-conforming good, Buyer may, in addition to any other remedies available at law or at equity: (i) accept all or part of such goods at an equitable price reduction; or (ii) reject non-conforming goods; or (iii) require Seller, at Seller's expense, to make all repairs, modifications, or replacements at the direction of Buyer necessary to enable such good to comply in all respects with this Purchase Order requirement. In this instance, Seller shall not redeliver corrected good without disclosing the corrective action taken to Buyer.

8. **Warranty:** The Seller represents and warrants that all goods shall (i) conform strictly to applicable specifications, drawings, and standards of quality and performance and suitable for their intended purpose; (ii) all goods delivered will be new, unless otherwise specified herein, and be free from defects in design, material and workmanship; (iii) not be or contain Counterfeit Items/parts; and (iv) be and only contain goods obtained directly from the Original Equipment Manufacturer (OEM) or an authorized OEM reseller or distributor.

Seller warrants any hardware, software and firmware goods delivered hereunder shall not contain any viruses, malicious code, Trojan horse, worm, time bomb, self-help code, back door, or other software code or routine designed to (i) damage, destroy or alter any software or hardware; (ii) reveal, damage, destroy or alter any data; (iii) shall not contain any third party software that may require any software to be published, accessed or otherwise made available without the Buyer's consent or may require distribution, copying or modification of any software free of charge; and (iv) shall not infringe any patent, copyright, trademark or other proprietary right of any third party or misappropriate any trade secret of any third party.

Seller represents and warrants that quality assurance processes are in place and personnel are adequately trained and are aware of their contribution to (i) product safety and service conformity (ii) identify defects and implement corrective actions, and (iii) to facilitate the delivery of quality products that meet or exceed the contract requirements. All warranties specified in this article shall survive inspection, delivery, acceptance, or payment by Buyer.

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9. Changes and Suspension: Buyer may, by written notice to Seller at any time, make changes within the general scope of this Purchase Order in any one or more of the following: (a) drawings, designs, or specification; (b) quantity; (c) time or place of delivery; (d) method of shipment or packing; and (e) the quantity of Buyer furnished property. Buyer, may, for any reason, direct Seller to suspend, in whole or in part, delivery of goods or performance of services hereunder for such period of time as may be determined by Buyer at its sole discretion. If any such change or suspension causes a material increase or decrease in the cost of, or the time required for the performance of any part of the work under this Purchase Order, an equitable adjustment shall be made in the Purchase Order price or delivery schedule, or both, provided Seller shall have notified Buyer in writing of any claim for such adjustment within twenty (20) days from the date of notification of the change or suspension from Buyer. The Seller shall provide supporting documentation for the claim. No such adjustment or any other modification of the terms of this Purchase Order will be allowed unless authorized by Buyer by means of a written modification to this Purchase Order. Failure to agree to any adjustments shall be resolved in accordance with the Disputes Article. Seller shall proceed with the work as changed without interruption and without awaiting settlement of any such claim.

10. Disputes: Any claim, controversy, or dispute (hereinafter collectively referred to as "dispute"), that may arise under or in connection with this Purchase Order with respect to the rights, duties, or obligations of the Parties shall be reduced to writing and submitted for resolution to ascending levels of management of the respective Parties up to the Chief Executive Officer. Any dispute that cannot be resolved to both Parties' mutual satisfaction, after good faith negotiations, within ninety (90) calendar days from the date the written claim is received by the other Party, or such additional time as the Parties agree upon, in writing, may be settled by appropriate legal proceedings including, without limitation, arbitration or litigation. Any litigation shall be brought exclusively in any state or Federal court in Virginia having jurisdiction of the matter. The Seller shall proceed diligently with performance pending resolution of any such Dispute by settlement or final judgment. By accepting this Purchase Order, the Seller consents to this condition in its entirety.

Labor disputes: Whenever the Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Purchase Order, The Seller shall immediately provide written notice thereof, including all relevant information, to Buyer.

11. Force Majeure: Neither party shall be liable for failure or delay in performance under this Purchase Order, in whole or in part, for causes beyond the control and without the fault or negligence of the parties. Such causes are acts of God or of any public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, labor strikes, freight embargoes and unusually severe weather. When such a cause arises, the impacted party shall provide written notification to the other party within ten (10) days of such cause.

12. Indemnification: Seller shall indemnify, defend, and hold harmless Buyer, and Buyer's customers from and against any and all damages, losses, liabilities, claims, demands, subrogation's, suits, actions, proceedings, cost and expenses (including reasonable attorneys' fees and cost of litigation) arising out of or relating to any claims, causes of action, lawsuits or other proceedings, regardless of legal theory, that result, in whole or in part, from Seller's (or any of Seller's suppliers/subcontractors, employees, agents or representatives): (i) intentional misconduct, negligence, or fraud; (ii) breach of any representation, warranty or covenant made herein; (iii) breach of the confidentiality or disclosure provisions herein; (iv) infringement of any patent, trademark, copyright, trade secret, or any other intellectual property right; or (v) violation of any law or regulation. Notwithstanding the foregoing, Seller's obligations under this Article shall not apply to the extent that a claim is finally determined by a court of competent jurisdiction to be caused by the sole negligence or willful misconduct of Buyer.

Buyer shall promptly notify Seller of any claim that is covered by this indemnification provision and shall authorize representatives of Seller to settle or defend any such claim or suit and to take charge of any litigation in connection therewith.

If the sale or use of any good delivered under this Purchase Order is enjoined as a result of Seller's infringement of any patent, trademark, copyright, trade secret, or any other intellectual property right, Seller shall obtain, at no expense to Buyer, the right for Buyer and Buyer's customer to use and sell said good or shall substitute an equivalent good acceptable to Buyer.

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- 14. Attorneys' Fees and Costs:** In any litigation or court proceeding between the Parties to enforce or declare the rights of any Party pursuant to this Agreement, the prevailing Party shall be entitled to recover all of the prevailing Party's reasonable costs and expenses incurred with respect thereto, including without limitation attorneys' fees and expenses.
- 15. Buyer Furnished Items and Property:** All items furnished, loaned, or bailed by Buyer hereunder, or fabricated, manufactured, purchased, or otherwise acquired by Seller for the performance of this Purchase Order and specifically charged to Buyer, shall be the property of Buyer. Upon completion, expiration or termination of this Purchase Order, Seller shall return all such items in good condition, reasonable wear only accepted, together with all spoiled and surplus items to Buyer, or make such other disposition thereof as may be directed or approved by Buyer. Seller agrees to replace, at its expense, all such items not returned. Seller shall make no charge for any storage, maintenance or retention of such items. Seller shall bear all risk of loss for all such items in Seller's possession. Seller also agrees to use any designs or data contained or embodied in such items in accordance with any restrictive legends placed on such items by Buyer or any third party. If Buyer furnishes any material for fabrication hereunder, Seller agrees: (i) not to substitute any other material for such fabrication without Buyer's prior written consent; and (ii) that title to such material shall not be affected by incorporation or attachment to any other property.
- 16. Intellectual Property:** Without regard to any other warranties provided under the terms of this Purchase Order, Seller warrants that the use or sale of the goods or services delivered hereunder will not infringe on any patent, trademark or copyright covering the goods or services. Further, Seller shall defend, indemnify and hold harmless Buyer, its affiliates and agents, subsidiaries, directors, officers, shareholders, employees and the customer under any Federal Prime Contract or Lower Tier Subcontract (partly indemnified) from and against any and all claims, costs, losses, damages, liabilities or expenses (including attorney's fees) attributable to a claim that any goods or services, in whole or in part, furnished under this Purchase Order infringes any patent, trademark, copyright, trade secret, or any other intellectual property right. In the event of such a claim, Seller, at the option of Buyer and the Seller's expense, shall either (1) procure for Buyer the right to continue using the goods or services, or (2) replace same with non-infringing goods or services, (3) modify the goods or services so it becomes non-infringing, or (4) refund the purchase price to Buyer.
- 17. Disclosure:** No news releases, public announcement, denial, or confirmation of any part of the subject matter of this Purchase Order or any phase of any program hereunder shall be made without prior written consent of the Buyer which shall not be unreasonably withheld.
- 18. CONFIDENTIALITY:** Seller acknowledges that Seller will have access to information that is confidential and proprietary to Buyer including without limitation the existence and terms of this Subcontract, trade secrets, and information pertaining to Buyer's business, operations, strategies, customers, pricing, marketing, finances, sourcing, or other confidential activities, in each case whether spoken, written, printed, electronic, or in any other form or medium (collectively, the "Confidential Information"). Confidential Information shall also include all of the results of the work performed under this Subcontract (including deliverables), work product, and all confidential information of Buyer's customer. Seller agrees to treat all Confidential Information as strictly confidential, not to disclose Confidential Information or permit it to be disclosed, in whole or part, to any third party without the prior written consent of Buyer in each instance, and not to use any Confidential Information for any purpose except as required in the performance of the work under this Subcontract. Seller shall notify Buyer immediately in the event Seller becomes aware of any loss or disclosure of any Confidential Information. Confidential Information shall not include information that (i) is or becomes generally available to the public other than through Seller's breach of this Subcontract; or (ii) is communicated to Seller by a third party that had no confidentiality obligations with respect to such information.

Nothing herein shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order. Seller agrees to provide written notice of any such order to an authorized officer of Buyer within three (3) business days of receiving such order, but in any event sufficiently in advance of making any disclosure to permit Buyer to contest the order or seek confidentiality protections, as determined in Buyer's sole discretion.

Consistent with Prime Furnished Items and Intellectual Property section herein, upon the completion expiration or termination of this Subcontract, or upon Buyer's earlier request, Seller will deliver to Buyer all of Buyer's property, including but not limited to all Confidential Information that Seller may have in Seller's possession or control, and Seller will require the same of any third parties to whom Seller has delivered Confidential Information in accordance with this Subcontract.

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The restrictions of this Confidentiality section shall continue in effect upon completion or termination of the Subcontract for such period of time as may be mutually agreed upon in writing by the Parties. In the absence of a written established period, no further use or disclosure is authorized. Failure to comply with the provisions of this Confidentiality Section is a material breach of this Subcontract and any or all of the Task Orders issued thereunder.

- 19. Assignment:** This Purchase Order may not be assigned novated or otherwise transferred by operation of law or otherwise by Seller without Buyer's prior written consent, which shall not be unreasonably withheld.

Seller agrees to obtain Buyer's written approval before subcontracting this purchase order or any substantial portion thereof; provided; however, that this limitation shall not apply to the purchase of standard commercial supplies or raw materials.

- 20. Insurance:** Without prejudice to Seller's liability to indemnify Buyer as stated in any Indemnification provision contained in this Purchase Order, Seller shall, at its own expense, maintain, the following minimum coverage for the duration of this Purchase Order, and ensure that any of its suppliers and subcontractors used in connection with this Purchase Order procure and maintain, the insurance policies required below.

- (a) **Workers' Compensation:** Coverage for statutory obligations imposed by laws of any State in which the work is to be performed. Where applicable, Seller shall provide evidence of coverage for the United States Longshore and Harbor Workers' Compensation Act and Defense Base Act (DBA) including all employees working on U.S. Government contracts outside the United States. Seller and its insurer shall waive all rights of subrogation in favor of Buyer. Employer's Liability coverage of not less than \$1,000,000 each accident shall also be maintained.
- (b) **Commercial General Liability:** Coverage for third party bodily injury and property damage, including products and completed operations, contractual liability, and independent contractors' liability with limits not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Buyer, its directors, officers, and employees, and Buyer's customer where required by Buyer's Prime Contract with its Customer, shall be named as additional insureds and shall be granted a waiver of Subrogation.
- (c) **Business Automobile Liability:** Coverage for use of all owned, non-owned, and hired vehicles with limits of not less than \$1,000,000 per accident combined single limit for bodily injury and property damage liability. Buyer, its directors, officers, and employees, and Buyer's Customer where required by Buyer's Prime Contract with its Customer, shall be named as additional insureds and shall be granted a waiver of subrogation.
- (d) **Professional Liability / Errors and Omissions:** If Seller is performing any professional services, coverage for damages (including financial loss) caused by any acts, errors and/or omissions arising out of Seller's performance or failure to perform professional services with limits of not less than \$1,000,000 per claim and \$2,000,000 in the annual aggregate. Buyer, its directors, officers and employees shall be granted a waiver of subrogation.
- (e) **Cyber Insurance:** Should Seller, in performance of this Subcontract, be subject to one or more of the flow-down requirements listed in DFARS 252.204-7009, 252.204-7012, or 252.239-7010, Seller shall procure and maintain Cyber Insurance (either purchased separately or endorsed to Professional Liability/Errors & Omissions) – covering liability and first party expenses associated with a privacy event, failure of network security, or cyber incident arising from or out of the Services provided under this Subcontract with limits of not less than \$1,000,000 per claim.

Seller shall provide for thirty (30) days prior written notification to Buyer in the event of insurance cancellation.

The required insurance coverages above shall be primary and non-contributing with respect to any other insurance that may be maintained by Buyer and notwithstanding any provision contained herein, the Seller, and its employees, agents, representatives, consultants, subcontractors, and suppliers, are not insured by Buyer, and are not covered under any policy of insurance that Buyer has obtained or has in place.

Any self-insured retentions, deductibles, and exclusions in coverage in the policies required under this article shall be assumed by, for the account of, and at the sole risk of Seller. In no event shall the liability of Seller or any subcontractors be limited to the extent of any of insurance or the minimum limits required herein.

Coverage shall not exclude claims brought in the United States and all insurance required as part of this Subcontract shall be placed with insurance companies that are authorized to do business under the laws of the state(s) or foreign jurisdiction in which the work is being performed and shall be in a form reasonably acceptable to Buyer with a current A.M. Best financial rating of no less than A-, VIII.



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Prior to commencement of any work, and within 10 days of any policy renewal that occurs while any work is on-going under this Subcontract, Seller shall provide Buyer certificates of insurance evidencing the insurance coverage required above, including evidence of additional insured status and waivers of subrogation required.

- 21. Termination for Convenience:** Buyer may terminate this Purchase Order for its convenience, in whole or in part, by providing written notice of such termination to the Seller. In the event of such a termination, Seller shall: (i) stop work immediately and shall cause all of its suppliers and subcontractors to stop work immediately, on the terminated portion of the Purchase Order; (ii) promptly deliver to Buyer all partially or fully completed goods; and (iii) continue all work that is not being terminated.

Seller shall be entitled to an Equitable Adjustment, including reasonable settlement expenses, Seller shall not be paid for any work performed or costs incurred that could have been reasonably avoided. Seller must submit its proposal to Buyer for costs relating to the termination within thirty (30) days after the effective date of the termination. In no event shall Buyer be liable for lost or anticipated profits, unabsorbed indirect costs or overhead, or for any sum in excess of the total Purchase Order price. Seller hereby waives releases and renounces any claim for compensation not made within the aforementioned time period.

22. Termination for Default:

- (a) Buyer by written notice to Seller, may terminate this Purchase Order for default, in whole or in part, if Seller:
 - (i) fails to comply with any of the terms of this Purchase Order;
 - (ii) fails to make progress so as to endanger performance of this Purchase Order;
 - (iii) fails to provide Buyer, in writing, adequate assurances of performance;
 - (iv) becomes insolvent or subject of proceedings under any law relating to bankruptcy or the relief of debtors or admits in writing its inability to pay its debts as they become due; or
 - (v) is debarred, suspended, or proposed for debarment by the U.S. Federal Government
- (b) 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. Seller shall not be entitled to a cure notice for a default involving delivery schedule delays, bankruptcy, and debarred, suspended, or proposed for debarment by the U.S. Federal Government.
- (c) If this Purchase Order is terminated, Buyer may procure or otherwise obtain, upon such terms and in such manner as Buyer may deem appropriate, goods or services similar to those terminated. Seller shall be liable to Buyer for any excess re-procurement costs of such similar goods or services.
- (d) Seller shall transfer title and deliver to Buyer, in the manner and to the extent requested in writing by Buyer at or after termination, such complete or partially completed articles, property, materials, parts, tools, dies, patterns, jigs, fixtures, plans, drawings, information and contract rights as Seller has produced or acquired for the performance of the terminated part of this Purchase Order. Buyer will pay Seller the price for completed articles delivered to and accepted by Buyer and the fair value of the other property of Seller so requested and delivered.
- (e) Seller shall continue performance of this Purchase Order to the extent not terminated. Buyer shall have no obligations to Seller in respect to the terminated part of this Purchase Order except as herein provided. Buyer's rights as set forth herein shall be in addition to any other rights in case of Seller's default.
- (f) Seller shall not be liable for damages resulting from default due to causes beyond Seller's control and without Seller's fault or negligence, provided, however, that if Seller's default is caused by the default of a subcontractor or supplier at any tier, such default must arise out of causes beyond the control of both Seller and subcontractor or supplier, and without the fault or negligence of either of them and, provided further, the supplies or services to be furnished by the subcontractor or supplier were not obtainable from other sources.

- 23. Export Control Compliance:** Seller agrees to comply with all applicable U.S. export control laws and regulations, specifically including, but not limited to, the requirements of the Arms Export Control Act, 22 U.S.C. 2751-2794, including the International Traffic in Arms Regulation (ITAR), 22 C.F.R. 120 et seq.; and the Export Administration Regulations, 15 C.F.R. 730-774; including the requirement for obtaining any export license or agreement, if applicable. Without limiting the foregoing, Seller agrees that it will not transfer any export-controlled item, data, or services, to include transfer to foreign persons employed by or associated with, or under this Purchase Order to Seller or Seller's lower-tier suppliers, without the authority of an export license, agreement, or applicable exemption or exception.

Seller agrees to notify Buyer if any deliverable under this Purchase Order is restricted by export control laws or regulations.

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Seller shall immediately notify Buyer if Seller is, or becomes, listed in any Denied Parties List or if Seller's export privileges are otherwise denied, suspended, or revoked in whole or in part by any U.S. Government entity or agency.

If Seller is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, Seller represents that (i) it is registered with the Directorate of Defense Trade Controls, as required by the ITAR, and (ii) it maintains an effective export/import compliance program in accordance with the ITAR.

Employees of Seller who perform work on Buyer's premises will have access to information that is subject to U.S. export control laws and regulations and must be citizens or lawful permanent residents of the United States. Upon request of Buyer, Seller shall provide proof of citizenship, lawful permanent residence, or other status as a U.S. Person for each employee who will perform work on Buyer's premises.

Where Seller is a signatory under a Buyer export license or export agreement (e.g., Technical Assistance Agreement (TAA), Manufacturing License Agreement (MLA)), Seller shall provide prompt notification to the Buyer in the event of changed circumstances including, but not limited to, ineligibility, a violation or potential violation of the ITAR, and the initiation or existence of a U.S. Government investigation, that could affect the Seller's performance under this Purchase Order.

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 Article.

24. Covered Telecommunications and Video Surveillance Equipment

- a. Seller represents, warrants, and covenants that it has reviewed its equipment and components that it is providing and certifies that:
 - i. It does not contain or use telecommunications equipment or components manufactured by the covered companies Huawei Technology Company or ZTE Corporation (or any subsidiary or affiliates of such agencies);
 - ii. Does not contain surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);
 - iii. Does not use telecommunications or video surveillance services provided by such entities or are using such equipment; and
 - iv. Does not contain telecommunications or surveillance equipment or services produced by or provided by an entity that the Secretary of Defense reasonably believes to be an entity owned or controlled by or otherwise connected to, the government of a covered foreign country (The Peoples Republic of China).
- b. If Performance of this Purchase Order is in support of a U.S. Government Prime Contract or lower tier Subcontract, and the Seller identifies covered telecommunications equipment, software, hardware or services used as a substantial or essential component of any system, or as critical technology as part of any system, during performance of this order, or the Seller is notified of such by a supplier at any tier or by any other source, the Seller shall report the information as required per Federal Acquisition Regulation 52.204-25, paragraph (d)(2). Seller assumes all liability for the violation of this clause and will indemnify Buyer for any and all costs and damages related to the violation of this clause.
- c. Further, Seller is prohibited from—
 - i. Providing any covered article that the US Government will use on or after October 1, 2018; and
 - ii. Using any covered article on or after October 1, 2018, in the development of data or deliverables first produced in the performance of the contract. Covered technology includes: any hardware, software, or service that is (i) Is developed or provided by a covered entity; (ii) Includes any hardware, software, or service developed or provided in whole or in part by a covered entity; or (iii) Contains components using any hardware or software developed in whole or in part by a covered entity.

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- iii. A covered entity is: (i) Kaspersky Lab; (ii) Any successor entity to Kaspersky Lab; (iii) Any entity that controls, is controlled by, or is under common control with Kaspersky Lab; or (iv) Any entity of which Kaspersky Lab has a majority ownership.
- d. In the event the Seller identifies any covered article identified in Article 23 (c.) herein is provided to Buyer or the US Government during subcontract performance, or the Seller is notified of such by a subcontractor at any tier or by any other source, the Seller shall report the information as required per FAR 52.204-23, paragraph (c). Seller assumes all liability for the violation of this clause and will indemnify Buyer for any and all costs and damages related to the violation of this clause.

25. Safeguarding Covered Defense Information and Cyber Incident Reporting Buyer has implemented a Supply Chain Cybersecurity Compliance and Risk Mitigation Program (SC3RMP) to help assess and appropriately mitigate cybersecurity risks, raise awareness, and develop proportionate and effective defenses of and across Buyer's suppliers. Seller agrees to provide Buyer with information reasonably required by Buyer to assess and address any cybersecurity risks identified by SC3RMP including Seller's Cyber Security Compliance and Risk Assessment (CCRA). Unless this order is for commercially available off-the-shelf items (as defined in FAR 2.101), Seller shall ensure it has delivered to the Buyer prior to award of this order a PDF screenshot of its most recent assessment entered into the U.S. Government's Supplier Performance Risk System (SPRS). The PDF must include the Applicable Seller CAGE code and the expanded CAGE code in-scope details. An example of an acceptable PDF submittal can be found in the Cybersecurity Resources section at <https://hii.com/cyber/>. If Seller suffers a breach of its information technology systems which impacts this Purchase Order, Seller agrees to immediately notify Buyer in writing of the breach.

26. Compliance to Law: The Parties to this Purchase Order shall comply with all applicable laws, rules, regulations, and public policies ("Laws"), that prohibit unethical conduct, including bribery, corruption, fraud, money-laundering, and human trafficking, among other things. For the purposes of this Purchase Order, applicable Laws include those of the United States and any other jurisdiction where either Party is based, is operating, or that may exercise jurisdiction over the Parties related to the activities contemplated by this Purchase Order. The Parties shall not directly or indirectly give, offer, promise, authorize, or allow to be given, offered, or promised, anything of value to an official or employee of any government, state-owned enterprise, international organization including subdivisions thereof or entities acting on behalf of a government, state-owned enterprise, international organization or subdivision thereof (any such employee or official referred to collectively as "Official"), while knowing or having reason to know that such thing of value is to be given, offered, or promised to an Official (including political parties or officials thereof or candidates for foreign office) in order to: (i) influence any official act or decision of such Official, or (ii) induce such Official to use his influence to affect or influence any act or decision of any government (or any subdivision thereof), or (iii) assist the Parties in obtaining or retaining business, or in directing business to any person or obtain an unfair advantage for the Parties in any respect.

Should either Party violate any of the Laws then: (i) the other Party shall have the right to immediately terminate the Purchase Order for cause; (ii) the other Party shall have a right of action against the offending Party for the recovery of any monetary payment(s) or thing(s) of value made or given by the offending Party in breach of such Laws; and (iii) the offending Party shall indemnify the other Party for any penalty, loss or expenses incurred by the other Party as a result of the offending Party's breach of any of its obligations under this Article.

27. Governing Law: This Purchase Order shall be governed by and construed, enforced, and interpreted under the laws of the State of Virginia, in the United States of America, without regard to its laws relating to conflict or choice of laws. This includes all lawsuits, claims, or disputes under the term of this Agreement or any subsequent contract.

28. Standards of Business Ethic and Conduct: Buyer has implemented a comprehensive Ethics and Business Conduct Program, which includes a "Supplier Code of Conduct," or expectations that Buyer holds for its suppliers. The "Supplier Code of Conduct" is available at this website: [SUPPLIERS - HII](#). Commensurate with the size and nature of Seller's business, Buyer expects Seller to have management systems in place to support compliance with laws, regulations, and the expectations related to or addressed expressly within the Supplier Code of Conduct. In the event of a violation of any of the expectations set forth in the Supplier Code of Conduct, Buyer may pursue corrective actions to remedy the situation, up to and including termination of this Subcontract.

29. Gratuities/Kickbacks: Seller shall not offer or give a kickback or gratuity (in the form of entertainment, gifts, or otherwise) for the purpose of obtaining or rewarding favorable treatment as a supplier or subcontractor of the Buyer. By accepting this Purchase Order, Seller certifies and represents that it has not made or solicited and will not make or solicit kickbacks in violation of the Anti-Kickback Act of 1986 (41 USC 51-58), which is incorporated herein by reference.

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- 30. Debarred, Suspended or Potential Debarment or Voluntary Exclusion:** Except for commercial off-the-shelf (COTS) items, Seller represents and warrants that it is not currently debarred, suspended, proposed for debarment or suspension, or voluntarily excluded, by any federal or state agency.
- 31. Independent Contractor Relationship:** Seller is an independent contractor in all respects with regard to this Purchase Order. Nothing contained in this Purchase Order shall be deemed or constructed to create a partnership, joint venture, agency or other relationship other than that of a contractor and customer.
- 32. Survivability:** If this Purchase Order expires, is completed, or is terminated, Seller shall not be relieved of those obligations contained in the following articles, prescribed herein: Warranty, Termination for Convenience, Termination for Default, Proprietary Rights, Disclosure, Warranty, Indemnification, Infringement, Buyer Furnished Items and Property, Intellectual Property, Compliance with Law, Governing Law, Disputes, Insurance, and Export Control Compliance.
- 33. Non-Waiver of Rights:** The failure of either party to insist upon strict performance of any of the terms and conditions set forth herein, or to exercise any rights or remedies, shall not be construed as a waiver of its rights to assert any of the same or to rely on any such terms and conditions at any time thereafter. The invalidity in whole or in part of any term or condition of this Purchase Order shall not affect the validity of other parts hereof.
- 34. Entire Agreement:** The parties hereby agree that this Purchase Order shall constitute the entire agreement and understanding between the parties hereto and shall supersede and replace any and all prior or contemporaneous representations, agreements, or understandings of any kind, whether written or oral, relating to the subject matter hereof.
- 35. Order of Precedence:** In the event of any conflict arising between the documents constituting this Order, the following descending order of precedence shall be given (a) The Purchase Order (b) the terms and conditions of this Order including relevant Prime Contract flow down clauses (c) the statement of work (SOW) or bill of materials (BOM) of this Order and (d) all other attachments including those by reference.
- 36. Hazardous Material:** A. If this Purchase Order involves delivery of any hazardous material, packaging and shipment of such material must be made in accordance with Hazardous Goods Regulations Title 49 CFR, OSHA Hazard Communication Standard 29 CFR 1910.1200, and Federal Standard. 313C. The Seller as a condition of this Purchase Order shall provide a Goods Safety Data Sheet (MSDS) to Buyer unless previously submitted. The Seller shall enter Buyer's Purchase Order number on the top right corner of the MSDS's first page. The Purchase Order number may be handwritten. Unless there are changes affecting the characteristics and composition of the hazardous material previously reported, only one submission to Buyer is required. A MSDS from the manufacturer will satisfy these requirements for distributors, dealers, and retailers who must comply with this Condition. The warning label required on hazardous material by CFR 1910.1200 shall not be obscured by other stamps or labels. When a MSDS is required, The Seller shall mail it separately to the address on the face of this Purchase Order to the attention of the Program Manager. By acceptance of this Purchase Order, The Seller certifies: (1) Compliance with this Condition; (2) an up-to-date MSDS will be submitted prior to delivery of any hazardous material; or (3) that no hazardous material will be delivered, as applicable.
- 37. Non-Complying Products:** Non-complying products shall not be delivered to Buyer unless specific arrangement has been made between The Seller and The Buyer. Buyer shall have the right (but not the obligation) to review work progress and test all supplies, special tooling, goods, and workmanship to the extent practicable at all times and places during the period of manufacture. In case any goods delivered, or services rendered hereunder are defective in material or workmanship or otherwise not in conformity with the requirements of this Purchase Order, Buyer shall have the right notwithstanding payment or any prior inspection or test or custom or usage of trade, either to reject it or to require its correction by and/or at the expense of The Seller promptly after notice. The Seller shall promptly notify the Buyer upon the discovery of a non-complying product being delivered to Buyer or Buyer's customer and shall disclose all information necessary to contain and mitigate the effects of the non-complying products.
- 38. Drawings:** Unless otherwise agreed to in writing, any drawings, plans, specifications, tools, and other goods supplied by Buyer and/or its customer in connection with the production of the goods Purchase Ordered shall remain the property of Buyer and shall be returned upon demand. The Seller shall keep such property safe and in good condition and shall not use it except in connection with sales to Buyer. Any information disclosed by The Seller with respect to



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the design, manufacture, sale, or use of the goods Purchase Ordered shall be deemed to have been disclosed as part of the consideration for this Purchase Order, and The Seller shall not assert any claim (other than for patent infringement) against Buyer or its Customer by reason of Buyer's use thereof.

- 39. Counterfeit Products/Parts:** For purposes of this clause, Goods are any tangible items, including without limitation the lowest level of separately identifiable items, such as parts, articles, components, and assemblies. "Counterfeit Goods" are Goods that are or contain items misrepresented as having been designed, produced, and/or sold by an authorized manufacturer and seller, including without limitation unauthorized copies, replicas, or substitutes. The term also includes authorized Goods that have reached a design life limit or have been damaged beyond possible repair but are altered and misrepresented as acceptable.

Seller agrees and shall ensure that Counterfeit Goods are not delivered to Buyer. Goods delivered to Buyer or incorporated into other Goods and delivered to Buyer shall be new and shall be procured directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. If requested by Buyer, bidder shall provide OCM/OEM documentation that authenticates products. Seller shall report suspected or confirmed counterfeit items into the Government-Industry Data Exchange Program (GIDEP).

In the event that Work delivered under this Agreement constitutes or includes Counterfeit Goods, Seller shall, at its expense, promptly replace such Counterfeit Goods with authentic Goods conforming to the requirements of this Agreement. Notwithstanding any other provision in this Agreement, Seller shall be liable for all costs relating to the removal and replacement of Counterfeit Goods, including without limitation Buyer's costs of removing Counterfeit Goods, of reinserting replacement Goods, and of any testing necessitated by the reinstallation of Goods after Counterfeit Goods have been exchanged. Seller shall include equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Goods to Buyer.

- 40. Confidentiality and Use of Buyer Furnished Items/Information:** Seller agrees that it will keep confidential and not disclose, disseminate or publish the features of any equipment, tools, gauges, patterns, designs, drawings, engineering data, computer programs and software or other technical or proprietary information furnished, loaned or bailed by Buyer hereunder (hereinafter collectively referred to as "Items/Information", and use such Items/Information only in the performance of this Purchase Order or, if authorized, other orders from Buyer and not otherwise, without Buyer's prior written consent. Notwithstanding any other provision herein, Buyer and Seller shall each retain ownership of, and all right, title and interest in and to, their respective pre-existing Intellectual Property. All such Items furnished, loaned or bailed by Buyer hereunder, or fabricated, manufactured, purchased, or otherwise acquired by Seller for the performance of this Purchase Order and specifically charged to Buyer, are the property of Buyer. Upon completion, expiration or termination of this Purchase Order, Seller shall return all such Items in good condition, reasonable wear only excepted, together with all spoiled and surplus Items to Buyer, or make such other disposition thereof as may be directed or approved by Buyer. Seller agrees to replace, at its expense, all such Items not so returned. Seller shall make no charge for any storage, maintenance or retention of such Items. Seller shall bear all risk of loss for all such Items in Seller's possession.

Seller also agrees to use any designs or data contained or embodied in such Items in accordance with any restrictive legends placed on such Items by the Buyer or any third party. If Buyer furnishes any material for fabrication hereunder, Seller agrees: (i) not to substitute any other material for such fabrication without Buyer's prior written consent, and (ii) that title to such material shall not be affected by incorporation in or attachment to any other property.

- 41. Conflict Minerals Disclosure:** Pursuant to Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and its implementing regulations, Buyer is required to identify the presence and source of Conflict Minerals (gold, tantalum, tin or tungsten) contained in Buyer's manufactured products. Buyer has implemented a comprehensive Conflict Minerals compliance program, which includes posting relevant information for suppliers at this website: <https://hii.com/corporate-responsibility/conflict-minerals>. It is a requirement of this Purchase Order that Seller shall be familiar with this information and make all reasonable efforts to assist Buyer in identifying the presence and source of Conflict Minerals contained in the products sold by Seller to Buyer, as described further below.

- (a) As of the time of award of this Subcontract, Subcontractor represents that: (i) The Product(s) Subcontractor will be supplying under this Subcontract do not contain (a) gold or (b) tantalum, tin, or tungsten (derivatives of columbite-tantalite (coltan), cassiterite, and wolframite); or (ii) Alternatively, if the Product(s) contain gold,

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tantalum, tin, or tungsten, Subcontractor agrees to provide Buyer one of the following completed forms prior to delivery of the Product(s):

- (b) The Global E-Sustainability Initiative Conflict Minerals Reporting Template ("GeSI CMRT") available at [Conflict Minerals Reporting Template \(responsiblemineralsinitiative.org\)](https://responsiblemineralsinitiative.org), with "Product" selected under the "Declaration Scope or Class" field;
- (c) Written documentation about the source of Conflict Minerals in the Product(s) that provides substantively similar information to that requested by the GeSI CMRT.
- (d) Any GeSI CMRT provided pursuant to paragraph A(ii) above shall also be submitted to Buyer in writing.
- (e) If the status of any Product(s) changes during performance of this Subcontract so that the representation or information provided pursuant to paragraph A of this provision is no longer accurate, then Subcontractor must within 30 days complete and submit updated, accurate and current information as provided in paragraph B above.
- (f) If Buyer determines that any representation made by Subcontractor pursuant to this provision is inaccurate or incomplete in any respect, or Subcontractor fails to timely submit the information required by this provision, then Buyer may terminate this Subcontract pursuant to the provision of this Subcontract titled "Termination."

42. Equal Employment Opportunities: The following is applicable only to the extent consistent with EO 14173:

- a. 41 CFR 60-1.4(a) (Equal opportunity clause)
- b. 41 CFR 60-300.5(a) (Equal Opportunity for VEVRAA Protected Veterans). As required by 41 CFR 60-300.5(d), **"The Parties shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans."**
- c. 41 CFR 60-741.5(a) (Equal Opportunity for Workers with Disabilities). As required by 41 CFR 60-741.5(d), **"The Parties shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities."**
- d. 29 CFR part 471, appendix A and subpart A (Employee Rights under the National Labor Relations Act).

43. Inclusion of Clauses and Mandatory Flow down Clauses: If Performance of this Purchase Order is in support of a U.S. Government Prime Contract or lower tier Subcontract, Hill form [MTF-P1918](#) Federal Acquisition Regulation (FAR) Clauses and [MTF-P1919](#) Defense FAR Supplemental (DFARS) Clauses, **-or-** [MTF-P1920](#) Federal Regulations Applicable to Commercial Item (Government) Orders is incorporated by reference into this Purchase Order with the same force and effect as though set forth in full text. If any FAR or DFARS clause incorporated herein refers specifically to another FAR, DFARS, or other provision as governing Purchase Order arrangements under the prime contract, then such other provision also is incorporated herein by reference and Seller and all lower-tier subcontractors shall comply with its terms.