



McTurbine Standard Purchase Order Terms and Conditions

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Clause 1 – DEFINITIONS

The following definitions apply unless otherwise specifically stated:

“Article(s)”:	Good(s) and service(s) described in this Order;
“Buyer”:	The legal entity issuing this Order, [McTurbine];
“Contracting Officer”:	U.S. Government Contracting Officer for the Prime Contract;
“Manufacturing Materials”:	Supplies, materials, samples, tooling, dies, jigs, fixtures, plans, designs, specifications, software, drawings, technical information, and contract rights;
“Order”:	Purchase Order, Change Order, Subcontract or Contract for the Articles;
“Party(ies)”:	The Buyer and Seller may be referred to collectively as either the Party or Parties;
“Prime Contract”:	U.S. Government contract under which an Order may be issued;
“Seller”:	Person or Company providing the Article.
“FAR”	Federal Acquisition Regulation
“DFARS”	Department of Defense Federal Acquisition Regulation Supplement

Clause 2 – ORDERS/CHANGE ORDERS

These Terms and Conditions shall be a part of all Orders issued by Buyer to Seller. Each Order must contain a description of the Articles and identify the specifications, drawings, quantities, prices, delivery schedule, terms and place of delivery. EACH SUCH ORDER OR CHANGE TO SUCH ORDER MUST BE SIGNED (OR AUTHENTICATED IF THIS IS AN ELECTRONIC ORDER) BY BUYER'S AUTHORIZED PROCUREMENT REPRESENTATIVE TO BE VALID.

Clause 3 - AGREEMENT/ACCEPTANCE/MODIFICATIONS

An Order is Buyer's offer to Seller and acceptance is expressly limited to its terms without additions, deletions, or other modifications. Seller's commencement of performance, delivery of any Articles or acknowledgment of this Order will conclusively evidence such acceptance. NO CHANGE OR

MODIFICATION TO THIS ORDER (INCLUDING ANY ADDITIONAL OR DIFFERENT TERMS IN SELLER'S ACCEPTANCE) WILL BE BINDING ON BUYER UNLESS SIGNED (OR AUTHENTICATED IF THIS IS AN ELECTRONIC ORDER) BY BUYER'S AUTHORIZED PROCUREMENT REPRESENTATIVE.

Clause 4 – CHANGES [This Clause is inapplicable if Section III Applies, in accordance with Clause 37 herein.]

- (A) Buyer may by written notice make changes within the general scope of this Order in any one or more of the following:
 - (i) drawing, designs or specifications;
 - (ii) method of shipment or packaging;
 - (iii) place of inspection, delivery or acceptance;
 - (iv) amount of Buyer-furnished Manufacturing Materials;
 - (v) quantity.
- (B) Seller shall proceed immediately to perform this Order as changed. If any such change causes a material increase or decrease in the cost of, or the time required for the performance of any part of the work in this Order, Buyer will make an equitable adjustment in the purchase price or delivery schedule or both. Seller shall provide written notice of its intent to assert a claim within ten (10) calendar days from the date of receipt by Seller of such written notice of change. Seller shall proceed with the change pending resolution of any claim for adjustment. Failure to agree to any adjustment will be resolved in accordance with the “Disputes” clause of this Order.

Clause 5 - STOP WORK [This Clause is inapplicable if Section III Applies, in accordance with Clause 37 herein.]

- (A) When directed by written notice from Buyer, Seller will immediately stop all or part of the work relating to this Order to the extent specified in the notice for a period of up to one hundred-eighty (180) calendar days or longer if extended by mutual agreement.
- (B) If a Stop Work notice is cancelled or expires, Seller must resume work and the Parties will agree upon a reasonable adjustment in the delivery schedule. In no event will such adjustment exceed the period of time in which the Stop Work notice was in effect. Except as otherwise provided herein, no adjustment in the total Order price will be incurred by issuance of a Stop Work notice.

Clause 6 - TERMINATION FOR CONVENIENCE [This Clause is inapplicable if Section III Applies, in accordance with Clause 37 herein.]

- (A) Notwithstanding any other provisions of this Order, the Buyer may by written notice terminate for its convenience the whole or any



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part of this Order upon providing 10 calendar days notice thereof, except that the Buyer may immediately terminate for its convenience the whole or any part of this Order in those instances in which such action is reasonably required as a result of Buyer's customer taking action affecting all or part of the performance of work under the prime contract. Upon receipt of such notice, the Seller must immediately cease work, including but not limited to the manufacture and procurement of materials for the fulfillment of the terminated portion of this Order.

- (B) In the event of termination pursuant to Clause 6 (A) above, Buyer and Seller will agree upon an adjustment of the Order price, provided that:
- (i) such adjustment will not exceed the Order total price;
 - (ii) except as otherwise provided herein, in the event of a partial termination no adjustment will be made on the price of the remaining portion of this Order, i.e., that portion which has not been terminated;
 - (iii) the Buyer will pay the Order price for completed Articles delivered and accepted pursuant to paragraph (C) below;
 - (iv) the Seller and Buyer will agree on the amount of payment for Manufacturing Materials not delivered and accepted pursuant to paragraph (C) below;
 - (v) Seller's written intent to file a claim for adjustment is received within twenty-one (21) calendar days from the effective date of termination;
 - (vi) Seller's final claim is received within ninety (90) calendar days from the date that intent to claim is filed. Seller shall have no other remedies after this period; and
 - (vii) Seller must continue the work not terminated. Failure to agree will be a dispute under the Disputes clause.
- (C) If this Order is terminated pursuant to paragraph (A) above, the Buyer may require the Seller to transfer the title and deliver as directed by the Buyer, any
- (i) completed Articles, and
 - (ii) Manufacturing Materials that the Seller and its subcontractors have specifically produced or acquired for the portion of this Order under notice of Termination for Convenience. Upon direction of the Buyer, the Seller shall also protect and preserve property in its possession in which Buyer has an interest.

Clause 7 - TERMINATION FOR DEFAULT [This Clause is inapplicable if Section III Applies, in accordance with Clause 37 herein.]

- (A) Buyer, by written notice, may terminate this Order for default in whole or in part, if Seller:
- (i) fails to comply with any of the terms of this Order;
 - (ii) fails to make progress so as to endanger performance of this Order;
 - (iii) fails to provide adequate assurance of future performance;
 - (iv) files or has filed against it a petition in bankruptcy;
 - (v) becomes insolvent or suffers a material adverse change in financial conditions.
- (B) Upon termination, the Seller will have no claim for further payment other than as provided in this Clause, but will be liable to the Buyer for all direct losses and direct damages which may be suffered by the Buyer by reason of the default, including any increase in the costs incurred by the Buyer in procuring the Articles from another source. Seller must proceed with the portion of this Order not terminated under the provisions of this clause.
- (C) If this Order is terminated for default, the Buyer may require the Seller to transfer the title and deliver any: (i) completed Articles, and (ii) Manufacturing Materials that the Seller and its subcontractors have specifically produced or acquired for the portion of this Order under notice of Termination for Default. Upon direction of the Buyer, the Seller shall also protect and preserve property in its possession in which the Buyer has an interest.
- (D) The Seller will have no claim for further payment other than as

provided in this clause. The Buyer shall pay the Order price for completed Articles delivered and accepted. Failure to agree on any other costs will be a dispute under the Disputes clause. The Buyer may withhold from these amounts any sum the Buyer determines to be necessary to protect the Buyer against loss because of outstanding liens or claims of former lien holders and Buyer's estimate of excess procurement costs due Buyer.

- (E) If, after termination, it is determined that the Seller was not in default, or that the default was excusable, as defined in the Excusable Delay clause, the rights and obligations of the Parties will be the same as if the termination had been issued for the convenience of the Buyer and the provisions of the Termination for Convenience clause, will apply.
- (F) The rights and remedies of the Buyer in this clause or in any other clause of this Order are in addition to any other rights and remedies provided to Buyer by the law or under these Terms and Conditions.

Clause 8 - EXCUSABLE DELAY [This Clause is inapplicable if Section III Applies, in accordance with Clause 37 herein.]

- (A) A delay in the performance by the Seller of any obligations under this Order that is caused by an event which (i) is an act of God, act of Government, fire, riot, war, or any other event which constitutes a superior force and is beyond the reasonable control of the Seller; and without any fault on the part of the Seller and interferes with the performance of Seller's obligations; and (ii) the effects of which could not reasonably have been avoided by the Seller will, subject to the provisions of this Clause, constitute an Excusable Delay.
- (B) In addition to the events described in paragraph (A), a delay caused by the default of a subcontractor of the Seller may constitute an Excusable Delay if the event causing the default of such subcontractor is an event that meets the criteria set out in paragraph (A).
- (C) To claim an Excusable Delay, the Seller must, by written notice to the Buyer, advise of the occurrence of an event that has resulted or is likely to result in an Excusable Delay and provide the Buyer with an acceptable "work-around" plan within ten (10) calendar days of such facts coming to the attention of Seller. If the Buyer accepts such "work-around" plan then the Seller must promptly implement such "work-around" plan at Seller's expense.
- (D) In the event of an Excusable Delay, any affected delivery date will be postponed for such period as is reasonably necessary to offset the effects of the Excusable Delay. In no event will the delivery date be extended by a time period longer than the time period in that the Excusable Delay was in effect. No adjustment will be made to this Order price.
- (E) Notwithstanding the above, after an Excusable Delay has continued for a period of thirty (30) calendar days in the aggregate the Buyer may, in the Buyer's absolute discretion, terminate this Order. In the event of such termination, the rights and obligations of Buyer and Seller shall be determined in accordance with the provisions of the Termination for Convenience clause herein.

Clause 9 – INSPECTION/ACCEPTANCE

The Seller shall only tender for acceptance those Articles that conform to the requirements of this contract. The Buyer reserves the right to inspect or test any supplies or services that have been tendered for acceptance. The Buyer may require repair or replacement of nonconforming supplies or reperformance of nonconforming services at no increase in contract price. If repair/replacement or reperformance will not correct the defects or is not possible, the Buyer may seek an equitable price reduction or adequate consideration for acceptance of nonconforming supplies or services. The Buyer must exercise its post-acceptance rights— (1) Within a reasonable time after the defect was discovered or should have been discovered; and (2) Before any substantial change occurs in the condition of the item, unless the change is due to the defect in the item.



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Clause 10 – WARRANTY

- (A) Seller warrants that all Articles delivered under this Order will be free from defects in design; material and workmanship will conform to applicable descriptions, specifications and drawings and are suitable for the purpose intended. THIS WARRANTY SHALL BE IN ADDITION TO ALL WARRANTIES ARISING AS A MATTER OF LAW.
- (B) Seller's warranties must be enforceable by Buyer's customers as well as Buyer and will be valid for twenty-four (24) months after delivery to Buyer's customers.
- (C) Defective Articles will be returned to Seller at Seller's expense for repair or replacement, at Buyer's option. The repaired or replacement Articles will be returned by Seller, F.O.B. Seller's plant, to Buyer within twenty-one (21) calendar days from receipt of the defective Article by Seller. For valid warranty claims, Buyer will debit Seller's account for actual freight charges incurred both from and to the Buyer. If Buyer finds it impractical to return defective Articles, Buyer may perform necessary repair at its own facility and charge the reasonable cost thereof to Seller.

Clause 11 – INTELLECTUAL PROPERTY RIGHTS & INDEMNITY

- (A) Seller agrees to assign and hereby assigns to Buyer any interest Seller may have in such intellectual property right or invention(s), including copyright, trademark, trade secret, software, data, idea, concept, process, formula, system, report or other intellectual property resulting from any Seller work performed, conceived or reduced to practice by Seller using non-U.S. Government direct contract funds provided by Buyer.
- (B) The Seller shall indemnify Buyer and its officers, employees and agents against liability, including costs, for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark or copyright, arising out of the performance of this contract.

Clause 12 - BOOKS AND RECORDS

Seller must provide authorized representatives of Buyer, reasonable access to its books, records and data which will permit the adequate evaluation of cost data, direct materials, labor hours and incorporated rates used to arrive at a price, as required.

Clause 13 - PRICES, PAYMENT AND DISCOUNT

Payment by Buyer will be made net thirty (30) days from the later of the following: (i) the date of acceptance of the Articles or (ii) from Buyer's receipt of an acceptable invoice. Any payment discounts will be calculated from the same date. Discount terms shall be clearly stated on the face of each invoice.

Clause 14 - INVOICING, PACKING AND SHIPPING

- (A) Separate invoices indicating Order number, line item number(s), quantity, Harmonized Tariff Schedule (HTS) number, country of origin, unit price and extended value are required for each Order unless Pay Upon Receipt has been established with the Seller. On date of shipment(s) Seller shall mail one copy of each invoice to:
McTurbine Inc.
ATTN: Accounts Payable
401 Junior Beck Drive
Corpus Christi, TX 78405-4411
- (B) Seller must comply with the routing instructions shown on this Order. Premium transportation will be paid by Buyer only when specifically authorized. If delays caused by the Seller result in the need for premium transportation, the additional costs for the premium transportation is the sole responsibility of the Seller. Seller must not prepay, insure, or declare value of any shipment made F.C.A. shipping point.
- (C) Separate packing lists are required for each Order and must accompany each shipment. The location of the packing slip must be clearly marked on the container. The complete Order number

- must appear on all documents.
- (D) Single Article containers will be identified with Order, part number, and quantity. When multiple Orders or Articles are combined in one container, they must be separately packaged inside that container and the packages identified as to Order, part number and quantity.
- (E) All Articles must be suitably packaged and prepared for shipment to withstand normal transportation and stocking functions. Containers must be in compliance with best commercial practices and U.S. Customs regulations.
- (F) Test reports, x-rays, certificates and other supporting documents must accompany each shipment when required by this Order.
- (G) Articles will be marked in such a manner as to be readily identifiable with the part number reflected on this Order. Kits, assemblies and all parts consisting of multiple Articles, that is, hardware, pins, gaskets, etc., must be unit packaged as a complete unit and so identified. If the Article is individually packaged, the package will be so marked. Single Articles too small to be separately identified will be separated into lots and tagged or bagged. Proper markings corresponding to the Order description and part number must be applied to the tags or bags for handling and storage purposes.
- (H) When required by Buyer, Seller will provide bar coded shipping labels with each shipment or RFID as required.
- (I) With each shipment to Buyer the Seller must include on the packing slip a "Statement of Product Conformity". Unless otherwise required by contract, the Seller must include a statement declaring compliance to all requirements specified in applicable standards or specification documents. This certification of compliance must be signed by Seller's authorized Quality representative.

Clause 15 – DELIVERY

- (A) Seller is responsible for the Articles covered by this Order until they are delivered to the designated F.C.A. point specified on this Order. If Articles are received more than fifteen (15) calendar days ahead of specified schedule, Buyer reserves the right to keep the Articles and make payment as if the delivery was made per the specified delivery schedule or return the Articles to Seller at Seller's expense. In the latter case, Buyer may debit Seller's account for actual freight charges incurred both from and to Buyer. The delivery dates contained in this Order are the dates that the Articles are required on dock at Buyer's facilities.
- (B) Time is of the essence in performing this Order. Should Seller experience or anticipate any delay in performing this Order, Seller must immediately notify Buyer in writing of such delay. Neither such notification nor an acknowledgment by Buyer will constitute a waiver of this Order's specified delivery schedule. Seller shall be liable for any damages resulting from a delay in delivery.

Clause 16 – ASSIGNMENT

Neither this Order nor any interest herein nor any claim hereunder will be assigned by Seller without the prior written consent of Buyer. An assignment without Buyer's written consent is ineffective and void. Seller may, however, without Buyer's consent, assign the rights to be paid monies due or to become due to a financing institution if the following conditions are met: (i) Buyer must continue to have the right to exercise any and all of its rights under, settle any and all claims arising out of, and enter into amendments hereto, without notice to or consent of the assignee; (ii) the entire amount of said monies is assigned to a single assignee and (iii) Buyer is given notice of the assignment and all invoices submitted by Seller contain adequate reference to the assignment.

Clause 17 - SALES LIMITATION

Articles carrying Buyer's part numbers may not be sold to third



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parties, other than the U.S. Government, in the event the U.S. Government has unlimited rights in the Manufacturing Materials pursuant to DFARS 252.227-7013 "Rights in Technical Data-Non Commercial Items."

Clause 18 - PUBLIC RELEASE OF MATERIAL

Seller shall not advertise or publicize without Buyer's prior written consent, in any medium, including, without limitation, any print, broadcast, direct mailing, or any internet web site maintained by or for Seller, the fact that Seller is a supplier of products or services to Buyer. Neither Seller nor its subcontractors, suppliers or agents shall without Buyer's prior written consent (i) use Buyer's name, photographs, logos, trademarks, or any other identifying information in any such medium; (ii) use (except to communicate with Buyer or its affiliates) any internet domain names, metatags, or electronic mail addresses containing the names, "McTurbine", "Textron", "Bell Helicopter" or the names of any product or service for which Buyer owns the trademark; or (iii) provide a link to any domain name or internet address registered to Buyer or any of its affiliates.

Clause 19 – SET-OFF AND WITHHOLDING

Buyer has the right of set-off against any payments due or at issue under this Order or any Order between Buyer and Seller. Buyer may withhold from payment to Seller in an amount sufficient to reimburse Buyer for any loss, damage, expense, cost or liability relating to Seller's failure to comply with any requirements of this Order.

Clause 20 – DRAWINGS

- (A) If the performance of this Order, Seller is obligated to manufacture Seller-designed part numbered Articles to the Seller's drawing revision level as specified in this Order or approved by Buyer, in cases where manufacturing will be to a different revision level, Seller will provide Buyer released updated drawings with explanation as to how the present configuration differs from the specified or approved revision level configuration. Seller must receive Buyer's approval of updated drawing prior to the manufacturing and shipment of Articles to Buyer.
- (B) No review or approval by the Buyer of any work hereunder or of any designs, drawings, specifications or other documents prepared by Seller will be construed to relieve Seller, in any way from design responsibility for the Articles to be delivered hereunder, or from responsibility to comply with the requirements of this Order.

Clause 21 - DISPUTES

- (A) In the event of a dispute arising between the Parties, Seller must request a final written decision from Buyer's Procurement Manager. If the parties are not able to resolve the dispute, then either Party may file in the proper court for disposition pursuant to paragraph (c) below.
- (B) Pending final resolution of any dispute or appeal hereunder, the Seller shall proceed diligently with the performance of this Order as directed by the Buyer. If the dispute arises out of a difference in interpretation between the parties as to the performance requirements of this Order, then Seller shall continue performance as determined by the Buyer.
- (C) If this Order is issued pursuant to a U.S. Government prime contract, this Order including these terms and conditions will be construed and applied in accordance with the Federal common law of Government contracts. To the extent that the Federal common law of Government contracts is not dispositive or this Order is not issued pursuant to a U.S. Government contract, this Order including these Terms and Conditions are governed by and construed exclusively under the laws of the State of Texas, USA, excluding its choice of laws rules. Both Buyer and Seller hereby submit to the exclusive jurisdiction and venue of:

- (i) The Courts of General Jurisdiction of the State of Texas in the County of Tarrant, or
- (ii) The Federal District Court for the Northern District of Texas, Fort Worth Division, in any lawsuit involving this Order. Buyer and Seller hereby agree that the above sets forth the sole and exclusive jurisdiction and venue in which any lawsuit involving this Order may be filed.

Clause 22 – GRATUITIES

- (A) Seller, its agent or representative will not offer or provide gratuities to any employee of Buyer. Seller's failure to comply with this clause will result in immediate termination of this Order in accordance with the Termination for Default clause.
- (B) Seller is prohibited from providing, offering, or attempting to offer kickbacks or soliciting or accepting kickbacks. Seller must have and follow procedures designed to prevent and detect possible violations, shall report in writing and telephonically any violation to the Buyer and shall cooperate fully with any Government agency investigating a possible violation. The substance of this clause shall be included in all subcontracts issued under this Order.

Clause 23 - COMPLIANCE WITH LAWS

Seller shall comply with all applicable federal, state, and local laws, including, but not limited to, laws with respect to the protection of the environment. Seller hereby certifies that it is in compliance with all such laws and regulations in the production of the Articles, and that the Articles themselves are compliant with all applicable laws. Seller will indemnify and hold Buyer harmless to the full extent of any loss, damage or expense, including lost profit, attorneys' fees and court costs, for any failure or alleged failure of Seller to comply with the requirements of this clause.

Clause 24 - PRODUCT ORIGIN

- (A) Prior to or with the first shipment of Articles to Buyer, Seller must provide Buyer a statement specifying the Country of Origin, the Article name and description, Buyer and Seller part number, Harmonized Tariff Schedule (HTS) number, and manufacturer name and location. Seller will also provide, as requested, any other documentation that is required for U.S. Customs and other Government agency compliance.
- (B) If the Articles provided under this Order qualify for preferential duty treatment under a Free Trade Agreement such as the North American Free Trade Agreement (NAFTA), Seller must provide Buyer's Global Trade Compliance Department with a NAFTA or other Certificate of Origin to enable Buyer to claim preferential duty treatment at the time of entry. Seller acknowledges that the Certificate will be used by Buyer as proof of eligibility for preferential duty treatment, and agrees to provide full cooperation to Buyer for any U.S. or foreign Customs inquiries into preferential duty claims that arise out of any Article furnished under this Order. Unless Buyer requests individual Certificates for each shipment, Seller may provide annual blanket Certificates to cover multiple shipments during the calendar year.
- (C) Seller will send Certificates of Origin or statements specifying Country of Origin to Buyer's Global Trade Compliance Department at the following e-mail, address, or fax numbers:
andrea.satterfield@mcturbine.com
McTurbine, Inc.
401 Junior Beck Drive
Corpus Christi, TX 78405
FAX: (361) 851-2120 or (361) 851-9322
- (D) Seller must notify Buyer in writing of any change in the Origin of the Article.
- (E) Buyer will notify Seller in writing if Seller fails to supply documentation required under Paragraphs (A) through (D) of this Clause, and Seller agrees to provide Buyer the relevant documentation within 30 days of receipt of notice from Buyer.



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

Clause 25 - HAZARDOUS MATERIAL

Seller certifies it is in compliance with any federal, state or provincial laws, including but not limited to the U.S. Occupational Safety and Health Act of 1970 (OSHA) or the Canadian Hazardous Products Act as applicable. Furthermore, if the Articles purchased herein are considered toxic or hazardous as defined in the above set of regulations, Seller shall provide a copy of the Material Safety Data Sheet (MSDS) with each shipment or as otherwise specified on this Order.

Clause 26 - INDEMNIFICATION

Seller shall hold harmless and unconditionally indemnify Buyer, its directors, officers and employees to the full extent of any liability, loss, cost, claim, damage or expense including, but not limited to, reasonable attorneys' fees for the defense of all liabilities, costs, claims, damages and expenses by reason of any alleged or actual property damage or personal injury arising out of, as a result of, or in connection with the work performed hereunder due to any act or omission of Seller or its employees, agents, subcontractors, or lower tier subcontractors.

Clause 27 - PARTIAL INVALIDITY; WAIVER

If any provisions of this Order including these Terms and Conditions become void or unenforceable, the other provisions will remain valid and enforceable. Waiver of one or more provisions of these Terms and Conditions by Buyer will in no way act as a waiver of any other provision herein.

Clause 28 - ORDER OF PRECEDENCE

In the event of any inconsistency among the provisions of this Order hereunder, such inconsistency will be resolved by giving precedence in the following sequence:

- (A) Provisions typed on the face of this Order including mandatory flowdowns in Buyer's Prime Contract,
- (B) Long Term Agreement/Contract between Buyer and Seller (if applicable)
- (C) Terms and Conditions,
- (D) Statement of Work,
- (E) Specifications,
- (F) Other documents, exhibits, and attachments to this order.

Clause 29 - ELECTRONIC DATA INTERCHANGE

- (A) The Parties agree that if an Order is transmitted electronically neither party shall contest the validity of this Order, or any acknowledgement thereof, on the basis that this Order or acknowledgement contains an electronic signature.
- (B) Buyer and Seller agree that in the event any part of the purchase and sale of Articles covered by these Terms and Conditions will hereafter be effected using electronic data interchange, these Terms and Conditions shall continue to apply thereto.

Clause 30 – GOVERNMENT REGULATIONS RELATING TO EXPORT/IMPORT OF GOODS AND TECHNICAL DATA

- (A) Goods and Technical Data provided under this Order may be subject to the United States (U.S.) Export Administration Act (50 USC 2401-2420) and the Export Administration Regulations (EAR) (15 CFR 768-799) promulgated thereunder; the U.S. Arms Export Control Act (22 USC 2751-2779) and the International Traffic in Arms Regulations (ITAR) (22 CFR 120-130) promulgated thereunder; the Regulations of the Office of Foreign Assets Control

of the U.S. Treasury Department (31 CFR 500-599); the Regulations of the Bureau of Alcohol, Tobacco, and Firearms (ATF) (27 CFR 447-555); the Homeland Security Act of 2002 and the U.S. Customs Regulations (19 CFR 1-199) promulgated thereunder; Canadian Export and Import Permits Act (RS Chapter E-19) and export or import restrictions of any other jurisdiction as may apply to the export or import of such Goods or Technical Data.

- (B) The parties acknowledge that the above-referenced laws, rules, and regulations impose restrictions on the import, export, re-export, or transfer to third countries or parties of certain categories of Goods and Technical Data. The parties acknowledge that licenses or permits from the U.S. State Department, U.S. Commerce Department, or U.S. Department Treasury, may be required before Buyer is permitted to provide Technical Data to Seller or before Seller is permitted to export Goods to Buyer. Additionally, licenses from the U.S. Bureau of Alcohol, Tobacco, and Firearms (ATF), or other jurisdictions may be required before Buyer is permitted to permanently import Goods from Seller. The parties acknowledge that such licenses or permits may impose restrictions on use of Goods and Technical Data.
- (C) Seller shall comply with all applicable export and import laws and regulations and any requirements of Buyer with respect to the import, export, re-export, or transfer of Goods and Technical Data including restrictions against sanctioned countries and denied parties. Upon placement of Buyer's Order, Seller must provide all required U.S. export and import classification information including but not limited to Harmonized Tariff Schedule (HTS) numbers and country of origin information for compliance purposes. All technical data subject to either the ITAR or the EAR must be appropriately marked in accordance with DOD Directive 5230.24, as well as marked with the specific applicable export classification(s). Seller must immediately notify Buyer of any change to the export or import classification or country of origin information. Seller must notify Buyer in writing in advance of any change in manufacturing location during Seller's performance. Seller shall comply with all U.S. Customs Department Trade Partnership Against Terrorism (C-TPAT) requirements.
- (D) Upon placement of Buyer's Order, Seller must provide in a form satisfactory to Buyer, certification as to whether the Goods or Technical Data are subject to the U.S. State Department's ITAR, and if so subject, certification as to the applicable U.S. Munitions List (USML) category; or, if they are not so subject, certification as to whether the Goods or Technical Data are subject to the U.S. Commerce Department's EAR, and if so subject, certification as to the applicable Export Control Classification Number (ECCN). Seller shall indemnify and hold Buyer harmless to the full extent of any loss, damage, cost, expense, or liability including lost profits, attorney's fees and court costs for any failure or alleged failure of Seller to comply with such export or import laws and regulations, and for any false statements or material omissions by Seller with respect thereto, including without limitation export or import classification and country of origin data of Goods or Technical Data under applicable regulations.
- (E) Seller must not, without Buyer's prior written consent, export, transfer, re-export, or re-transfer any Technical Data provided by Buyer, including Buyer's Technical Data that has been integrated by Seller into Seller's Data. Seller shall not export, transfer, re-export, or re-transfer any Goods or Technical Data to any U.S. sanctioned countries, denied, or designated parties. These restrictions apply to Seller, its employees, and any third party including, but not limited to Seller's suppliers and subcontractors. Upon completion of performance or termination of Buyer's Order, Buyer furnished Goods or Technical Data will, at Buyer's option, be returned to Buyer or destroyed by Seller. Seller must provide written verification of destruction to Buyer.



McTurbine Inc.
an Affiliate of Bell Helicopter Textron Inc.

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Clause 31 - ENTIRE AGREEMENT

This Order, including attachments hereto, constitutes the entire understanding and agreement between the parties with respect to the subject matter hereof and supersedes all prior representations and understandings, whether oral or written. However, nothing herein will be construed as a limitation or exclusion of any right or remedy available to Buyer by law. Buyer and Seller agree that the U.N. Convention on Contracts for the International Sale of Goods will not apply to any purchase and sale of Articles governed by these Terms and Conditions.

Clause 32 - INDEPENDENT CONTRACTOR

Seller is an independent contractor in all its operations and activities under this Order and all personnel furnished by Seller or used by Seller in the performance of this Order will be Seller's employees exclusively without any relation whatsoever to Buyer. Seller is responsible for all obligations and reporting requirements covering social security, unemployment insurance, worker's compensation, income tax, and any other reports, payments or deductions required by local, state, or federal law or regulation. Seller is not granted, expressly or impliedly, any right or authority to create any obligation or liability on behalf of or in the name of Buyer.

Clause 33 - INFORMATION ON POLITICAL CONTRIBUTIONS AND FEES OR COMMISSIONS IN CONNECTION WITH THE SALE OF DEFENSE ARTICLES OR SERVICES

Seller agrees to furnish information, within seven (7) days of Buyer's request, regarding any payment, offer or agreement to pay "political contributions" or "fees or commissions" (as those terms are defined at 22 CFR Sec. 130) with respect to any sale by the Buyer for which a license or approval from the Office of Defense Trade Controls, Department of State, is required or any sale pursuant to a contract with the Department of Defense under Section 22 of the Arms Export Control Act (22 USC Sec. 2762).

Clause 34 - BUYER INFORMATION

Seller agrees to comply with the terms of any Proprietary Information Exchange Agreement(s) with Buyer and to comply with all proprietary information markings and restrictive legends on information provided hereunder by Buyer to Seller. Seller agrees not to use any Buyer-provided information for any purpose except to perform this Order and agrees not to disclose such information to third parties without the prior written consent of the Buyer.

Clause 35 - NOTICE TO EMPLOYEES CONCERNING UNION DUES

The clause in Title 29 of the Code of Federal Regulations, part 470.2(a), paragraphs 1 through 4, is incorporated by reference herein and made a part hereof, if applicable.

Clause 36 - RESCISSION, ADJUSTMENT, AND TERMINATION FOR ILLEGAL OR IMPROPER ACTIVITY

For Orders in fulfillment of a U.S. Government contract:

- (A) If the Government pursues action under FAR 52.203-8, "Cancellation, Rescission and Recovery of Funds for Illegal or Improper Activity" and cancels the solicitation or rescinds the prime contract to which this order relates, and such action results from Seller's violation of the Procurement Integrity Act, 41 U.S.C. 423, Buyer may 1) rescind this Order; 2) recover from Seller all amounts paid by Buyer to Seller related to this Order; 3) recover from Seller any amounts including any penalty prescribed by law, which Buyer is required to pay ; and, 4) recover from Seller any other costs, expenses, liabilities incurred by Buyer in connection with Seller's violation of the Procurement Integrity Act.
- (B) Seller agrees to pay Buyer the amount that Buyer's price or fee is reduced pursuant to FAR clause 52.203-10, "Price or Fee Adjustment for Illegal or Improper Activity" to extent such reduction

results from Seller's violation of the Procurement Integrity Act and as such act is implemented in the FAR. In the event the Government terminates for default any Buyer prime contracts under which this Order is issued, as a result of Seller's violation of the Procurement Integrity Act, Buyer shall have the right to terminate this Order in whole or part.

- (C) Buyer's rights and remedies under this clause are in addition to any other rights and remedies provided by law, regulation, or under this Order.

Clause 37 - FEDERAL ACQUISITION REGULATION (FAR)

- (A) If this Order contains a U.S. Government Prime Contract Number or if any of the Articles to be supplied under this Order (or any other Orders placed under the Agreement under which this Order is placed) are to be used on a U.S. Government contract, the FAR and, if applicable, DFARS clauses listed under the **McTurbine Standard Purchase Order Terms and Conditions - FAR and DFARS Clause Flow-downs in Fulfillment of a U.S. Government Contract (Flow-Downs)** is incorporated herein by reference and made a part of these Terms and Conditions. The Parties agree that Parts I and III of the Flow-Downs shall be incorporated in all Order in support of a U.S. Government Prime Contract until Seller provides sufficient documentation that the Article(s) qualifies for Commercial Item status in accordance with FAR 2.101. If and when Buyer determines the Article to be a Commercial Item, then Part II will be incorporated into the all Orders for that particular Article.
- (B) The dates of these clauses are the dates in effect in the U.S. Government Prime Contract issued to Buyer. Unless specified otherwise, the term "Contractor" will mean "Seller," the term "Contract" will mean "Order," and the term "subcontractor" will mean Seller's subcontractors. Seller agrees to negotiate with Buyer to incorporate additional provisions beyond those identified in the Flow-Downs or to change provisions as Buyer reasonably deems necessary to comply with the applicable Prime Contract or with amendments or modifications to the applicable Prime Contract. Seller shall accept mandatory flow-down clauses in Buyer's Prime Contract or modifications thereto at no additional cost to Buyer.



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Part I – FEDERAL ACQUISITION REGULATION

- (A) Seller agrees to negotiate with Buyer to incorporate additional provisions herein or to change provisions as Buyer reasonably deems necessary to comply with the applicable Prime Contract or with amendments or modifications to the applicable Prime Contract.
- (B) If so identified, this Order is a “rated order” certified for national defense use, and Seller shall follow all the requirements of the Defense Priorities and Allocation System Regulation (15 C.F.R. Part 700).
- (C) The following clauses are incorporated by reference and made a part hereof. The dates of these clauses are the dates in effect in the U.S. Government Prime Contract issued to Buyer. Unless specified otherwise, the term “Contractor” shall mean “Seller,” the term “Contract” shall mean “Order,” and the term “subcontractor” shall mean Seller’s subcontractors.

Section II: If an Order(s) contains a U.S. Government Prime Contract Number and if the Buyer has determined that the Article(s) supplied by Seller is/are Commercial Item(s) then following FAR and DFARS Clauses are applicable.

A. The following FAR clauses are applicable as identified below:

- 1. **The following FAR clauses apply to this Contract:**
 - 52.215-20 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA (Substitute “Buyer’s Procurement Representative” for “Contracting Officer,” “Administrative Contracting Officer,” and “ACO” throughout this clause.)
 - 52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA – MODIFICATIONS (Substitute “Buyer’s Procurement Representative” for “Contracting Officer,” “Administrative Contracting Officer,” and “ACO” throughout this clause.)
 - 52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS
 - 52.222-21 PROHIBITION OF SEGREGATED FACILITIES
 - 52.222-26 EQUAL OPPORTUNITY (Only subparagraphs (c)(1)-(11) apply.)
 - 52.225-13 RESTRICTION ON CERTAIN FOREIGN PURCHASES
 - 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS
 - 52.247-64 PREFERENCE FOR PRIVATELY OWNED U.S. FLAG COMMERCIAL VESSELS (In (c)(1), subcontractor means Seller).
- 2. **The following FAR clause(s) apply to this Contract if the value of this Contract exceeds \$10,000:**
 - 52.222-36 AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES
- 3. **The following FAR clause(s) apply to this Contract if the value of this Contract is equal to or exceeds \$100,000:**
 - 52.222-35 EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS

52.222-39 NOTIFICATION OF EMPLOYEE RIGHTS CONCERNING PAYMENT OF UNION DUES OR FEES

- 4. **The following FAR clause(s) apply to this Contract if the value of this Contract is equal to or exceeds \$550,000:**

52.219-9 SMALL BUSINESS SUBCONTRACTING PLAN (Applicable if the Seller is not a small business. In subparagraph (c) only, substitute “Buyer’s Procurement Representative” for “Contracting Officer,” “Administrative Contracting Officer,” and “ACO.” The Seller’s subcontracting plan is incorporated herein by reference.)

- 5. **The following FAR clauses apply as indicated:**

52.204-2 SECURITY REQUIREMENTS (Applicable if work requires access to classified information. Delete paragraph c of the clause.)

52.211-15 DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS (Applicable only if so identified as a “rated order”).

52.215-19 NOTIFICATION OF OWNERSHIP CHANGES (“Administrative Contracting Officer” and “ACO” mean Buyer’s Authorized Procurement Representative.)(If this Contract meets the applicability requirements of FAR 15.408(k))

52.222-41 SERVICES CONTRACT ACT OF 1965, AS AMENDED (Applicable if this Contract is subject to the Service Contract Act. The clause does not apply if this Contract has been administratively exempted by the Secretary of Labor or exempted by 41 U.S.C. 356, as interpreted in Subpart C of 29 CFR Part 4.)

52.222-54 EMPLOYMENT ELIGIBILITY VERIFICATION (Applicable to: (1) subcontracts for commercial items or non-commercial services except for commercial services that are part of the purchase of COTS item(s) or items that may be COTS item(s) but with minor modifications; (2) have a value of more than \$3000; and, (3) include work performed in the U.S.)

52.223-7 NOTICE OF RADIOACTIVE MATERIALS (Applicable to Articles that contain radioactive material).

52.223-11 OZONE-DEPLETING SUBSTANCES (Applicable if the Articles were manufactured with or contain ozone-depleting substances.)

52.225-1 BUY AMERICAN ACT—SUPPLIES (Applicable if this Contract requires furnishing of Articles containing other than domestic components.)

52.225-5 TRADE AGREEMENTS (Applicable if the Articles contain other than U.S. made, designated country, Caribbean or NAFTA country end products.)

52.227-19 COMMERCIAL COMPUTER SOFTWARE – RESTRICTED RIGHTS (Applicable only if existing computer software is to be delivered under this Order).

52.245-1 GOVERNMENT PROPERTY (Applicable if Government property is furnished in the performance of this Contract. Substitute “BUYER” for “Government” or “United States” as applicable throughout this clause, except in the phrases “Government property,” “Government-furnished property,” and in references to



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title to property. Substitute "BUYER Procurement Representative" for "Contracting Officer," "Administrative Contracting Officer," and "ACO" throughout this clause. The following is added as paragraph (n): "CONTRACTOR shall provide to BUYER immediate notice of any disapproval, withdrawal of approval, or non-acceptance by the Government of its property control system."

B. The following DFARS CLAUSES are applicable if this Order is placed under a Department of Defense prime contract and if the stipulation in the relevant parenthetical applies:

252.204-7008 Requirements for Contracts Involving Export-Controlled Items (Applicable if the Seller expects or involves access to or generation of export-controlled items)

252.219-7003 SMALL BUSINESS SUBCONTRACTING PLAN (DoD CONTRACTS) (Applicable if FAR 52.219-9 applies to this Contract. Delete Paragraph (g).)

252.223-7001 HAZARD WARNING LABELS (Applicable if this Contract requires the delivery of hazardous materials.)

252.225-7001 BUY AMERICAN ACT AND BALANCE OF PAYMENTS PROGRAM (Applicable if the Articles contain other than domestic components. Applicable in lieu of FAR 52.225-1 and FAR 52.225-5.)

252.225-7014 Preference for Domestic Specialty Metals with its Alt. I (Applicable if the Articles to be furnished contain specialty metals.)

252.225-7014 Preference for Domestic Specialty Metals (DEVIATION) and Alt I (DEVIATION)

252.225-7021 TRADE AGREEMENTS (Applicable if Articles contain other than domestic components. Applicable in lieu of FAR 52.225-1 and 52.225-5).

252.227-7015 TECHNICAL DATA - COMMERCIAL ITEMS (Applicable only if technical data is to be delivered under this Contract. Insert "and BUYER" after "Government" or "Contracting Officer," as appropriate, throughout this clause.)

252.247-7023 TRANSPORTATION OF SUPPLIES BY SEA (Applicable if this Contract meets the criteria set forth in subparagraph (b) (2) of the clause. In the first sentence of paragraph (g), insert a period after "Contractor" and delete the balance of the sentence. Paragraphs (f) and (g) shall not apply if this Contract is at or below \$100,000. Substitute "BUYER" for "Government" or "United States" as applicable throughout this clause, except for paragraph (c). Substitute "BUYER Procurement Representative" for "Contracting Officer," "Administrative Contracting Officer," and "ACO" throughout this clause, except for paragraph (c).)

252.247-7024 NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA (Applicable if this Contract meets the criteria set forth in subparagraph (b) (2) (ii) of the clause. Substitute "BUYER Procurement Representative" for "Contracting Officer," "Administrative Contracting Officer," and "ACO" throughout this clause.)

252.249-7002 NOTIFICATION OF ANTICIPATED CONTRACT TERMINATION OR REDUCTION (Applicable if this Contract equals or exceeds \$550,000. Substitute "BUYER Procurement

Representative" for "Contracting Officer," "Administrative Contracting Officer," and "ACO" throughout this clause. Delete subparagraph (d)(1) and the first five words of subparagraph (d) (2).)

Section III: If an Order(s) contains a U.S. Government Prime Contract Number then following FAR and DFARS Clauses are applicable.

A. The following FAR clauses are applicable as identified below:

1. The following FAR clauses apply to this Contract

52.203-7 Anti-Kickback Procedures (Delete paragraph (c) (1)). In (c)(2), copy of such reports must also be provided to Buyer. Buyer will have the right to withhold from Seller, the amount, if any, that the Contracting Officer directs Buyer to withhold from Seller or any amounts the Government withholds from Buyer as a result of Seller's violation of this clause. In (c)(3), Seller must cooperate with Buyer and any Federal agency investigating a possible violation described in paragraph b.

52.211-5 Material Requirements ("Contracting Officer" means Buyer's Authorized Procurement Representative).

52.211-15 Defense Priority and Allocation Requirements (Applicable only if so identified as a "rated order").

52.222-1 Notice to Government of Labor Disputes ("Contracting Officer" means "Buyer's Authorized Procurement Representative.")

52.222-26 Equal Opportunity (only subparagraphs (c)(1) through (c)(11) apply)

52.222-50 Combating Trafficking in Persons ("Government" means Government and Buyer and "Contracting Officer" means Buyer's Authorized Procurement Representative)

52.223-11 Ozone-Depleting Substances

52.225-13 Restrictions on Certain Foreign Purchases

52.227-14 Rights in Data – General

52.234-1 Industrial Resources Developed Under Defense Production Act ("Contracting Officer" means "Buyer's Authorized Procurement Representative")

52.242-13 Bankruptcy ("Contracting Officer" means Buyer's Authorized Procurement Representative).

52.242-15 Stop Work Order ("Contracting Officer" means Buyer's Authorized Procurement Representative and "Government" means "Buyer").

52.243-1 Changes – Fixed Price ("Contracting Officer" means Buyer's Authorized Procurement Representative and "Government" means Buyer; delete the reference to the Disputes clause in paragraph (e)). Notwithstanding the above, Buyer may make changes to this Order delivery schedule without cost impact provided that:

(i) Buyer provides a minimum four (4) week notice to Seller for any delivery schedule acceleration;

(ii) Buyer provides a minimum four (4) week notice to Seller for any delivery schedule deceleration; and



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(iii) Prices for rescheduled Articles will be those in effect at the time of the delivery.

52.244-6 Subcontracts for Commercial Items

52.246-2 Inspection of Supplies - Fixed Price ("Contracting Officer" means "Buyer's Authorized Procurement Representative" and "Government" means "Government and Buyer" except in paragraphs (f), (i) and (l) where "Government" means "Buyer.")

52.246-4 Inspection of Services - Fixed Price ("Government" means "Buyer" except in (b), (c), and (d), "Government" means "Government and Buyer".)

52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels (In (c)(1), subcontractor means Seller).

52.249-2 Termination for the Convenience of the Government (Fixed Price)

("Government" means Buyer and "Contracting Officer" means "Buyer's Authorized Procurement Representative" except in paragraph (n) where they mean "Government or Buyer" and "Contracting Officer or Buyer's Authorized Procurement Representative" respectively. In paragraph (c), "120 days" and "120 day period" mean "60 days" and "60 day period" respectively. In paragraph (d), the term "45 days" is changed to "90 days." The term "1 year" in paragraph (e) is changed to "6 months." In paragraph l, "90 days" is changed to "45 days." Settlements and payments under this clause may be subject to Contracting Officer approval.)

52.249-8 Default ("Government" means Buyer and "Contracting Officer" means "Buyer's Authorized Procurement Representative" except in paragraph (e) where they mean "Government and Contracting Officer" respectively.)

2. The following FAR clause(s) apply to this Contract if the value of this Contract exceeds \$10,000:

52.222-36 Affirmative Action for Workers with Disabilities

3. The following FAR clause(s) apply to this Contract if the value of this Contract is equal to or exceeds \$100,000:

52.203-6 Restrictions on Subcontractor Sales to the Government

52.203-12 Limitation on Payments to Influence Certain Federal Transactions

52.215-2 Audit and Records Negotiation ("Government Contracting Officer" means Government Contracting Officer and authorized representatives and Buyer's Authorized Procurement Representative.)

52.215-14 Integrity of Unit Prices with its ALT I ("Contracting Officer" means "Buyer's Authorized Procurement Representative").

52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans

52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans

52.222-41 Service Contract Act of 1965, as Amended (Applicable if this Contract is subject to the Service Contract Act. The clause does not apply if this Contract has been administratively exempted by the Secretary of Labor or exempted by 41 U.S.C. 356, as interpreted in Subpart C of 29 CFR Part 4.)

52.223-14 Toxic Chemical Release Reporting (Delete paragraph e)("Contracting Officer" means Buyer's Authorized Procurement Representative).

52.227-1 Authorization and Consent (Applicable only if Buyer's Prime Contract contains this clause; In subparagraph (a)(2)(ii), "Contracting Officer" means Buyer's Authorized Procurement Representative).

52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement ("Contracting Officer" means Buyer's Authorized Procurement Representative and "Government" means Government or Buyer).

52.248-1 Value Engineering ("Contracting Officer" means "Buyer's Authorized Procurement Representative" and "Government" means "Buyer" except in (c)(5) and (m) where "Government" means "Government and Buyer").

4. The following FAR clause(s) apply to this Contract if the value of this Contract is equal to or exceeds \$550,000:

52.219-9 SMALL BUSINESS SUBCONTRACTING PLAN (Applicable if the Seller is not a small business. In subparagraph (c) only, substitute "Buyer's Procurement Representative" for "Contracting Officer," "Administrative Contracting Officer," and "ACO." The Seller's subcontracting plan is incorporated herein by reference.)

5. The following FAR clause(s) apply to this Contract if the value of the Contract exceeds \$650,000:

52.215-12* Subcontractor Cost or Pricing Data

52.215-13* Subcontractor Cost or Pricing Data-Modifications

*FAR 52.215-10, 52.215-11, 52.215-12 and 52.215-13 - ("Contracting Officer" means Government Contracting Officer and Buyer; "Government" means Government and Buyer); If Buyer is subject to any liability or expense, including government withholding of payments, as the result of Seller or its lower-tier subcontractors' submission and certification of alleged or actual defective cost or pricing data, which data was certified by Buyer to be accurate, complete and current as of the date of final price agreement given on Buyer's Certificate of Current Cost or Pricing Data to the U.S. Government or their furnishing of any data of any description that is allegedly or actually inaccurate as set forth in these clauses, then Seller agrees to indemnify and hold Buyer harmless to the full extent of any damage or expense resulting from such action. Seller must provide Buyer with copies of all communications between Seller and the Contracting Officer respecting these clauses and FAR 52.230-6. The rights and obligations under these clauses survive Order completion and final payment under this Order.

6. The following FAR clause(s) apply to this Contract if the value of this Contract exceeds \$5,000,000 and the period of performance is more than 120 days:



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- 52.203-13 Code of Business Ethics and Conduct
- 52.203-14 Display of Hotline Poster(s)

7. The following FAR clauses apply to this Contract only if the stipulation in the relevant parenthetical applies:

- 52.204-2 Security Requirements (Applicable if work requires access to classified information. Delete paragraph (c) of the clause.)
- 52.215-10* Price Reduction for Defective Cost or Pricing Data (Applicable if Cost or Pricing Data is required under this Contract in accordance with FAR 15.403-4 and in accordance with FAR 52.215-12).
- 52.215-11* Price Reduction for Defective Cost or Pricing Data-Modifications (Applicable if Cost or Pricing Data is required under this Contract in accordance with FAR 15.403-4 and in accordance with FAR 52.215-13).
- 52.215-15 Pension Adjustments and Asset Reversions ("Government" means "Government and Buyer.")(Applicable if the Contract meets the requirements of FAR 15.408(g))
- 52.215-18 Reversion or Adjustment of Plans for Postretirement Benefits Other than Pensions (Applicable if this Contract meets the applicability requirements of FAR 15.408(j))
- 52.215-19 Notification of Ownership Changes ("Administrative Contracting Officer" and "ACO" mean Buyer's Authorized Procurement Representative)(Applicable if this Contract meets the requirements of FAR 15.408(k))
- 52.215-20 Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data ("Contracting Officer" means Buyer's Authorized Procurement Representative)(Applicable if Certified Cost or Pricing Data is required in accordance with 15.403-4).
- 52.215-21 Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data- Modifications ("Contracting Officer" means Buyer's Authorized Procurement Representative)(Applicable if Certified Cost or Pricing Data is required in accordance with 15.403-4)
- 52.222-4 Contract Work Hours and Safety Standards Act Overtime Compensation (Applicable as prescribed in FAR 22.305)(Buyer may withhold or recover from Seller such sums as the Contracting Officer withholds or recovers from Buyer because of liabilities of Seller or its subcontractors under this FAR clause.)
- 52.219-8 Utilization of Small Business Concerns (Applicable if FAR 52.219-9 applies to this Contract.)
- 52.222-20 Walsh-Haley Public Contracts Act (Applicable if meets the requirements of FAR 22.603, 22.604, or 22.605)
- 52.222-21 Prohibition of Segregated Facilities (Applicable if FAR 52.222-26 is incorporated in this Contract).
- 52.222-54 Employment Eligibility Verification (Applicable to: (1) subcontracts for commercial items or non-commercial

services except for commercial services that are part of the purchase of COTS item(s) or items that may be COTS item(s) but with minor modifications; (2) have a value of more than \$3000; and, (3) include work performed in the U.S.)

52.223-3 Hazardous Material Identification and Material Safety Data ("Government" means Government and Buyer and "Contracting Officer" means Buyer's Authorized Procurement Representative) (Applicable if the Contract involves hazardous materials).

52.223-7 Notice of Radioactive Materials ("Contracting Officer" means Government Contracting Officer and Buyer's Authorized Procurement Representative and "Government" means Government and Buyer)(Applicable to work containing covered radioactive material).

52.225-1 Buy American Act – Supplies (Applicable if the articles contain other than domestic components. In paragraph (c) substitute "Buyer's Authorized Procurement Representative" for "Contracting Officer.")(Applicable if the work contains other than domestic components).

52.225-5 Trade Agreements (Applicable if the articles contain other than U.S. made, designated country, Caribbean or NAFTA country end products) (Applicable if the Articles contain other than U.S. made, designated country, Caribbean or NAFTA country end products.)

52.225-8 Duty Free Entry ("Contracting Officer" means "Buyer's Authorized Procurement Representative." Change "20" days to "30" days in (c)(1).)(Applicable if supplies will be imported into the Customs Territory of the U.S.)

52.227-3 Patent Indemnity ("Government" means Government or Buyer and "Contracting Officer" means Contracting Officer or Buyer's Authorized Procurement Representative)(Applicable if FAR 52.227-1 is applicable to this Contract).

52.227-9 Refund of Royalties ("Contracting Officer" means Buyer's Authorized Procurement Representative and "Government" means Buyer)(Applicable when reporting royalty exceeding \$250)

52.227-10 Filing of Patent Applications-Classified Subject Matter (Applicable if the Article or any patent application may cover classified subject matter.)

52.227-11 Patent Rights Retention By the Contractor (Short Form)(Applicable if Seller is a small business concern or domestic nonprofit organization and this order is for experimental, developmental, or research work.)

52.227-12 Patent Rights-Retention by the Contractor (Long Form)(Applicable to other than a small business or nonprofit organization performing experimental or R&D work.)

52.228-3 Workers' Compensation Insurance (Defense Base Act)(Applicable if the requirements at FAR 28.309(a) applies to this Contract.)

52.228-4 Workers' Compensation and War-Hazard Insurance Overseas (Applicable if the requirements as FAR 28.309(b) apply to this Contract.)

52.228-5 Insurance – Work on a Government Installation



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(Applicable if Articles performed on government installation.)	252.225-7001	Buy American Act and Balance of Payments Program
52.230-2 Cost Accounting Standards (Applicable to this Contract unless exempt by 48 CFR 9904)	252.225-7002	Qualifying Country Sources as Subcontractors
52.230-3 Disclosure and Consistency of Cost Accounting (Applicable if this Contract value is more than \$500,000 but less than \$50 million and the Seller is eligible for and elects to use modified CAS Coverage in accordance with FAR 30.201-4(b)(1).)	252.225-7012	Preference for Certain Domestic Commodities
52.230-6 Administration of Cost Accounting Standards (Applicable if FAR 52.230-2 or FAR 52.230-3 applies.)	252.225-7016	Restriction on Acquisition of Ball and Roller Bearings
52.232-17 Interest (Seller shall indemnify Buyer for all interest assessed under this clause for Seller or its low-tier subcontractors' acts or omissions)(Applicable if any of the categories specified in FAR 32.617(a) applies.)	252.227-7013	Rights in Technical Data-Noncommercial Items
52.233-3 Protest After Award (If Buyer's customer has directed Buyer to stop performance under Prime Contract under FAR 33.1, Buyer may direct Seller in writing to stop performance of this Order by written notice to Seller; "Government" means Buyer, and "Contracting Officer" means Buyer's Authorized Procurement Representative).	252.227-7014	Rights in Noncommercial Computer Software & NonCommercial Computer Software Documentation
52.237-2 Protection of Government Buildings, Equipment, and Vegetation (Applicable if Articles performed on government installation.)	252.227-7016	Rights in Bid or Proposal Information
52.245-1 Government Property ("Government" means "Buyer" except in phrases "Government Furnished Property" and "Government Property" and in references to title to property. In paragraphs (g), (j) and (j)(1), where "Government" means "Government" or "Buyer." "Contracting Officer" means Buyer's Authorized Procurement Representative. The following is added as paragraph (n): Seller shall provide Buyer with immediate notice of any Government disapproval or Government withdrawal of approval or Government non-acceptance of Seller's property control system.)	252.227-7019	Validation of Asserted Restrictions-Computer Software
52.246-7 Inspection of Research and Development-Fixed Price ("Contracting Officer" means "Buyer's Authorized Procurement Representative" and "Government" means "Government and Buyer" except in paragraphs (d) and (f) where "Government" means "Buyer.")	252.227-7025	Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends (In paragraph (c)(1), "Government" means Government and Buyer).
52.247-63 Preference for U.S.-Flag Air Carriers (Applicable if this Contract involves international air transportation.)	252.227-7026	Deferred Delivery of Technical Data or Computer Software ("Government" means "Buyer").
	252.227-7027	Deferred Ordering of Technical Data or Computer Software ("Government" means "Government or Buyer.")
	252.227-7028	Technical Data or Computer Software Previously Delivered to the Government (The terms Contract and Subcontract shall not change in meaning).
	252.227-7030	Technical Data – Withholding of Payment ("Government" means Government and Buyer; "Contracting Officer" means "Buyer's Authorized Procurement Representative.")
	252.227-7037	Validation of Restrictive Markings on Technical Data
	252.227-7039	Patents-Reporting of Subject Inventions
	252.228-7005	Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles ("Administrative Contracting Officer" means Government Administrative Contracting Officer and Buyer's Authorized Procurement Representative).
B. The following DFARS CLAUSES are applicable if this Order is placed under a Department of Defense prime contract and as indicated:	252.231-7000	Supplemental Cost Principles
1. The following DFARS clauses apply to this Contract	252.243-7001	Pricing of Contract Modifications
252.204-7000 Disclosure of Information ("Contracting Officer" means "Buyer's Authorized Procurement Representative"; Change "45 days" to "60 days")	252.244-7000	Subcontracts for Commercial Items and Commercial Components (DoD Contracts).
252.215-7003 Excessive Pass-Through Charges-Identification of Subcontract Effort ("Offeror" means Buyer)	252.246-7003	Notification of Potential Safety Issues. "ACO" or "PCO" may also mean "Buyer's Authorized Procurement Representative."
252.215-7004 Excessive Pass-Through Charges ("Contractor" means Buyer)	252.247-7023	Transportation of Supplies by Sea (In paragraph (g), delete reference to Prompt Payment clause. "Contracting Officer" means Buyer's Authorized Procurement Representative, except in paragraph (e) where it shall mean the Government Contracting Officer but a copy of the bill of lading shall



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be provided to the Buyer's Authorized Procurement Representative.)

252.247-7024 Notification of Transportation of Supplies by Sea ("Contracting Officer" means Buyer's Authorized Procurement Representative.)

2. The following DFARS clause(s) apply to this Contract if the value of this Contract is equal to or exceeds \$100,000:

252.203-7001 Prohibition On Persons Convicted of Fraud or Other Defense Contract Related Felonies (The definition of "contract", "contractor" and "subcontract" are not modified in paragraphs (a)-(d) of this clause. "Contracting Officer" means "Buyer's Authorized Procurement Representative." Delete paragraph (g)).

252.211-7000 Acquisition Streamlining ("Government" means Buyer).

3. The following DFARS clause apply to this Contract if the value of this Contract equals or exceeds \$1,000,000

252.249-7002 Notification of Anticipated Contract Termination or Reduction (Delete subparagraph (d)(1) and the first five words of subparagraph (d)(2). "Contracting Officer" means Buyer's Authorized Procurement Representative.)

4. The following DFARS clauses apply to this Contract only if the stipulation in the relevant parenthetical applies:

252.208-7000 Intent to Furnish Precious Metals as Government-Furnished Material (Applicable if the Article contains precious metals.)

252.215-7000 Pricing Adjustments (Applicable if FAR 52.215-12 or 52.215-13 applies to this contract.)

252.219-7003 Small Business Subcontracting Plan (Applicable if FAR 52.219-9 applies to this contract)(delete paragraph (g))

252.223-7001 Hazard Warning Labels (Applicable if the Seller will be providing hazardous materials or the Article contains hazardous materials.)

252.223-7002 Safety Precautions for Ammunition & Explosives (Applicable if articles furnished under this Order contain ammunition or explosives as defined in this clause. "Contracting Officer" means "Government Contracting Officer or Buyer"; "Government" means "Government and Buyer").

252.223-7003 Change in Place of Performance – Ammunition and Explosives (Applicable if DFARS 252.223-7002 applies to this Order. "Contracting Officer" means "Buyer's Authorized Procurement Representative" and "Government" means "Government and Buyer")

252.223-7006 Prohibition on Storage and Disposal of Toxic and Hazardous Materials with its Alt. I. ("Government" means "Government and Buyer")(Applicable if the Seller requires or may require or permits its subcontractor to treat or dispose of non-DoD-owned toxic or hazardous materials as defined in this clause.)

252.225-7013 Duty-Free Entry (Applicable if the

requirements of this clause apply to the Contract at subsection (j)(1), (2) or (3).)

252.225-7014 Preference for Domestic Specialty Metals with its Alt. I (Applicable if Article provided under this Contract contains specialty metal.)

252.225-7014 Preference for Domestic Specialty Metals (DEVIATION 2008-O0002) and Alt I (DEVIATION 2008-O0002)(Applicable if Articles provided under this Contract contains specialty metals.)

252.225-7021 Trade Agreements (Applicable if the articles contain other than domestic components. Applicable in lieu of FAR 52.225-1 and FAR 52.225-5).

252.225-7043 Antiterrorism/Force Protection for Defense Contractors Outside the U.S. (Applicable if Seller will be performing outside the U.S. for this Order)

252.226-7001 Utilization of Indian Organizations and Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns (This clause applies when the Order is for other than commercial items and exceeds or is expected to exceed the simplified acquisition threshold in FAR Part 2).

252.235-7003 Frequency Authorization ("Contracting Officer" means "Buyer's Authorized Procurement Representative")(Applicable if this Contract requires the development, production, construction, testing or operation of a device for which a radio frequency authorization is required.)

252.239-7016 Telecommunications Security Equipment, Devices, Techniques, and Services (Applicable if this Order requires securing telecommunications).