

**MEGGITT DEFENSE SYSTEMS, INC.**  
**PURCHASE ORDER TERMS AND CONDITIONS-FIXED PRICE CONTRACT**  
**EFFECTIVE FEBRUARY 16, 2018**

1. **DEFINITIONS.** As used in these Terms and Conditions: "Buyer" means Meggitt Defense Systems, Inc.; "Purchasing Representative" means Buyer's authorized representative whose name appears on the face of an Order; "Order" means this purchase order or any written order issued by Meggitt Defense Systems which incorporates these terms and conditions; "Seller" means the person(s) or company to whom an Order is issued; "FAR" means the Federal Acquisition Regulations (Title 48 CFR Chapter 1) and "DFARS" means the Department of Defense FAR Supplement (Title 48 CFR Chapter 2) in effect on the date of this Order unless a revision date is specified.
2. **ACCEPTANCE AND AGREEMENT.** These terms and conditions apply to, and are agreed to be incorporated in, any Order issued by Buyer to Seller. An Order becomes a binding contract, including all terms and conditions that appear in the Order, in these Purchase Order Terms and Conditions, and in documents incorporated by reference, either upon acknowledgement in writing or commencement of performance. The Order, including these terms, supersedes all prior written or oral communications and is the sole and exclusive statement of the agreement between Buyer and Seller. It is not subject to variation, regardless of the wording of any purported acceptance by Seller, unless stated in a written agreement signed by Buyer's Purchasing Representative. Any additional or different terms appearing in Seller's acceptance are hereby expressly rejected.
3. **PRODUCT SAFETY.** The supplier/organization shall plan, implement, and control the processes needed to assure product safety during the entire product life cycle, as appropriate to the organization and to the product.
4. **ETHICAL BEHAVIOR.** The supplier/organization shall ensure that persons doing the work under the organizations' control are aware of the importance of ethical behavior.
5. **PACKING AND SHIPPING.** Seller shall pack, mark and ship all goods in accordance with specific requirements of an Order, and in a manner which complies with transportation regulations and good commercial practice for protection and shipment of goods. No separate or additional charge is payable by Buyer for containers or any other aspect of packing and shipping to the F.O.B. Point unless specifically stated in an Order. Seller shall mark the number of an Order on each container and include a packing slip with each shipment, listing Order and line item numbers.
6. **DELIVERY.** Unless otherwise stated on the face of an Order, delivery shall be to Buyer's facility (F.O.B Destination). Time is of the essence in the performance of an Order. Delivery shall be in strict accordance with the schedule and quantity specified in an Order. ***Seller is on notice that delays in delivery may result in damages assessments including price reduction under Buyer's prime contracts; Seller shall be liable for any such assessments or price reductions.*** Seller shall not ship to arrive earlier than 7 days in advance of the specified schedule unless authorized in writing. Buyer may return goods at Seller's expense or payment may be deferred until the date payment would become due according to the specified schedule. Per DFAR 252.244-7001, ensure that all applicable purchase orders and subcontracts contain all flow down clauses, as required by the FARS and DFARS, including terms and conditions and any other clauses needed to carry out the requirements of the prime contract. Contracting Officer approval is required only at TINA threshold, using form, PRF-2000-001-

4. Buyer reserves the right to assess late penalties for any deliveries more than five (5) working days beyond the contracted delivery date. Penalties will consist of 1.0 percent of the value of the late item(s) per working day (Monday through Friday) late, calculated beginning the sixth day after the due date, and accruing daily each working day thereafter up to a maximum of 15.0 percent of the value of the delinquent item(s). Late penalties and other late delivery damage assessments as stated in the preceding paragraph will not be additive. If Buyer is the cause of the delay, or when the Seller is not responsible for the delay per the "Notice of Late Delivery" section below, then no late penalties shall be applied.
7. **NOTICE OF LATE DELIVERY.** If it appears Seller will not meet schedule or if Seller's deliveries fail to meet the schedule, then in addition to any other right or remedy that Buyer has under law or this Order, Buyer may require Seller to ship via expedited means at Seller's expense. If Seller's delay is due to causes beyond Seller's control and without Seller's fault or negligence, and if Seller has exercised due diligence by promptly notifying Buyer in writing of the conditions which will result in delay, then Seller shall not be liable for delay. If Seller's delay is caused by the default of a subcontractor or supplier, and such default arises out of causes beyond the control of both Seller and its subcontractor or supplier, and without the fault or negligence of either of them, and if the supplies or services to be furnished by Seller's subcontractor or supplier are not obtainable from another source in sufficient time to permit Seller to meet the required schedule, Seller shall have no liability for delay. Notification of delay pursuant to this clause shall not constitute a waiver of any of Seller's other obligations nor a waiver by Buyer of any right under an Order.
8. **INVOICES AND PAYMENT.** Upon Buyer's receipt of a proper invoice, Seller will be paid the price stated in an Order for supplies delivered and accepted, or services rendered and accepted, less deductions if any as provided by the Order. Cash discounts are determined by receipt date of supplies or services, or of a proper invoice, whichever is later. Payment is subject to setoff of any claim of Buyer against Seller, arising from this or any other transaction.
9. **INSPECTION AND ACCEPTANCE.** Seller shall maintain a quality control system consistent with good commercial practice, unless a specific system of quality control or other standard of quality is specified in an Order or document incorporated by reference. All materials, articles, work or services performed by Seller shall be made available for inspection or test at Seller's plant or that of Seller's subcontractor by authorized representatives of Buyer or Buyer's customer, or both. No inspection or test prior to final inspection and acceptance shall relieve Seller from responsibility for defects or other failure to meet the requirements of an Order. All materials, articles, work or services shall be subject to final inspection and acceptance by Buyer after delivery to destination, notwithstanding prior payment. Acceptance shall not be final with respect to latent defects, fraud, or such gross mistakes as amount to fraud, or as to Seller's warranty obligations.
10. **WARRANTY.** Seller warrants that all materials, articles, work and services furnished will be free from defects in material and workmanship, will conform to all applicable specifications, drawings, samples and descriptions, that goods of Seller's design or selection will be free from design defects, and that the goods will be fit for their intended use. Seller warrants that all items or components supplied under an Order shall be new, that is, not used or reconditioned. All warranties and guarantees shall run to Buyer and Buyer's customers, for a period of 18 months after final acceptance by Buyer, or 12 months after the item in which Seller's goods are incorporated is accepted by Buyer's customer, whichever is later. Seller agrees to repair or replace at its cost any item which does not conform to this warranty, as Buyer directs. These warranties are in addition to any standard warranty or guarantee of

Seller, and any warranty and related remedy otherwise created by operation of law.

11. **TECHNICAL DATA AND INTELLECTUAL PROPERTY.** (1) Grant of Right to Use: Seller grants to Buyer the right to use any technical data provided by Seller to the extent necessary for Buyer's performance of Buyer's prime contract or higher-tier subcontract, including the right to provide Seller's technical data to Buyer's customer. (2) Agreement to Indemnify: Seller agrees to indemnify and hold harmless Buyer and Buyer's customers from any expense (including attorneys' fees and costs) or loss, damage or liability on account of any infringement or claim of infringement of any U.S. or foreign patent, copyright or trademark, or on account of any misappropriation or claim of misappropriation of trade secrets or proprietary data, arising out of or resulting from the sale or use of the materials, articles, services or technical data provided by Seller. Seller also agrees at its own expense to defend any actions, lawsuits or claims in which such infringement or misappropriation is alleged, provided that Seller has first been notified as to the existence of such action, lawsuit or claim.
  
12. **CHANGES.** This Order may not be changed except by written modification signed by Buyer's Purchasing Representative. Buyer may at any time by written notice and without notice to sureties, make changes in any one or more of the following: (i) drawings, designs, or specifications; (ii) method of packing or shipment; (iii) place of inspection, acceptance or point of delivery; (iv) delivery schedule.  
Should any such change cause an increase or decrease in the cost of or time required for performance of an Order, an equitable adjustment shall be negotiated and the Order shall be modified accordingly. If no agreement is reached, the equitable adjustment due shall be resolved pursuant to the "Disputes" clause below. Any claim by Seller for such adjustment shall be submitted to Buyer in writing within 15 days of Buyer's written notice of such change. If not submitted within 15 days, the claim is waived. Seller must proceed without delay in performing the Order as changed, even if a "Dispute" is pending and not resolved.
  
13. **TERMINATION/CANCELLATION/STOP WORK.**
  - a. **Termination for Convenience.** The performance of work under an Order may be terminated in whole or in part by Buyer for Buyer's convenience, at any time and without regard to whether Buyer's contract with its customer may have been terminated. The rights, duties and obligations of the parties including compensation to be paid to Seller shall be in accordance with FAR Subparts 49.1 and 49.2 as if Buyer was in the position of the Government, Buyer's Purchasing Representative was the Termination Contracting Officer, and Seller was in the position of Contractor, as those terms are used in those FAR subparts.
  
  - b. **Termination for Default.** Buyer may, by written notice to Seller, terminate this Order in whole or in part for Default if Seller fails to (i) deliver supplies or perform services within the time specified, (ii) make progress so as to endanger performance of an Order and fails, within 10 days of written notice of such failure, to cure that failure or otherwise provide adequate assurance of performance, or to (iii) perform any other provision of this Order. If Buyer terminates in whole or in part for default, Buyer may acquire under terms that Buyer considers appropriate materials or services similar to those terminated. Seller shall be liable to Buyer for any excess costs for procurement of supplies or services. At the time of termination or thereafter, Buyer may at its option also require Seller to transfer title and deliver to Buyer any completed supplies, partially

completed supplies, or materials, parts, tools, dies, jigs, fixtures and the like that Seller has specifically produced or acquired for the terminated portion of this Order. Subject to Buyer's right of setoff for excess re-procurement costs or other damages, Buyer shall pay Seller the contract price for completed supplies delivered and accepted by Buyer. Buyer and Seller shall agree on the amount of payment for partially completed supplies, or materials delivered to Buyer at Buyer's specific direction. Buyer's rights and remedies in this clause are in addition to any other rights and remedies provided by law or under this Order. In the event it is later determined by a court or other tribunal with jurisdiction that Seller was not in default, the termination shall be deemed to have been for the convenience of Buyer and Seller's exclusive remedy will be for payment as provided in subparagraph a. above.

- c. **Stop Work.** By written notice Buyer may require Seller to stop work for a period not to exceed 90 days in accordance with the clause at FAR 52.242-15 "Stop Work Order (Aug 1989)", incorporated by reference and altered to insert "Buyer" and "Buyer's Purchasing Representative" for "Government" and "Contracting Officer", and to substitute "Seller" for "Contractor."

14. **DISPUTES.** If Buyer's contract with its customer contains a "Disputes" clause or procedure, any claim or demand by Seller which derives or results in any way from an act or omission of Buyer's customer which is not resolved by agreement may, at Buyer's election, be submitted for resolution pursuant to the customer contract "Disputes" clause. In that event, Seller's sole remedy will be the "Disputes" procedure in Buyer's contract with its customer, and Seller's recovery is limited to the amount if any recovered from Buyer's customer on Seller's behalf. Pending resolution, Seller shall not take any other action, including but not limited to pursuit of independent litigation with respect to any claim or demand, pending final determination under Buyer's prime contract "Disputes" provision. Seller shall not be entitled to receive from Buyer any amount greater than Buyer actually receives from Buyer's customer on account of Seller's claim, less any markups and costs incurred by Buyer. All claims and disputes between Buyer and Seller not originating with acts or omissions of Buyer's customer and not settled by mutual agreement, shall be decided by arbitration conducted in accordance with California Code of Civil Procedure Part III, Title 9 (without discovery). The arbitration proceeding shall be conducted in Orange County, California by a single arbitrator agreed upon by the parties or appointed pursuant to California Code of Civil Procedure Section 1281.6. This agreement to arbitrate shall be specifically enforceable under prevailing arbitration law.

Except to the extent that Federal law may apply to the interpretation of FAR and DFARS clauses incorporated herein, this contract shall be governed by and construed in accordance with the laws of the State of California.

15. **ASSIGNMENTS AND SUBCONTRACTING.** Seller may not assign an Order or any portion thereof without the written consent of Buyer. Seller agrees to obtain Buyer's written approval before subcontracting performance of an Order or any substantial portion thereof. Buyer's approval of any such subcontractor shall not relieve Seller from any obligations imposed by these terms.
16. **COMPLIANCE WITH LAWS AND REGULATIONS.** Seller warrants that Seller's performance of an Order shall comply with all federal, state and local laws and regulations.
17. **TAXES.** Unless otherwise specified in writing on the face of an Order, the prices stated include

all applicable state, federal and local taxes.

18. **DRAWINGS, SPECIFICATIONS, INTELLECTUAL PROPERTY AND TECHNICAL DATA.** The ideas, information, designs, drawings, specifications and any other data or business and manufacturing information supplied by Buyer shall remain Buyer's property. Such data shall be retained in confidence by Seller and shall not be disclosed to any other person or entity, and shall not be used or incorporated into any product or item that is manufactured for or supplied to anyone other than Buyer. Seller shall not use any Buyer's part number for any purpose other than performance of this Order.
19. **BUYER'S PROPERTY.** All tools, dies, jigs, patterns, equipment, material, industrial property or other items purchased, furnished, charged to or paid for by Buyer, and any replacement thereof, shall remain the property of Buyer. Such property shall be plainly marked to evidence that it is Buyer's property and shall be stored safely apart from Seller's other property. Seller shall not substitute other property for Buyer's property and shall not use such property except to fill Buyer's orders. Seller shall hold such property at its own risk and upon Buyer's written request shall return the property to Buyer at its expense in the same condition as originally received, reasonable wear and tear excepted.
20. **REMEDIES AND NON-WAIVER.** The remedies reserved to Buyer by these terms are not exclusive and shall be cumulative and in addition to any other right or remedy provided by law or equity. No waiver of a breach, or a failure to enforce any provision of an Order, shall constitute a waiver of any subsequent breach or of any other provision. If any provision of an Order is void or becomes void or unenforceable, by operation of law, all other provisions shall remain in full force and effect.
21. **ADDITIONAL GOODS GUARANTEE.** As part of the consideration for this Order, Seller agrees that it will accept future orders for additional quantities of the goods procured by this Order. If Seller plans to discontinue the sale of the goods purchased by this Order, Seller shall so notify Buyer no less than one year prior to any such discontinuance.
22. **COST OR PRICING DATA INDEMNITY.** If Seller submitted cost or pricing data as defined at FAR 15.401, as part of the process of award of this Order, or if Seller submits such data in connection with any change order or other modification, Seller acknowledges that it is aware of Buyer's potential liability to the Government or to Buyer's customer if the ultimate customer is the Government, in the event that any of Seller's data were not current, complete or accurate. Seller warrants that all cost or pricing data submitted, including data obtained from its subcontractors or suppliers, shall be complete, accurate and current at the time of agreement between Buyer and Seller to the price of this Order or of any modification. Seller agrees to indemnify and save Buyer harmless from any and all loss and expense (including the total of any reduction to Buyer's prime contract or higher-tier subcontract price) and attorneys fees caused by any breach of this warranty.
23. **ANTI-KICKBACK COVENANT AND PROHIBITION OF GIFTS AND GRATUITIES.** If a Government contract number appears on the face of an Order or if Seller otherwise knows or should know that an Order is in furtherance of a Federal Government contract, it is subject to the Anti-Kickback Act of 1986 (41 U.S.C. Sec. 51-58) and implementing regulations and prime contract clauses. Seller shall be strictly prohibited from providing or attempting to provide, or offering to provide, any money, fee, commission, credit, gift, gratuity, thing of value or compensation of any kind directly or indirectly to Buyer or any of its employees or other subcontractors, for the purpose of

improperly obtaining any Order from Buyer, or for rewarding favorable treatment in connection with any Order between Buyer and Seller. Seller agrees to report promptly to Buyer's Chief Executive Officer any solicitation or request for a kickback. Seller's breach of the foregoing prohibition or of the obligation to report shall be considered a material breach of this Order and any other order or contracts between Buyer and Seller.

24. **PROHIBITION OF GRATUITIES TO BUYER'S PERSONNEL.** This Order serves as notice to Seller that Buyer's personnel owe complete loyalty to Buyer and are forbidden to accept money or things of value from any supplier of goods, materials or services to Buyer, regardless whether such acceptance would constitute an act prohibited by Anti-Kickback laws and regulations. Seller for itself and its principal owners, shareholders, and officers warrants and represents that no employee of Buyer has any financial interest in Seller except such as has been disclosed in writing to Buyer's Chief Executive Officer. Further, Seller has not and will not give anything of value to any employee of Buyer, except promotional or commemorative items having a value of less than \$25, and food and refreshments served during business meetings. Breach of the foregoing warranty and covenant shall entitle Buyer, in addition to any other rights and remedies, immediately to terminate for default any and all Orders to Seller existing at the time that Buyer learns of any such breach, and regardless of when such breach occurred.

25. **INDEMNITY FOR ILLEGAL OR IMPROPER ACTIVITY.** If the face of an Order identifies a prime contract with the United States, or if Seller is otherwise advised that the Order is in furtherance of a prime contract with the United States, then Seller warrants that Seller has not solicited, induced, committed, or participated in any violation of subsection 27(a), (b), or (c) of the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 423), as implemented in FAR section 3.104. A breach of that warranty shall be a material breach of the Order and Seller shall indemnify and save Buyer harmless from any and all loss and expense (including the total of any reduction to Buyer's prime contract price, cost, or fee and any other costs and losses incurred by Government invocation of remedies under FAR 52.203-8 or FAR 52.203-10, or both) and attorneys' fees caused by any breach of this warranty.

26. **WARNING - U.S. EXPORT CONTROLS LAWS.** Information furnished by one Party to the other may contain data subject to U.S. Export Laws and Regulations. Such data shall not be exported or re-exported to foreign persons inside or outside the United States without prior written consent from the Party furnishing the information and under authority of a U.S. Government approved export license or applicable license exemption. Should Seller have non-US employees or visitors at any location where Buyer drawings or other technical data and/or information is stored or maintained, prior to performing work against this purchase order or subcontract, Seller shall immediately submit for Buyer approval, a Technology Control Plan (TCP) detailing how access to Export Controlled data is properly handled.

27. **NON-FOREIGN CERTIFICATION AND REPRESENTATION.** Seller, by acceptance of this purchase order or subcontract, confirms that:

- i. it is not a foreign corporation, and
- ii. it is not a Representative of a Foreign Interest, and
- iii. it is not an inverted domestic corporation (as defined at FAR 52.209-10); and
- iv. Seller agrees to immediately notify Buyer of any change in status set forth above.

28. **PARTY PERFORMING WORK AT OTHER PARTY'S FACILITY.** The following applies if

a Party is performing contract work at the other Party's facility:

By law, each Party must control access to export controlled technical data within its facilities. Therefore, a Party shall only assign personnel to perform work in the other Party's facilities who are either U.S. citizens or who have been granted Permanent Resident Alien status in the U.S. A Party's personnel will be required to furnish documentary evidence of citizenship or immigration status to the other Party's Security Badge and ID Personnel at the time of badge pick-up. Acceptable documentary evidence of citizenship or immigration status includes U.S. Passport, Certificate of U.S. Citizenship, Certificate of Naturalization, certified copy of U.S. Birth Certificate, U.S. Alien Registration Receipt Card with Photo, unexpired foreign passport with INS-551 stamp of Certificate of Birth Abroad issued by the U.S. Department of State. Nothing in this clause shall be construed as requiring or encouraging violation of the labor laws of the United States, including without limitation, those pertaining to equal employment opportunity.

29. **ITAR COMPLIANCE.** Seller shall comply with all U.S. export control laws and regulations, including the International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120 through 130, and the Export Administration Regulations (EAR), 15 CFR Parts 730 through 799, in the performance of this contract. Unless otherwise granted an exemption, Seller shall be responsible for obtaining the appropriate licenses or other approvals, if required, for exports of hardware, technical data, and software, or for the provision of technical assistance.

Seller shall be responsible for obtaining export licenses, if required, before utilizing foreign persons in the performance of this contract, including instances where the work is to be performed on-site at any Government installation, where the foreign person will have access to export-controlled technical data or software.

Seller shall be responsible for all regulatory record keeping requirements associated with the use of licenses and license exemptions/exceptions.

Lower Tier Subcontracts. Seller shall flow-down ITAR compliance provisions to suppliers and subcontractors in all purchase orders and subcontracts.

30. **FEDERAL GOVERNMENT CONTRACT PROVISIONS.** If the face of the Order identifies a prime contract with the United States, or if Seller otherwise is advised that the Order is in furtherance of a prime contract with the United States, or of a subcontract under such prime contract, the following applies:

Goods furnished under this Purchase Order are for use under a U.S. Government prime contract or subcontract. Seller shall comply with all U.S. Government provisions and clauses identified by Buyer as flow-down provisions for any order ("Flow-down Clauses"), including Federal Acquisition Regulation (FAR), Department of Defense FAR Supplement (DFARS), or other agency supplement contract provisions (together "FAR Clauses") incorporated by reference.

The clauses set out below are each incorporated by reference and made part of this Order in addition to Buyer's Global Standard Purchasing Conditions clauses. These FAR and DFARS clauses are available at [www.acquisition.gov](http://www.acquisition.gov) and by acceptance of this Order, Seller acknowledges and agrees to such incorporation by reference.

- a. The terms and conditions of this Order include all the U.S. Government provisions and certifications listed below and all such other U.S. Government provisions mandated by operation of law or regulation ("Flow-down

Clauses"). Such provisions include FAR, DFARS or other agency supplement contract provisions (together "FAR Clauses"). Seller shall incorporate these Flow-Down Clauses into each lower-tier subcontract placed in support of this Order, as required by the individual clause. The applicable version date of such provisions is as specified below; if no version date is specified, then the version date as of the date the Order is executed shall apply, unless otherwise specified in the Order.. To the extent there is a conflict or overlap between the Flow-down Clauses and the Global Standard Purchasing Conditions terms, the language shall be read to the maximum extent possible to render the clauses compatible, including by using the interpretation most restrictive of the requirements in Buyer's favor.

- b. Seller shall indemnify and hold Buyer harmless from and against any cost, price reduction, withholding, offset, penalty, interest, claim, demand, determination of un-allowability or prohibition of allocation or any other civil, criminal or administrative liability, whether arising under statute, regulation, contract or common law and shall reimburse Buyer for all of its damages and associated costs, including reasonable attorney fees and other expenses. Seller shall reimburse Buyer for any loss or damage in the event that Buyer's customer makes a determination that Seller failed to furnish Buyer with any certified cost or pricing data or failed to provide the current, accurate and complete version of such data; failed to provide or comply with certifications as required by the Flow-down Clause; or failed to take any such other action required by the Flow-down Clauses. Except as may be expressly set forth in this T & C Document with the Government Contracting Officer's consent, the Subcontractor shall not acquire any direct claim or direct course of action against the US Government.
- c. Notwithstanding any FAR/DFARS provision below, the Contract Disputes Act shall not apply to this Order. Any reference to a "Disputes" clause shall mean the disputes provision of this Order. Seller shall be conclusively bound by any decision made through the disputes process of the Buyer's customer. Pending resolution of any dispute arising under this Order, which incorporates FAR or DFARS clauses, Seller will proceed diligently as directed by Buyer with the performance of this Order. Notwithstanding any choice of law provision, any provision in this Order that is: (i) incorporated in full text or by reference below to FAR or DFARS, or (ii) that is substantially based on any FAR or DFARS provision below or on any agency regulation interpreting such FAR or DFARS provisions, shall be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, boards of contracts appeals, and quasi-judicial agencies of the United States Government. No FAR or DFARS provision herein shall establish privity between Seller and Buyer's customer. Notwithstanding any FAR or DFARS provisions below, the Contract Disputes Act shall not apply to this Order, except as permitted by Buyer for disputes with Buyer's customer.
- d. Seller agrees that its books, records and facilities or such parts of its facilities as may be engaged in the performance of this Order, shall at all reasonable times be subject to inspection and audit by Buyer and, to the extent provided by the Flow-down Clauses, any authorized representatives of the U.S. Government. Seller hereby grants to Buyer the right to examine at reasonable times its relevant books, records and data that permit the adequate evaluation of (1) cost and pricing data and of any claims/proposals submitted by Seller pursuant to the Flow-down Clauses, (2) its security and data protection procedures and (3) its quality, testing and inspection procedures. Seller shall allow Buyer and Buyer's customer to reasonably review Seller's compliance with the FAR and DFARS provisions below, upon request.
- e. Flow-down Clauses are incorporated by reference, with the same force and effect as if they were given full text. These FAR/DFARS provisions are accessible at <https://www.acquisition.gov>.
- f. The clauses listed below may require the submission of certifications and representations. Seller shall furnish any certification or representation required under these Flow-down Clauses. Failure to provide a certification or representation by Seller shall be interpreted to mean that Seller complies with the Flow-down Clause in the most restrictive sense of performance, in favor of Buyer.
- g. Intellectual Property Rights. All FAR 52.27/DFARS 252.227 terms on intellectual property are as defined in FAR 27 or DFARS 227 or applicable agency regulations. Seller acknowledges and agrees that any rights in Technical Data and Computer Software to be granted to the U.S. Government will be determined in accordance with the regulations set forth in FAR Part 27 and DFARS Part 227 based upon the specific



Technical Data, Computer Software and Goods to be performed under this Order and the assertions of restrictions on use, release or disclosure of Seller's Intellectual Property that are provided to Buyer for delivery to the U.S. Government, in order to fulfill Buyer's obligations under Buyer's customer's contract. Under any referenced FAR 52.227 or DFARS 252.227 provision below, the rights granted are vested in the U.S. Government, except that Seller grants Buyer an irrevocable, nonexclusive royalty-free worldwide license to sell and use Seller's technical data and computer software delivered in the performance of this Order, to the extent needed to fulfill Buyer's obligations under its customer's U.S. Government contract or subcontract pursuant to which this order is issued. Seller shall identify and assert prior to Order award any Seller's rights in technical data and software delivered with other than unlimited rights as required by the applicable FAR or DFARS provision, and all technical data and software submissions shall be to Buyer.

- h. Except as otherwise provided in this provision, whenever necessary to make the context of the clauses applicable to this Order, the term "Contractor" shall mean Seller, the term "Contract" shall mean this Order, the term "Government," "Contracting Officer ," and equivalent phrases shall mean Buyer, except that the terms "Government" and "Contracting Officer" shall not change in the Government Property, patent, intellectual property or data rights clauses incorporated herein, or when a right, act, authorization or obligation can be granted or performed only by the U.S. Government or the Contracting Officer or a duly authorized representative, in which case Seller grants Buyer such additional rights as are needed to perform such clause under Buyer's contract with its customer. These FAR and DFARS clauses apply to Seller in a manner which reflects the position of Seller as a subcontractor to Buyer, to ensure Seller's obligations to Buyer and to the U.S. Government and to enable Buyer to meet its obligations under its contract or subcontract with Buyer's customer. .
- i. For all Seller performance in the United States: Equal Employment Opportunity and Non-Discrimination: Buyer is a U.S. government contractor and is subject to the requirements of Executive Order 11246, Section 503 of the Rehabilitation Assistance Act and VEVRAA. Pursuant to these requirements, the Equal Opportunity Clauses found at 41 Code of Federal Regulations are as follows: Seller shall abide by the requirements of all applicable Equal Opportunity Clauses including 41 CFR 60-1.4(a), 60-250.5, 60-300.5(a) and 60-741.5(a) and all applicable executive orders, including Executive Order 11246. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identification, or national origin. Moreover, these regulations and clauses require that covered U.S. Government contractors or subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identification, national origin, protected veteran status or disability,
- j. Conflict minerals as defined as: Tantalum, Tin, Tungsten, Gold and any other derivatives determined by the US Secretary of State to be financing conflicts in the DRC (Democratic Republic of Congo Region). Appropriate flow down shall occur to not only Meggitt's supply chain and as such will expect suppliers to flow down, as appropriate accountability to their supply chains in order to ascertain the original source of the conflict minerals addressed.

By accepting this order, Seller certifies the representations and certifications submitted to Buyer previously or with Seller's quote/proposal for this order (as applicable) remain valid from the date of submission until the conclusion of this Order. Seller agrees to provide immediate written notice to Buyer if any of the Seller's certifications and representations change at any time from the date of Seller's acceptance of this order through Seller's performance and closeout of this order; such notice shall not constitute a waiver of Seller's obligations to perform as previously certified.

BY ACCEPTANCE OF THIS PURCHASE ORDER, THE SELLER CERTIFIES THAT IF THIS IS A DPAS-RATED ORDER, SELLER IS REQUIRED TO FOLLOW ALL OF THE PROVISIONS OF THE DEFENSE PRIORITIES AND ALLOCATION SYSTEM REGULATION 15 CFR 700 UNLESS EXEMPTION APPLIES. (REFERENCE FAR 11.600 PRIORITIES AND ALLOCATIONS).

NO WORK PERFORMED UNDER THIS ORDER WILL BE PERFORMED IN A U.S. FACILITY WHICH IS IN VIOLATION OF THE STANDARDS, ORDERS OR REGULATIONS ISSUED PURSUANT TO THE CLEAN AIR ACT (42 U.S.C. 7401 ET SEQ) OR THE FEDERAL WATER POLLUTION CONTROL ACT AS AMENDED (33 U.S.C. 1251 ET SEQ).

BY ACCEPTANCE OF THIS PURCHASE ORDER, THE SELLER CERTIFIES THAT NEITHER THE SELLER NOR ITS PRINCIPALS ARE DEBARRED, SUSPENDED OR PROPOSED FOR DEBARMENT BY THE U.S. FEDERAL GOVERNMENT. FAR 52.209-6

BY ACCEPTANCE OF THIS PURCHASE ORDER, THE SELLER CERTIFIES TO THE BEST OF ITS KNOWLEDGE THAT NO FEDERAL APPROPRIATED FUNDS HAVE BEEN PAID OR WILL BE PAID TO ANY PERSON FOR THE INFLUENCING OR ATTEMPT TO INFLUENCE AN OFFICER OR EMPLOYEE OF ANY AGENCY. FAR 52.203.11

The following Flow-down Clauses apply to this Purchase Order. The definitions of FAR 2-101 shall apply to these clauses, including to determinations of commercial items.

FAR 11.6	Priorities and Allocations
FAR 52.203-3	Gratuities (Apr. 1984)
FAR 52.203-6	Restrictions on Subcontractor Sales to the Government (Sep 2006) (No substitution for "Government") (Applicable if Order exceeds \$150,000)
FAR 52.203-7	Anti-Kickback Procedures (May 2014) (Applicable if Order exceeds \$150,000) (Excluding (c)(1) and "Prime Contractor" shall mean Buyer; no substitutions for Contracting Officer; "Subcontractor" shall mean Seller and Seller's Sellers)
FAR 52.203-10	Price or Fee Adjustment for Illegal or Improper Activity (May 2014)
FAR 52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (Sep 2007)
FAR 52.203-12	Limitation on Payments to Influence Certain Federal Transactions (Oct 2010) (Applicable if Order exceeds \$150,000)
FAR 52.203-17	Contractor Employee Whistleblower Rights and Requirement To Inform Employees Of Whistleblower Rights (Apr 2014) (Applicable if Order exceeds \$150,000)
FAR 52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards (October 2015)
FAR 52.209-6	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (October 2015) (Applicable if Order exceeds \$35,000) (But not applicable to commercial or commercial off the shelf products) (No substitution for "Government")
FAR 52.215-14	Integrity of Unit Prices (Oct 2010) (Applicable if Order exceeds \$150,000) (Not applicable to commercial items)
FAR 52.222-50	Combating Trafficking in Persons (March 2015)
FAR 52.223-3	Hazardous Material Identification and Material Safety Data (Jan 1997)
FAR 52.223-7	Notice of Radioactive Materials (Jan 1997) (The blank in paragraph (a) shall be "60") (Applicable only to Orders for radioactive materials)
FAR 52.223-18	Encouraging Contractor Policies to Ban Text Messaging While Driving (Aug 2011) (Applicable if Order exceeds \$3,500)
FAR 52.225-8	Duty-Free Entry (Oct 2010) (Applicable to Orders with supplies identified as duty-free entry that will be imported into the United States or foreign supplies in excess of \$20,000)
FAR 52.225-13	Restrictions on Certain Foreign Purchases (Jun 2008)
FAR 52.225-20	Prohibition on Conducting Restricted Business Operations in Sudan – Certification (Aug 2009)
FAR 52.225-25	Prohibition on Contracting with Entities Engaging in Certain Activities or Transactions Relating to Iran—Representation and Certifications (Dec 2012)
FAR 52.227-1	Authorization and Consent (Dec 2007) (Applicable if Order exceeds \$150,000) Not applicable if both complete performance and delivery are outside of the U.S.)
FAR 52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement (Dec 2007) (Applicable if Order exceeds \$150,000) (Not applicable if both complete performance and delivery are outside the U.S.)

FAR 52.227-9	Refund of Royalties (Apr 1984) (Applicable if royalties exceed \$250)
FAR 52.227-11	Patent Rights—Ownership by the Contractor (May 2014) (Applicable if Order is for experimental, developmental, or research work)
FAR 52.232-40	Providing Accelerated Payments to Small Business Subcontractors (Dec 2013) (Applicable if Seller is a small business concern)
FAR 52.234-1	Industrial Resources Developed Under Defense Production Act Title III (Dec 1994)
FAR 52.242-15	Stop-Work Order (Aug 1989)
FAR 52.243-1	Changes – Fixed Price (Aug 1987)
FAR 52.244-6	Subcontracts for Commercial Items (Oct 2015)
FAR 52.245-1	Government Property (Apr 2012) (Applicable to Orders where Seller is furnished U.S. Government property for performance)
FAR 52.247-63	Preference for U.S.-Flag Air Carriers (Jun 2003)
FAR 52.247-64	Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006)
FAR 52.248-1	Value Engineering (Oct 2010) (Applicable if Order exceeds \$150,000)
DFARS 252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies (Dec 2008) (Applicable if Order exceeds \$150,000) (Not applicable if Order is for commercial items)
DFARS 252.203-7002	Requirement to Inform Employees of Whistleblower Rights (Sep 2013)
DFARS 252.204-7000	Disclosure of Information (Aug 2013)
DFARS 252.204-7012	Safeguarding Covered Defense Information and Cyber Incident Reporting (September 2015) (Applicable where unclassified controlled defense information is utilized, transmitted or stored)
DFARS 252.204-7015	Disclosure of Information to Litigation Support Contractors (Feb 2014)
DFARS 252.208-7000	Intent to Furnish Precious Metals as Government-Furnished Material (Dec 1991)
DFARS 252.209-7004	Subcontracting With Firms That are Owned or Controlled by the Government of a Terrorist Country (Mar 2014)
DFARS 252.211-7003	Item Unique Identification and Valuation (Dec 2013) (Applicable if Order requires unique item identification and item price exceeds \$5,000 per unit)
DFARS 252.223-7001	Hazard Warning Labels (Dec 1991)
DFARS 252.223-7008	Prohibition of Hexavalent Chromium (Jun 2013)
DFARS 252.225-7000	Buy American – Balance of Payments Program Certificate
DFARS 252.225-7001	Buy American and Balance of Payments Program (November 2014)
DFARS 252.225-7002-1	Berry Amendment
DFARS 252.225-7012	
DFARS 252.225-7004	Report of Intended Performance Outside of the United States and Canada – Submission After Award
DFARS 252.225-7007	Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies (Sep 2006)
DFARS 252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals. (Oct 2014)
DFARS 252.225-7012	Preference for Certain Domestic Commodities (Feb 2013)
DFARS 252.225-7013	Duty-Free Entry (Oct 2013)
DFARS 252.225-7016	Restriction on Acquisition of Ball and Roller Bearings (Jun 2011) (Not applicable if Order is for commercial items or for supplies not containing ball or roller bearings)
DFARS 252.225-7048	Export-Controlled Items (Jun 2013)

DFARS 252.227-7013	Rights in Technical Data–Noncommercial Items (Feb 2014) (Applicable if Order requires delivery of Seller technical data pertaining to non-commercial items or commercial items for which the U.S. Government will have paid for any portion of the development costs)
DFARS 252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (Feb 2014) (Applicable if Order requires delivery of computer software or computer software documentation)
DFARS 252.227-7015	Technical Data–Commercial Items (Feb 2014) (Applicable if Order requires delivery of technical data pertaining to commercial items)
DFARS 252.227-7016	Rights in Bid or Proposal Information (Jan 2011)
DFARS 252.227-7017	Identification and Assertion of Use, Release, or Disclosure Restrictions (Jan 2011)
DFARS 252.227-7019	Validation of Asserted Restrictions—Computer Software (Sep 2011) (Applicable if Order requires delivery of computer software)
DFARS 252.227-7026	Deferred Delivery of Technical Data or Computer Software (Apr 1988)
DFARS 252.227-7027	Deferred Ordering of Technical Data or Computer Software (Apr 1988)
DFARS 252.227-7028	Technical Data or Computer Software Previously Delivered to the Government (Jun 1995)
DFARS 252.227-7030	Technical Data–Withholding of Payment (Mar 2000)
DFARS 252.227-7037	Validation of Restrictive Markings on Technical Data (Jun 2013) (Applicable if Order requires delivery of technical data)
DFARS 225.228-7001	Ground and Flight Risk (Jun 2010)
DFARS 252.228-7005	Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles (Dec 1991) (Applicable if Order involves the manufacture, modification, overhaul, or repair of aircrafts, missiles, and space launch vehicles or components thereof)
DFARS 252.235-7003	Frequency Authorization. (Mar 2014) (Applicable only to Orders for developing, producing, constructing, testing, or operating a device requiring a frequency authorization)
DFARS 252.239-7018	Supply Chain Risk (Nov 2013) (Applicable to Orders involving the development or delivery of any information technology whether acquired as a service or as a supply)
DFARS 252.243-7001	Pricing of Contract Modifications (Dec 1991)
DFARS 252.244-7000	Subcontracts for Commercial Items (Jun 2013)
DFARS 252.246-7000	Material Inspection and Receiving Report (Mar 2008) (Seller shall cooperate with Buyer to ensure that necessary reports are provided to the Government)
DFARS 252.246-7003	Notification of Potential Safety Issues (Jun 2013) (Applicable if Order is for parts identified as critical safety items; systems and subsystems, assemblies, and subassemblies integral to a system; or repair, maintenance, logistics support, or overhaul services for the foregoing items; Notice in (c) shall be to Buyer and notice shall be as provided in (f)(2) without modification of terms)
DFARS 252.247-7023	Transportation of Supplies by Sea—Basic (Apr 2014) (Applicable if Order exceeds \$150,000)
DFARS 252.247-7024	Notification of Transportation of Supplies by Sea (Mar 2000)
DFARS 252.249-7002	Notification of Anticipated Contract Termination or Reduction (Oct 2010) (Applicable if Order exceeds \$150,000)

**Additional FAR/DFARS for Firm Fixed Priced Orders to Sellers Performing in the United States**

FAR 52.211-15	Defense Priority and Allocation Requirements (Apr 2008)
FAR 52.219-08	Utilization of Small Business Concerns (Oct 2014)
FAR 52.219-09	Small Business Subcontracting Plan (Oct 2015) (Applicable if Order exceeds \$700,000)
FAR 52.219-16	Liquidated Damages—Subcontracting Plan (Jan 1999) (Applicable if Order exceeds \$700,000)
FAR 52.222-04	Contract Work Hours and Safety Standards— Overtime Compensation (May 2014) (Applicable if Order involves employment of laborers and mechanics)
FAR 52.222-20	Contracts for Materials, Supplies, Articles and Equipment Exceeding \$15,000 (May 2014)
FAR 52.222-21	Prohibition of Segregated Facilities (Feb 1999)
FAR 52.222-26	Equal Opportunity (Mar 2007)
FAR 52.222-35	Equal Opportunity for Veterans (October 2015) (Applicable if Order exceeds \$150,000)
FAR 52.222-36	Equal Opportunity for Workers with Disabilities (July 2014) (Applicable if Order exceeds \$15,000)
FAR 52.222-37	Employment Reports on Veterans (October 2015) (Applicable if Orders exceeds \$150,000)
FAR 52.222-40	Notification of Employee Rights Under the National Labor Relations Act (Dec 2010) (Applicable if Order exceeds \$10,000)
FAR 52.222-41	Service Contract Labor Standards (May 2014) (Applicable if Order is subject to the Service Contract Labor Standards)
FAR 52.222-51	Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment—Requirements (May 2014)
FAR 52.222-54	Employment Eligibility Verification (Oct 2015) (Not applicable if Order is under \$3,500)
FAR 52.223-18	Encouraging Contractor Policies to Ban Text Messaging While Driving (Aug 2011) (Applicable if Order exceeds \$3,500)
FAR 52.225-1	Buy American – Supplies (May 2014)
DFARS 252.222-7006	Restrictions on the Use of Mandatory Arbitration Agreements (Dec 2010) (Applicable if Order exceeds \$1,000,000 and is for a non-commercial product)
DFARS 252.226-7001	Utilization of Indian Organizations and Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns (Sep 2004) (Applicable if Order exceeds \$500,000)
DFARS 252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System (May 2014)

**Additional FAR/DFARS For Firm Fixed Price Seller Orders over \$750,000 U.S.D.**

FAR 52.203-13	Contractor Code of Business Ethics and Conduct (Oct 2015) (Applicable if Order exceeds \$5,500,000)
FAR 52.203-14	Display of Hotline Poster(s) (Oct 2015) (Applicable if Order exceeds \$5,500,000) (Not applicable if Order is for commercial items or for performance entirely outside the United States)
FAR 52.215-02	Audit and Records – Negotiation (Oct 2010) (Applicable if Order requires certified cost or pricing data under FAR 15.403-1.)
FAR 52.215-10	Price Reduction for Defective Certified Cost or Pricing Data (Aug 2011)
FAR 52.215-11	Price Reduction for Defective Certified Cost or Pricing Data—Modifications (Aug 2011)
FAR 52.215-12	Subcontractor Certified Cost or Pricing Data (Oct 2010) (Applicable if Order exceeds \$750,000 unless otherwise exempt from certified cost/pricing data under FAR 15.403-1.)
FAR 52.215-13	Subcontractor Certified Cost or Pricing Data—Modifications (Oct 2010) (Applicable if Order exceeds \$750,000 unless otherwise exempt from certified cost or pricing data under FAR 15.403-1)
FAR 52.215-15	Pension Adjustments and Asset Reversions (Oct 2010) (Applicable if Order exceeds \$750,000 unless otherwise exempt from certified cost or pricing data under FAR 15.403-1)
FAR 52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions (Jul 2005) (Applicable if Order exceeds \$750,000 unless otherwise exempt from certified cost or pricing data under FAR 15.403-1)
FAR 52.215-19	Notification of Ownership Changes (Oct 1997) (Applicable if Order exceeds \$750,000 unless otherwise exempt from certified cost or pricing data under FAR 15.403-1)
FAR 52.215-23	Limitations on Pass-Through Charges (Oct 2009) (Applicable if Order exceeds \$750,000 unless otherwise exempt from certified cost or pricing data under FAR 15.403-1)
FAR 52.230-02	Cost Accounting Standards (October 2015) (Applicable if Order exceeds \$750,000 and not otherwise exempt under FAR 15.403-1)
FAR 52.230-03	Disclosure and Consistency of Cost Accounting Practices (Oct 2015) (Applicable if Order exceeds \$750,000 and not otherwise exempt under FAR 15.403-1)
FAR 52.230-04	Disclosure and Consistency of Cost Accounting Practices—Foreign Concerns (Oct 2015) (Applicable if Order exceeds \$750,000 unless otherwise exempt from certified cost or pricing data under FAR 15.403-1)
FAR 52.230-06	Administration of Cost Accounting Standards (Jun 2010) (Applicable if Order exceeds \$750,000)
DFARS 252.203-7004	Display of Fraud Hotline Poster(s) (Oct 2015) (Applicable if Order exceeds \$5,500,000) (Not applicable if Order is for commercial items or will be performed entirely outside of the U.S.)
DFARS 252.211-7000	Acquisition Streamlining (Oct 2010) (Applicable if Order exceeds \$1,500,000)

DFARS 252.215-7000	Pricing Adjustments (Dec 2012)
DFARS 252.225-7033	Waiver of United Kingdom Levies (Apr 2003) (Applicable if Seller expects to issue lower-tier orders to a U.K. firm exceeding \$1,000,000)