DEFINITIONS

As used throughout these Terms and Conditions, the following terms are defined as specified below unless otherwise specifically stated:

“Buyer” means Harris Corporation, a corporation organized and existing under the laws of the state of Delaware, and all of its subsidiaries and affiliates.

“Buyer’s Representative” means the agent of Buyer with the actual authority to make legally binding commitments on behalf of Buyer as designated on the Purchase Order or Subcontract, such as a procurement representative or subcontract administrator.

“Day” or “Days” means calendar day(s). All periods of days referred to in this Order shall be measured in calendar days. Where a date referenced in this Order falls on a weekend or federal holiday, the date shall be deemed to fall on the next business day unless otherwise specified.

“Item” means goods, parts, components, supplies, or items including, without limitation, those part numbers, model numbers, and/or descriptions set forth on the face of this Order and any Services supplied with them, and shall also include computer software or hardware (including any software, firmware or other hardwired logic embedded within the hardware) delivered or to be delivered under this Order.

“Parties” means Buyer and Seller, and, if the context requires, their employees, officers (including without limitation, carriers and riggers), subcontractors, wholly-owned subsidiaries, and others acting at their respective direction and control or under contract to either.

“Purchasing Order” or “Order” means this contractual instrument, or any Purchase Order or Subcontract issued hereunder, including written change notices, supplements, amendments, and/or any written modifications thereto, together with any referenced certifications, certificates (including Seller’s Annual Certification), exhibits, attachments or other documents, and includes these terms and conditions and the Statement of Work, if any.

“Seller” means the legal entity performing work pursuant to this Order and, if the context requires, its employees, officers, agents (including without limitation, carriers and riggers), subcontractors, wholly-owned subsidiaries, and others acting at its respective direction and control or under contract to it.

“Seller’s Annual Certification” means the certifications and representations set forth in Harris’ Annual Certification document, attested to and executed by a duly authorized representative of Seller’s company.

“Services” means any labor, performance of a duty, or effort supplied by Seller incidental to the sale of Items by Seller under this Order including, without limitation, installation, repair, and maintenance services. The term “Services” shall also include, without limitation, any effort specifically required by this Order, including all associated efforts such as design, engineering, repair, maintenance, technical, construction, consulting, professional, or other services.

1 PURCHASE OF PRODUCTS: Except when issued to carry out a written contract between the parties, this order constitutes the entire agreement of sale and purchase of the goods and services identified herein, and is expressly limited to and made conditional upon the acceptance of all the terms and conditions. Any additional or different terms and conditions contained in any prior quotation or that may be contained in any acknowledgment of this purchase order shall be deemed objected to by Buyer without further notice of objection and shall be of no effect nor under any circumstances be binding upon Buyer. Seller shall be deemed to have assented to all terms and conditions of this purchase order if any of the goods are shipped or services are provided to Buyer.

2 ACCEPTANCE OF THIS ORDER: Any of the following acts by Seller shall constitute acceptance of this Order:

(a) execution of the acceptance copy of this Order and receipt by Buyer;

(b) initiation of any aspect of performance, or notification to Buyer that Seller is commencing performance, under this Order;

(c) shipping of any Items in performance of this Order; or

(d) acceptance of any form of payment, partial or complete, under this Order.

Any additional or different terms proposed by Seller, including any contained in Seller’s acknowledgment, are rejected unless expressly agreed to in writing by Buyer’s Representative.

3 PERFORMANCE STANDARDS:

(a) The Items and Services Seller delivers must correspond to Items and/or Services ordered in the applicable Order. Seller shall at all times employ persons to perform the tasks that are fully experienced and properly qualified to perform the same.

(b) Buyer shall have the right to reject any Services or Items or lots of Items which it determines are defective in material or workmanship or otherwise not in conformity with the requirements of this Order and to require their correction or replacement. Rejected Services or Items shall be removed or, if permitted or required by Buyer, corrected in place by and at the expense of Seller promptly after notice, and shall not thereafter be tendered for acceptance unless the former rejection or requirement of correction is disclosed. If Seller fails to promptly replace, correct, or remove such Services or Items or lots of Items which are required to be removed, Buyer may:

(1) replace or correct such Services or Items and charge to Seller the cost occasioned Buyer thereby; or

(2) pay for such Services or Items at a reduced price which is equitable under the circumstances; or

(3) cancel this Order; or

(4) exercise any other applicable rights or remedies.

(c) Seller will bear all risk of loss with respect to all nonconforming Services or Items and will promptly pay or reimburse all costs incurred by Buyer to return, store or dispose of any nonconforming Services or Items. Buyer’s payment for any nonconforming Items or Services will not constitute acceptance by Buyer, limit or impair Buyer’s right to exercise any rights or remedies, or relieve Seller of responsibility for the nonconforming Items or Services.

(d) Final acceptance by Buyer of the Items or Services provided hereunder shall take place only after complete delivery of all Items or Services in accordance with the delivery schedule specified herein or later agreed upon by the Parties in writing and after final inspection of those Items or Services by Buyer. Final acceptance shall be contingent upon agreement by Buyer that the Items or Services conform to the requirements of this Order. Final acceptance by Buyer shall be conclusive, except for latent defects, negligent or intentional misrepresentations by Seller that a nonconformity or defect would be or had been cured or did not exist, acceptance induced by false or negligent assurances of Seller, or as otherwise provided in this Order or applicable law. Final acceptance by Buyer of the Items or Services delivered hereunder shall not limit or affect the warranty or indemnity granted by Seller hereunder.

4. ORDERING AND PRICING:

(a) Buyer will submit purchase orders (“Orders”) to Seller and Seller will confirm the Order (the “Order Confirmation”) within 48 hours of receipt. The Order Confirmation will include:

(1) the Item and/or Service price;

(2) the quantity of Items and/or Services; and

(3) any other costs or charges.

If Seller fails to provide a proper Order Confirmation, Buyer shall only be responsible for payment of the amount set forth in the Order. Seller will be allowed no additional charges unless specified in the Order.
(b) Seller will notify Buyer in writing within 30 calendar days of the occurrence of any alleged payment disputes. Buyer may deduct any Seller monetary obligations from any amounts owed to Seller by Buyer, including for overpayments, and pay only the net sum due, if any.

5. INVOICING AND PAYMENT:

(a) Payment shall be made in accordance with the Purchase Order. Buyer shall pay Seller, upon the submission of proper invoices or vouchers, the prices stipulated in the Order for Items delivered and accepted or Services rendered and accepted, less any deductions provided in this Order. Unless otherwise specified, prices include all applicable federal, state, and local taxes, duties, tariffs, and similar fees imposed by any government, all of which shall be listed separately on the invoice.

(b) The invoice payment period will start on the later of the date:

1. 60 calendar days from Buyer’s receipt of an acceptable invoice; or
2. the Items are delivered and accepted or Services rendered and accepted.

(c) If the invoice receipt by Buyer is delinquent, or if a pricing discrepancy results when comparing the invoice amount to Buyer’s Order amount or Items or Services received, processing of the invoice may be delayed. Buyer shall consider Seller invoices paid on the date the check is postmarked and mailed to Seller.

(d) Each payment made shall be subject to reduction to the extent of amounts which are found by Buyer, Buyer’s Customer, or Seller not to have been properly payable. Seller shall promptly notify Buyer of any overpayments and remit the overpayment amount to Buyer along with a description of the overpayment, including the circumstances of the overpayment, affected Order and delivery order number if applicable, and affected Order line item or subline item if applicable. Buyer, and any affiliate of Buyer, may withhold, deduct, and/or setoff all money due, or which may become due, from Buyer or any affiliate of Buyer, arising out of Seller’s performance under this Order or any other transaction Buyer and its affiliates may have with Seller.

6. DELIVERY AND PLACE OF SERVICE:

(a) Shipments made pursuant to this Order must be shipped as specified and to the delivery location specified in the Order. If Seller does not use Buyer’s specified carrier(s) and additional freight are incurred as a result, such additional freight cost shall be Seller’s responsibility. Moreover, Seller agrees that Buyer reserves the right to refuse shipments made in advance of the schedule set forth in the Order. Seller may also refuse deliveries made after the scheduled delivery date set forth in the Order, and in such case, will not be liable to Seller for any Items or Services not accepted.

(b) Unless otherwise specified in this Order, Seller shall be responsible for safe and adequate packing conforming to the requirements of carriers’ tariffs or, in the absence of such requirements, conforming to the best commercial practices. All expendable packaging materials must be legally and economically disposable or recyclable. Seller shall separately number all cases, packages, etc., showing the corresponding numbers on the invoices. An itemized packing slip, bearing this Order number, must be placed in each container. No extra charge shall be made for packaging or packing materials unless authority therefore is set forth in this Order.

(c) Seller shall provide Services at the place(s) specified by Buyer in the Order.

7. CHANGES:

(a) Buyer may at any time and without notice to third parties, including sureties (if any), by written instructions from Buyer’s Representative to Seller, unilaterally make changes to these terms and conditions and/or in the Services to be performed or the Items to be furnished hereunder in any one or more of the following:

1. drawings, designs or specifications;
2. method of shipment or packing;
3. time and/or place of delivery, inspection or acceptance;
4. the quantity of Items ordered or Services to be performed;
5. the statement of work;
6. method or manner of performance of the work; and,
7. property, facilities, equipment, or materials, to be provided under this Order.

During performance of this Order, Seller shall not make any changes in the Services to be performed or in the design of Items or manufacturing of Items to be furnished by Seller under this Order, including any changes to the process, manufacturing location, or use of suppliers without advance notification to and written approval of Buyer. Items or Services that have changed without prior notification and consent shall be nonconforming Items or Services under this Order. Changes shall not be binding upon Buyer, except when confirmed in writing by Buyer’s Representative. Seller’s conduct constitutes a change, Seller shall notify Buyer’s Representative immediately in writing as to the nature of such conduct and its effect upon Seller’s performance.

(b) If any written change under this Article causes an increase or decrease in the estimated costs or the time required for performance of the Order, an equitable adjustment to the Order price and/or delivery schedule may be made and the Order modified in writing accordingly, provided, however, that any equitable adjustment in price to which Seller may be entitled as a result of an increase in the quantity of Items or Services ordered shall not exceed the funded value or unit price established for such Items or Services herein. Any claim by Seller for adjustment must be submitted to Buyer within fifteen (15) days from date of Buyer issued change order. Seller’s claim for adjustment must be submitted in writing in the form of a complete change proposal, fully supported by factual information to Buyer’s Representative within thirty (30) days from the date Buyer issued the change order. Buyer may, in its sole discretion, increase the funded value and may consider any such claim regardless of when asserted, except that no claim for equitable adjustment shall be allowed after final payment. For any claims seeking an equitable adjustment or other relief in excess of $100,000 submitted by Seller under this Order, Seller shall submit to Buyer a signed certificate that states as follows, substituting Seller’s legal name where indicated:

“I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the Order adjustment for which [Seller] believes Buyer is liable; and that I am duly authorized to certify the claim on behalf of [Seller].”

If Buyer and Seller are unable to agree upon an equitable adjustment in the event of any change directed by Buyer, the matter will be resolved in accordance with the disputes provisions of Article 16. Nothing contained herein, including failure of the Parties to agree upon any equitable adjustment to be made under this Article, shall excuse Seller from proceeding without delay with the Order as changed by Buyer’s written direction.

(c) Nothing in this clause nor any authorization or offer that may be made shall be deemed to constitute acceptance or acknowledgment by Buyer of the validity of Seller’s claim or any part thereof, nor be deemed to limit or in any way to restrict Buyer from taking any actions, including available remedies, it deems appropriate to protect its own interests.

8. WARRANTY:

(a) Seller warrants that all the Items and Services furnished hereunder shall:

1. be as represented by Seller, including any specific representation agreed to by Seller at Buyer’s request;
2. be in accordance with Buyers specifications, drawings and samples in all respects;
3. be merchantable;
4. be fit for the use intended by Buyer, whether expressed or reasonably implied, and/or which is stated on any packaging, labeling, or advertising;
be free from defects in material, workmanship, design and fabrication;

(6) be free from security interests, liens or encumbrances and of good title; and

(7) be performed with that degree of skill and judgment normally exercised by recognized professionals delivering or performing the same or similar Items or Services.

(b) Neither approval by Buyer of Seller’s design nor material used nor Buyer’s inspection of same shall relieve Seller from any obligations under the warranties set forth in this Article 8.

(c) The aforesaid warranties shall survive acceptance and payment and shall run to Buyer, its customers and the users of these Service(s) and Item(s) and shall not be deemed to be the exclusive rights of Buyer but shall be in addition to other rights of Buyer under law, equity, and the terms of this Order.

9. QUALITY CONTROL/INSPECTION/REJECTION/ACCEPTANCE:

(a) Seller shall establish and maintain a quality management system acceptable to Buyer for the Items or Services purchased under this Order. Seller shall permit Buyer to review procedures, practices, processes and related documents to determine such acceptability. Seller shall have a continuing obligation to promptly notify Buyer of any violation or deviation from Seller’s approved inspection/quality control system and to advise Buyer of the quantity and specific identity of any Items or Services provided to Buyer during the period of any such violation or deviation. Seller will maintain the accepted quality management system throughout the duration of the Order. If Seller learns of any violations of its obligations under this Article, Seller shall within forty-eight (48) hours so notify Buyer and within sixty (60) days must rectify the non-compliance issues. If the violation is not corrected and certification has not taken place within this time frame, then Buyer at its sole discretion may terminate this Order. Seller will notify Buyer of any significant changes that affect quality within twenty-four (24) hours of that change. These changes include—but are not limited to—change in key management or personnel, change in source of supply of key materials, and change in address or site configuration.

(b) Buyer and/or its customer, to the extent practicable at all times and places including the period of manufacture or performance, may inspect and test material, work in process, services, and supplies. This Order may include requirements for design, test, inspection, verification (including production process verification), use of statistical techniques for product acceptance and related instructions for acceptance by Buyer and, as applicable, critical items including key characteristics and requirements for test specimens (e.g., production method, number, storage conditions) for design approval, inspection/verification, investigation or auditing. This Order grants Buyer and its customer the right to inspect and test, but not the obligation. Seller retains the obligation to ensure proper inspection and testing.

(c) Seller shall not provide nonconforming Items or Services. Buyer shall have the right to reject any Items or Services or lots of Items which it determines are defective in material or workmanship or otherwise not in conformity with the requirements of this Order and to require their correction or replacement, or to provide other disposition direction for the nonconforming Items or Services. Rejected Items or Services shall be removed or, if permitted or required by Buyer, corrected in place by and at the expense of Seller promptly after notice, and shall not thereafter be tendered for acceptance unless the former rejection or requirement of correction is disclosed. If Seller fails to promptly replace, correct, or remove such Items or Services or lots of Items which are required to be removed, Buyer may:

1. replace or correct such Items or Services and charge to Seller the cost occasioned Buyer thereby; or
2. pay for such Items or Services at a reduced price which is equitable under the circumstances; or
3. cancel this Order, or any portion thereof, for default as provided in Article 19; or
4. exercise any other applicable rights or remedies.

(d) If Buyer rejects any Items or Services as nonconforming, and Seller fails to inform Buyer in writing of the manner in which Seller desires that Buyer dispose of nonconforming Items or Services within forty-eight (48) hours of notice of Buyer’s rejection of nonconforming Items or Services (or such shorter period as is reasonable under the circumstances), Buyer will be entitled to dispose of the nonconforming Items or Services without liability to Seller, provided, however, that in any event Buyer may elect to arrange for the shipment of any nonconforming Items or Services back to Seller at Seller’s expense. Seller will bear all risk of loss with respect to all nonconforming Items or Services and will promptly pay or reimburse all costs incurred by Buyer to return, store or dispose of any non-conforming Items or Services.

(e) Buyer’s payment for any nonconforming Items or Services will not constitute acceptance by Buyer, limit or impair Buyer’s right to exercise any rights or remedies or relieve Seller of responsibility for the nonconforming Items or Services. In the event Buyer decides for any reason to accept nonconforming Items or Services, any costs incurred by Buyer testing, evaluating and manufacturing, relating to the design changes to any of the Items or Services, shall be responsibility of Seller, and Seller may not pass along any costs in relation to the design change(s).

(f) If any inspection or test is made by Buyer and/or its customer on the premises of Seller or a lower tier subcontractor, Seller without additional charge shall provide all reasonable facilities and assistance for the safety and convenience of Buyer and/or customer inspectors in the performance of their duties. In the case of rejection, Buyer shall not be liable for any reduction in value of samples used in connection with such inspection or test. All inspections and tests by Buyer and/or its customer shall be performed in such a manner as not to unduly delay the work. Buyer reserves the right to charge to Seller any additional cost of inspection and test when Items or Services are not ready at the time such inspection and test was specified by Seller or when reinspection or retest is necessitated by prior rejection. Unless otherwise provided herein, final inspection and acceptance or rejection of Items or Services shall be made as promptly as practicable after delivery to Buyer’s facility. Buyer’s failure to inspect or reject Items or Services within a timely manner shall neither relieve Seller from full compliance with all requirements of this Order nor impose responsibility on Buyer therefore.

(g) Seller shall provide and maintain an inspection system acceptable to Buyer covering the Items or Services hereunder. Records of all test and inspection work by Seller shall be kept complete and available to Buyer and/or its customer for one (1) year following completion of this Order.

(h) Inspection and test by Buyer or its customer of any Items or Services or lots thereof do not relieve Seller from any responsibility regarding defects or other failures to meet Order requirements which may be discovered prior to acceptance or during the warrant period set forth in Article 8. In the event Seller discovers an Item or Service is nonconforming subsequent to performance or delivery, Seller shall promptly notify Buyer. Disposition shall be in accordance with paragraphs (c) and (d) of this Article.

(i) If, prior to or at the time of final acceptance or within the warranty period, it was known or should be known by Buyer that said Items or Services would not or did not conform to the requirements of this Order, final acceptance shall not be construed as a waiver of any rights Buyer may have with respect to the Items or Services purchased under this Order, notwithstanding the failure of Buyer to timely inform Seller of such nonconformance.

(j) Final acceptance by Buyer of the Items or Services provided hereunder shall take place only after complete delivery of all Items or Services in accordance with the delivery schedule specified herein or later agreed upon by the Parties in writing and after final inspection of those Items or Services by Buyer and Buyer’s customer. Final acceptance shall be contingent upon agreement by Buyer and Buyer’s customer that the Items or Services conform to the requirements of this Order. Final acceptance by Buyer shall be conclusive, except for latent defects, negligent or intentional misrepresentations by Seller that a nonconformity or defect would be or had been cured or did not exist, acceptance induced by false or negligent assurances of Seller, or as otherwise provided in this Order or applicable law. Seller shall not consider acceptance to be Buyer’s Final acceptance until Buyer issues a Final Acceptance Document. Final acceptance by Buyer of the Items or Services delivered hereunder shall not limit or affect the warranty or indemnity granted by Seller hereunder.

10. BANKRUPTCY: If Seller enters into proceedings relating to bankruptcy, whether voluntary or involuntary, Seller shall furnish by certified mail written notification of the bankruptcy to Buyer. This notification shall include the date on which the bankruptcy petition was filed and the identity of the court where the bankruptcy petition was filed.

11. NOTICES: All notices permitted or required under this Agreement shall be in writing and shall be by personal delivery, a nationally recognized
12. **TITLE TO WORK PRODUCT:**

(a) Definitions:

(1) Intellectual Property. Intellectual Property means inventions, discoveries and improvements, know-how, works of authorship, technical data, drawings, specifications, process information, reports and documented information, and computer software.

(2) Background Intellectual Property. Background Intellectual Property means Intellectual Property that is (i) in existence prior to the effective date of this Order or (ii) is designed, developed or licensed after the effective date of this Order independently of both the work undertaken or in connection with this Order, and the proprietary information and Intellectual Property of the other party to this Order.

(3) Foreground Intellectual Property. Foreground intellectual property means intellectual property conceived, created, acquired, developed, derived from or based on development performed under this Order or information supplied by Buyer, or first actually reduced to practice by Seller in connection with this Order.

(b) All Intellectual Property supplied to Buyer by Seller shall be disclosed to Buyer on a non-proprietary basis and may be used and/or disclosed by Buyer without restriction, unless:

(1) otherwise required by U.S. Government Regulations, or

(2) Buyer has executed a separate agreement restricting the use and disclosure of such Intellectual Property.

(c) Foreground Intellectual Property. All Foreground Intellectual Property developed exclusively with Buyer monies (i.e., development was accomplished entirely with monies paid by Buyer to Seller that are not subject to recovery by Buyer) and not subject to this paragraph (d) below is hereby assigned to Buyer and shall be proprietary to Buyer, shall be used by Seller only for purposes of providing Items or Services to Buyer pursuant to this Order, and shall not be disclosed to any third party without Buyer’s express written consent. All such Foreground Intellectual Property shall be promptly provided to Buyer on request or upon completion of this Order. Any work performed pursuant to this Order which includes any copyright interest shall be considered a “work made for hire.” The tangible medium storing copies of all reports, memoranda, or other materials in written form, including machine-readable form, prepared by Seller and furnished to Buyer pursuant to this Order shall become the sole property of Buyer.

(d) Inventions. Any invention constituting Foreground Intellectual Property is hereby assigned to Buyer and Buyer shall own all right, title, and interest in such property. Seller shall execute all documents necessary to perfect Buyer’s interest in and title thereto, including, without limitation, assigning any and all right, title and interest Seller has in any such invention to Buyer. Seller shall ensure that any third party with whom Seller has subcontracted to deliver Items or Services, and Seller’s employees, also executes and assigns any and all rights, titles, and interest in any such invention to Buyer. Seller shall, within two (2) months after conception or first actual reduction to practice of any invention constituting Foreground Intellectual Property and prior to completion of the Order, disclose in writing to Buyer all inventions, whether or not patentable, in sufficient technical detail to clearly convey the invention to one skilled in the art to which the invention pertains. Seller shall promptly execute all written instruments, and assist as Buyer reasonably directs in order to file, acquire, prosecute, maintain, enforce and assign Buyer’s invention rights. Seller hereby irrevocably appoints Buyer and any of Buyer’s officers and agents as Seller’s attorney in fact to act on Seller’s behalf and instead of Seller, with the same legal force and effect as if executed by Seller, with respect to executing any such written instruments.

(e) Seller-Owned Intellectual Property. Seller shall retain ownership of all Background Intellectual Property and of any Foreground Intellectual Property not assigned to Buyer pursuant to paragraphs (c) and (d) (collectively, “Seller-Owned Intellectual Property”). If otherwise expressly agreed in writing to the contrary, Seller grants to Buyer an nonexclusive, irrevocable, sublicensable, paid-up, royalty-free worldwide right to make, have made, sell, offer for sale, use, execute, reproduce, display, perform, distribute (internally or externally) copies of, and prepare derivative works of any and all Seller-Owned Intellectual Property in the performance of its Contract or higher-tier contract obligations (including obligations of follow-on contract or contracts for subsequent phases of the same program).

(f) Buyer-Owned Intellectual Property. Buyer shall retain ownership of all Buyer Intellectual Property provided hereunder and of any Foreground Intellectual Property assigned to Buyer pursuant to this Article paragraph (c) above (collectively, “Buyer-Owned Intellectual Property”). Buyer grants to Seller a non-exclusive, royalty-free right during the term of this Order to use, reproduce, modify, practice and prepare derivative works of any Buyer-Owned Intellectual Property solely as necessary for Seller to perform its obligations under this Order. Seller shall not, without Buyer’s prior written consent, use Buyer-Owned Intellectual Property or any derivative works of any of the Buyer-Owned Intellectual Property in any manner not authorized under this Order, including, but not limited to, developing, manufacturing, offering for sale or selling any item or service which utilizes or is enabled by Buyer-Owned Intellectual Property.

13. **PATENT/INTELLECTUAL PROPERTY INDEMNITY:**

(a) Seller warrants that the Items and Services delivered hereunder and under any Order will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country. For Items and Services delivered hereunder, Seller shall be liable for, defend, indemnify and hold harmless Buyer, and each subsequent purchaser or user thereof, from all loss or damage of any kind (including all costs and expenses including attorneys’ fees) arising out of any and all allegations, actions, proceedings, claims, or awards for any infringement, misappropriation, or wrongful use suit or action, including, without limitation, any proceeding under Title 35 of U.S.C. § 1498, actions that arise from use or misappropriation of any patent, trademark, copyright, trade secret, mask work right or other proprietary or intellectual property right (collectively “Infringement Claim(s)”) in connection with any Items, software or data furnished hereunder, whether such are provided alone or in combination with other Items, software or processes. Seller hereby agrees to defend any and all such actions, at Seller’s expense, if requested to do so by Buyer. If, however, the Infringement Claim arises as a necessary consequence of Seller’s compliance with Buyer’s drawings and specification, which describe that aspect of the Items and Services upon which the Infringement Claim is based, Seller shall have no obligation to indemnify Buyer.

(b) Seller and Buyer agree to notify each other in writing as soon as they become aware of a challenge of infringement or wrongful use in connection with any such Items, software or data furnished hereunder. Seller, if required to indemnify Buyer under this Article, shall promptly assume and diligently conduct the entire defense of such Infringement Claim at its own expense. Buyer shall have the right to reasonably reject counsel selected by Seller and the right to reject any settlement that would negatively impact Buyer as determined solely by Buyer. Buyer shall have the right to participate with Seller in determining the strategy to defend any such suit or action, and shall have the right, with the permission of the court, to intervene in any such Infringement Claim.

(c) Notwithstanding any of the above provisions, Buyer shall have the further right, at its own election, to supersede Seller in the defense of any such Infringement Claim and thereafter to assume and conduct the same according to Buyer’s sole discretion. Upon Buyer’s election, Seller shall be released from its obligation to pay for attorneys’ fees and court costs. Further, Seller, if requested in writing by Buyer, shall cooperate with Buyer in Buyer’s defense of any alleged Infringement Claim.

(d) If the use or sale of Items or Services, in respect to which Seller indemnifies Buyer, is enjoined as a result of such Infringement Claims, Seller shall at no expense to Buyer, shall obtain for Buyer and its customers, the right to use and sell said Items or Services or shall substitute equivalent Items or Services acceptable to Buyer and extend this patent indemnity with respect to such equivalent Items or Services. In the event that Seller is unable to secure such right of use for Buyer or its customer or to secure equivalent Items or Services as a substitute, Seller will indemnify Buyer and its customer for any and all losses or damages sustained by reason of such injunction.

14. **ITEM SUPPORT:**

(a) Seller shall agree to support the Items purchased hereunder during the operational life of the Items or for a period of ten (10) years from the date of final shipment under this Order and expiration of any warranty period if Buyer funds such support. Said support includes, but is not limited to, technical service and maintenance of Seller’s stock of subassemblies and spare parts as may be required to be ordered to support the operation of the Items.
In the event Seller discontinues manufacturing, dealing, or reselling the aforementioned Items, subassemblies and spare parts therefore, and does not provide for another qualified source, Seller shall give Buyer not less than six months’ notice of such decision to discontinue and thereupon make available to Buyer all drawings, specifications, data, and know-how which will enable Buyer or its customers to manufacture or procure said Items, subassemblies and spare parts under a royalty-free license which is hereby granted.

15. **RISK OF LOSS:** Unless otherwise specified in the Order, Seller shall bear the risk of loss and damage to all Items to be supplied hereunder until final acceptance by Buyer. Buyer shall have equitable title to all Items for which interim, partial or progress payments have been furnished to Seller.

16. **APPLICABLE LAW AND DISPUTES:**

(a) This Purchase Order, irrespective of the place of performance, shall be governed by, subject to, and construed in accordance with the laws of the State of Florida, excluding its choice of law rules.

(b) Any disputes under this Order that are not disposed of by mutual agreement of the Parties may be decided by recourse to an action at law or in equity. Until final resolution of any dispute hereunder, Seller shall diligently proceed with performance of this Order as directed by Buyer.

(c) Seller consents to personal jurisdiction in the state of Florida and any litigation under this Order must be brought exclusively in a court of competent jurisdiction in the state of Florida, without regard to conflicts of law principles. The Parties hereby mutually agree to waive their respective rights to trial by jury. The rights and remedies herein reserved to Buyer shall be cumulative and additional to any other or further rights and remedies provided in law or equity. Subject to any specific clauses in this Order, Seller shall be liable for any damages incurred by Buyer as a result of Seller’s failure to perform its obligations in the manner required by this Order.


17. **FURNISHED PROPERTY:**

(a) Buyer may provide to Seller property owned by Buyer (Furnished Property) as set forth in the Order. Furnished Property shall be used only for the performance of this Order.

(b) Title to Furnished Property shall be retained by Buyer. Seller shall clearly mark (if not already marked) all Furnished Property to show ownership. While Furnished Property is in Seller’s possession, Seller shall prevent the comingling of Furnished Property with other materials in Seller’s possession, except in accordance with Buyer’s written instructions.

(c) Except for reasonable wear and tear, Seller assumes all risk of loss, destruction, or damage of Furnished Property while in Seller’s possession, custody, or control. Upon request, Seller shall promptly provide Buyer with adequate proof of insurance against such risk of loss. Seller shall promptly notify Buyer of any loss or damage. Without additional charge, Seller shall manage, maintain, and preserve Furnished Property in accordance with good commercial practice. Seller shall maintain written records of the management, maintenance, and preservation of the Furnished Property, in accordance with good commercial practice, and provide such records to Buyer, upon request.

(d) At Buyer’s request or at completion of this Order, Seller shall submit, in an acceptable form, inventory lists of Furnished Property and shall deliver or make such other disposition in accordance with instructions from Buyer.

18. **SUSPENSION OF WORK:**

(a) Buyer shall have the right to direct Seller in writing to suspend all or any part of the work for a period of time not to exceed ninety (90) days, and for any further period as the Parties may agree, unless extended by Buyer’s Customer. Upon receipt of the written notice, Seller shall immediately comply with the terms of the notice and shall take all reasonable measures to mitigate the costs allocable to the suspended portion of the work.

(b) If work is suspended, an adjustment may be made in accordance with the provisions of Article 7 for any increase in the time and the cost (exclusive of profit) of performing this Order necessarily caused by such suspension prior to incurrence of costs in excess of the funded value, and this Order may be modified in writing accordingly.

(c) A claim shall not be allowed under this Article unless the claim, in an amount stated, is asserted in writing within thirty (30) days after Buyer’s issuance of the notice of termination of the suspension. Suspension may only be terminated by written notice from Buyer, regardless of the expiration of the original or extended suspension period. When the suspension has been terminated, Seller shall immediately commence performance, notwithstanding the fact that there is no agreement as to a revised schedule or the cost of completing this Order.

19. **TERM AND TERMINATION:**

(a) The term of this Purchase Order shall commence as of the date set forth in this order and shall terminate from such date as specified in the order.

(b) Buyer may at any time terminate this order in whole or in part for Convenience upon written notice to Seller, in which event Seller shall be entitled to reasonable termination charges consisting of a percentage of the purchase order price reflecting the percentage of the work performed prior to termination, plus any reasonably incurred settlement expense.

(c) Buyer may terminate this order for default, in whole or in part, by written notice to Seller if:

1. Seller becomes insolvent or makes a general assignment for the benefit of creditors; or
2. a petition under any bankruptcy act or similar statute is filed by or against Seller; or
3. Seller fails to make delivery of the Items or to perform the Services within the time specified in this Order; or
4. Seller fails to perform any of the other obligations of this Order, or fails to make progress, so as to endanger performance of this Order, in accordance with its terms; or
5. Seller’s financial condition endangers completion of performance, (provided with respect to (4) and (5) Seller fails to remedy any such condition within seven (7) days from the date of receipt of a notice from Buyer concerning the existence of the condition); or
6. it is found that gratuities (in the form of entertainment, gifts, travel or anything of value) or kickbacks were offered or given by Seller, or by any agent or representative of Seller, to any officer or employee of Buyer; or
7. Control of Seller changes. A change of control includes: (a) the sale, lease or exchange of a substantial portion of Seller’s assets used for the production of the Items; (b) the sale or exchange of a controlling interest in the shares of Seller; or (c) the execution of a voting or other change of control. Seller will provide Buyer with written notice of change of control within ten (10) days after the change of control has become effective.

(d) Buyer will have sixty (60) days from the date that Buyer receives written notice from Seller within which to notify Seller of its decision to terminate this Order. The effective date of the termination will be no sooner than thirty (30) days after the effective date of the written notice of termination according to the terms of notice; or

1. Seller is sanctioned, suspended, or debarred by the U.S. Government; or
2. Seller fails to agree upon any deletion, amendment, or addition to this Order which is required by statute, executive order, applicable regulations, or is otherwise deemed appropriate by Buyer as a result of or relating to a modification of Buyer’s Contract; or
3. it is found that Seller has a potential, actual or apparent personal or organizational conflict of interest related to or arising out of its performance of this Order and Buyer determines that such conflict(s) cannot be adequately avoided or mitigated.

(e) Upon any termination or expiration this Purchase Order or if Buyer discontinues the purchase of Items or Services, each party will continue to be obligated to make all payments due that arose under this Purchase Order prior to such termination or expiration. Upon a termination of this Purchase Order

1. Buyer may, in its sole discretion:
return Nonconforming Items to Seller at Seller’s expense;

(ii) sell all other Items under the terms and conditions of this Agreement until such Item is depleted; and

(2) Buyer shall have no obligation to Seller for any of Seller’s inventory of finished goods, packaging materials or raw materials of any kind, nor for any amounts expended by Seller for preparation of Services.

20. DELAYS AND NOTICE OF LABOR DISPUTES:

(a) Seller shall not be liable for any delays in delivery caused by circumstances beyond its reasonable control including acts of God or of the public enemy, fire, floods, epidemics, quarantine restrictions, strikes or freight embargoes, provided that:

(1) Seller immediately gives written notice to Buyer of any difficulty or anticipated difficulty in meeting the delivery schedule set forth in the Order;

(2) Seller immediately gives written notice to Buyer of any actual or potential situation that is delaying, or threatens to delay the timely performance of the Order, including an actual or potential labor dispute; and

(3) the delay does not materially affect Buyer’s scheduling on any system or process.

(b) When any delays in delivery occur, Seller encounters difficulty in meeting performance requirements or Seller anticipates difficulty in complying with the delivery schedule or date, Seller shall immediately give notice thereof to Buyer. If requested by Buyer, Seller shall use additional effort, including premium effort, to avoid or minimize delay to the maximum extent possible. All of the costs of the additional effort shall be borne by Seller. The rights and remedies pursuant to this Article are in addition to rights and remedies provided to Buyer under this Order.

(c) Notwithstanding the above, if such delays extend for more than thirty (30) days from the delivery or performance date or threatens Buyer’s delivery commitments under its Contract, Buyer may terminate such part of this Order remaining to be performed without liability to Buyer except for the fair value of work already completed and accepted.

21. COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS: Seller agrees to comply with all applicable national, state, provincial and local laws, orders, rules, regulations, and ordinances. Seller shall procure all licenses/permits, pay all fees, and other required charges and shall comply with all applicable guidelines and directives of any local, state and/or federal government authority.

22. COMPLIANCE WITH THE U.S. FOREIGN CORRUPT PRACTICES ACT: Seller warrants and represents that it is familiar with and will strictly comply with the requirements of the U.S. Foreign Corrupt Practices Act of 1977, as amended. Seller will not offer, pay or promise to pay, give, or authorize payment of any money or anything of value to any government or public official (including political parties, officials or candidates for political office) for the purpose of influencing any act or decision of such official in his official capacity, including failure to perform his official function. Seller agrees that there are no expenditures for other than lawful purposes will be made with respect to the performance of this Order.

23. GRATUITIES/KICKBACKS: No gratuities (in the form of entertainment, gifts, travel, or anything of value) or kickbacks shall be offered or given by Seller or by any agent, representative, affiliate or subcontractor of Seller to any officer or employee of Buyer’s customer or Buyer. This restriction specifically prohibits the direct or indirect inclusion of any kickback amounts in any invoices or billings submitted under this Order or any other agreement with Buyer. Buyer may, by written notice to Seller, immediately terminate the right of Seller to proceed under this Order if it is found that gratuities (in the form of entertainment, gifts, travel or anything of value) or kickbacks were offered or given by Seller, or by any agent or representative of Seller, to any officer or employee of Buyer’s customer or Buyer.

24. EXPORT CONTROL COMPLIANCE: Seller, at its sole expense, agrees to comply with all laws and regulations of the United States and other countries related to exports and imports, including obtaining all required authorizations from the U.S. or other applicable governments. Seller shall immediately notify Buyer’s Representative if Seller’s export or import privileges are denied, suspended, or revoked in whole or in part by any U.S. or other Government entity or agency. Buyer may deem Seller’s failure to comply with the requirements of this Article a material failure to perform under this Order that shall subject Seller to termination in accordance with Article 19, Termination.

(a) ITAR Controlled Hardware, Technical Data or Services.

(1) Seller is hereby notified that certain hardware (e.g., finished goods, parts, components, accessories, attachments, samples, prototypes, test equipment, firmware, software, or systems), technical data (e.g., technical specifications, drawings, photos, instructions, or other technical information in any form), and/or services provided by Buyer for purposes of this Order are or may be subject to the International Traffic in Arms Regulations (“ITAR”) (22 CFR §§ 120-130). In addition, Seller is hereby notified that hardware, technical data, and/or services sold by Seller that are designed, developed, modified, adapted or configured from hardware, technical data, and/or services provided by Buyer are or may also be subject to the ITAR. The ITAR is accessible at the U.S. Department of State, Directorate of Defense Trade Controls (“DDTC”) website at http://www.pmddtc.state.gov.

(2) If Seller is a manufacturer of Defense Articles or related Technical Data and/or exports Defense Articles or Defense Services, Seller represents that it is properly registered with the U.S. Department of State and will maintain said registration in order to be eligible to engage in the manufacture and/or export of Defense Articles and Defense Services as required by the ITAR (22 CFR § 122.1(a)).

(3) The ITAR restricts access to Buyer’s and Seller’s controlled hardware, technical data, or services to U.S. citizens and permanent residents (i.e., U.S. person) only. Seller is advised and acknowledges that controlled hardware (i.e., “Defense Articles”), technical data, and/or Defense Services shall not be exported out of the U.S. or transferred to a non-U.S. person, whether inside the U.S. or abroad (also referred to as “deemed export”), without prior authorization of the U.S. Government. Seller will be informed by Buyer of the export control status (i.e., jurisdiction and categorization of all hardware, technical data, and/or services provided to Buyer) and will abide by all restrictions and requirements in the ITAR, including that Seller not transfer or provide access to any ITAR-controlled hardware, technical data, or services provided by Buyer to non-U.S. persons employed by or associated with Seller, whether located in the U.S. or not, without U.S. Government authorization and permission from Buyer.

(4) If this Order is in an amount of $500,000 or more, or if this Order is amended so that the total amount of the Order is in an amount of $500,000 or more, Seller shall, within fifteen (15) days of the date of this Order, or such amendment, inform Buyer in a written statement if Seller has paid, offered or agreed to pay, in respect of the sale for which the Items will be used, political contributions or fees or commissions, within the meaning of 22 CFR Part 130. Seller’s statement shall conform to the requirements of 22 CFR Part 130. Failure of Seller to provide Buyer with such a statement within the specified time frame, or any extension thereof, shall constitute a certification by Seller that it has not paid, offered, or agreed to pay such political contributions, fees or commissions.

(b) Goods, Technology, Software Subject to U.S. Export Administration Regulations.

(1) Seller is hereby notified that certain hardware (e.g., finished goods, parts, components, accessories, attachments, samples, prototypes, test equipment, firmware, software, or systems), technical data (e.g., technical specifications, drawings, photos, instructions, or other technical information in any form), and/or software provided by Buyer for purposes of this Order are or may be subject to the Export Administration Regulations (“EAR”). In addition, Seller is hereby notified that the hardware, technology, technical data, and/or software sold by Seller that is derived from hardware, technology, and/or software provided by Buyer are or may also be subject to the EAR. The EAR is accessible at the U.S.

(2) The EAR restrict the shipment, transmission, or transfer of certain of Buyer’s and Seller’s controlled hardware, technology, technical data and/or software from the U.S. to foreign countries, as well as to foreign persons located inside the U.S. (also referred to as a “deemed export”). Seller is advised and acknowledges that certain controlled hardware, technology, technical data and/or software may not be exported out of the U.S. or to a non-U.S. person inside the U.S. without prior authorization of the U.S. Government. Seller will be informed by Buyer of the export control status (i.e., jurisdiction and categorization) of all hardware, technology, and/or software provided to Seller by Buyer. Hardware and technology will be clearly marked as export controlled or not. Seller agrees that it will not transfer or provide access to any EAR-controlled hardware, technology, technical data, or software provided by Buyer out of the United States or to non-U.S. persons employed by or associated with Seller, whether located in the U.S. or not, without U.S. Government authorization and permission from Buyer.

Seller agrees that it will inform Buyer of the export control status (i.e., jurisdiction and categorization) of all hardware, technical data, technology, software, and/or services sold to Buyer under this Order to include clearly marking all hardware and/or technical data.

(d) Anti-Boycott Laws and Regulations.

(1) Seller is hereby notified that, as outlined in greater detail in 15 C.F.R. § 760.2, the following are prohibited under the EAR: refusing or agreeing to refuse to do business with or in a boycotted country or with a national of boycotted country or a boycotted person; refusing to employ or otherwise discriminating against a U.S. person in deference to a boycott request on the basis of race, religion, sex, or national origin; furnishing information about the race, religion, sex, or national origin of the U.S. person or any owner, officer, director, or employee of a domestic concern or controlled in fact non-U.S. affiliate in response to a boycott request; furnishing information about any person’s past, ongoing, or proposed future relationships (or the absence of relationships) with other parties if the information is sought for boycott-related reasons; providing information about any person’s association with or support for any charitable or fraternal organization supporting a boycotted country; and paying, honoring, confirming, or otherwise implementing a letter of credit that contains any prohibited boycott requirement or request.

(2) Seller is advised and acknowledges that it may be responsible for complying with any applicable anti-boycott laws, regulations, and guidance.

(3) Seller also certifies to Buyer that it does not, and shall not, participate or comply with any boycott (both domestic and international), or boycotted-related request or engage in any restrictive trade practices which are in contravention of a Government law or regulation including 15 C.F.R. Part 760.

Where Seller is a signatory under a Buyer export authorization, Seller shall provide prompt notification to Buyer’s Representative in the event of changed circumstances including, but not limited to, eligibility, a violation or potential violation of applicable export regulations including, but not limited to, those that may affect Seller’s performance under this Contract.

(f) Seller shall indemnify Buyer and be solely responsible for all losses, costs, claims, causes of action, damages, liabilities and expense, 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.

(g) U.S. Economic and Trade Sanctions. Seller understands that the Office of Foreign Assets Control (“OFAC”) of the U.S. Department of the Treasury administers and enforces economic and trade sanctions based on U.S foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy, or economy of the United States. Seller agrees that it will comply with these OFAC administered regulations and policies, and will not transfer any Items or Services to or from, or otherwise engage with entities or persons listed on the Specially Designated Nationals (“SDN”) List. The SDN List is accessible at http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx. Seller further agrees that it will not engage in unauthorized transactions, including the transfer any Items or Services to or from, with persons or entities identified on any other U.S. government screening list, including those identified on the U.S. government’s Consolidated Screening List. The Consolidated Screening List can be found here: http://2016.export.gov/ect/eg_main_023148.asp.

(h) Hardware, Technology, or Technical Data Received Without Marking. Seller is hereby notified that, to the extent it should receive any hardware, technology, or technical data from Buyer that is not marked as export controlled (i.e., under the ITAR or EAR), Seller must treat such hardware, technology, or technical data in conformance with the most restrictive standard potentially applicable unless it requests and receives specific written instructions from Buyer that releases Seller from this requirement.

(i) Imports Appearing on the U.S. Munitions Import List. If performance under this Purchase Order requires Seller to permanently import into the U.S. articles appearing on the U.S. Treasury Department, Bureau of Alcohol, Tobacco & Firearms (“BATF”) U.S. Munitions Import List at 27 CFR Part 47, Subpart C, Seller is advised and hereby acknowledges that such items may not be permanently imported into the U.S. without an approved import permit issued by BATF pursuant to 27 CFR Part 47, Subpart E, unless an exemption applies. Additionally, if Seller is engaged in the business, in the U.S., of importing articles appearing on the U.S. Munitions Import List, Seller must register with BATF pursuant to 27 CFR Part 47, Subpart D. Downloadable copies of the BATF regulations and forms are accessible at the BATF website at http://www.atf.treas.gov/regulations/index.htm.

(j) Items Requiring Approved BATF Permits. If performance under this Purchase Order requires Seller to export out of the U.S. machine guns, destructive devices, explosives, and certain other firearms, as defined in 27 CFR Part 179, Subpart B, Seller is advised and hereby acknowledges that such items may not be exported out of the U.S. without an approved export permit issued by BATF pursuant to 27 CFR Part 178, Subpart K and 27 CFR Part 179, Subpart H. Seller is also advised that an approved export license issued by the DDTC may also be required pursuant to the relevant requirements of the ITAR.

(k) Record Keeping. Seller agrees to bear sole responsibility for all regulatory record keeping associated with the use of licenses and license exceptions/exemptions. Without limiting the foregoing, Seller agrees that it will not transfer any export controlled item, data, or services, to include transfer to foreign persons employed by or associated with, or under contract to Seller or Seller’s lower-tier suppliers, without the authority of an export license, agreement, or applicable exemption or exception. Seller agrees to share its applicable export control documentation with Buyer upon request. Seller agrees to notify Buyer if any deliverable under this Contract is restricted by export control laws or regulations. Seller shall immediately notify Buyer’s Representative if Seller is, or becomes, listed in any Denied Parties List or if Seller’s export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. Government entity or agency.

(l) Upon Buyer’s request, Seller shall provide a report of all sources outside the United States utilized by Seller or its lower-tier subcontractors in the fulfillment of this Order, including the names and locations of the sources, and a description of the items or services obtained from such sources.

(m) FOREIGN PERSONS: The Seller acknowledges that certain hardware (e.g., finished goods, parts, components, accessories, attachments, samples, prototypes, test equipment, firmware, software, or systems), technical data (e.g., technical specifications, drawings, photos, instructions, or other technical information in any form), and/or services provided by Buyer for purposes of this Order may be controlled by the ITAR or the EAR, and may require U.S. Government export authorization before assigning any Foreign Person (as defined in 22 CFR 120.16, which includes foreign governments, business entities, groups and international organizations) to perform work under this Order or before granting access to Foreign Persons to any technical data obtained, used, generated, or delivered in performance of this Order. Any
request for export authorization must include the information required by applicable export laws and regulations (reference ITAR, EAR or Chapter 10 of the National Industrial Security Program Operating Manual).

25. **ENGLISH LANGUAGE:** The Parties confirm that it is their wish that this Order, as well as any other documents or proceedings conducted hereunder or relating hereto including notices, have been and shall be drawn up and interpreted in English only.

26. **UNITED STATES CURRENCY:** Unless otherwise specified herein, all prices and payments shall be in the currency of the United States (U.S. dollars) with no prices or payments adjusted for changes in currency exchange rates.

27. **CONFIDENTIAL RELATIONSHIP:** Seller shall treat as proprietary and confidential all specifications, drawings, blueprints, nomenclature, samples, models and other information supplied by Buyer. Unless the written consent of Buyer is first obtained, Seller shall not in any manner advertise, publish, or release for publication, including without limitation, by news releases, articles, brochures, advertisements, or speeches, any statement mentioning Buyer or the fact that Seller has furnished or contracted to furnish to Buyer Items and/or Services required by this Order, or quote the opinion of any employees of Buyer. Seller shall use the information supplied by Buyer only to accomplish work covered by this Order and for no other purpose. Upon completion, all information is to either be returned to Buyer upon Buyer’s written request or destroyed by Seller in which case Seller shall provide Buyer with a Certificate of Destruction. In the event of a conflict between the terms of this Article and the terms and conditions of any separately executed and applicable Non-Disclosure Agreement between Buyer and Seller, the terms and conditions of the Non-Disclosure Agreement shall control. Seller is expressly prohibited from communicating with Buyer’s Customer with respect to Buyer’s Contract and/or the Order without Buyer’s prior express consent. However, nothing in this Article 28 shall be construed to restrict the discussion of day-to-day operational issues or any material matter pertaining to payment to or utilization of Seller. Any authorized communications, other than those expressly provided for herein, between Seller and Buyer’s Customer shall be conducted in the presence of Buyer’s Representative unless otherwise agreed by the Parties.

28. **RISK OF DAMAGE/INDEMNIFICATION/INSURANCE:** All personal property belonging to Buyer in Seller’s custody or possession, shall be at Seller’s risk from loss or damage from all hazards. Seller agrees, to the fullest extent permitted by applicable law, to indemnify and hold harmless Buyer, its officers and employees, from and against any and all claims, liabilities, causes of action, losses, costs, damages and expenses by reason of property damage or personal injury, including death, of whatsoever nature or kind, including special, incidental or consequential damages, for any reason, arising out of or as a result of Seller activity or omissions under this Order, whether arising out of the acts or omissions of Seller or of its employees, subcontractors, and lower tier subcontractors. Seller and its subcontractors and lower tier subcontractors shall maintain, at their own expense:

(a) Commercial General Liability (“CGL”) insurance, with limits of at least $2,000,000 combined single limit for bodily injury and property damage per occurrence and $2,000,000 annual aggregate

(b) Automobile Liability insurance shall be for an amount of at least $2,000,000 combined single limit for bodily injury and property damage per accident

(c) Worker’s Compensation as prescribed by the law of the state or nation in which work is performed

(d) Employer’s Liability with limits of at least $2,000,000 for each occurrence: All CGL and automobile liability insurance shall designate Harris, its affiliates, and its directors, officers, and employees as additional insureds. All such insurance must be primary and non-contributory and required to respond and pay prior to any other insurance or self-insurance available. Insurance companies providing coverage must be rated by A.M. Best with at least an A-VII rating.

Seller and Seller’s subcontractors shall furnish, prior to the start of work or at such other time as Harris requires, certificates or adequate proof of the foregoing insurance. The policies shall be endorsed to provide thirty (30) days written notice of cancellation to Harris. Any other coverage available to Harris shall apply on an excess basis.

Seller agrees that Seller, Seller’s insurer(s) and anyone claiming by, through, under or on Seller’s behalf shall have no claim, right of action or right of subrogation against Harris and Harris’ Customer based on any loss or liability insured against under the foregoing insurance.

29. **GENERAL RELATIONSHIP:** Seller’s relationship to Buyer in the performance of this Order is that of an Independent Contractor. Neither Seller nor any of the persons utilized by Seller to furnish materials or perform work or Services under this Order are employees of Buyer. Seller shall, at its own expense, comply with all applicable laws and regulations and assume all liabilities and obligations imposed by such laws and regulations with respect to this Order. Seller agrees that neither it nor its personnel are employees of Buyer, or provided to any benefits provided or rights guaranteed by Buyer, or by operation of law, to Buyer’s respective employees.

30. **TAXES:** Unless otherwise notified by Buyer in writing, the price of this Order includes and Seller shall be responsible for the payment of any Federal, State, and Local taxes, duties, tariffs, transportation taxes, or other similar taxes or fees which are required to be imposed upon the Items or Services ordered hereunder by Buyer, unless Seller obtains any applicable exemptions. Seller represents that its price does not include any taxes, impositions, charges or exactions for which it is eligible to obtain and/or has obtained a valid exemption certificate or other evidence of exemption. Any taxes included in this Order shall be itemized separately in Seller’s invoice.

31. **MODIFICATION OF ORDER:** This Order contains all the agreements of the Parties with respect thereto and no course of dealing or usage of the trade shall be applicable unless expressly incorporated in this Order. The terms and conditions contained in this Order may not be added to, modified, superseded or otherwise altered except by a written instrument signed by the parties.

32. **CUSTOMS:**

(a) Credits and Refunds. Transferable credits or benefits associated with or arising from Items purchased under this Order, including offset or trade credits, export credits or rights to the refund of duties, taxes or fees (collectively, “trade credits”), belong to Buyer. Seller will, at its expense, provide all information necessary (including written documentation and electronic transaction records in Buyer-approved formats) to permit Buyer to receive these trade credits. Seller will, at its expense, provide Buyer with all information necessary for the export of the items covered by this Order, including content reporting requirements, to enable Buyer to claim preferential duty treatment for items eligible under applicable trade preference regimes, and to make all arrangements that are necessary for the items to be covered by any duty deferral or free trade zone programs(s) of the country of import. Seller will, at its expense, provide Buyer or Buyer’s nominated service provider with export documentation to enable the items to be exported, and obtain all export licenses or authorizations necessary for the export of the items unless otherwise indicated in this Order, in which event Seller will provide all information as may be necessary to enable Buyer to obtain such licenses or authorization(s). Buyer retains the right to assign any trade credits to third parties. Seller shall include this clause, for the benefit of Buyer, in all lower-tier purchase orders and subcontracts awarded in the performance of this Order. Seller shall maintain a record of its purchases under this Order or subcontract and Buyer reserves the right to review such record not more often than every six (6) months to determine availability of trade credits. This Article 33 shall survive two (2) years beyond the completion of this Order.

(b) Customs-Trade Partnership Against Terrorism. To the extent any item covered by this Order is to be imported into the United States of America, if requested by Buyer, Seller shall comply with all applicable recommendations or requirements of the Bureau of Customs and Border Protection’s Customs-Trade Partnership Against Terrorism (“C-TPAT”) initiative. Upon request, Seller shall certify in writing its compliance with all applicable recommendations or requirements of the C-TPAT initiative.

33. **NEW MATERIAL:**

(a) “Material,” as used in this clause, includes, but is not limited to, raw material, parts, items, components and end items. “New,” as used in this clause, means previously unused or composed of previously unused materials allowing for typical in-factory or site use including, but not limited to, integration, installation, assembly, test, burn-in, training, troubleshooting, and rework as required.

(b) Unless Buyer specifies in writing otherwise, Seller shall deliver New Material under this contract that are fully warranted and do not contain any counterfeit material. Material verification includes documentation that Seller is purchasing product directly from the original equipment
manufacturer or authorized franchised distributor. In addition, the New Material is not of such age or so deteriorated, due to storage factors, as to impair its usefulness or safety.

34. COUNTERFEIT PARTS:

(a) As used herein, “Counterfeit Parts” means Items or separately identifiable components of Items that:

(1) Are an unauthorized copy or substitute of an Original Equipment Manufacturer or Original Component Manufacturer (collectively, “OEM”) Item;

(2) Do not contain proper external or internal materials or components required by the OEM and are not constructed in accordance with OEM design;

(3) Have been re-worked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OEM design but not disclosed as such or are represented as OEM authentic or new;

(4) Have not passed successfully all OEM-required testing, verification, screening, and quality control processes.

(b) Seller shall not furnish Counterfeit Parts to Buyer and shall implement an appropriate system to ensure that Items furnished to Buyer under this Order are not Counterfeit Parts. Seller’s system shall include, but is not limited to, the direct procurement of Items or components of Items from OEMs or authorized suppliers and/or testing or inspection in accordance with accepted government- and industry-recognized techniques to ensure the authenticity of Items. If Seller becomes aware or suspects that it has furnished Counterfeit Parts to Buyer under this Order, Seller shall promptly notify Buyer of such no later than thirty (30) days from that discovery. Seller shall replace, at its own expense, such Counterfeit Parts with OEM or Buyer-approved Items that conform to the requirements of this Order. Seller shall be liable for all costs related to the replacement of Counterfeit Parts and any testing or validation necessitated by the installation of authentic Items or components of Items after Counterfeit Parts have been replaced.

35. CONFLICT MINERALS:

(a) “Conflict Minerals” means, most commonly, tin, tantalum, tungsten, and gold (3TG) and any other mineral or its derivatives determined by the U.S. Secretary of State to be financing conflict in the Democratic Republic of the Congo or an adjoining country.

(b) Seller represents and warrants that it has adopted and will maintain a supply chain policy and procedure to conduct, and require its suppliers to conduct, a reasonable inquiry to determine whether the Items supplied to Buyer contain Conflict Minerals and whether the source of any such Conflict Minerals not derived from recycled or scrap materials may be the Democratic Republic of the Congo or an adjoining country. If so, Seller shall perform due diligence to identify the facilities used to process such Conflict Minerals and make efforts to identify the location of each mine or location of origin of such Conflict Minerals with the greatest possible specificity.

(c) Seller shall provide written certifications concerning Conflict Minerals contained in Items supplied to Buyer by Seller as Buyer may request from time to time. Seller acknowledges that Buyer will rely on the accuracy and completeness of each such certification.

36. PROHIBITED SOFTWARE:

(a) This clause only applies to Items or Services that include the delivery of software.

(b) “OSS License” means the General Public License (“GPL”), Lesser/Library GPL, (LGPL), the Affero GPL (AGL), the Apache license, the Berkeley Software Distribution (“BSD”) license, the MIT license, the Artistic License(e.g., PERL), the Mozilla Public License (MPL), or variations thereof, including without limitation licenses referred to as “Free Software License”, “Open Source License”, “Public License”, or “GPL Compatible License.”

(c) As used herein, “Prohibited Software” means software that incorporates or embeds software in, or integrates software in connection with, as part of, bundled with, or alongside any

(1) open source, publicly available, or “free” software, library or documentation, or

(2) software that is licensed under a Prohibited License, or

(3) software provided under a license that

(i) subjects the delivered software to any Prohibited License, or

(ii) requires the delivered software to be licensed for the purpose of making derivative works or be redistributable at no charge, or

(iii) obligates Buyer to sell, loan, distribute, disclose or otherwise make available or accessible to any third party

A. the delivered software, or any portion thereof, in object code and/or source code formats, or

B. any Items incorporating the delivered software, or any portion thereof, in object code and/or source code formats.

(d) SELLER shall disclose to BUYER in writing any (OSS) that will be used or delivered in connection with this Contract and shall obtain BUYER’s prior written consent before using or delivering such OSS in connection with this Contract. BUYER may withdraw such consent at its sole discretion. SELLER warranties all OSS used or delivered in connection with this Contract complies with any applicable OSS License.

(e) Seller agrees to defend, indemnify, and hold harmless Buyer, its customers and suppliers from and against any claims, damages, losses, costs, and expenses, including reasonable attorneys’ fees, to the extent Seller causes Buyer to use or deliver Prohibited Software in connection with this Order.

37. COMPLIANCE WITH HAZARDOUS SUBSTANCES AND WASTE RECYCLING LAWS:


(b) Seller hereby represents and warrants, based on its qualitative determination, that the Items contain no asbestos-containing materials or mercury, polychlorinated biphenyls (“PCBs”), nor were they manufactured with prohibited Ozone Depleting Substances (“ODDs”), and Seller will not introduce into the Items or any replacements any materials that contain asbestos or PCBs, nor manufacture the Items with prohibited ODDs.

(c) Buyer may sell products containing Seller’s Items in California and other states, and Seller shall disclose in writing to Buyer all materials and components in the Items, and the amounts therein, that require labeling under California’s Proposition 65 or the laws of other states.

(d) As soon as Seller is aware of any non-compliance but in no event any later than before the shipment of any Item, Seller shall identify in writing to Buyer (e.g., in a Safety Data Sheet (“SDS”), or other writing):

(1) any and all components and materials contained in the Items that may require recycling or other treatment during the product lifecycle under the laws and regulations implementing the Environmental Laws, and

(2) the location of any component or material that is hazardous within the meaning of the WEEE Directive or other
Environmental Laws, and any Item that is required by the Environmental Laws to be marked shall be so marked by Seller.

(e) Seller shall, upon request, provide Buyer with written confirmation of its compliance with the Environmental Laws, in the form, manner and within the timeframe reasonably directed by Buyer, including but not limited to, evidence that Supplier has registered, notified and communicated confirmation of its compliance with the Environmental Laws, in the form, alleged breach of any of the Environmental Laws arising out of or related to the

Buyer or Seller complying with the Environmental Laws and placing the Items on, or their importation into, any jurisdiction worldwide.

AND SUBSTANCES OF VERY HIGH CONCERN (SVHC):

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Seller’s compliance with the Environmental Laws. Seller shall provide Buyer with all such information and documentation that it may reasonably require (including access to its staff and facilities) to enable Buyer to satisfy itself of Seller’s compliance with all Environmental Laws and that the warranty contained in subsection 38(a) above remains true and accurate.

(g) Seller shall bear all costs and expenses, including those related to recycling or taking back the Items, arising out of or related to either Buyer or Seller complying with the Environmental Laws and placing the Items on, or their importation into, any jurisdiction worldwide.

(h) Seller shall indemnify and hold Buyer harmless from any cost, expense, liability or damage suffered by Buyer by reason of any breach or alleged breach of any of the Environmental Laws arising out of or related to the Items.

38. TOXIC, HAZARDOUS OR CARCINOGENIC SUBSTANCES AND SUBSTANCES OF VERY HIGH CONCERN (SVHC):

(a) Seller represents and warrants that the following are not prohibited or restricted by any laws or regulations of any country or other jurisdiction in the world:

(1) the Items, and substances contained therein including parts, subparts, components, and chemical constituents;

(2) substances used in the manufacture of the Items, including its parts, subparts, components and chemical constituents;

(3) use of the Items in the manner intended, and

(4) substances required for the maintenance of the Items provided under this Order.

(b) Laws and regulations referenced in subparagraph (a) above include, without limitation, those of:

(1) The United States through a Department or Agency such as the EPA acting under the Toxic Substances Control Act (“TSCA”) (15 USC, § 2601 et seq.), as amended by the Frank R. Launtenberg Chemical Safety for the 21st Century Act, or the Federal Insecticide, Fungicide, and Rodenticide Act (“FIFRA”) (21 USC § 346a et seq.) and their implementing regulations;

(2) Individual states in the U.S.;


(4) The European Community through EC 1907/2006 REACH;

(5) Nations in the European Community that have implemented legislation concerning 76/769/EEC and other Directives; and

(6) Nations that are not in the European Community but which implement legislation similar to 76/769/EEC and other Directives (collectively, the “Toxic Substance Laws”).

(c) Seller represents and warrants that:

(1) each chemical substance, including chemical substances contained in the Items delivered under this Order, is on the Inventory List (see 40 CFR § 710) published by the EPA pursuant to the TSCA (15 USC § 2601 et seq.) (b) the European Inventory of Existing Commercial Chemical Substances (EINECS) or the European List of Notified Chemical Substances (ELINCS);

or (c) any equivalent lists in any other jurisdictions to which Buyer informs Seller or Seller knows the Items likely will be shipped to or through. Seller represents and warrants that each chemical substance constituting or contained in Items is registered if required, under Regulation (EC) No 1907/2006 (“REACH”), is not restricted under Annex XVII of REACH and if subject to authorization under REACH is authorized for Buyer’s use at the time of such delivery;

(2) delivery of any Items, including their chemical constituents, under this Order shall be made in accordance with transportation, labeling and other requirements for Toxic Substance Laws enacted by any government or regulatory body anywhere in the world, and

(3) the Items, including their chemical constituents, shall meet the Toxic Substance Laws requirements of all jurisdictions, including under any applicable exclusions, exceptions or waivers, such that Buyer may freely transport, export, import, use, maintain, market and sell the Item or article throughout the world.

(4) If Seller is located outside of the U.S. and is shipping Items into the U.S., regardless of which party is the importer of record, Seller agrees to comply with the import restrictions contained in section 13 of the Toxic Substance Control Act (TSCA) 15 U.S.C. 2601 et seq., provide the appropriate TSCA Certification required under 19 CFR 12.121, and be responsible for any fines or liabilities resulting from breaches of this provision.

(d) Where there are regulations or restrictions pertaining to the Item, Seller shall:

(1) inform Buyer of such regulations or restrictions in writing, specifying the jurisdictions in which the Item is regulated,

(2) provide Buyer with a written copy of the appropriate compliance recommendations on handling or use, and

(3) obtain Buyer’s written approval for the delivery of any Items that are regulated or restricted.

(e) Seller shall establish a process to assure that current governmental and safety requirements under the Toxic Substances Laws on restricted, toxic and hazardous substances/materials are in compliance, relative to the purchased Items as stated on purchase orders.

(f) If Seller provides Items under this Order which:

(1) contain a toxic or hazardous substance identified under Occupational Safety and Health Standards, 29 CFR § 1919.20 or 29 CFR § 1910.1000 et seq. (Subpart Z), or

(2) contain a carcinogenic substance, or

(3) the use of which is regulated or restricted under 76/769/EC or other European Community Directive, or

(4) contain SVHCs or materials requiring registration, notification or communication under REACH, or

(5) contain substances or materials that are regulated under EC RoHS, WEEE and Battery directives or any other jurisdiction’s RoHS, WEEE and Battery regulations; or

(6) contain substances or materials that are regulated as a hazardous waste by RCRA,

Seller shall provide Buyer, at no cost to the buyer, all relevant information including without limitation, SDS in the language and the legally required format of the location to which the items will be shipped and mandated labelling information, (meeting the requirements of the Hazard Communication Standard at 29 CFR § 1910.1200 (“HCS”) and the latest revision of Federal Standard No. 313, REACH and EC CLP Regulation 1272/2008), that shall include information on the presence of all chemical substances in the Item, including concentrations of carcinogenic chemicals equal to or greater than 0.1% on a weight by weight basis within an Item and any other information required by any applicable law.

Seller is required to monitor the SVHCs and RoHS and other jurisdictions’ lists of substances on a regular basis and shall provide this information to Buyer before the initial shipment of the item and again with the initial shipment of the item. When a change in formulations occurs, Seller shall provide Buyer with a
copy of the revised SDS and any new restriction on handling, use, or disposal and receive approval from Buyer before shipment. Seller shall label each container of such items in a clearly legible and conspicuous form in compliance with the HCS and all applicable shipping requirements, and shall provide Buyer with a copy of any existing or new restrictions on handling or use. Safety Data Sheets for all other materials shall be retained by Seller and made available to Buyer upon request.

(g) Notwithstanding anything in this Order to the contrary, for Items supplied to Buyer’s Defense unit as a defense contractor, nothing herein shall require or permit Seller to change in any manner the lead composition of any Item without the prior written approval of Buyer.

39. OZONE DEPLETING SUBSTANCES: Seller agrees that the Items delivered hereunder shall be accurately labeled for ODSs in accordance with the requirements of Section 611 of the 1990 Clean Air Act Amendments and the regulations promulgated thereunder, including but not limited to requirements contained in 40 CFR §§ 82.114 and 82.116. At Buyer’s request, Seller shall certify in a form satisfactory to Buyer whether the Items were manufactured with a controlled substance, as defined in 40 CFR § 82.104.

40. HAZARDOUS CONDITIONS/INDEMNIFICATION:

(a) Seller shall comply with applicable Environmental Laws and Toxic Substances Laws, including any specifications included by Buyer as part of this Order. Seller shall comply with the appropriate revision and section of MIL-STD-882 or Buyer equivalent, which Buyer will make available upon Seller’s request. In the event that Seller or Buyer learns of any issue relating to a potential safety hazard or unsafe condition in any of the Items or Services produced hereunder, or is advised of such by competent authorities of any government having jurisdiction over such Items, materials or Services, it will immediately advise the other party by the most expeditious means of communication. When any change occurs that affects requirements or recommendations for safe handling, use, or disposal Seller shall provide Buyer with a copy of any new restriction on handling, use, or disposal and receive approval from Buyer before shipment.

(b) Expenses associated with the correction of a safety hazard or unsafe condition as identified in (a) above, caused by or associated with Items or Services produced by Seller, including reasonable attorneys’ fees, court costs, expenses, and the like, if they become necessary, shall be solely Seller’s responsibility, subject only to any other arrangement negotiated by the Parties in light of the particular facts and circumstances then existing.

(c) Seller agrees to defend, hold harmless, indemnify, and reimburse Buyer, its officers, directors, agents, employees, distributors, dealers, affiliates, insurers, and customers during the term of this Order and any time thereafter for any and all costs and expenses (including, but not limited to, reasonable attorneys’ fees and expenses, overhead, settlements, judgments, and court costs) arising out of or related to any Environmental Laws and Toxic Substances Laws liability, demand, lawsuit, or claim alleging or asserting in whole or in part:

1. any Failure of Items or Services to comply with applicable specifications, warranties, and certifications under this Order (including those set forth in Seller’s Annual Certification);
2. the negligence or fault of Seller in design, testing, development, manufacture, or otherwise with respect to Items or parts therefore;
3. claims, demands, or lawsuits that, with respect to the Items or any parts thereof are product liability, strict product liability, or any variation thereof;
4. any claim based on the death or bodily injury to any person, destruction or damage to property, or contamination of the environment and any associated clean-up costs; or
5. any claim based on the negligence, omissions or willful misconduct of Seller or any of Seller’s agents, subcontractors, employees or anyone acting on behalf of Seller.

(d) Buyer agrees to protect, defend, hold harmless, and indemnify in a similar fashion from and against any liability, claim, demands, or cost or expense that is the result of design or other special requirements specified by Buyer and actually incorporated in the Items or Services over the written objection of Seller. Buyer also agrees to protect, defend, hold harmless, and indemnify Seller in a similar fashion from and against any liability, claim, demands, or cost or expense arising out of death of or injury to any person or damage to tangible property which is the result of the negligence or other fault of Buyer.

(e) Should Buyer’s use, or use by its distributors, subcontractors or customers, of any Items or Services purchased from Seller be enjoined, be threatened by injunction, or be the subject of any legal proceeding, Seller shall, at its sole cost and expense, either:

1. substitute fully equivalent non-infringing Items or Services;
2. modify the Items or Services so that they no longer infringe but remain fully equivalent in functionality;
3. obtain for Buyer, its distributors, subcontractors or customers the right to continue using the Items or Services; or,
4. if none of the foregoing is possible, refund all amounts paid for the infringing Items or Services.

(f) Seller shall without limitation as to time, defend, indemnify and hold Buyer harmless from all Items which may be asserted against property covered hereunder, including without limitation mechanic’s liens or claims arising under Worker’s Compensation or Occupational Disease laws and from all claims for injury to persons or property arising out of or related to such property unless the same are caused solely and directly by Buyer’s negligence.

41. INDEMNITY AGAINST CLAIMS:

(a) Seller shall keep its work and all items supplied by it hereunder and Buyer premises free and clear of all liens and encumbrances, including mechanic’s liens, in any way arising from performance of this Order by Seller or by any of its vendors or subcontractors. Seller may be required by Buyer to provide a satisfactory release of liens as a condition of final payment. All personal property belonging to Buyer in Seller’s custody or possession shall be at Seller’s risk from loss or damage from all hazards.

(b) To the extent not covered by the Patent/Intellectual Property Indemnity provision in Article 13, Seller shall, without limitation, indemnify, save, and hold harmless Buyer and its customer(s) and their respective officers, directors, employees and agents harmless from and against every liability, claim of liability, allegation, judgment, cost, expense, attorneys’ fees, cause of action, loss or damages whatsoever, including, without limitation, any and all claims (including claims under Workers’ Compensation or Occupational Disease laws) and resulting costs, expenses and liability which arise from personal injury, death, or property loss or damage arising out of or as a result of Seller activity or omissions under this Order, including, without limitation, latent defects in such Services or other Items, whether arising out of the actions or inactions of Seller or of its employees, subcontractors, and lower-tier subcontractors.

(c) Seller agrees to notify Buyer as soon as practicable of any such claim described in subparagraph (b) above. Seller, if required to indemnify Buyer under this Article, shall promptly assume and diligently conduct the entire defense of such claim at its own expense. Buyer shall have the right to reasonably reject counsel selected by Seller and the right to reject any settlement that would negatively impact Buyer as determined solely by Buyer. Buyer shall have the right to participate with Seller in determining the strategy to defend any such suit or action, and shall have the right, with the permission of the court, to intervene in any such claim.

(d) Notwithstanding any of the above provisions, Buyer shall have the further right, at its own election, to supersede Seller in the defense of any such claim and thereafter to assume and conduct the same according to Buyer’s sole discretion. Upon Buyer’s election, Seller shall be released from its obligation to pay for attorneys’ fees and court costs. Further, Seller, if requested in writing by Buyer, shall cooperate with Buyer in Buyer’s defense of any alleged claim.

(e) In the event Buyer should bring action to enforce the indemnification provisions of this Article and prevail in such action, Seller agrees that Buyer shall be entitled to be awarded its reasonable attorneys’ fees and costs.

42. COMBATING TRAFFICKING IN PERSONS:

(a) Seller, its employees, and its agents shall not:

1. Engage in severe forms of trafficking in persons during the period of performance of the contract;
(2) Procure commercial sex acts during the period of performance of the contract;
(3) Use forced labor in the performance of the contract;
(4) Destroy, conceal, confiscate, or otherwise deny access by an employee to the employee's identity or immigration documents, such as passports or drivers' licenses, regardless of issuing authority;
(5) Use misleading or fraudulent practices during the recruitment of employees or offering of employment, such as failing to disclose, in a format and language accessible to the worker, basic information or making material misrepresentations during the recruitment of employees regarding the key terms and conditions of employment, including wages and fringe benefits, the location of work, the living conditions, housing and associated costs (if employer or agent provided or arranged), any significant cost to be charged to the employee, and, if applicable, the hazardous nature of the work;
(6) Use recruiters that do not comply with local labor laws of the country in which the recruiting takes place;
(7) Charge employees recruitment fees;
(8) Fail to provide return transportation or pay for the cost of return transportation upon the end of employment for an employee who is not a national of the country in which the work is taking place and who was brought into that country for the purpose of working on the contract (for portions of contracts performed outside the United States); or an employee who is not a United States national and who was brought into the United States for the purpose of working on the contract, if the payment of such costs is required under existing temporary worker programs or pursuant to a written agreement with the employee (for portions of contracts performed inside the United States); except that the requirements of this subparagraph shall not apply to an employee who is legally permitted to remain in the country of employment and who chooses to do so or exempted by an authorized official of the contracting agency from the requirement to provide return transportation or pay for the cost of return transportation;
(i) The requirements of this subparagraph are modified for a victim of trafficking in persons who is seeking victim services or legal redress in the country of employment, or for a witness in an enforcement action related to trafficking in persons. Seller shall provide the return transportation or pay the cost of return transportation in a way that does not obstruct the victim services, legal redress, or witness activity;
(9) Provide or arrange housing that fails to meet the host country housing and safety standards; or
(10) If required by law or contract, fail to provide an employment contract, recruitment agreement, or other required work document in writing. Such written work document shall be in a language the employee understands. If the employee must relocate to perform the work, the work document shall be provided to the employee at least five days prior to the employee relocating. The employee's work document shall include, but is not limited to, details about work description, wages, prohibition on charging recruitment fees, work location(s), living accommodations and associated costs, time off, roundtrip transportation arrangements, grievance process, and the content of applicable laws and regulations that prohibit trafficking in persons.

(b) Seller shall:
(1) Notify its employees and agents of the policy prohibiting trafficking in persons, described in above; and the actions that will be taken against employees or agents for violations of this policy. Such actions for employees may include, but are not limited to, removal from the contract, reduction in benefits, or termination of employment; and
(2) Take appropriate action, up to and including termination, against employees, agents, or subcontractors that violate the policy in this clause.
(c) Seller shall inform Buyer immediate of:
(1) Any credible information it receives from any source (including host country law enforcement) that alleges a Seller employee, subcontractor, subcontractor employee, or their agent has engaged in conduct that violates the policy in this Article; and
(2) Any actions taken against a Seller employee, subcontractor, subcontractor employee, or their agent in relation to this Article.
(d) Seller’s failure to comply with this Article’s provisions above may result in the following remedies:
(1) Requiring the Seller to remove a Seller employee or employees from the performance of the contract;
(2) Requiring the Seller to terminate a subcontract;
(3) Suspension of contract payments until the Seller has taken appropriate remedial action;
(4) Loss of award fee, consistent with the award fee plan, for the performance period in which the Buyer or Buyer’s Customer determined Seller non-compliance;
(5) Declining to exercise available options under the contract; or
(6) Termination of the contract for default or cause, in accordance with the termination clause of this contract.
(e) Seller shall develop a “Trafficking in Persons” compliance plan or an awareness program with which it complies that is appropriate to the size and complexity of the contracts Seller performs and the nature and scope of the activities it performs, including the number of non-United States citizens expected to be employed and the risk that the contract or subcontract will involve services or supplies susceptible to trafficking in persons. Seller shall post the relevant contents of the compliance plan no later than the initiation of contract performance, at the workplace (unless the work is to be performed in the field or not in a fixed location) and on the Seller’s Web site (if one is maintained). If posting at the workplace or on the Web site is impracticable, Seller shall provide the relevant contents of the compliance plan to each worker in writing. At a minimum, the compliance plan shall include the following elements:
(1) An awareness program to inform Seller employees about the policy prohibiting trafficking-related activities described in this Article and the actions that will be taken against the employee for violations. Additional information about Trafficking in Persons and examples of awareness programs can be found at the Web site for the Department of State’s Office to Monitor and Combat Trafficking in Persons at http://www.state.gov/j/tip/;
(2) A process for employees to report, without fear of retaliation, activity inconsistent with the policy prohibiting trafficking in persons, including a means to make available to all employees the hotline phone number of the Global Human Trafficking Hotline at 1-844-888-FREE and its email address at help@befree.org;
(3) A recruitment and wage plan that only permits the use of recruitment companies with trained employees, prohibits charging recruitment fees to the employee, and ensures that wages meet applicable host-country legal requirements or explains any variance;
(4) A housing plan, if the Seller or subcontractor intends to provide or arrange housing, that ensures that the housing meets host-country housing and safety standards;
(5) Procedures to prevent agents and subcontractors at any tier and at any dollar value from engaging in trafficking in persons (including activities in paragraph (b) of this clause) and to monitor, detect, and terminate any agents,
subcontracts, or subcontractor employees that have engaged in such activities.

43. **ETHICAL STANDARDS OF CONDUCT:**

(a) Buyer is committed to conducting its business fairly, impartially, and in an ethical and proper manner. Buyer’s expectation is that Seller also will conduct its business fairly, impartially, and in an ethical and proper manner. Buyer’s further expectation is that Seller will have (or will develop) and adhere to a code of ethical standards and comply with Buyer’s Supplier Code of Conduct, available at https://www.harris.com/sites/default/files/supplier-code-of-conduct-may_2017.pdf. If Seller has cause to believe that Buyer or any employee or agent of Buyer has behaved improperly or unethically under this contract, Seller shall report such behavior to appropriate Buyer Points of Contact (“POCs”). Buyer’s Code of Conduct contains listings of its POCs and is available on http://www.harris.com. Seller’s employees are required to conduct company business with integrity and maintain a high standard of conduct in all business-related activities.

(b) Seller shall not participate in any personal business, or investment activity that may be defined as a conflict of interest, whether real or perceived. As a material obligation hereunder, Seller must immediately notify Buyer if, at any time during the term of this Order, Seller becomes aware that it has an actual or potential conflict of interest, including without limitation, a relationship of any nature which may affect or which may reasonably appear to affect Seller’s objectivity or ability to perform the Work.

(c) Seller Compliance: In performing its obligations under this Order, Seller will not use child labor as defined by local law, will not use forced or compulsory labor, will not physically abuse labor and will respect employees’ rights to choose whether to be represented by third parties and to bargain collectively in accordance with local law. In addition, in all wage and benefit, working hours and overtime and health, safety and environmental matters, Seller will comply with all applicable laws and regulations. Seller further agrees that, if requested by Buyer, it shall demonstrate, to the satisfaction of Buyer, compliance with all requirements in this paragraph. Buyer shall have the right to inspect any site of Seller involved in work for Buyer, and failure to comply with the obligations in this paragraph shall be cause for immediate termination without penalty or further liability to Buyer.

44. **NON-SOLICITATION:** During the term of this Order, and for a period of twelve (12) months following termination of this Order, Seller shall not, directly or indirectly, solicit for employment, employ or otherwise engage the services of employees or individual consultants of Buyer. This clause shall not restrict any employee from responding to or accepting offers of general employment from either party.

45. **NO WAIVER OF CONDITIONS:** Buyer’s failure to insist upon or enforce strict compliance by Seller with respect to any aspect of this Order shall not be deemed a waiver or relinquishment to any extent of any of Buyer’s rights; rather, the same shall remain in full force and effect. Waiver of a right under this Order shall not constitute a waiver of any other right, waiver or default under this Order.

46. **EQUAL OPPORTUNITY:**

(a) 41 C.F.R. § 60-741.5(a). This contractor and subcontractor shall abide by the requirements of 41 C.F.R. § 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

(b) 41 C.F.R. § 60-300.5(a). This contractor and subcontractor shall abide by the requirements of 41 C.F.R. § 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

(c) This contractor and subcontractor shall abide by the requirements of 41 C.F.R. Parts 60-1, 60-20, and 60-50 as set forth under EO 11246 and as amended under EO 13672, specifically section 202 and section 203, where these regulations prohibit discrimination on the bases of race, color, religion, sex, sexual orientation, gender identity, or national origin and require affirmative measures to prevent discrimination on those bases from occurring.

47. **SEVERABILITY:** If any part, term, or provision of this Order shall be held void, illegal, unenforceable, or in conflict with any law of the federal, state, or local government having jurisdiction over this Order, the validity of the remaining portions of provisions shall not be affected thereby.