LONG TERM SUPPLY AGREEMENT (LTSA # Click to enter)

This Long Term Supply Agreement ("LTSA") made as of the Select day day of Select month, Select year by and between: **BAE Systems Information and Electronic Systems Integration Inc. and BAE Systems Controls Inc. by and through the Electronic Systems Sector**, with offices located at 65 Spit Brook Rd., Nashua, NH 03060 (hereinafter called “BAE SYSTEMS” or “Buyer”); and AirBorn, Inc., having a place of business at 3500 AirBorn Circle, Georgetown, TX 78626 (hereinafter referred to as "Supplier", or “SELLER”).

(BAE SYSTEMS and Supplier are sometimes referred to in this LTSA individually as "Party" and collectively as "Parties").

**WHEREAS** BAE SYSTEMS desires to order goods and services from Supplier; and

**WHEREAS** Supplier desires to sell to BAE SYSTEMS goods and services ordered by BAE SYSTEMS.

NOW, THEREFORE, this LTSA establishes the articles of agreement under which BAE SYSTEMS can order from Supplier and Supplier must sell to BAE SYSTEMS.

**1. PURPOSE**

This LTSA is entered into with the purpose of establishing a long term relationship leading towards world class benchmarks in quality, cost, delivery, cycle time, technology and service.

Exhibit I – BAE Systems Site Locations

Exhibit II – Parts List

Exhibit III – Parts List

Exhibit IV – Terms and Conditions

**2. COMMITMENTS**

This LTSA, in conjunction with the list of part numbers contained in Exhibit “II”, is a commitment by the Supplier to provide products and services to BAE SYSTEMS. BAE SYSTEMS will buy all requirements for the parts listed in Exhibit “II” from the Supplier if the provisions of this LTSA are met. The list of part numbers contained in Exhibit “III” does not represent a commitment to procure on behalf of BAE SYSTEMS.

If BAE SYSTEMS chooses to purchase any or all of the part numbers contained in Exhibit “II” and or Exhibit “III”, this LTSA represents the pricing, adders, and Terms and Conditions for any and all Orders issued by BAE SYSTEMS.

The quantities shown in Exhibits “II” and “III” are forecasted and represent BAE SYSTEMS good faith prediction of usage over the contract period covered by this LTSA.

In accordance with the provisions herein, the pricing contained in Exhibits “II” and “III” of this LTSA will be made available to BAE SYSTEMS Affiliates and Third Party Suppliers/Subcontractors on a world-wide basis.

Supplier agrees that nothing in this LTSA shall be construed as a commitment or obligation on the part of BAE SYSTEMS to procure any quantities of parts at any time. Only Orders issued in accordance with this LTSA shall represent a commitment or obligation on the part of BAE SYSTEMS.

**3. ORDERING PROCEDURE / TERMS AND CONDITIONS**

The term "Order" shall mean a purchase order or other written or electronically transmitted communication, from an authorized BAE Systems employee (or authorized material logistics partner) to Supplier for the purchase of products and services. All orders issued for the part numbers and services covered by this LTSA, shall be in accordance with this LTSA, irrespective of their medium.

Each Party agrees that all technical data provided by the other Party (or authorized material logistics partner) under this Agreement or related orders must be considered as applicable to United States export control laws and regulations, including, but not limited to, the requirements of the Export Administration Regulations (EAR) and the International Traffic in Arms Regulation (ITAR). Each Party shall be diligent in their effort to protect the shared technical data (e.g. drawings and specifications, hardcopy and electronic formats) from disclosure to Foreign Persons. This diligence extends to meetings, telephone conference calls, videoconference discussions, and in a party’s facility, to include protection from disclosure to Foreign Person employees.

Orders will reference this Agreement and specify the kind and quantity of the products required, applicable prices, delivery dates, shipping instructions, invoice point and other pertinent information, as necessary.

Supplier shall accept Orders scheduled for delivery up to twelve – (12) months following the scheduled termination of the pricing validity term, which is noted on Exhibits “II” and “III”.

Individual Orders for parts utilized on commercial contracts and those utilized for U.S. Government Contracts shall be governed by this LTSA and the BAE Systems standard terms and conditions (BAEDOC USGOVFFP and BAEDOC USGOVA) contained in Exhibit “IV”. In the event of a conflict or inconsistency, the order of precedence shall be the individual Order, this LTSA, and then the Terms and Conditions contained in Exhibit “IV” herein. Procurements issued under this LTSA from non-U.S. BAE Systems sites may require additional/modified Terms & Conditions which will be mutually agreed either with the individual order or as part of a site specific addendum to this LTSA.

**4. TERM OF AGREEMENT**

This LTSA shall come into effect on May 1, 2018 for CN18 parts and April 1, 2019 for CN18A parts and shall terminate three years from the effective date of this agreement, unless extended in writing by both parties.

In the event that Supplier acquires, or merges or combines with any other business or entity during the life of this Agreement, this Agreement may supersede and replace any like or similar Agreement BAE SYSTEMS may have in place with the acquired business, its companies or subsidiaries.

During the life of this LTSA, BAE Systems may acquire or divest affiliates. Supplier agrees that the pricing contained herein the Exhibits “II” and “III” shall be extended upon request by BAE SYSTEMS to acquired BAE Systems affiliates. The pricing herein shall remain in effect for BAE Systems affiliates sold during the term of this LTSA. Additionally, the pricing hereunder may, at BAE SYSTEMS’ discretion, be extended to an entity acquiring a BAE Systems affiliate.

**5. DELIVERY TERMS**

BAE SYSTEMS shall provide specific shipping instructions in each Order released hereunder and shall be FOB Origin. Supplier shall bear the cost of all premium shipments caused by its inability to meet negotiated schedules.

**6. PAYMENT AND FREIGHT TERMS**

No invoices shall be accepted prior to delivery of the goods and/or services ordered.

(a) Unless otherwise specified, terms of payment shall be Net 45 days from the latest of the following: (i) BAE SYSTEMS’ receipt of the SELLER's proper invoice; (ii) Scheduled delivery date of the Work; or (iii) Actual delivery of the Work. BAE SYSTEMS shall have a right of setoff against payments due or at issue under this Contract or any other contract between the Parties.

(b) Payment shall be deemed to have been made as of the date of mailing BAE SYSTEMS payment or electronic funds transfer.

(c)

**7. PRICING**

Exhibit “II” and Exhibit ”III” hereto are made part of this Agreement and provide the part numbers, descriptions, lead times, and unit prices agreed upon for potential Orders to be placed by BAE Systems in accordance with the terms of this LTSA. Unless specifically agreed otherwise, all prices shall be FIRM, FIXED as listed in Exhibit “II” and Exhibit ”III” and shall be the maximum prices agreed.

Should BAE SYSTEMS identify other source(s) for the identical or similar products referenced in Exhibit “III” hereto with an equivalent technical performance at a lower price, BAE SYSTEMS will inform Supplier. Both Parties will enter into negotiations to allow Supplier to competitively bid the product to BAE SYSTEMS. In the event no agreement is reached, BAE Systems, at its discretion, may award such requirements to another supplier.

Supplier shall adhere to pricing for the duration of the Agreement as called out in Exhibits “II” and “III”. In accordance with this LTSA, Supplier is expected to anticipate and absorb any pricing fluctuations and thus offer pricing to BAE SYSTEMS that is stable, firm and fixed for the life of the Agreement. BAE SYSTEMS may request changes to Agreement pricing if a part or parts have been subject to significant changes to forecasted demand resulting from new or increased program activity. Any such changes shall be negotiated and agreed to by both parties. If no agreement is reached, BAE SYSTEMS, at its discretion, may re-compete such requirements and award to another supplier.

Notwithstanding the foregoing, the Exhibit “II” and Exhibit ”III” unit prices shall be subject to price negotiation if the average price of gold is greater than $1,700 or less than $1,100 per Troy ounce for two consecutive months beginning with the effective date of the LTSA. Renegotiated prices shall be based upon mutual agreement between BAE SYSTEMS and the Supplier. An item may be removed from the LTSA if no agreement can be reached on the renegotiated price. The Engelhard Industries Fabricated Products Price shall be used as the measurement standard.

Pricing under this LTSA are expressed in US dollars. For items ordered by BAE Systems affiliates outside the United States, orders may be placed in local currency. Supplier and BAE Systems shall agree to the exchange rate at the time of the order. Non-US locations will order from Exhibits “II” and “III” in US dollars or convert the piece price to local currency using the then agreed to exchange rate. Invoices for shipment to non-US locations may include applicable duties and taxes.

. Supplier further represents and warrants that prices to be charged to BAE Systems pursuant to this LTSA are not in violation of any Federal or State statute. In the event that such an arrangement occurs, this LTSA shall thereupon be deemed to have been amended to provide the same benefits or terms to BAE Systems.

**8. CONFIDENTIAL RELATIONSHIP**

The terms of the relationship as defined in this Agreement are confidential.  The existence of the Agreement between the parties; information regarding product quality, quality controls, and failure analysis; and the individual component pricing may be disclosed as required and to the extent required by the Federal Acquisition Regulation (FAR) and other applicable US Government laws and regulations.

**9. PARTICIPATION BY AFFILIATE COMPANIES AND THIRD PARTY SUPPLIERS**

During the life of this LTSA, other companies, subsidiaries, acquisitions or acquired companies may be added to Exhibit “I” by mutual written consent. In addition, BAE SYSTEMS third party subcontractors may be added to Exhibit “I” by the mutual written consent of the parties hereto, but shall execute a Confidentiality/Non-Disclosure Agreement to Supplier’s and BAE SYSTEMS’ satisfaction prior to the release of any information relating to this Agreement including prices. Any third party transactions hereunder shall be subject to the third party’s credit worthiness as determined by Supplier. All orders placed by a third party and accepted by Supplier shall clearly state on the face of such order(s) that this material is being purchased in support of BAE SYSTEMS under this LTSA.

**By signing this Long-Term Supply Agreement, the SUPPLIER hereby certifies that, at time of signature, the SUPPLIER or any of your Principals are not debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any U.S. Federal Agency.**

**IN WITNESS WHEREOF**, the Parties have executed this Long-Term Supply Agreement as of the day and year first above written.

**BAE SYSTEMS** AirBorn, Inc.

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Ina Bresner** Click to enter name

**Electronics Commodity Manager** Click to enter title

**Date: \_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_**

**EXHIBIT “I” (Rev. H)**

**BAE SYSTEMS PARTICIPATING SITE LOCATIONS AND AUTHORIZED THIRD PARTY PARTICIPANTS**

**BAE Systems Participating Site Locations**

|  |  |  |  |
| --- | --- | --- | --- |
| **Name** | **Site Name** | **City** | **State/Country** |
| Applied Intelligence | Applied Intelligence | Gloucester | United Kingdom |
| Applied Intelligence | Applied Intelligence | Guildford | United Kingdom |
| BAE Systems Australia Defence Logistics Pty Limited | Australia Defence Logistics Pty. Ltd. | Edinburgh | South Australia |
| BAE Systems Australia Defence Pty Limited | Australia Defence Pty. Ltd. | Edinburgh | South Australia |
| BAE Systems Australia Limited | Australia Limited | Edinburgh | South Australia |
| Electronic Systems | Los Angeles | Los Angeles | California |
| Electronic Systems | GEOINT-ISR | San Diego | California |
| Electronic Systems | Imaging Solutions, Inc. | San Jose | California |
| Electronic Systems | Honolulu | Honolulu | Hawaii |
| Electronic Systems | Fort Wayne | Fort Wayne | Indiana |
| Electronic Systems | Rokar | Jerusalem | Israel |
| Electronic Systems | Columbia | Columbia | Maryland |
| Electronic Systems | Burlington | Burlington | Massachusetts |
| Electronic Systems | Lexington | Lexington | Massachusetts |
| Electronic Systems | Guaymas | Sonora | Mexico |
| Electronic Systems | Hudson | Hudson | New Hampshire |
| Electronic Systems | Merrimack | Merrimack | New Hampshire |
| Electronic Systems | Nashua | Nashua | New Hampshire |
| Electronic Systems | Totowa | Totowa | New Jersey |
| Electronic Systems | Wayne | Wayne | New Jersey |
| Electronic Systems | Endicott | Endicott | New York |
| Electronic Systems | Greenlawn | Greenlawn | New York |
| Electronic Systems | Austin | Austin | Texas |
| Electronic Systems | Eclipse | Dallas | Texas |
| Electronic Systems | Fort Worth | Fort Worth | Texas |
| Electronic Systems | Rochester | Rochester | United Kingdom |
| Electronic Systems | Arlington | Arlington | Virginia |
| Electronic Systems | McLean | McLean | Virginia |
| Electronic Systems | Manassas | Manassas | Virginia |
| Electronic Systems | Redmond | Redmond | Washington |
| Intelligence & Security | IE&WS | Fort Walton Beach | Florida |
| Intelligence & Security | IE&WS | California | Maryland |
| Intelligence & Security | GA&O | McLean | Virginia |
| Intelligence & Security | GITS | Reston | Virginia |
| Maritime Services | Chelmsford | Chelmsford | United Kingdom |
| Maritime Services | Christchurch | Christchurch | United Kingdom |
| Maritime Services | Cowes | Cowes | United Kingdom |
| Maritime Services | Frimley | Frimley | United Kingdom |
| Maritime Services | Hillend | Hillend | United Kingdom |
| Maritime Services | New Malden | New Malden | United Kingdom |
| Maritime Services | Portsmouth-Broad Oak | Portsmouth | United Kingdom |
| Maritime Services | Portsmouth Naval Base | Portsmouth | United Kingdom |
| Maritime Services | Fareham | Fareham | United Kingdom |
| Maritime Services | Cirencester | Cirencester | United Kingdom |
| Military Air &Intelligence | Brough | Brough | United Kingdom |
| Military Air &Intelligence | Christchurch | Christchurch | United Kingdom |
| Military Air &Intelligence | Frimley | Frimley | United Kingdom |
| Military Air &Intelligence | Samlesbury | Samlesbury | United Kingdom |
| Military Air &Intelligence | Yeovil | Yeovil | United Kingdom |
| Platforms & Services | Anniston | Anniston | Alabama |
| Platforms & Services | Mobile | Mobile | Alabama |
| Platforms & Services | Phoenix | Phoenix | Arizona |
| Platforms & Services | Santa Clara | Santa Clara | California |
| Platforms & Services | San Francisco | San Francisco | California |
| Platforms & Services | Louisville | Louisville | Kentucky |
| Platforms & Services | Sterling Heights | Sterling Heights | Michigan |
| Platforms & Services | Hattiesburg | Hattiesburg | Mississippi |
| Platforms & Services | Fairfield | Fairfield | Ohio |
| Platforms & Services | Elgin | Elgin | Oklahoma |
| Platforms & Services | York | York | Pennsylvania |
| Platforms & Services | Jessup | Jessup | Pennsylvania |
| Platforms & Services | Benoni | Benoni, Gauteng | South Africa |
| Platforms & Services | Aiken | Aiken | South Carolina |
| Platforms & Services | Charleston | North Charleston | South Carolina |
| Platforms & Services | Aberdeen | Aberdeen | South Dakota |
| Platforms & Services | Hagglunds | Omskoldsvik | Sweden |
| Platforms & Services | Bofors | Karlskoga | Sweden |
| Platforms & Services | Kingsport | Kingsport | Tennessee |
| Platforms & Services | Arlington | Arlington | Virginia |
| Platforms & Services | Minneapolis | Minneapolis | Minnesota |
| Platforms & Services | Barrow | Farnborough | United Kingdom |
| Platforms & Services (BAE Systems Ship Repair, Inc.) | BAE Systems San Diego Ship Repair, Inc. | San Diego | California |
| Platforms & Services (BAE Systems Ship Repair, Inc.) | BAE Systems Norfolk Ship Repair, Inc. | Norfolk | Virginia |
| Platforms & Services (BAE Systems Ship Repair, Inc.) | BAE Systems Southeast Shipyards Alabama, LLC | Mobile | Alabama |
| Platforms & Services (BAE Systems Ship Repair, Inc.) | BAE Systems Jacksonville Ship Repair, LLC | Jacksonville/Mayport | Florida |
| Platforms & Services (BAE Systems Ship Repair, Inc.) | BAE Systems Hawai’i Shipyards Inc. | Pearl Harbor Naval Shipyard | Hawai’i |
| Platforms & Services (Formerly Maritime & Defense Solutions) | Warfare Solutions | Rockville | Maryland |
| Platforms & Services (Formerly Maritime & Defense Solutions) | C5ISR Electronics & Infrastructure Solutions | Charleston | South Carolina |
| Platforms & Services (Formerly Maritime & Defense Solutions) | Law Enforcement | Stafford | Virginia |

**Authorized Third Party Participants**

The businesses listed below have been agreed by the Parties to be eligible to procure goods and services in accordance with elements of this agreement such as pricing structures, minimums and multiples, etc. Terms and Conditions are subject to mutual agreement between the Seller and the Businesses listed.

|  |  |  |
| --- | --- | --- |
| **Name** | **City** | **State/Country** |
| ACW TECHNOLOGY LTD | Hampshire | United Kingdom |
| ASTEELFLASH LTD | Bedford | United Kingdom |
| Astronics – Luminescent Systems Inc. | East Aurora | New York |
| BC Systems | Setauket | New York |
| CHEMIGRAPHIC LIMITED | West Sussex | United Kingdom |
| Circuit Technology Inc. | Merrimack | New Hampshire |
| Cobham CDES – M/A COM Inc. | Lowell | Massachusetts |
| Corfin Industries | Salem | New Hampshire |
| Cristek Interconnects | Anaheim | California |
| Criteria Labs, Inc. | Austin | Texas |
| Curtiss Wright Controls Embedded Computing | Ashburn | Virginia |
| DPA Components International | Simi Valley | California |
| Integra Technologies, LLC | Wichita | Kansas |
| LCR Electronics Inc. | Norristown | Pennsylvania |
| Loras Industries, Inc. | Dallas | Texas |
| Micro-Coax | Pottstown | Pennsylvania |
| Micross Components | Hatfield | Pennsylvania |
| Midcon Cables Company Inc. | Joplin | Missouri |
| NBS Design Inc. | Santa Clara | California |
| Pikes Peak Test Labs | Colorado Springs | Colorado |
| Premier Semiconductor Services LLC | Tempe | Arizona |
| REMEC Defense and Space Inc. (d/b/a Cobham Sensor Systems Inc.) | San Diego | California |
| RF Logic | Hudson | New Hampshire |
| S&K Technologies, Inc. | Warner Robins AFB | Georgia |
| Silicon Turnkey Solutions Inc. (STS) | Milpitas | California |
| Six Sigma | Milpitas | California |
| Southern California Braiding Company Inc. | Bell Gardens | California |
| Symprotek Inc. | Milpitas | California |
| Teledyne Storm Products Inc. | Woodridge | Illinois |
| The First Electronics | Boston | Massachusetts |
| Timbercon | Lake Oswego | Oregon |
| Tintronics Industries | Huntsville | Alabama |
| Ultra Electronics – Herley New England | Woburn | Massachusetts |
| VMR Electronics, LLC | Binghamton | New York |
| Veteran’s Trading Company, LLC | Salt Lake City | Utah |
| WL Gore & Associates, Inc. | Landenberg | Pennsylvania |

**EXHIBIT “II” & EXHIBIT “III”**

**"PRICING"**

**THIS EXHIBIT WILL BE ISSUED UPON COMPLETION OF NEGOTIATIONS**

**EXHIBIT “IV”**

**"TERMS AND CONDITIONS”**

**BAE Blk-Wht Logo**

**BAEDOC USGOVFFP**

**GENERAL PROVISIONS FOR FIRM FIXED PRICE SUBCONTRACTS/PURCHASE ORDERS FOR ITEMS UNDER A U.S. GOVERNMENT PRIME CONTRACT – DOMESTIC AND INTERNATIONAL/COMMERCIAL AND NON-COMMERCIAL ITEMS**

**SECTION I: General Provisions for All Orders**

**Section 1A: General/Administrative Provisions**

1. Definitions
2. Acceptance of Contract/Terms and Conditions
3. Precedence
4. Contract Direction/Changes
5. Customer Communication
6. Information
7. Survivability
8. Severability
9. Reserved
10. Reserved
11. Payments, Taxes, And Duties
12. Maintenance of Records
13. Offset Credit/Cooperation
14. Supplemental Terms and Conditions
15. Entry on BAE SYSTEMS or Customer Property
16. Independent Contractor Relationship

**Section 1B: Laws and Regulations**

1. Applicable Laws
2. Priority Rating
3. Gratuities/Kickbacks/Ethical Conduct
4. Export Control
5. Disputes/Jury Waiver
6. Waiver, Approval, and Remedies

**Section 1C: Quality/Product Control Provisions**

1. Quality Control System
2. Timely Performance
3. Inspection and Acceptance
4. Counterfeit Parts: Prevention and Notification
5. Packing and Shipment
6. Parts Obsolescence
7. Warranty
8. Sustainable Development
9. Software

**Section 1D: Liability and Indemnification**

1. Indemnification and Limitation of Liability
2. Furnished Property
3. Intellectual Property
4. Termination
5. Insurance
6. Stop Work Order

**SECTION II: Additional Provisions for Foreign Subcontracts/Purchase Orders**

1. Foreign Corrupt Practices Prohibition
2. Language and Standards
3. Packing/Shipments/Importer of Record (replace Provision 27 in Section I)
4. Payments, Taxes and Duties (replace Provision 11 in Section I)

**SECTION I: General Provisions for All Orders**

**Section 1A: General/Administrative Provisions**

1. **DEFINITIONS**

The following terms shall have the meanings set forth below:

1. “BAE SYSTEMS” means the BAE SYSTEMS legal entity as identified on the LTSA (as defined below).
2. “BAE SYSTEMS Procurement Representative” means the person authorized by BAE SYSTEMS’ cognizant procurement organization to administer and/or execute this Contract.
3. “Contract” means the instrument of contracting, such as “PO”, “Purchase Order”, or other such type designation, including all referenced documents, exhibits and attachments. If these terms and conditions are incorporated into a “master” agreement that provides for releases, (in the form of a purchase order or other such document) the term “Contract” shall also mean the release document for the Work to be performed.
4. “Customer” means the entity with whom BAE SYSTEMS has or anticipates having a contractual relationship to provide services or goods that utilize or incorporate the Work. For purposes of the “FURNISHED PROPERTY” and “INDEPENDENT CONTRACTOR RELATIONSHIP” provisions of this Contract, “Customer” shall include both any higher tier contractor(s) and the U.S. Government.
5. “Electronic Signature” means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.
6. “FAR” means the Federal Acquisition Regulations, issued as Chapter 1 of Title 48, Code of Federal Regulations.
7. “LTSA” means Long Term Supply Agreement between BAE SYSTEMS and SELLER to which these General Provisions are attached and incorporated by reference.
8. “Open Source” means with respect to Software and any licenses of same, that Software provided under a license which permits the user to run, copy, distribute, study, change, modify and/or improve the Software but which prohibits the user from: (a) withholding improvements and/or modifications made by the user to the source code when and/if user thereafter distributes the Software; and/or (b) adding restrictions on use when redistributing or transferring the Software to third parties. For purposes of this Contract, “Open Source” Software shall also include “Free Software” as defined by the Free Software Foundation Inc. By way of example and not limitation, “Open Source” licenses shall include such licenses as the GNU General Public License, the Mozilla Public License 1.1, Apache Software License Version 2.0, the Academic Free License 2.0, and Open Software License 2.0.
9. “PO” or “Purchase Order” as used in any document constituting a part of this Contract shall mean this “Contract.”
10. “SELLER” means the party identified on the face of this Contract with whom BAE SYSTEMS is contracting. For the purposes of the “CUSTOMER COMMUNICATION” and “INDEPENDENT CONTRACTOR RELATIONSHIP” provisions only, “SELLER” shall also include SELLER’s agents, representatives, subcontractors, and suppliers at any tier.
11. “Software” means: (1) computer programs, source code, source code listings, executable code, machine readable code, object code listings, design details, algorithms, processes, flow charts, formulae, and related material that would enable software to be read, reproduced, recreated, or recompiled; (2) associated   
    documentation such as operating manuals, application manuals, and installation and operating instructions that explain the capabilities of software and provide instructions on using the software; and (3) derivative works, enhancements, modifications, and copies of those items identified in (1) and (2) above.
12. “Work” means all required deliverables, articles, materials, supplies, goods and services, including, but not limited to, technical data and Software, constituting the subject matter of this Contract.
13. ACCEPTANCE OF CONTRACT/TERMS AND CONDITIONS
14. This Contract integrates, merges, and supersedes any contemporaneous and prior offers, understandings, negotiations, and agreements concerning the subject matter hereof and constitutes the entire agreement between the parties.
15. SELLER’s written acknowledgment referencing the LTSA and mutually agreed upon Terms and Conditions shall constitute SELLER’s unqualified acceptance of this Contract.
16. **ADDITIONAL OR DIFFERING TERMS OR CONDITIONS PROPOSED BY EITHER PARTY OR INCLUDED IN SELLER’S ACKNOWLEDGMENT HEREOF ARE HEREBY OBJECTED TO BY THE OTHER PARTY AND HAVE NO EFFECT UNLESS EXPRESSLY ACCEPTED IN WRITING BY AN AUTHORIZEDPROCUREMENT REPRESENTATIVE OF BOTH PARTIES**.
17. Any assignment of SELLER’s contract rights or delegation of duties shall be void, unless prior written consent is given by BAE SYSTEMS. A change of control of SELLER shall constitute an impermissible assignment. However, SELLER may assign rights to be paid amounts due, or to become due, to a financing institution if BAE SYSTEMS is promptly furnished a signed copy of such assignment reasonably in advance of the due date for payment of any such amounts. Amounts assigned to an assignee shall be subject to setoffs or recoupment for any present or future claims of BAE SYSTEMS against SELLER. BAE SYSTEMS shall have the right to make settlements and/or adjustments in price without notice to the assignee. BAE SYSTEMS may freely assign this contract.
18. **PRECEDENCE**

Any inconsistencies in this Contract shall be resolved in accordance with the following descending order of precedence: (1) face of the Purchase Order, release document or schedule, (which shall include continuation sheets), as applicable, to include any special provisions; (2) any master-type agreement (such as corporate, operating group, or blanket agreements); (3) representations and certifications; (4) any supplemental terms and conditions incorporated by reference under provision 14; (5) these terms and conditions; (6) statement of work; and (7) specifications or drawings.

1. **CONTRACT DIRECTION/CHANGES**
2. Only the BAE SYSTEMS Procurement Representative has authority to make changes in, to amend, or to modify this Contract on behalf of BAE SYSTEMS. SELLER shall not implement any changes or modifications to this contract (including contract specifications and quality control provisions) without first having received written authorization to do so from BAE SYSTEMS’ Procurement Representative.
3. BAE SYSTEMS program, operations, engineering, technical, or other personnel may from time to time render assistance, give technical advice, discuss, or exchange information with SELLER’s personnel concerning the Work hereunder. Such actions shall not be deemed to be a change under this clause of this Contract and shall not be the basis for equitable adjustment. If SELLER believes the foregoing creates an actual or constructive change, SELLER shall notify the BAE SYSTEMS Procurement Representative and shall not accept such direction or perform said action unless authorized by BAE SYSTEMS Procurement Representative.
4. Except as otherwise provided herein, all notices to be furnished by the SELLER shall be sent to the BAE SYSTEMS Procurement Representative.
5. BAE SYSTEMS may, at any time, exclusively by a written order signed by its Procurement Representative, and without notice to sureties, if any, make changes within the general scope of this contract in any one or more of the following:
   * 1. Drawings, designs, or specifications when the supplies being furnished are to be specially manufactured for BAE SYSTEMS in accordance with the drawings, designs, or specifications;
     2. Method of shipment or packing;
     3. Place of inspection, delivery or acceptance;
     4. Delivery schedules; and/or
     5. Any other matters affecting this contract.
6. BAE SYSTEMS’ Procurement Representative may sometimes elect to attach BAE SYSTEMS’ own internal change documents to the Change Order for clarification purposes. When issued, these forms will be in conjunction with, not in lieu of, a Change Order. The SELLER shall promptly review all changes to the part and/or service as specified in the Change Order and any Attachments, if any, and notify BAE SYSTEMS of any effect that the change may have on the performance of the contract.
7. If any such change causes an increase or decrease in the cost of or the time required for performance of this contract, an equitable adjustment shall be made in the contract price, the delivery schedule, or both, and the contract shall be modified in writing accordingly. Any claim by SELLER for adjustment under this article must be asserted in writing to BAE SYSTEMS’ Procurement Representative no later than thirty (30) calendar days (five (5) calendar days for Ship Repair) after the date of receipt by SELLER of the written change authorization or within such extension as BAE SYSTEMS may grant in writing; BAE SYSTEMS may, in its sole discretion, consider any such claim regardless of when asserted. Such claim shall be in the form of a complete change proposal fully supported by factual information. Pending any such adjustment, SELLER will diligently proceed with the contract as modified. Where the cost of property made excess or obsolete as a result of a change is included in SELLER’s claim for adjustment, BAE SYSTEMS shall have the right to direct the manner of disposition of such property. BAE SYSTEMS shall have the right to examine any of SELLER’s pertinent books and records for the purpose of verifying SELLER’s claim.

NOTE: Only BAE SYSTEMS’ Procurement Representative shall have the authority to direct or authorize changes or modifications to this contract. BAE SYSTEMS’ PROGRAM MANAGEMENT AND ENGINEERING PERSONNEL HAVE *NO* AUTHORITY TO MODIFY OR OTHERWISE TO DIRECT OR AUTHORIZE CHANGES TO THIS CONTRACT.

1. BAE SYSTEMS SHALL NOT BE LIABLE FOR ANY OF SELLER’S INCREASED COSTS OF PERFORMANCE THAT RESULT FROM SELLER’S IMPLEMENTATION OF CHANGES OR MODIFICATIONS THAT BAE SYSTEMS’ PROCUREMENT REPRESENTATIVE DID NOT FIRST APPROVE IN WRITING.
2. BAE SYSTEMS and SELLER agree that if this Contract, or any order, ancillary agreement, or correspondence is transmitted electronically neither BAE SYSTEMS nor SELLER shall contest the validity thereof, on the basis that this Contract, or the order, acknowledgement, ancillary agreement, or correspondence exists only in electronic form, an electronic record was used in its creation or formation, or it contains only an Electronic Signature or it was generated automatically, without human intervention by a system intended for the purposes of generating same.
3. **CUSTOMER COMMUNICATION**

BAE SYSTEMS shall be solely responsible for all liaison and coordination with the Customer, any higher tier contractor(s), or the U. S. Government, as it affects any applicableprime contract, this Contract, and any related contract*.* Except as required by law, SELLER shall not communicate with the Customer, any higher tier contractor(s), or the U. S. Government, with respect to the applicableprime contract, this Contract, and/or any related contract without prior written approval from the BAE SYSTEMS Procurement Representative. SELLER shall promptly notify the BAE SYSTEMS Procurement Representative of any communications initiated by the Customer, any higher tier contractor(s), or the U. S. Government, that affects the applicablePrime Contract, this Contract, and/or any related contract.

1. **INFORMATION**
2. Information provided by BAE SYSTEMS to SELLER remains the property of BAE SYSTEMS. SELLER shall comply with all proprietary information markings and restrictive legends applied by BAE SYSTEMS to anything provided hereunder to SELLER**.** SELLER shall not use any BAE SYSTEMS provided information for any purpose except to perform this Contract and shall not disclose such information to third parties without the prior written consent of BAE SYSTEMS.
3. If the parties have entered into a Proprietary Information Agreement pertaining to the Work of this Contract, the terms and conditions of such Proprietary Information Agreement shall govern the protection and exchange of proprietary information between the Parties.
4. SELLER shall not provide any proprietary information to BAE SYSTEMS without prior execution by BAE SYSTEMS of a Proprietary Information or Non-Disclosure Agreement that expressly covers the performance of Work under this Contract.
5. Except as required by law, no public release of any information, or confirmation or denial of same, with respect to this Contract or the subject matter hereof, shall be made by SELLER without the prior written approval of BAE SYSTEMS Procurement Representative.
6. As BAE SYSTEMS and other Defense Prime Contractors have enhanced their cyber security defenses, attackers have expanded their targets to include the supply base, searching for weaknesses that they can exploit. SELLER will employ appropriate tools and practices to protect BAE SYSTEMS’ provided data and advise BAE SYSTEMS within 2 days if a cyber-attack has been detected which may have compromised BAE SYSTEMS’ data. Where DFARS 252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting applies, SELLER shall additionally rapidly report cyber incidents directly to DoD at http://dibnet.dod.mil and BAE Systems; this includes providing the incident report number, automatically assigned by DoD, to BAE Systems as soon as practicable. BAE SYSTEMS is launching a Supplier Cyber Security process to help us understand the risk, raise awareness and develop proportionate and effective cyber defenses across our supply base. The process is one element of BAE SYSTEMS wider cyber security strategy and is linked to our involvement in the Defense Cyber Protection Partnership. SELLER agrees, if solicited, to complete the Cyber Security Supplier Questionnaire.
7. **SURVIVABILITY**

If this Contract expires, is completed or is terminated, those obligations contained in the following provisions shall survive:

1. Applicable Laws

Counterfeit Parts: Prevention and Notification

Definitions

Disputes/Jury Waiver

Export Control

Furnished Property

Independent Contractor Relationship

Information

Entry on BAE SYSTEMS or Customer Property

Intellectual Property

Maintenance of Records

Parts Obsolescence

Payments, Taxes and Duties

Warranty

Limitation of Liability

1. Corresponding provisions to above as incorporated through Supplemental Terms and Conditions provision.
2. Those U. S. Government flowdown provisions that by their nature should survive.
3. **SEVERABILITY**

Each paragraph and provision of this Contract is severable, and if one or more paragraphs or provisions are declared invalid, the remaining provisions of this Contract will remain in full force and effect.

1. **RESERVED**
2. **RESERVED**
3. **PAYMENTS, TAXES, AND DUTIES**
4. Unless otherwise provided, terms of payment shall be2% 10 net forty-five (45) days from the latest of the following: (i) BAE SYSTEMS’ receipt of SELLER’s accurate invoice in accordance with proper invoicing instructions as identified on the PO, or other master-type agreement; (ii) scheduled delivery date of the Work; or (iii) actual delivery of the Work. BAE SYSTEMS shall have a right of setoff against payments due or at issue under this Contract or any other contract between BAE SYSTEMS and SELLER.
5. Each payment made shall be subject to reduction to the extent of amounts which are found by BAE SYSTEMS not to have been properly payable and shall also be subject to reduction for overpayments.
6. Payment shall be deemed to have been made as of the date of mailing BAE SYSTEMS’ payment or electronic funds transfer.
7. 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.
8. SELLER will provide BAE SYSTEMS with a W-9 Form (Request for Taxpayer Identification Number and Certification) in accordance with IRS regulations. An updated form is required for any Name or address change. If SELLER fails to provide a complete and proper W-9 Form, BAE SYSTEMS is required to subject payments to Backup Withholdings.
9. Performance Based Payments (PBP), a.k.a. milestone payments: SELLER will include a certification with each PBP invoice that the total value of all current and prior PBPs do not exceed the total actual costs incurred under the contract.  At no time shall cumulative performance-based payments exceed cumulative contract cost incurred under this contract. To ensure compliance with this requirement, the Contractor shall, in addition to providing the information required by FAR 52.232-32, submit supporting information for all payment requests using the format in DFARS 252.232-7012 or a similar format as long as the same data outlined in DFARS 252.232-7012 is provided.
10. **MAINTENANCE OF RECORDS**
11. Unless a longer period is specified in this Contract or by law or regulation, SELLER shall retain all records related to this Contract for five (5) years from the date of final payment received by SELLER. Records related to this Contract include, but are not limited to, financial, proposal, procurement, specifications, production, inspection, test, quality, quality processes and procedures, shipping and export, certifications, and receipt records.
12. BAE SYSTEMS and its customer shall have access to such records, and any other records SELLER is required to maintain under this Contract, for the purpose of audit on a non-interference basis during normal business hours, upon reasonable notice for as long as such records are required to be retained. Audit rights shall be available to BAE SYSTEMS on all performance related reports and other records, except records pertaining to proprietary indirect cost data. Audit of any proprietary indirect cost data may be accomplished through the responsible Defense Contract Audit Agency (DCAA) representative, or a mutually agreeable third party auditor from a nationally recognized firm of certified public accountants.
13. **OFFSET CREDIT/COOPERATION**

All offset or countertrade credit value resulting from this Contract, and any lower tier subcontracts, shall accrue solely to the benefit of BAE SYSTEMS. SELLER shall cooperate with BAE SYSTEMS in the fulfillment of any foreign offset/countertrade obligations.

1. **SUPPLEMENTAL TERMS AND CONDITIONS**

The following supplemental terms and conditions are hereby incorporated by reference, and shall also apply to this Contract: USGOVA “FAR/DFARS/NAVSEA Supplement” or USGOVB “FAR/Other Agencies Supplement” Any additional or supplemental terms and conditions that are required to be flowed down from BAE SYSTEMS’ prime contract(s) shall be provided as a note on the face of this Contract or as Special or Additional Provisions to the Contract.

1. **ENTRY ON BAE SYSTEMS OR CUSTOMER PROPERTY**
2. If SELLER’S personnel are to work at BAE SYSTEMS’ facility with unescorted access, SELLER is required to have performed pre-employment background screenings at no charge to BAE SYSTEMS. SELLER employees will not be allowed access to work at BAE SYSTEMS facilities until written confirmation from SELLER has been received by the BAE SYSTEMS Procurement Representative stating that SELLER’S employees are cleared by SELLER to report to work. If the SELLER personnel in question holds a U.S. Government-granted Security clearance or access that has been validated by BAE SYSTEMS through JPAS (Joint Personnel Adjudication System) or via a visit certification, then a pre-employment background screening for that SELLER personnel is not required. Pre-employment background screenings must include the following: (a) Identity and Right to Work Verification (Criteria: A successful I-9 / E-Verify System Check) (b) Criminal Conviction Check, to the extent permitted by applicable law, for a minimum of previous seven years for each county lived in (Criteria: No record or if misdemeanors, occurrence greater than seven years prior, then the SELLER may choose to provide an explanation of the event to BAE SYSTEMS. BAE SYSTEMS will review the explanation against security requirements) (c) Education Verification for degreed positions only; and (d) Minimum of three years of employment history (Criteria: Employment history is confirmed as presented).
3. SELLER shall ensure that personnel assigned to work at BAE SYSTEMS’ or Customer’s premises comply with any on-premises guidelines. Unless otherwise authorized in writing by BAE SYSTEMS, SELLER’s personnel assigned to work at BAE SYSTEMS’ or Customer’s premises shall while at BAE SYSTEMS’ or Customer’s premises (i) not bring weapons of any kind; (ii) not manufacture, sell, distribute, possess, use or be under the influence of controlled substances or alcoholic beverages; (iii) not possess hazardous materials of any kind; (iv) remain in authorized areas only; and/or (v) not solicit BAE SYSTEMS’ employees for employment during business hours.
4. All SELLER personnel, property, and vehicles entering or leaving BAE SYSTEMS’ or Customer’s premises are subject to search.
5. SELLER shall promptly notify BAE SYSTEMS and provide a report of any and all physical altercations, assaults or harassment, and accidents or security incidents involving death, personal injury or loss of or misuse of or damage to BAE SYSTEMS’ or Customer’s property, while on BAE SYSTEMS’ or its Customer’s premises.
6. BAE SYSTEMS may, at its sole discretion, remove or require SELLER to remove any specified personnel of SELLER from BAE SYSTEMS’ or Customer’s premises and request that such personnel not be reassigned to any BAE SYSTEMS premises under this Contract or any other contract. Any costs arising from or related to removal of SELLER’s employee shall be borne solely by SELLER and not charged to this Contract.
7. SELLER shall not assign any persons to work at BAE SYSTEMS facilities who are not a “U.S. Person” per 22 C.F.R. 120.15 {lawful permanent resident as defined by 8 U.S.C. 1101(a)(20)}.
8. SELLER acknowledges that BAE SYSTEMS and/or BAE SYSTEMS’ customer have a zero tolerance policy for harassing behavior. SELLER, its employees, and its lower-tier subcontractors (when permitted) shall comply with the conduct requirements in effect at a worksite of BAE SYSTEMS or its Customer. BAE SYSTEMS and its Customer reserve the right to exclude or remove from any worksite, any individual who has been deemed careless, uncooperative, or whose continued employment has been determined by BAE SYSTEMS or its Customer to be contrary to the BAE SYSTEMS’, the Customer’s, or the public’s interest. Exclusion from the worksite under the circumstances described in this clause shall not relieve SELLER from full performance of the Contract, nor will it provide the basis for an excusable delay or any claims against BAE SYSTEMS or its Customer.
9. If this Contract was issued by BAE SYSTEMS Ship Repair Inc. or one if its subsidiaries, the Indemnity Agreement executed by SELLER in connection with becoming an approved subcontractor to BAE SYSTEMS shall apply.
10. **INDEPENDENT CONTRACTOR RELATIONSHIP**
11. SELLER’s relationship to BAE SYSTEMS shall be that of an independent contractor and this Contract does not create an agency, partnership, or joint venture relationship between BAE SYSTEMS and SELLER or BAE SYSTEMS and SELLER personnel. SELLER personnel engaged in performing Work under this Contract shall be deemed employees of SELLER and shall not for any purposes be considered employees or agents of BAE SYSTEMS. SELLER assumes full responsibility for the actions and supervision of such personnel while engaged in Work under this Contract. BAE SYSTEMS assumes no liability for SELLER personnel.
12. Nothing contained in this Contract shall be construed as granting to SELLER or any personnel of SELLER rights under any BAE SYSTEMS benefit plan. SELLER shall provide and maintain all insurance and benefits required by law, including but not limited to workers’ compensation insurance.
13. SELLER personnel: (i) will not remove BAE SYSTEMS or its Customer’s assets from BAE SYSTEMS’ or Customer’s premises without BAE SYSTEMS written authorization; (ii) will use BAE SYSTEMS or Customer assets only as authorized in writing by the BAE SYSTEMS Procurement Representative for purposes of this Contract; (iii) will only connect with, interact with or use BAE SYSTEMS’ computer networks and equipment, communications resources, programs, tools or routines as BAE SYSTEMS agrees, all at SELLER’s risk and expense, and then only in compliance with applicable BAE SYSTEMS policies; and (iv) will not share or disclose user identifiers, passwords, cipher keys or computer dial port telephone numbers. BAE SYSTEMS may monitor any communications made over or data stored in BAE SYSTEMS computer networks and equipment or communications resources.

**Section 1B: Laws and Regulations**

1. **APPLICABLE LAWS**
2. Unless specifically identified otherwise on a PO or under a master-type agreement, which is part of this Contract, all matters arising from or related to it shall be governed by and construed in accordance with the law of the State from which this Contract was issued, excluding its choice of law rules, except that any provision in this Contract that is (i) incorporated in full text or by reference from the Federal Acquisition Regulations (FAR); and/or (ii) incorporated in full text or by reference from any agency regulation that implements or supplements the FAR; and/or (iii) that is substantially based on any such agency regulation or FAR provision, shall be construed and interpreted according to the U.S. federal common law of government contracts as enunciated and applied by U.S. federal judicial bodies, boards of contract appeals, and quasi-judicial agencies of the U.S. federal Government.
3. (1) SELLER shall comply with all applicable laws, orders, rules, regulations, and ordinances. SELLER shall procure all licenses and permits, and pay all fees and other required charges necessary to conduct its business, all at SELLER’s expense.

(2) SELLER shall be responsible for compliance with all requirements and obligations relating to its employees under all applicable local, state, and federal statutes, ordinances, rules, and obligations including, but not limited to, employer’s obligations under laws relating to: income tax withholding and reporting; civil rights; equal employment opportunity; discrimination on the basis of age, sex, race, color, religion, disability, national origin, or veteran status; overtime; minimum wage; social security contribution and withholding; unemployment insurance; employer’s liability insurance; worker’s compensation; veteran’s rights; and all other employment, labor, or benefits related laws.

(3) Effective 01 January 2012, SELLER certifies compliance with the California Civil Code 1714.43, and SELLER shall require its lower-tiered contractors to comply with California Civil Code 1714.43.

(4) BAE SYSTEMS is a federal government contractor subject to the nondiscrimination and affirmative action compliance requirements of Executive Order 11246, as amended, Executive Order 13672, the Rehabilitation Act of 1973, as amended, and the Vietnam Era Veterans’ Readjustment Assistance Act of 1974, as amended. BAE SYSTEMS is committed to compliance with these nondiscrimination and affirmative action requirements. As part of our efforts to comply with these laws and their implementing regulations, we have developed and implemented equal employment opportunity and affirmative action policies and programs, which are designed to ensure that all qualified applicants and employees are treated without regard to such factors as race, color, religion, sex, national origin, disability, veteran status, sexual orientation, gender identity, or any other reason prohibited by law.

In accordance with the implementing regulations of these laws BAE Systems’ General Provisions serves as notification to SELLER about our nondiscrimination and affirmative action policies, and also “requests appropriate action” of SELLER to ensure full compliance throughout the subcontracting chain under related federal contract(s).

1. To the extent applicable, the equal employment opportunity and affirmative action requirements set forth in 41 C.F.R. Part 60-1.4(a) (women and minorities) (if > $10,000), 41 C.F.R. Part 60-250.5(a) (if > $25,000) and Part 60-300.5(a) (covered veterans), and the employee notice requirements set forth in 29 C.F.R. Part 471, Appendix A to Subpart A, are hereby incorporated by reference into this Contract.

ii. **This contractor and subcontractor shall abide by the requirements of 41 CFR 60 741.5(a) (if > $15,000). 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** (If this procurement is =/>$10,000.) **Additionally, this contractor and subcontractor shall abide by the requirements of 41 CFR 60–300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans** (if this procurement is =/>$150,000).

(5) If: (i) BAE SYSTEMS’ contract price or fee is reduced; (ii) BAE SYSTEMS’ costs aredetermined to be unallowable; (iii) any fines, penalties or interest are assessed on BAE SYSTEMS; or (iv) BAE SYSTEMS incurs any other costs or damages as a result of any violation of applicable laws, orders, rules, regulations, or ordinances by SELLER, its directors, officers, employees, agents, suppliers, or subcontractors at any tier, BAE SYSTEMS may proceed as provided for in subparagraph (b)(7).

(6) Where submission of cost or pricing data is required or requested at any time prior to or during performance of this Contract, if SELLER or its lower-tier subcontractors: (i) submit and/or certify cost or pricing data that are defective; (ii) with notice of applicable cutoff dates and upon BAE SYSTEMS’ request to provide cost or pricing data, submit cost or pricing data, whether certified or not certified at the time of submission, as a prospective subcontractor, and any such data are defective as of the applicable cutoff date on BAE SYSTEMS’ Certificate of Current Cost or Pricing Data; (iii) claim an exception to a requirement to submit cost or pricing data and such exception is invalid; (iv) furnish data of any description that is inaccurate; and/or (v) if the U.S. Government alleges any of the foregoing, and, as a result: (1) BAE SYSTEMS’ contract price or fee is reduced; (2) BAE SYSTEMS’ costs are determined to be unallowable; (3) any fines, penalties or interest are assessed on BAE SYSTEMS; and/or (4) then BAE SYSTEMS incurs any other costs or damages; BAE SYSTEMS may proceed as provided for in subparagraph (b)(7).

(7) Upon the occurrence of any of the circumstances identified in subparagraphs (b)(5) and (b)(6), BAE SYSTEMS may make an offset reduction of corresponding amounts (in whole or in part) due SELLER under this Contract or any other contract with SELLER, and/or may demand payment (in whole or in part) of the corresponding amounts. SELLER shall promptly pay amounts so demanded.

1. SELLER represents and warrants that none of its officers, directors, employees, agents, contractors, lower-tier subcontractors, or other related entities will provide to BAE SYSTEMS any information, which the disclosure or receipt of would violate the Procurement Integrity Act, 41 U.S.C. § 423, as currently amended. This includes third party bid or proposal information and source selection information, as defined by the Procurement Integrity Act and the FAR. Additionally, SELLER agrees to put in place effective controls that will ensure information that would violate the Procurement Integrity Act is not shared with BAE SYSTEMS.
2. SELLER represents that each chemical substance constituting or contained in Work sold or otherwise transferred to BAE SYSTEMS hereunder is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Agency pursuant to the Toxic Substances Control Act (15 U.S.C. Sec. 2601 et seq.) as amended. Seller shall not deliver goods that contain any asbestos mineral fibers.
3. SELLER shall provide to BAE SYSTEMS with each delivery any Safety Data Sheets (SDSs) (formerly known as Material Safety Sheets or MSDSs) (29 C.F.R. 1910.1200) applicable to the Work in conformance with and containing such information as required by the Occupational Safety and Health Act of 1970 and regulations promulgated thereunder, or its state approved counterpart.
4. For orders $500,000 and above to be substantially performed outside of the United States:  SELLER shall comply with the policy, controls, and reporting requirements as defined in U.S. Executive Order, 25 September 2012, Strengthen Protections Against Trafficking In Persons In Federal Contracts; Sec. 2. Anti-Trafficking Provisions *subsection* (2).
5. Certification Regarding Political Contributions, Fees, and Commissions Paid In Connection with Sales Subject to the Provisions of the Arms Export Control Act: SELLER represents that in accordance with 22 C.F.R. 130, neither SELLER nor its subcontractors at any tier have paid, offered or agreed to pay, or will pay or offer or agree to pay, in respect to the Work which are to be provided to BAE SYSTEMS under any Contract awarded, political contributions, fees, or commissions in amounts as specified in 22 C.F.R. 130.9.
6. Conflict Minerals:
7. Products delivered to BAE SYSTEMS shall be free of any known Conflict Minerals which are:  columbite-tantalite (coltan), cassiterite, wolframite, and gold, to include derivatives (tantalum, tin, and tungsten, which are known as the “3Ts”) which are used to finance conflict in the Democratic Republic of Congo or adjoining country.
8. In compliance with **SECURITIES AND EXCHANGE COMMISSION, 17 CFR PARTS 240 and 249b, [Release No. 34-67716; File No. S7-40-10] RIN 3235-AK84:CONFLICT MINERALS** (Dodd-Frank Act Section 1502); SELLER agrees to: 1) Disclose if any of the minerals listed in (i) above are necessary to the functionality or production of the product(s) delivered under this contract, 2) identify if such conflict minerals did not originate in the Covered Countries or did come from recycled or scrap sources, or 3) identify of such minerals did originate in the Democratic Republic of Congo or adjoining country. For products manufactured in calendar years 2013 and 2014 if the origins of such minerals cannot be determined by reasonable means the SELLER may report the origins as undeterminable. SELLER will include in the disclosure a description of the measures it took to exercise due diligence on the conflict minerals’ source and chain of custody.
9. If this Contract is for a Commercial Item, SELLER represents and warrants that the Work provided under this Contract constitutes a “Commercial Item” as defined in FAR 2.101.
10. In accordance with 10 USC 2330a, if this Contract is for services, the SELLER shall report all labor hours required for performance under this Contract via a secure data collection site. Specific instructions will be provided by the Procurement Representative if applicable.
11. **PRIORITY RATING**
12. If so identified, this Contract is a “rated order” certified for national defense use, emergency preparedness, and energy program use, and the SELLER shall follow all the requirements of the Defense Priorities and Allocation System (DPAS) Regulation (15 C.F.R. Part 700).
13. Levels of priority: There are two levels of priority established by this regulation, identified by the rating symbols “DO” and “DX”. All DX rated orders take preference over DO rated orders and unrated orders. Customer notification requirements. (1) A person must accept or reject a rated order and transmit the acceptance or rejection in writing (hard copy), or in electronic format, within fifteen (15) working days after receipt of a DO rated order and within ten (10) working days after receipt of a DX rated order. If the order is rejected, the person must also provide the reasons for the rejection, pursuant to paragraphs (b) and (c) of C.F.R 15 Part 700 Subpart D, Section 700.13, in writing (hard copy) or electronic format.
14. **GRATUITIES/KICKBACKS/ETHICAL CONDUCT**
15. No gratuities (in the form of entertainment, gifts or otherwise) or kickbacks shall be offered, accepted or given by either party, or anyone acting on a party’s behalf, to any employee of the other party with a view toward securing favorable treatment as a supplier.
16. By accepting this Contract, SELLER certifies and represents that it has not made or solicited and will not make or solicit kickbacks in violation of FAR 52.203-7 or the Anti-Kickback Act of 1986 (41 U.S.C. Sec. 51-58), incorporated herein by this specific reference if this Contract exceeds $150,000, except that paragraph (c)(1) of FAR 52.203-7 shall not apply.
17. BAE SYSTEMS maintains an ethics program that includes a written code of conduct, training and awareness for all employees, details of which can be found at http://www.baesystems.com/article/BAES\_020436/code-of-conduct-and-key-policies.  Failure to comply with the Global Code of Conduct or SELLER’S comparable ethics program and standards shall be considered a material breach and shall be grounds for termination of this Contract.
18. SUPPLIER PRINCIPLES. Responsible behavior is fundamental to how we do business at BAE Systems. Regular assessments of BAE Systems’ supply base is a critical part of this commitment. Our ‘best practice’ expectations of all current and proposed suppliers are contained in our Supplier Principles, available on our website at http://www.baesystems.com.
19. **EXPORT CONTROL**
20. SELLER shall comply with all applicable United States export control laws and regulations, including, but not limited to, the requirements of the Arms Export Control Act, 22 U.S.C. 2751-2799aa-2, the International Traffic in Arms Regulation (ITAR), 22 C.F.R. 120 et seq., the Export Administration Act, 50 U.S.C. app. 2401-2420, the Export Administration Regulations, 15 C.F.R. 730-774, and the regulations of the Office of Foreign Assets Control (31 C.F.R. Parts 500-595). SELLER shall obtain all required export licenses and agreements necessary to perform SELLER’s Work, as applicable.
21. SELLER shall comply with all applicable United States anti-boycott laws and regulations, including but not limited to, the requirements of the Export Administration Regulations, 15 C.F.R. 760, and the Internal Revenue Code, 26 U.S.C. 999, including the requirements on reporting anti-boycott requests to the U.S. Government. SELLER shall provide to BAE SYSTEMS within 30 days of submittal a copy of any anti-boycott report made to the U.S. Government that involves this Contract.
22. Without limiting the foregoing, SELLER shall not transfer any export-controlled item, data or services, to include transfer to a person who is not a “U.S. Person” as defined in the ITAR (22 C.F.R. 120.15), without the authority of a United States Government export license, technical assistance agreement, or other authority. The restrictions on the transfer of export controlled data apply equally to data furnished by BAE SYSTEMS and to any such data incorporated in documents generated by SELLER. Additionally, no disclosure of data furnished by BAE SYSTEMS can be made unless and until BAE SYSTEMS has considered the request and provided its written approval though contractually authorized channels. SELLER will strictly comply with the conditions in any such approval and in the export license or other Government authorization for such disclosure.
23. Further, a United States Government export license, export agreement, or applicable license exemption or exception shall be obtained by SELLER prior to the transfer of any export-controlled item, data or services to any U.S. Person that is employed by any “Foreign person” within the meaning of 22 C.F.R. 120.16.
24. SELLER shall notify in writing the BAE SYSTEMS Procurement Representative if any use, sale, import or export by BAE SYSTEMS of Work to be delivered under this Contract is restricted by any export control laws or regulations applicable to SELLER.
25. SELLER shallimmediately notify in writing the BAE SYSTEMS Procurement Representative if SELLER is 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 government entity or agency.
26. If SELLER is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, SELLER represents that it maintains an effective export/import compliance program in accordance with the ITAR and it is registered with the United States Office of Defense Trade Controls (unless covered by one of the exemptions set forth in 22 C.F.R. 122.1) as required by the ITAR.
27. Where SELLER is a signatory under a BAE SYSTEMS export license or export agreement (e.g. Technical Assistance Agreement, Manufacturing License Agreement), SELLER shall provide immediate written notification to the BAE SYSTEMS Procurement Representative in the event of changed circumstances affecting said license or agreement.
28. Failure of the United States Government or any other government to issue any required export or import license, or withdrawal/termination of a required export or import license by the United States Government or any other government, shall relieve BAE SYSTEMS of its obligations under this Contract. Provided that SELLER has diligently pursued obtaining such license and, through no fault of SELLER, such license has been denied, withdrawn, or terminated, SELLER shall also be relieved of its obligation under this Contract. In either event, this Contract may be terminated by BAE SYSTEMS without additional cost or other liability.
29. If the technical data required to perform this Contract is subject to the United States International Traffic in Arms Regulations (ITAR), SELLER shall comply with all export licenses, and the following:
30. The technical data shall be used only in performance of Work required by this Contract; and
31. The data shall not be disclosed to any Non-U.S, Person, including lower-tier subcontractors within the same country, unless said person is expressly authorized pursuant to an export license or export agreement. The restrictions on the disclosure of export-controlled data apply to both data furnished by BAE SYSTEMS and to any such data incorporated in documents generated by SELLER; and
32. Any rights in the data may not be acquired by SELLER or any other Non-U.S. Person; and
33. SELLER shall return, or at BAE SYSTEMS’ direction, destroy all of the technical data exported to SELLER pursuant to this Contract upon fulfillment of its terms; and
34. Unless otherwise expressly directed by BAE SYSTEMS, SELLER shall deliver the Work only to BAE SYSTEMS or to an agency of the U.S. Government.
35. SELLER acknowledges and confirms that if under this contract SELLER manufactures, exports, or brokers defense articles, related technical data or defense services as defined on the United States Munitions List (Part 121 of the ITAR), SELLER is so registered with the Directorate of Defense Trade Controls (DDTC), Department of State. (Applicable to companies operating in the U.S. only).
36. See BAE SYSTEMS Ship Repair Inc. Addendum for additional terms applicable to this EXPORT CONTROL section for work performed for BAE SYSTEMS Ship Repair Inc. and its subsidiaries.
37. **DISPUTES/JURY WAIVER (See BAE SYSTEMS Ship Repair Inc. Addendum for additional terms applicable to this Disputes/Jury Waiver section for work performed for BAE SYSTEMS Ship Repair Inc. and its subsidiaries.)**
38. All disputes arising from or related to this Contract, which are not disposed of by mutual agreement may be decided by recourse to an action at law or in equity in accordance with subparagraph (b) of this provision. Until final resolution of any dispute hereunder, SELLER shall diligently proceed with the performance of this Contract as directed by the BAE SYSTEMS Procurement Representative unless the dispute is the result of BAE SYSTEMS’ failure or refusal to pay undisputed invoices.
39. BAE SYSTEMS and SELLER agree to timely notify each other of any claim, dispute or cause of action arising from or related to this Contract, and to negotiate in good faith to resolve any such claim, dispute or cause of action.  To the extent that such negotiations fail, BAE SYSTEMS AND SELLER AGREE THAT ANY LAWSUIT OR CAUSE OF ACTION THAT ARISES FROM OR IS RELATED TO THIS CONTRACT SHALL BE FILED WITH AND LITIGATED ONLY IN A COURT OF COMPETENT JURISDICTION WITHIN THE STATE FROM WHICH THIS CONTRACT WAS ISSUED; AND BAE SYSTEMS AND SELLER EACH HEREBY CONSENT AND AGREE TO THE PERSONAL JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION LOCATED WITHIN THE STATE FROM WHICH THIS CONTRACT WAS ISSUED WITH RESPECT TO ANY SUCH CLAIM, DISPUTE OR CAUSE OF ACTION AND WAIVE ANY DEFENSE OR OBJECTION TO THE EXERCISE OF PERSONAL JURISDICTION AND/OR VENUE BY ANY SUCH COURT. (For BAE SYSTEMS Ship Repair Inc. (and its subsidiaries) orders originating in California, please see the BAE SYSTEMS Ship Repair Inc. Addendum for further Disputes language.)
40. TO THE EXTENT PERMITTED BY APPLICABLE LAWS, BAE SYSTEMS AND SELLER EACH WAIVE ANY RIGHTS WHICH EITHER MAY HAVE TO TRIAL BEFORE A JURY OF ANY DISPUTE ARISING FROM, OR RELATED TO, THIS CONTRACT. SELLER AND BAE SYSTEMS FURTHER STIPULATE AND CONSENT THAT ANY SUCH LITIGATION BEFORE A COURT OF COMPETENT JURISDICTION SHALL BE NON-JURY.
41. **WAIVER, APPROVAL AND REMEDIES**
42. Failure by BAE SYSTEMS to enforce any provision(s) of this Contract shall not be construed as a waiver of the requirement(s) of such provision(s), or as a waiver of the right of BAE SYSTEMS thereafter to enforce each and every such provision(s).
43. BAE SYSTEMS’ approval of documents shall not relieve SELLER from complying with any requirements of this Contract.
44. The rights and remedies of BAE SYSTEMS in this Contract are cumulative and in addition to any other rights and remedies provided by law or in equity.

**Section 1C: Quality/Product Control Provisions**

1. **QUALITY CONTROL SYSTEM**
2. SELLER agrees to provide and maintain a quality control system to an industry recognized Quality Standard and to provide access to SELLER’s facilities at all reasonable times by BAE SYSTEMS, authorized Customer representatives, and Regulatory Authorities. SELLER agrees to include, and to require its subcontractors to include, the substance of this provision, including this sentence, in each of its subcontracts under this Contract. Further, SELLER shall be in compliance with any other specific quality requirements identified in this Contract.
3. Records of all quality control inspection work by SELLER shall be kept complete and available to BAE SYSTEMS and its Customers.
4. SELLER agrees to notify BAE SYSTEMS Procurement Representative of product that does not meet the requirements of this order that cannot be reworked to compliance. Written Approval will be required by BAE SYSTEMS Procurement Representative prior to SELLER’s shipment of nonconforming material to BAE SYSTEMS. Additionally, SELLER shall notify BAE SYSTEMS Procurement Representative if SELLER discovers that previously delivered product does not meet the requirements of this order.
5. SELLER agrees to notify BAE SYSTEMS Procurement Representative with changes in product and/or process which affect compliance with applicable Specifications, Technical Data Sheets, or reliability of the product, changes of suppliers, and changes of manufacturing facility locations.
6. All hardware, data, other documentation, tooling and equipment required by SELLER during the performance of this order shall be maintained under configuration control. BAE SYSTEMS’ approval of the drawing package shall constitute a baseline release for hardware fabrication. BAE SYSTEMS’ approval of other such documentation shall likewise constitute a baseline release for applicable activities. Upon receipt of such approval, the SELLER shall not implement any change in design, processes, controls, parts or proprietary data released to BAE SYSTEMS thereafter to internal functions or second-tier suppliers without BAE SYSTEMS’ prior written approval.
7. The SELLER shall submit Major Engineering Change Orders (ECO’s) to BAE SYSTEMS for written approval prior to implementing any such changes. BAE SYSTEMS’ approval shall in no way relieve the SELLER from complying with the requirements of the order, nor shall approval relieve the SELLER’s technical responsibility for the design. The SELLER shall further submit Minor ECO’s for informational purposes. Any SELLER classification disagreements shall be referred to BAE SYSTEMS for a final decision.
8. SELLER shall maintain a Foreign Object Debris/Damage (FOD) prevention program. When applicable, SELLER’s FOD prevention program shall include:
9. The review of design and manufacturing processes to identify and eliminate foreign object entrapment areas and paths through which foreign objects can migrate.
10. SELLER shall employ appropriate housekeeping practices to ensure timely removal of residue/debris, if any, generated during manufacturing operations or tasks.
11. SELLER shall determine if sensitive areas that may have a high probability for introduction of foreign objects should have special emphasis controls in place appropriate for the manufacturing environment.
12. By delivering items to BAE SYSTEMS, SELLER shall be deemed to have certified to BAE SYSTEMS that such items are free from any foreign material that could result in FOD.
13. **TIMELY PERFORMANCE**
14. SELLER’s timely performance is a critical element of this Contract.
15. Unless advance shipment has been authorized in writing by the BAE SYSTEMS Procurement Representative, BAE SYSTEMS may store at SELLER’s expense, or return, shipping charges collect, all Work received in advance of the scheduled delivery date.
16. If SELLER becomes aware of difficulty in performing the Work, SELLER shall timely notify BAE SYSTEMS, in writing, giving pertinent details. This notification shall not change any delivery schedule.
17. In the event of a termination or change, no claim will be allowed for any manufacture or procurement in advance of SELLER’s normal flow time unless there has been prior written consent by BAE SYSTEMS’ Procurement Representative.
18. **INSPECTION AND ACCEPTANCE**
19. BAE SYSTEMS and its Customer may inspect all Work on a non-interference basis at reasonable times and places, including, when practicable, during manufacture and before shipment upon reasonable notice. BAE SYSTEMS shall perform such inspections in a manner that will not unduly delay the Work, and SELLER shall not be responsible for any delay caused by such inspection. SELLER shall provide all information, facilities, and assistance necessary for safe and convenient inspection; however, such access will be subject to an equitable adjustment.
20. No such inspection (or election not to inspect) shall relieve SELLER of its obligations to furnish all Work in strict accordance with the requirements of this Contract. BAE SYSTEMS’ final inspection and acceptance shall be at destination.
21. If SELLER delivers non-conforming Work, BAE SYSTEMS may: (i) accept all or part of such Work at an equitable price reduction; or (ii) reject such Work.
22. When Work is not ready at the time specified by SELLER for inspection, BAE SYSTEMS may charge to SELLER the additional cost of inspection.
23. BAE SYSTEMS may also charge SELLER for any costs of additional inspection and/or transportation when rejection makes reinspection necessary.
24. SELLER shall not re-tender rejected Work without disclosing the corrective action taken.
25. SELLER shall not tender finished goods to BAE SYSTEMS which have been returned from another customer without prior written approval from BAE SYSTEMS Procurement Representative.   Such approval requests shall include a full explanation of SELLER’s verification process for those goods. For returned goods to be considered for acceptance by BAE SYSTEMS, an Authorized/Franchised Distributor must include acceptance of returned goods for resale as part of its counterfeit/fraudulent parts risk management plan.
26. **COUNTERFEIT PARTS:  PREVENTION AND NOTIFICATION (Note:  If DFARS 252.246-7007 is applicable to this procurement, it shall take precedence for any differing terms and conditions for Electronic Parts within this specific provision with the exception of subsections: a) i., b), d),  and f))**
27. Definitions for purposes of this Contract:
28. “Counterfeit Part” is one that is (1) an unauthorized copy or substitute that has been identified, marked, and/or altered by a source other than the item’s legally authorized source and has been misrepresented to be an authorized item of the legally authorized source and/or (2) previously used parts provided as “new.”  A part is a “Suspect Counterfeit Electronic Part” if visual inspection, testing, or other information provides reason to believe that the part may be a counterfeit part.

1. “Counterfeit Electronic Part” means an unlawful or unauthorized reproduction, substitution, or alteration that has been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified electronic part from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used electronic parts represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics.
2. As used herein, “authentic” shall mean (A) from the legitimate source claimed or implied by the marking and design of the product offered; and (B) manufactured by, or at the behest and to the standards of, the manufacturer that has lawfully applied its name and trademark for that model/version of the material.
3. “Independent Distributors” are persons and businesses that are not part of an OCM’s authorized distribution chain.  These also may be referred to as non-franchised distributors, unauthorized distributors or brokers.
4. “Electronic Part” means an integrated circuit, a discrete electronic component (including, but not limited to, a transistor, capacitor, resistor, or diode), or a circuit assembly (section 818(f)(2) of Pub. L. 112-81). The term ‘‘Electronic Part’’ includes any embedded software or firmware.
5. “Original Component Manufacturer” (OCM) is an organization that designs and/or engineers a part and is pursuing or has obtained the intellectual property rights to that part.
6. “Original Equipment Manufacturer” (OEM) is an organization that designs, manufactures and/or engineers an end product comprised of various parts and is pursuing or has obtained the intellectual property rights to that end product.
7. “Suspect Counterfeit Electronic Part” means an Electronic Part for which credible evidence (including but not limited to, visual inspection or testing) provides reasonable doubt that the Electronic Part is authentic.

b)     SELLER represents and warrants that only new and authentic materials are used in products required to be delivered to BAE SYSTEMS and that the Work delivered contains no Counterfeit Parts.  No other material, part, or component other than a new and authentic part shall be used unless approved in advance in writing by the BAE SYSTEMS Procurement Representative.  To further mitigate the possibility of the inadvertent use of Counterfeit Parts, SELLER shall only purchase authentic parts/components directly from the OEMs/OCMs or through the OEM’s/OCM’s authorized distribution chain.  SELLER must make available to BAE SYSTEMS, at BAE SYSTEMS’ request, OEM/OCM documentation that authenticates traceability of the components to that applicable OEM/OCM.  Purchase of parts/components from Independent Distributors is not authorized unless first approved in writing by BAE SYSTEMS Procurement Representative.  SELLER must present complete and compelling support for its request and include in its request all actions needed to ensure that the parts/components thus procured are legitimate parts. BAE SYSTEMS may additionally need to get its customer’s approval of SELLER’s request.  Awaiting the processing of such requests shall not constitute a basis for excusable delay on part of the SELLER.  BAE SYSTEMS’ approval of SELLER request(s) does not relieve SELLER’s responsibility to comply with all Contract requirements, including the representations and warranties in this provision.

c)     SELLER shall maintain a documented system (policy, procedure, or other documented approach) that provides for prior notification to the BAE SYSTEMS Procurement Representative and his/her written approval before parts/components are procured from sources other than OEMs/OCMs or through the OEM’s/OCM’s authorized distribution chain. SELLER shall provide copies of such documentation for its system for BAE SYSTEMS’ inspection upon BAE SYSTEMS’ request. SELLER’s system shall be consistent with applicable industry standards, AS5553 as minimum, for the detection and avoidance of Counterfeit Electronic Parts and Suspect Counterfeit Electronic Parts, including policies and procedures for training personnel, designing and maintaining systems to mitigate risks associated with parts obsolescence, making sourcing decisions, prioritizing mission critical and sensitive components, ensuring traceability of parts, developing lists of trusted and non-trusted suppliers, flowing down requirements to subcontractors, inspecting and testing parts, reporting and quarantining Suspect Counterfeit Electronic Parts and Counterfeit Electronic Parts, and taking corrective action.

d)      If the SELLER is providing electronic components/devices only, the following certification applies:

Certification of Origin of Product:

Acceptance of this Contract constitutes confirmation by the SELLER that it is the Original Equipment Manufacturer (OEM)/Original Component Manufacturer (OCM), or a franchised or authorized distributor of the OEM/OCM for the product herein procured.  SELLER further warrants that OEM/OCM acquisition documentation that authenticates traceability of the components to that applicable OEM/OCM is available upon request.  If the SELLER is not the OEM/OCM or a franchised or authorized distributor, the SELLER confirms by acceptance of this Contract that it has been authorized in writing by BAE SYSTEMS to act on BAE SYSTEMS behalf to procure from the OCM or a franchised or authorized distributor of the OEM/OCM.  The SELLER further warrants that OEM/OCM acquisition traceability documentation is accurate and available to BAE SYSTEMS upon BAE SYSTEMS’ request and is retained as a quality record in accordance with the “Maintenance of Records” provision contained herein.

e)     SELLER shall flow the requirements of this provision to its subcontractors and suppliers at any tier for the performance of this Contract.

f)      Notifications:  Should SELLER become aware of a Counterfeit Part or Suspect Counterfeit Part that, by any means, has been delivered to BAE SYSTEMS, or acquired for this Contract whether or not delivered to BAE SYSTEMS. SELLER shall notify BAE SYSTEMS as soon as possible but not later than 7 days of discovery. SELLER will verify receipt of this notification by BAE SYSTEMS.  This requirement will survive this Contract.

g)   SELLER shall be liable for cost of Counterfeit Parts and Suspect Counterfeit Parts and the cost of rework or corrective action that may be required to remedy the use or inclusion of such parts.

h)    SELLER shall quarantine Suspect Counterfeit Electronic Parts and Counterfeit Electronic Parts, and make them available for investigation by appropriate government authorities. Suspect Counterfeit Electronic Parts and Counterfeit Electronic Parts shall not be returned to the supply chain unless and until such time that the parts are determined to be authentic.

1. **PACKING AND SHIPMENT**
2. Unless otherwise specified, all Work is to be packed in accordance with good commercial practice.
3. A complete packing list shall be enclosed with all shipments. SELLER shall mark containers or packages with necessary lifting, loading, and shipping information, including the BAE SYSTEMS Contract number, item number, dates of shipment, and the names and addresses of consignor and consignee. Bills of lading shall include this Contract number.
4. Unless otherwise specified, delivery shall be in accordance with INCOTERMS 2010 DAP at the place of BAE SYSTEMS identified in the order.
5. Work shall not be supplied in excess of quantities specified in this Contract. SELLER shall be liable for handling charges and return shipment costs for any excess quantities.
6. **PARTS OBSOLESCENCE**

“Obsolete Electronic Part” means an electronic part that is no longer in production by the original manufacturer or an aftermarket manufacturer that has been provided express written authorization from the current design activity or original manufacturer.

SUPPLIER shall take appropriate actions to mitigate Electronic Parts obsolescence in order to maximize the availability and use of authentic, originally designed, and qualified Electronic Parts throughout the product’s lifecycle.

BAE SYSTEMS may desire to place additional orders for items purchased hereunder. SELLER shall provide BAE SYSTEMS with a “Last Time Buy Notice” at least twelve (12) months prior to any action to discontinue any item purchased under this Contract.

1. **WARRANTY**

SELLER warrants that all Work furnished pursuant to this Contract shall strictly conform to all specifications, drawings, samples, and descriptions, and other requirements of this Contract and be free from defects in design, material and workmanship, unless SELLER manufactures the Work to designs supplied by BAE SYSTEMS to SELLER in which case SELLER does not warrant against design defects. The warranty shall begin upon final acceptance and extend for a period of one (1) year. If any non-conformity with Work appears within that time, SELLER shall promptly repair, replace, or re-perform theWork. Transportation of replacement Work and returnof non-conforming Work and repeat performance of Work shall be at SELLER’s expense. If repair or replacement or re-performance of Work is not timely, BAE SYSTEMS may elect to return the nonconforming Work. All warranties shall run to the benefit of BAE SYSTEMS and its successors and Customer(s).

1. **SUSTAINABLE DEVELOPMENT**

BAE SYSTEMS operates a Sustainable Development Policy. The details of our Sustainable Development Policy can be found at (<http://www.baesystems.com/en/search?searchQuery=sustainable+development>). We expect and encourage all our suppliers to embrace similar standards to our own and will work with them to share best practice and stimulate improved performance where needed.

1. **SOFTWARE**
2. Open Source Software: Without the prior written approval of BAE SYSTEMS, which BAE SYSTEMS may withhold in its sole discretion, SELLER shall not incorporate any Open Source Software, including any source code governed by an Open Source license, into Work to be performed and/or delivered under this Contract. Before BAE SYSTEMS will consider providing written approval for the incorporation of such Open Source Software, SELLER shall first identify all Open Source Software proposed to be incorporated into Work to be performed and/or delivered under this Contract, including a complete source code listing of the Software comprising the Work with a description of the operation of the Software in English and machine-readable form, together with copies of any license agreements required to be accepted.
3. Commercial Computer Software: As used in this paragraph, “Restricted Software” means Software that has been developed at private expense and either is a trade secret, is commercial or financial and confidential or privileged, or is published and copyrighted, and so marked when delivered or otherwise furnished.

Notwithstanding any provisions to the contrary contained in any SELLER’s standard commercial license or lease agreement, SELLER agrees that the Restricted Software delivered under this Contract shall provide the following rights to BAE SYSTEMS and the U.S. Government.

(1) The Restricted Software may be:

(i) Used or copied for use in or with the computer or computers for which it was acquired, including use at any U.S. Government installation to which such computer or computers may be transferred;

(ii) Used or copied for use in or with a backup computer if any computer for which it was acquired is inoperative;

(iii) Reproduced for safekeeping (archives) or backup purposes;

(iv) Modified, adapted, or combined with other Software, provided that the modified, combined, or adapted portions of the derivative software incorporating any of the delivered, Restricted Software shall be subject to same restrictions set forth in this Contract;

(v) Disclosed to and reproduced for use by support service contractors or their subcontractors, subjectto the same restrictions set forth in this Contract; and

(vi) Used or copied for use in or transferred to a replacement computer.

1. Release from liability. SELLER agrees that the U.S. Government and BAE SYSTEMS, and other persons to whom the U.S. Government or BAE SYSTEMS may have released or disclosed Restricted Software delivered or otherwise furnished under this Contract, shall have no liability for any release or disclosure of such Restricted Software that are not marked to indicate that such Restricted Software are licensed data subject to use, modification, reproduction, release, performance, display, or disclosure restrictions.

**Section 1D: Liability and Indemnification**

1. **INDEMNIFICATION AND LIMITATION OF LIABILITY**

SELLER SHALL INDEMNIFY, HOLD HARMLESS AND, AT BAE SYSTEMS’ ELECTION, DEFEND BAE SYSTEMS, ITS DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS FROM AND AGAINST ALL LOSSES, COSTS, CLAIMS, PENALTIES, CAUSES OF ACTION, DAMAGES, LIABILITIES, FEES, AND EXPENSES, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS’ FEES, ALL EXPENSES OF LITIGATION AND/OR SETTLEMENT, AND COURT COSTS, ARISING FROM OR RELATED TO ANY ACT OR OMISSION OF SELLER, ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SUPPLIERS, OR SUBCONTRACTORS AT ANY TIER, related to or as part of the execution of work to be performed or otherwise IN THE PERFORMANCE OF ANY OF ITS OBLIGATIONS UNDER THIS CONTRACT.

**(FOR PURCHASE ORDERS UNDER BAE SYSTEMS Ship Repair Inc. and its subsidiaries, the following is superseded by the Indemnity Agreement executed by SELLER in connection with becoming an approved SUBCONTRACTOR of BAE SYSTEMS SHIP REPAIR INC and its subsidiaries.)**

DESPITE THE FOREGOING, EXCEPT WHERE PROHIBITED BY APPLICABLE LAW, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, CONSEQUENTIAL DAMAGES, OR ANY LOSS OF PROFITS OR REVENUE. FURTHERMORE, IN NO EVENT SHALL SELLER’S TOTAL LIABILITY TO BAE SYSTEMS ARISING FROM THIS CONTRACT, OR FOR ANY CLAIMS ASSERTED AGAINST BAE SYSTEMS RESULTING FROM THE PERFORMANCE OF THIS CONTRACT BY SELLER, EXCEED $500,000 PER INCIDENT WITH THE EXCEPTION THAT LIABILITY SHALL NOT BE WAIVED FOR SELLER VIOLATIONS OF SECTION 17 APPLICABLE LAWS, SECTION 20 EXPORT CONTROL, SECTION 26 COUNTERFEIT PARTS PREVENTION, THE EXISTENCE OF INSURANCE NOTWITHSTANDING.

1. **FURNISHED PROPERTY**
2. BAE SYSTEMS may provide to SELLER property owned by either BAE SYSTEMS or its Customer (Furnished Property), or require SELLER to acquire property to be used specifically for Work under this Contract, at BAE SYSTEMS’ expense (Acquired Property). Unless previously authorized in writing by the BAE SYSTEMS Procurement Representative, Furnished Property and/or Acquired Property shall be used only for the performance of this Contract.
3. Title to Furnished Property and/or Acquired Property shall remain in BAE SYSTEMS or its Customer as applicable. SELLER shall clearly mark (if not so marked) all Furnished Property and/or Acquired Property to show its ownership.
4. The Furnished Property shall be supplied in “as-is” condition unless otherwise set forth in this Contract. Except for reasonable wear and tear, SELLER shall be responsible for, and shall promptly notify BAE SYSTEMS of, any loss or damage to Furnished Property and/or Acquired Property while in SELLER’s care, custody, or control. Without additional charge, SELLER shall manage, maintain, preserve, and insure Furnished Property and/or Acquired Property in accordance with good commercial practice. In the event of such loss or damage, SELLER shall immediately replace, reimburse, repair, and/or provide consideration to BAE SYSTEMS for such loss or damage as BAE SYSTEMS may require, at its sole option.
5. All Furnished Property and/or Acquired Property associated with Work under this Contract shall be received, inspected, inventoried, processed, and reported as required by FAR part 45. At BAE SYSTEMS’ request, and/or upon completion of this Contract SELLER shall submit, in an acceptable form, inventory lists of Furnished Property and/or Acquired Property and shall deliver or make such other disposal as may be directed by BAE SYSTEMS.
6. The Government Property clause (52.245-1) contained in the Federal Acquisition Regulation shall apply in lieu of subparagraphs (a) (b) and (d) above with respect to Government-furnished property, or property to which the Government may take title under this Contract.
7. **INTELLECTUAL PROPERTY**
8. SELLER warrants that the Work performed and delivered under this Contract will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country and is free and clear of all liens, licenses, claims, and encumbrances.
9. If an injunction is obtained against BAE SYSTEMS’ use of the Work or a portion thereof as a result of infringement or misappropriation of the intellectual property of any third party, SELLER shall either (i) procure for BAE SYSTEMS and Customer the right to continue using the Work or (ii) replace or modify the Work so it becomes non-infringing. The indemnity and hold harmless provision of this Contract shall not be considered an allowable cost under any provisions of this Contract except with regard to allowable insurance costs.
10. SELLER grants and agrees that BAE SYSTEMS shall have a nonexclusive, worldwide, sub-licensable, irrevocable, paid-up, royalty-free license and right, to enable BAE SYSTEMS to satisfy its contractual obligations to its Customer, to sell, offer for sale, use, execute, reproduce, display, perform, publish, distribute, copy, prepare derivatives or compilations, and authorize others to do any, some or all of the foregoing, with respect to any and all, inventions, discoveries, improvements, technology, designs, works of authorship, mask works, patents, copyrights, technical information, data, databases, Software, business information and other information, conceived, developed, generated or delivered in performance of this Contract. SELLER shall provide all assistance reasonably required and execute all documents necessary to perfect the rights granted to BAE SYSTEMS herein. To enable SELLER to comply with the foregoing, SELLER shall ensure that each of its personnel, workers, representatives, agents and subcontractors providing services under this Contract, assign sufficient rights they have in all inventions, works for hire, project results, and the like, to SELLER.
11. SELLER agrees that any technical data or computer software furnished to BAE SYSTEMS as a required deliverable under this Contract shall be free from confidential, proprietary or restrictive markings (“Nonconforming Markings”) that are either (i) not expressly permitted by applicable FAR, DFARS or NASA Far supplement clauses incorporated herein or (ii) are violative in rights in ownership of any technical data or computer software owned by BAE SYSTEMS.   On behalf of itself or its customer, BAE SYSTEMS will notify SELLER, in writing, of any Nonconforming Markings and SELLER will remove such Nonconforming Markings and resubmit within sixty (60) days after such notification.  If SELLER fails to remove or correct such Nonconforming Markings within sixty (60) days after such notification, BAE SYSTEMS may ignore, or at SELLER’S expense remove or modify, as appropriate, any such Nonconforming Markings as may be on such deliverables and SELLER shall not have any recourse nor shall BAE SYSTEMS incur any liability for any such removal or modification.
12. **TERMINATION**

1. Termination for Convenience
   1. Either Party may terminate this contract for its convenience in whole or, from time to time, in part if a Party determines that a termination is in its best interest. The terminating Party shall effect such termination by delivering to the other Party’s authorized representative a notice of termination specifying the extent of termination and the effective date, which date shall be no less than thirty (30) days from the date the notice of termination is delivered as required herein. Any such termination by BAE SYSTEMS shall be in accordance with the procedure set forth in the clause entitled *Termination for the Convenience of the Government* set forth in FAR 52.249-2, (Apr 2012) which clause is incorporated herein by this reference. Furthermore, “Government” means “BAE SYSTEMS and the Government” and “Contracting Officer” means “BAE SYSTEMS or the “Contracting Officer.” (.” In paragraph (c) “120 days” is changed to “60 days.” In paragraph (d) “15 days” is changed to “30 days,” and “45 days” is changed to “60 days.” In paragraph (e) “1 year” is changed to “6 months.” In paragraph (l) “90 days” is changed to “45 days.”) Settlements and payments under this clause may be subject to the approval of the Contracting Officer. In the event that BAE SYSTEMS terminates this Contract pursuant to Government direction, SELLER’s recovery of termination costs shall be limited to the extent that BAE SYSTEMS is able to recover such costs from the Government.
2. Termination for Default
3. BAE SYSTEMS may, by written notice, terminate the whole or any part of this contract in any of the following circumstances:
   1. If SELLER fails to deliver the goods or to perform the services required by this contract within the time specified herein, or any extension thereof granted by BAE SYSTEMS in writing and does not cure such failure within a period of thirty (30) days from the missed delivery date or date of performance;
   2. If SELLER fails to perform any material provision of this contract or so fails to make progress as to endanger performance of this contract, and if in either of these two circumstances, SELLER does not cure such failure within a period of eight (8) days after receipt of written notice from BAE SYSTEMS specifying such failure;
   3. If SELLER fails to deliver goods or to perform services required or fails to perform any material provision of other contracts issued by BAE SYSTEMS and such default causes BAE SYSTEMS to terminate those other contracts;
   4. SELLER files or declares bankruptcy; or
   5. In the event of suspension of SELLER’S business, insolvency, liquidation proceedings by or against SELLER, appointment of a trustee or receiver for SELLER’s property or business, or any assignment, reorganization or arrangement by SELLER for the benefit of creditors.
4. If BAE SYSTEMS terminates this contract in whole or in part, it may acquire, under the terms and in the manner BAE SYSTEMS considers appropriate, goods or services similar to those terminated, and SELLER will be liable to BAE SYSTEMS for any excess costs for those goods or services reasonably incurred. However, SELLER shall continue the work not terminated.
5. BAE SYSTEMS may require SELLER to transfer title and deliver to BAE SYSTEMS in the manner and to the extent directed by BAE SYSTEMS for –
   1. Any completed goods, and
   2. Such partially completed goods and such materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights, (hereinafter called manufacturing materials) as SELLER has specifically produced or acquired for the performance of this contract at BAE SYSTEMS’ expense, including the assignment to BAE SYSTEMS of SELLER’s subcontracts. SELLER shall protect and preserve property in possession of SELLER in which BAE SYSTEMS has an interest.
   3. Payment for completed goods delivered to and accepted by BAE SYSTEMS shall be at the contract price. Payment for manufactured materials delivered to and accepted by BAE SYSTEMS, and for the protection and preservation of property, shall be at a price determined in the same manner as provided in the Termination for Convenience subparagraph hereof, except that SELLER shall not be entitled to profit. Failure to agree will be a dispute under the “Disputes/Jury Waiver” provision in this document. BAE SYSTEMS may withhold from SELLER moneys otherwise due SELLER for completed goods and/or manufacturing materials in such amounts as BAE SYSTEMS determines necessary to protect BAE SYSTEMS against loss due to outstanding liens or claims against said goods or for any amounts otherwise due from buyer to SELLER.
   4. Except for defaults of subcontractors at any tier, SELLER shall not be liable for any excess costs if the failure to perform the contract is due to fires, floods, strikes, lockouts, epidemics, accidents, industry-wide shortages, or other causes beyond the reasonable control of the parties, which prevent SELLER from performing its obligations hereunder. In each instance, the failure to perform must be beyond the control and without the fault or negligence of SELLER.
   5. If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both SELLER and the subcontractor, and without the fault or negligence of either, SELLER shall not be liable for any excess costs for failure to perform, unless the subcontracted goods or services were obtainable from other sources in sufficient time for SELLER to meet the required delivery schedule.
   6. If after notice of termination for default, it is determined for any reason that SELLER was not in default, or that the default was excusable, the rights and obligations of the par­ties shall be the same as if the notice of termination had been issued for convenience pursuant to the Termination for Convenience subparagraph hereof.
6. **INSURANCE**

In the event that SELLER, its employees, agents, or subcontractors enter the site(s) of BAE SYSTEMS or its Customer for any reason in connection with this Contract, then SELLER and its subcontractors shall procure and maintain worker’s compensation (with a waiver of subrogation in favor of BAE SYSTEMS), automobile liability, comprehensive general liability (bodily injury and property damage) insurance in amounts reasonably acceptable to BAE SYSTEMS, and such other insurance as BAE SYSTEMS may reasonably require. With respect to any injury, including, but not limited to, death, to employees of SELLER or SELLER’s agents, subcontractors or suppliers, SELLER’s obligation to indemnify and defend in accordance with this paragraph shall apply regardless of cause. SELLER shall provide to the BAE SYSTEMS Procurement Representative thirty (30) days advance written notice prior to the effective date of any cancellation or change in the term or coverage of any of SELLER’s required insurance, provided however such notice shall not relieve SELLER of its obligations to procure and maintain the required insurance. If requested, SELLER shall send a “Certificate of Insurance” showing SELLER’s compliance with these requirements. SELLER shall name BAE SYSTEMS as an additional insured for the duration of this Contract. Property and Contractor’s Equipment Insurance maintained pursuant to this paragraph shall be considered primary as respects the interest of BAE SYSTEMS and is not contributory with any insurance that BAE SYSTEMS may carry. “Subcontractor” as used in this subparagraph shall include SELLER’s subcontractors at any tier.

1. **STOP WORK ORDER**
   1. SELLER shall stop Work for up to one hundred (100) days in accordance with the terms of any written notice received from BAE SYSTEMS, or for such longer period of time as BAE SYSTEMS and SELLER may agree and shall take all reasonable steps to minimize the incurrence of costs allocable to the Work during the period of Work stoppage.
   2. Within such period, BAE SYSTEMS shall either terminate or continue the Work by written order to SELLER. In the event of a continuation, an equitable adjustment in accordance with provision “Contract Direction/Changes” shall be made to the price, delivery schedule, or other provision affected by the Work stoppage, if applicable, provided that the claim for equitable adjustment is made within twenty (20) days after such continuation.

**SECTION II: Additional General Provisions for Foreign Subcontracts/Purchase Orders**

1. **FOREIGN CORRUPT PRACTICES PROHIBITION**
2. By accepting this Contract, SELLER certifies and represents that it has not made or solicited and will not make or solicit any offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value to any governmental official or any political party, party official or candidate, either directly or through an intermediary, corruptly for the purpose of influencing any official act, omission, or exercise of influence by the recipient, to assist BAE SYSTEMS or SELLER in obtaining or retaining business.
3. SELLER shall ensure that all lower tier subcontracts include this provision.
4. **LANGUAGE AND STANDARDS**

## All reports, correspondence, drawings, notices, marking, documentation, and other communications shall be in the English language. In the event of any inconsistency with any translation into another language, the American Standard English meaning of this Contract shall prevail. Unless otherwise provided in writing, all documentation and Work shall employ the units of United States standard weights and measures as published by the United States National Institute of Standards and Technology.

1. **PACKING/SHIPMENT/IMPORTER OF RECORD (Replace “Packing and Shipment” provision in Section I)**
   1. This provision applies if this Contract involves importation of Work into the United States.

* 1. Unless otherwise specified, delivery shall be Carriage and Insurance Paid (CIP) BAE SYSTEMS’ facility, in accordance with INCOTERMS 2010. The minimum insurance shall cover the price provided in this Contract plus ten percent (i.e. 110%) and shall be provided in the currency of this Contact.
  2. When BAE SYSTEMS is importer of record, SELLER warrants that all sales hereunder are or will be made at not less than fair value under the United States Anti-Dumping Laws (19 U. S.C. Sec. 1673 et seq.).
  3. Bills of Lading shall include:
     1. This Contract number;
     2. Applicable Harmonized Tariff Schedule number(s) (HTS# to the 8th or 10th digit) for all items shipped; and
     3. Marks and number as specified in the Contract

1. Commercial Shipping Invoice shall include, pursuant to 19 CFR §§ 141.86 to 141.89:
   * 1. This Contract number;
     2. Applicable Harmonized Tariff Schedule number(s) (HTS# to the 8th or 10th digit) for all items shipped;
     3. Total valuation of the shipment:
        1. For initial shipment against this Contract: SELLER shall declare unit price and extended price on each line of the shipped Work, plus if applicable
   1. Total value of line items on this Contract for other than deliverable hardware (e.g. engineering, tooling, special packaging) and/or
   2. The value of other assists provided at no cost to SELLER (e.g. BAE SYSTEMS provided tooling, material, test equipment, etc. required for the manufacture of the deliverable hardware)
      * 1. For subsequent shipments against this Contract: SELLER shall declare unit price and extended price on each line of the shipped Work
        2. For items returned for repair and reshipment: SELLER shall declare repair value also noting the original value of repaired items
      1. Part number(s)
      2. Description(s) – Complete and detailed, must be in English. see 19 CFR §§ 141.86 (3) and (11)(d)]
      3. Quantity per line item
      4. Total value of shipment listed in relevant currency (i.e., US, Euro, etc.)
      5. Country of origin
      6. Terms of Sale
      7. Invoice should also identify Shipper, if shipped by a third party the shipper and SELLER, and BAE SYSTEMS as the sold to party (in case of drop shipment to third party, that party is the “shipped to” and BAE Systems is still identified as “sold to”).
2. Packing:
   * 1. Unless other­wise specified, all Work is to be packed in accordance with good commercial practice designed to protect the integrity of the shipped contents consistent with international shipping practices.
     2. Wooden Packaging from International Suppliers: Wooden packaging from SELLER must conform to INTERNATIONAL STANDARDS FOR PHYTOSANITARY MEASURES ISPM 15 REGULATION OF WOOD PACKAGING MATERIAL IN INTERNATIONAL TRADE (2009) revised Aug 2011. Additional information on this requirement can be found at the following site:

<http://www.aphis.usda.gov/import_export/plants/plant_imports/wood_packaging_materials.shtml>

* + 1. Shipments not conforming to this international standard will be returned to the shipper by U.S. Customs and Border Protection. Expenses related to non-conformance with this requirement and attendant delay and disruption to BAE SYSTEMS will be charged back to the SELLER.
    2. A complete packing list shall be prepared in accordance with 19CFR § 141.86 (11)(e), enclosed with all shipments, and include the following:
       1. BAE SYSTEMS purchase order/contract number
       2. Part number
       3. Description of shipped items
       4. Quantity per line item
       5. The box number that each line item is in
       6. Total number of boxes in shipment
       7. Dimensions of shipment
       8. Final delivery address
       9. The packing slip shall be put inside the package and a copy affixed to the outside of the package

1. SELLER shall mark containers or packages with neces­sary lifting, loading, and shipping information, including the BAE SYSTEMS Contract number, item number, dates of shipment, and the names and addresses of consignor and consignee.
   1. If elsewhere in this Contract BAE SYSTEMS is not indicated as importer of record, then SELLER agrees that:
      * 1. BAE SYSTEMS shall not be a party to the importation of Work, the transaction(s) represented by this Contract will be consummated after importation, and SELLER will neither cause nor permit BAE SYSTEMS’ name to be shown as “Importer of Record” on any Customs declaration; and
        2. Upon request and where applicable, SELLER will provide to BAE SYSTEMS and United States Customs and Border Protection (CBP) Form 7501 entitled “Entry Summary” properly executed.
   2. SELLER shall provide to BAE SYSTEMS Procurement Representative, in writing, five business days advance notification of shipments. Such notification shall include submission of a copy of the Commercial invoice and packing list required by this provision and such other information as BAE SYSTEMS may reasonably request.
      1. SELLER shall forward copies of its shipping documents via email or facsimile, to Import/Traffic department identified in the International Routing Instructions provided with this Contract so that BAE SYSTEMS may facilitate Customs clearance. These documents shall include:
      2. Commercial Shipping Invoice
      3. Any applicable Free Trade Agreement or Special Trade Program Certifications/Statements, examples include NAFTA and IFTA certificates of origin.
      4. If using Ocean Transport: Ocean ISF details according to Customs Publication, dated August 2009 – Importer Security Filing and Additional Carrier Requirements (10+2)
      5. For Articles returned to BAE SYSTEMS after repair, SELLER shall include a Foreign Repairer Certificate attesting to the work performed abroad in accordance with 19 CFR § 10.8.
   3. For Articles returned to BAE SYSTEMS after repair;
      1. SELLER shall include a Foreign Repairer Certificate attesting to the work performed abroad in accordance with 19 CFR § 10.8.
      2. Seller should reference the return instructions as provided BAE SYSTEMS
      3. SELLER is required to include a commercial invoice stating the reason for RETURN. Products being returned to BAE SYSTEMS after repair must include the hardware value from the original sale of the item.

a) Example: “Original hardware for Customs purposes only: \_\_”

* + 1. Seller must include the cost of the repair as a separate line item on the commercial invoice.
    2. For repair work done under warranty, the SELLER is required to include the estimated cost of repair.
    3. Articles being returned with a Department of State license, SELLER is required to indicate the license number on the commercial invoice.
    4. Article being returned under any ITAR exemption citation, SELLER is required to include the exemption on the commercial invoice.
    5. SELLER is required to site 48 CFR 252.225 -7013 (e) (2) (iv.) (A) For any Duty Free Entries against a US Prime Contract.

1. **PAYMENTS, TAXES, AND DUTIES (Replace “Payments, Taxes, and Duties provision in Section I)**
2. Unless otherwise provided, terms of payment shall be net forty-five (45) days from the latest of the following: (i) BAE SYSTEMS' receipt of SELLER's accurate invoice in accordance with proper invoicing instructions as identified on the PO or other master-type agreement; (ii) scheduled delivery date of the Work; or (iii) actual delivery of the Work. BAE SYSTEMS shall have a right of setoff against payments due or at issue under this Contract or any other contract between BAE SYSTEMS and SELLER.
3. Each payment made shall be subject to reduction to the extent of amounts which are found by BAE SYSTEMS not to have been properly payable and shall also be subject to reduction for overpayments.
4. Payment shall be deemed to have been made as of the date of mailing BAE SYSTEMS’ payment or electronic funds transfer.

1. Unless otherwise specified, prices include all applicable federal, state, local and foreign taxes. All duties, taxes, and other official charges as well as the costs of carrying out customs formalities shall be payable in accordance with the Incoterm called out in this Contract. Each of the foregoing shall be listed separately on the invoice.
2. The prices stated in this Contract are firm, fixed prices in United States dollars.
3. SELLER will provide BAE SYSTEMS with a current W-8 form (Certificate of Foreign Status). In accordance with IRS regulations, if SELLER fails to provide a complete and proper W-8 Form, BAE SYSTEMS is required to subject payments to Backup Withholding.

BAE Blk-Wht Logo**BAEDOC USGOVA**

**FLOW DOWN PROVISIONS FOR SUBCONTRACT/PURCHASE ORDERS FOR ITEMS UNDER A U.S. GOVERNMENT PRIME CONTRACT - DOMESTIC AND INTERNATIONAL/COMMERCIAL AND NON-COMMERCIAL ITEMS**

The Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS)/NAVSEA clauses referenced below are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable, including any notes following the clause citation,during the performance of this Contract unless made inapplicable by their respective notes, if any. When a clause uses a word or term that is defined in the FAR, DFARS or NAVSEA, the word or term shall have the same meaning as in the definition in FAR 2.101, DFARS 202.101 or NAVSEA 5252.202-9101 in effect on the date of this Contract unless (i) a different definition is expressly set forth in this Contract; or (ii) the part, subpart, or section of the FAR, DFARS or NAVSEA supplement where the clause is prescribed provides a different meaning; or (iii) the word or term is defined in FAR Part 31, for use in the cost principles and procedures. If the date or substance of any of the clauses listed below is different than the date or substance of the clause actually incorporated in the Prime Contract referenced by number herein, the date or substance of the clause incorporated by said Prime Contract shall apply instead. If corresponding FAR, DFARS and NAVSEA clauses are referenced, NAVSEA has first precedence, followed by DFARS, then FAR. The Contracts Disputes Act of 1978, as amended, shall have no application to this Contract. Any reference to “Disputes” clause shall mean the “Disputes/Jury Waiver” provision in USGOVFFP or USGOVCOST documents.

1. **GOVERNMENT SUBCONTRACT**

This Contract is entered into by BAE SYSTEMS and SELLER in support of a U.S. Government Contract.

As used in the clauses referenced below and otherwise in this Contract:

1. “Commercial Item” means a commercial item as defined in FAR 2.101 or DFARS 202.101.

2. “Contract” means this Contract.

3. “Contractor” means SELLER, as defined in USGOVFFP or USGOVCOST document, acting as the immediate (first-tier) subcontractor to BAE SYSTEMS.

4. “Prime Contract” means the contract between BAE SYSTEMS and the U.S. Government or between BAE SYSTEMS and its higher-tier contractor in support of a contract with the U.S. Government.

5. “Subcontract” means any contract placed by SELLER or lower-tier subcontractors under this Contract. In all clauses listed herein, the terms “Government,” “Contracting Officer” and “Contractor” shall be revised to suitably identify the contracting parties herein and affect the proper intent of the clause or provision except where further clarified or modified below. However, the words “Government” and “Contracting Officer” do not change when 1) a right, act, authorization or obligation can be granted or performed only by the Government or prime contract Contracting Officer or duly authorized representative and/or when 2) title to property is to be transferred directly to the Government.

If any of the following clauses do not apply to this Subcontract/Purchase Order, as defined in the respective FAR, DFARS or NAVSEA provision, such clauses are considered to be self-deleting.

1. **AMENDMENTS REQUIRED BY PRIME CONTRACT**

SELLER shall, at the request of BAE SYSTEMS, accept amendments to this Contract to incorporate additional clauses and provisions herein or to change clauses and provisions hereof, as BAE SYSTEMS may reasonably deem necessary in order to comply with the clauses and provisions of the applicable Prime Contract or with the clauses and provisions of amendments to such Prime Contract. If any such amendment to this Contract causes an increase or decrease in the price of, or the time required for, performance of any part of the Work under this Contract, an equitable adjustment shall be made pursuant to the “Contract Direction/Changes” clause of this Contract.

1. **PRESERVATION OF THE GOVERNMENT’S RIGHTS**

If BAE SYSTEMS furnishes designs, drawings, special tooling, equipment, engineering data or other technical or proprietary information (Furnished Items) to which the U.S. Government owns or has the right to authorize the use of, nothing herein shall be construed to mean that BAE SYSTEMS, acting on its own behalf, may modify or limit any rights the Government may have to authorize the SELLER’s use of such Furnished Items in support of other U.S. Government prime contracts.

1. **FAR FLOWDOWN CLAUSES**

In accordance with FAR 52.252-1 and 52.252-2, the following clauses and provisions are incorporated by reference and apply to this Contract as defined by the respective FAR clause or provision:

1. **The following clauses apply to this Contract as defined by the respective FAR clause (for Commercial and Non-Commercial Items):**

52.203-15 WHISTLEBLOWER PROTECTIONS UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (JUN 2010)

52.204-2 SECURITY REQUIREMENTS (AUG 1996)

52.204-7 SYSTEM FOR AWARD MANAGEMENT (OCT 2016)

52.204-21 BASIC SAFEGUARDING OF COVERED CONTRACTOR INFORMATION SYSTEMS (JUN 2016)

52.204-9 PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL (JAN 2011)

52.209-10 PROHIBITION ON CONTRACTING WITH INVERTED DOMESTIC CORPORATIONS (NOV 2015)

52.211-15 DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS (APR 2008)

52.215-20 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA (OCT 2010)

52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA - MODIFICATIONS (OCT 2010)

52.215-22 LIMITATIONS ON PASS-THROUGH CHARGES—IDENTIFICATION OF SUBCONTRACT EFFORT (OCT 2009)

52.215-23 LIMITATIONS ON PASS-THROUGH CHARGES (OCT 2009)

52.216-7 ALLOWABLE COST AND PAYMENT (JUN 2013)(Only section (h) applies)

52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS (NOV 2016) (If this Contract, except contracts to small business concerns, exceeds $150,000 the Contractor must include this clause in all lower tier subcontracts that offer subcontracting opportunities.)

52.222-1 NOTICE OF GOVERNMENT LABOR DISPUTES (FEB 1997)

52.222-20 CONTRACTS FOR MATERIALS, SUPPLIES, ARTICLES, AND EQUIPMENT EXCEEDING $15,000 (MAY 2014)

52.222-21 PROHIBITION OF SEGREGATED FACILITIES (APR 2015)

52.222-26 EQUAL OPPORTUNITY (SEP 2016) (Only subparagraphs (c) (1)-(11) applies.)

52.222-41 SERVICE CONTRACT LABOR STANDARDS (MAY 2014)

52.222-50 COMBATING TRAFFICKING IN PERSONS (MAR 2015) (A requirement for a compliance plan and certification appropriate to the size and complexity of the contract is required if any portion of the contract (i) is for supplies, other than COTS items, acquired outside the United States, or services to be performed outside the United States, and (ii) has an estimated value that exceeds $500,000.)

52.222-54 EMPLOYMENT ELIGIBILITY VERIFICATION (OCT 2015)

52.222-55 ESTABLISHING MINIMUM WAGES UNDER EXECUTIVE ORDER 13658 (DEC 2015)

52.223-6 DRUG-FREE WORKPLACE (MAY 2001)

52.223-7 NOTICE OF RADIOACTIVE MATERIALS (JAN 1997) (In the blank insert “30.”)

52.223-11 OZONE-DEPLETING SUBSTANCES AND HIGH GLOBAL WARMING HYDROFLUOROCARBONS (JUN 2016)

52.223-18 ENCOURAGING CONTRACTOR POLICIES TO BAN TEXT MESSAGING WHILE DRIVING (AUG 2011)

52.225-1 BUY AMERICAN ACT––SUPPLIES (MAY 2014)

52.225-5 TRADE AGREEMENTS (OCT 2016)

52.225-8 DUTY FREE ENTRY (OCT 2010)

52.225-13 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (JUN 2008)

52.225-26 CONTRACTORS PERFORMING PRIVATE SECURITY FUNCTIONS OUTSIDE THE UNITED STATES (OCT 2016)

52.227-1 AUTHORIZATION AND CONSENT (DEC 2007)

52.232-32 PERFORMANCE BASED PAYMENTS (APR 2012)

52.232-40 PROVIDING ACCELERATED PAYMENTS TO SMALL BUSINESS SUBCONTRACTORS (DEC 2013) (Applicable to small businesses only and only when BAE Systems is the Prime contractor)

52.244-2 SUBCONTRACTS (OCT 2010) (Only sections (g) and (h) apply)

52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS (JAN 2017)

52.245-1 GOVERNMENT PROPERTY (APR 2012) (Applicable if Government property is furnished in the performance of this Contract. "Contracting Officer" means "BAE SYSTEMS" except in the definition of Property Administrator and in paragraphs (h) (1) (iii) and where it is unchanged, and in paragraphs (c) and (h) (4) where it includes BAE SYSTEMS. "Government" is unchanged in the phrases "Government property" and "Government furnished property" and where elsewhere used except in paragraph (d) (1) where it means "BAE SYSTEMS" and except in paragraphs (d) (2) and (g) where the term includes BAE SYSTEMS." The following is added as paragraph (n) "”SELLER” shall provide to BAE SYSTEMS immediate notice of any disapproval, withdrawal of approval, or non-acceptance by the Government of SELLER’s property control system.".)

52.245-9 USE AND CHARGES (APR 2012)

52.246-16 RESPONSIBILITY FOR SUPPLIES (APR 1984)

52.247-64 PREFERENCE FOR PRIVATELY OWNED U.S.-FLAG COMMERCIAL VESSELS (FEB 2006)

1. **The following additional clauses apply to this Contract as defined by the respective FAR clause if the value of this Contract equals or exceeds $10,000 (for Commercial and Non-Commercial Items):**

52.222-40 NOTIFICATION OF EMPLOYEE RIGHTS UNDER THE NATIONAL LABOR RELATIONS ACT (DEC 2010)

1. **The following additional clauses apply to this Contract as defined by the respective FAR clause if the value of this Contract equals or exceeds $15,000 (for Commercial and Non-Commercial Items):**

52.222-36 EQUAL OPPORTUNITY FOR WORKERS WITH DISABILITIES (JUL 2014)

1. **The following additional clauses apply to this Contract as defined by the respective FAR clause if the value of this Contract equals or exceeds $30,000 (for Commercial and Non-Commercial Items):**

52.204-10 REPORTING EXECUTIVE COMPENSATION AND FIRST-TIER SUBCONTRACT AWARDS (OCT 2016) Note: BAE SYSTEMS requires that all SELLERS register and annually update the System for Award Management (SAM)

1. **The following additional clauses apply to this Contract as defined by the respective FAR clause if the value of this Contract equals or exceeds $150,000 (for Commercial and Non-Commercial Items):**

52.203-3 GRATUITIES (APR 1984)

52.203-12 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (OCT 2010)

52.203-17 CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENTS TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (APR 2014).

52.222-17 NONDISPLACEMENT OF QUALIFIED WORKERS (MAY 2014). Seller shall honor the requirements of paragraphs (b) through (c) of this clause with respect to the service employees of a predecessor subcontractors working under this contract, as well as of a predecessor Contractor and its Subcontractors. Seller will provide BAE Systems with the information about the service employees of the Subcontractor needed to comply with paragraphs (d) and (e) of this clause; and the record keeping requirements of (f).

52.222-35EQUAL OPPORTUNITY FOR VETERANS (OCT 2015)

52.229-3 FEDERAL, STATE AND LOCAL TAXES (FEB 2013)

52.229-4 FEDERAL, STATE AND LOCAL TAXES (STATE AND LOCAL ADJUSTMENTS) (FEB 2013)

52.229-6 TAXES – FOREIGN FIXED PRICE CONTRACTS (FEB 2013)

52.229-7 TAXES – FIXED PRICE CONTRACTS WITH FOREIGN GOVERNMENTS (FEB 2013)

52.244-5 COMPETITION IN SUBCONTRACTING (DEC 1996)

1. **The following additional clauses apply to the Contract as defined by the respective FAR clause if the value of this Contract equals or exceeds $500,000 (other than commercially available off-the-shelf items).**

The SELLER shall represent to the best of the s SELLER's knowledge and belief whether there have been any administrative merits determinations, arbitral awards or decisions, or civil judgments, for any labor law violation(s) rendered against the SELLER during the period beginning on October 25, 2015 to the date of the SELLER's offer, or for three years preceding the date of the SELLER's offer, whichever period is shorter. Further SELLER shall comply with all Depart of Labor reporting requirements as defined in clauses below:

52.222-57 REPRESENTATION REGARDING COMPLIANCE WITH LABOR LAWS (EXECUTIVE ORDER 13673) (DEC 2016)

52.222-58 SUBCONTRACTOR RESPONSIBILITY MATTERS REGARDING COMPLIANCE WITH LABOR LAWS (EXECUTIVE ORDER 13673) (DEC 2016)

52.222-59 COMPLIANCE WITH LABOR LAWS (EXECUTIVE ORDER 13673) (DEC 2016)

52.222-60 PAYCHECK TRANSPARENCY (EXECUTIVE ORDER 13673) (OCT 2016)

1. **The following additional clauses apply to this Contract as defined by the respective FAR clause if the value of this Contract equals or exceeds $700,000 (for Commercial and Non-Commercial Items):**

52.219-9 SMALL BUSINESS SUBCONTRACTING PLAN (JAN 2017). (The SELLER’s subcontracting plan is incorporated herein by reference.)

52.219-16 LIQUIDATED DAMAGES – SUBCONTRACTING PLAN (JAN 1999) (Delete subparagraphs (d) and (e).)

1. **The following additional clauses apply to this Contract as defined by the respective FAR clause if the value of this Contract equals or exceeds $1,000,000 (Non-Commercial Items):**

52.222-61 ARBITRATION OF CONTRACTOR EMPLOYEE CLAIMS (EXECUTIVE ORDER 13673) (DEC 2016)

1. **The following additional clauses apply to this Contract as defined by the respective FAR clause if the value of this Contract equals or exceeds $5,000,000 and the period of performance exceeds 120 days(for Commercial and Non-Commercial Items):**

52.209-11 REPRESENTATION BY CORPORATIONS REGARDING DELIQUENT TAX LIABILITY OR A FELONY CONVICTION UNDER ANY FEDERAL LAW (FEB 2016)

52.209-12 CERTIFICATION REGARDING TAX MATTERS (FEB 2016)

1. **The following additional clauses apply to this Contract as defined by the respective FAR clause if the value of this Contract equals or exceeds $5,500,000 and the period of performance exceeds 120 days (for Commercial and Non-Commercial Items):**

52.203-13 CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT (OCT 2015)

52.203-14DISPLAY OF HOTLINE POSTERS (OCT 2015) (Contact BAE SYSTEMS Procurement Representative if assistance is required obtaining any required posters.)

1. **The following additional clauses apply to this Contract as defined by the respective FAR clause if the Contract is for a Non-Commercial Item:**

52.208-8 REQUIRED SOURCES FOR HELIUM AND HELIUM USAGE DATA (APR 2014)

52.211-5 MATERIAL REQUIREMENTS (AUG 2000)

52.215-10 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA (AUG 2011) (Rights and obligations under this clause shall survive completion of the Work and final payment under this Contract.

52.215-11 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA - MODIFICATIONS (AUG 2011) (Rights and obligations under this clause shall survive completion of the work and final payment under this Contract.

52.215-15 PENSION ADJUSTMENTS AND ASSET REVERSIONS (OCT 2010)

52.215-17 WAIVER OF FACILITIES CAPITAL COST OF MONEY (OCT 1997)

52.215-18 REVERSION OR ADJUSTMENT OF PLANS FOR POST-RETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS (JUL 2005)

52.215-19 NOTIFICATION OF OWNERSHIP CHANGES (OCT 1997) (In paragraph (a)(1) and (a)(2) “30 days” is changed to “25 days.”)

52.223-3 HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA (JAN 1997)

52.224-2 PRIVACY ACT (APR 1984)

52.227-9 REFUND OF ROYALTIES (APR 1984)

52.227-10 FILING OF PATENT APPLICATIONS-CLASSIFIED SUBJECT MATTER (DEC 2007)

52.227-11 PATENT RIGHTS-OWNERSHIP BY THE CONTRACTOR (MAY 2014) (Reports required by this clause shall be filed with the agency identified in this Contract. If no agency is identified, contact the BAE SYSTEMS Procurement Representative identified on the face of this Contract.)

52.227-13 PATENT RIGHTS-OWNERSHIP BY THE GOVERNMENT (DEC 2007) (Reports required by this clause shall be filed with the agency identified in this Contract. If no agency is identified, contact the BAE SYSTEMS Procurement Representative identified on the face of this Contract.)

52.227-14 RIGHTS IN DATA - GENERAL (MAY 2014)

52.228-3 WORKERS’ COMPENSATION INSURANCE (DEFENSE BASE ACT) (JUL 2014) (The SELLER shall insert, in all subcontracts under this Contract to which the Defense Base Act applies, a clause similar to this clause (including this sentence) imposing upon those subcontractors this requirement to comply with the Defense Base Act.)

52.228-4 WORKERS’ COMPENSATION AND WAR-HAZARD INSURANCE OVERSEAS (APR 1984) The SELLER shall insert, in all subcontracts under this Contract (i) to which the Defense Base Act would apply but for the waiver and (ii) to which the War Hazards Compensation Act would apply unless the Contactor elects to assume directly the liability to subcontractor employees, a clause similar to this clause (including this sentence) imposing upon those subcontractors this requirement to provide workers’ compensation insurance coverage and/or war-hazard benefits.)

52.228-5 INSURANCE – WORK ON A GOVERNMENT INSTALLATION (JAN 1997)

52.229-10 STATE OF NEW MEXICO GROSS RECEIPTS AND COMPENSATING TAX (APR 2003)

52.233-3 PROTEST AFTER AWARD (AUG 1996) (In the event BAE SYSTEMS’ Customer has directed BAE SYSTEMS to stop performance of the Work under the Prime Contract under which this Contract is issued pursuant to FAR 33.1, BAE SYSTEMS may, by written order to SELLER, direct Contractor to stop performance of the Work called for by this Contract. “30 days” means “20 days” in paragraph (b) (2). In paragraph (f) add after “33.104(h) (1)” “and recovers those costs from BAE SYSTEMS.” For the purposes of this clause, the first reference to “Government” shall mean Government. )

52.234-1 INDUSTRIAL RESOURCES DEVELOPED UNDER TITLE III, DEFENSE PRODCUTION ACT (SEP 2016)

52.237-2 PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT AND VEGETATION (APR 1984)

52.239-1 PRIVACY OR SECURITY SAFEGUARDS (AUG 1996)

52.242-15 STOP-WORK ORDER (AUG 1989) (In paragraph (a) “90 days” is changed to “100 days,” in paragraph (b) “30 days” is changed to “20 days.” )

52.243-6 CHANGE ORDER ACCOUNTING (APR 1984) (Applicable only if the Prime Contract requires Change Order Accounting.)

52.247-63 PREFERENCE FOR U.S.-FLAG AIR CARRIERS (JUN 2003) (Applicable if this Contract involves international air transportation.)

1. **The following additional clauses apply to this Contract as defined by the respective FAR clause if the Contract equals or exceeds $150,000 and is for a Non-Commercial Items:**

52.203-5 COVENANT AGAINST CONTINGENT FEES (MAY 2014)

52.203-6 RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT (SEP 2006)

52.203-7 ANTI-KICKBACK PROCEDURES (MAY 2014)

52.203-10 PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY (MAY 2014)

52.203-16 PREVENTING PERSONAL CONFLICTS OF INTEREST (DEC 2011)

52.204-5 WOMEN-OWNED BUSINESS OTHER THAN SMALL BUSINESS (OCT 2014)

52.215-2 AUDIT AND RECORDS-NEGOTIATION (OCT 2010)

52.215-14 INTEGRITY OF UNIT PRICES (OCT 2010) (Delete paragraph (b) of the clause.)

52.222-4 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT -OVERTIME COMPENSATION (MAY 2014)

52.222-37 EMPLOYMENT REPORTS ON VETERANS (FEB 2016)

52.222-38 COMPLIANCE WITH VETERANS’ EMPLOYMENT REPORTING REQUIREMENTS (FEB 2016)

52.227-2 NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT (DEC 2007)

52.242-13 BANKRUPTCY (JUL 1995)

52.248-1 VALUE ENGINEERING (OCT 2010)

1. **The following additional clauses apply to this Contract as defined by the respective FAR clause if the Contract equals or exceeds $750,000 and is for a Non-Commercial Item:**

52.215-12 SUBCONTRACTOR COST OR PRICING DATA (OCT 2010)

52.215-13 SUBCONTRACTOR COST OR PRICING DATA - MODIFICATIONS (OCT 2010)

1. **The following additional clauses apply to this Contract as defined by the respective FAR clause if the Contract equals or exceeds $10,000,000:**

52.222-24 PREAWARD ON-SITE EQUAL OPPORTUNITY COMPLIANCE EVALUATION (FEB 1999)

1. **The following additional clauses apply to this Contract as defined by the respective FAR clause if the Contract is Fixed Price for Non-Commercial Items:**

52.216-5 PRICE REDETERMINATION - PROSPECTIVE (OCT 1997) (Applicable if the requirements of FAR 16.205-2 and FAR 16.205-3(a) through (d) have been met and this clause is expressly incorporated in this Contract. In subparagraph (j) change “the Contracting Officer shall promptly issue a decision in accordance with the Disputes clause” to “BAE SYSTEMS shall promptly issue a decision, which decision may be appealed by SELLER pursuant to the Disputes/Jury Waiver clause of this Contract.”.)

52.216-6 PRICE REDETERMINATION-RETROACTIVE (OCT 1997) (In subparagraph (i) change “the Contracting Officer shall promptly issue a decision in accordance with the Disputes clause” to “BAE SYSTEMS shall promptly issue a decision, which decision may be appealed by SELLER pursuant to the Disputes/Jury Waiver clause of this Contract.”)

52.243-1 CHANGES - FIXED PRICE (AUG 1987) (Replace paragraph (a) with the following: BAE SYSTEMS Procurement Representative may at any time, by written order, and without notice to sureties, if any, direct changes within the general scope of this Contract in any one or more of the following: (i) technical requirements and descriptions, specifications, statement of work (“SOW”), drawings or designs; (ii) shipment or packing methods; (iii) place of delivery, inspection or acceptance; (iv) reasonable adjustments in quantities or delivery schedules or both; (v) amount of BAE SYSTEMS furnished property; and (vi) if this Contract includes services: (x) description of services to be performed; (y) time of performance (e.g., hours of the day, days of the week, etc.); and (z) place of performance. SELLER shall comply immediately with such direction.)

52.246-2 INSPECTION OF SUPPLIES - FIXED PRICE (AUG 1996)

52.246-4 INSPECTION OF SERVICES - FIXED PRICE (AUG 1996)

52.246-7 INSPECTION OF RESEARCH AND DEVELOPMENT – FIXED PRICE (AUG 1996).

52.249-2 TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE) (APR 2012) (In paragraph (n) “Government” means “BAE SYSTEMS and the Government” and “Contracting Officer” means “BAE SYSTEMS or the Contracting Officer.” In paragraph (c) “120 days” is changed to “60 days.” In paragraph (d) “15 days” is changed to “30 days,” and “45 days” is changed to “60 days.” In paragraph (e) “1 year” is changed to “6 months.” In paragraph (l) “90 days” is changed to “45 days.” Settlements and payments under this clause may be subject to the approval of the Contracting Officer.)

52.249-8 DEFAULT (FIXED PRICE SUPPLY AND SERVICE) (APR 1984) (Timely performance is a material element of this Contract.)

1. **The following additional clauses apply to this Contract as defined by the respective FAR clause if the Contract is Cost Type or Time and Material or Fixed Price Incentive for a Non-Commercial Items:**

52.216-8 FIXED FEE (JUN 2011)

52.216-10 INCENTIVE FEE (JUN 2011) (The amounts in paragraph (e) are set forth on the face of this Contract. In subparagraphs (e) (4) (v) and (e) (4) (vi) where “Government” is unchanged.)

52.216-11 COST CONTRACT – NO FEE (APR 1984)

52.216-12 COST-SHARING CONTRACT – NO FEE (APR 1984)

52.222-2 PAYMENT FOR OVERTIME PREMIUMS (JUL 1990) (Insert ZERO in the Blank.)

52.229-8 TAXES – FOREIGN COST REIMBURSEMENT CONTRACTS (MAR 1990)

52.229-9 TAXES – COST REIMBURSEMENT CONTRACTS WITH FOREIGN GOVERNMENTS (MAR 1990)

52.232-7 Payments under Contracts TIME-AND- MATERIALS AND LABOR-HOUR (AUG 2012)

52.232-20 LIMITATION OF COST (APR 1984) (Applicable when this Contract becomes fully funded)

52.232-22 LIMITATION OF FUNDS (APR 1984) (Applicable if this Contract is incrementally funded. When this Contract becomes fully funded 52.232-20 shall apply in lieu of this clause.)

52.232-20 LIMITATION OF COST (APR 1984) (Applicable Cost Type Subcontracts when fully funded)

52.234-4 EARNED VALUE MANAGEMENT SYSTEM (NOV 2016)

52.242-1 NOTICE OF INTENT TO DISALLOW COSTS (APR 1984) (In paragraph (a)(2) the first time “60 days” is cited it shall be changed to “45 days”, the second time “60 days” is cited it shall be changed to “75 days”.)

52.243-2 CHANGES - COST REIMBURSEMENT (AUG 1987). (Replace paragraph (a) with the following: BAE SYSTEMS Procurement Representative may at any time, by written order, and without notice to sureties, if any, direct changes within the general scope of this Contract in any one or more of the following: (i) technical requirements and descriptions, specifications, statement of work (“SOW”), drawings or designs; (ii) shipment or packing methods; (iii) place of delivery, inspection or acceptance; (iv) reasonable adjustments in quantities or delivery schedules or both; (v) amount of BAE SYSTEMS furnished property; and (vi) if this Contract includes services: (x) description of services to be performed; (y) time of performance (e.g., hours of the day, days of the week, etc.); and (z) place of performance. Contractor shall comply immediately with such direction. )

52.243-3 CHANGES - TIME-AND- MATERIALS OR LABOR-HOURS (SEP 2000) (Replace paragraph (a) with the following: BAE SYSTEMS Procurement Representative may at any time, by written order, and without notice to sureties, if any, direct changes within the general scope of this Contract in any one or more of the following: (i) technical requirements and descriptions, specifications, statement of work (“SOW”), drawings or designs; (ii) shipment or packing methods; (iii) place of delivery, inspection or acceptance; (iv) reasonable adjustments in quantities or delivery schedules or both; (v) amount of BAE SYSTEMS furnished property; and (vi) if this Contract includes services: (x) description of services to be performed; (y) time of performance (e.g., hours of the day, days of the week, etc.); and (z) place of performance. Contractor shall comply immediately with such direction. )

52.246-3 INSPECTION OF SUPPLIES - COST REIMBURSEMENT (MAY 2001) (In subparagraph (e) change “60 days” to “120 days” and in subparagraph (f) change “6 months “to” 12 months”. )

52.246-5 INSPECTION OF SERVICES - COST REIMBURSEMENT (APR 1984)

52.246-6 INSPECTION OF TIME-AND-MATERIAL AND LABOR-HOUR (MAY 2001)

52.246-8 INSPECTION OF RESEARCH AND DEVELOPMENT – COST-REIMBURSEMENT (MAY 2001).

52.249-6 TERMINATION (COST-REIMBURSEMENT) (MAY 2004) (Substitute “60 days” for “120 days” and “60 days” for “120 days” in paragraph (d). Substitute “150 days” for “1 year” in paragraph (f). Delete paragraph (j). Settlements and payments under this clause may be subject to the approval of the Contracting Officer.)

52.249-14 EXCUSABLE DELAYS (APR 1984)

1. **The following additional clauses apply to this Contract as defined by the respective FAR clause if the Contract is for a Commercial Item:**

52.212-5 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS – COMMERICAL ITEMS (JAN 2017)

1. **CERTIFICATIONS AND REPRESENTATIONS**

This Subsection contains certifications and representations that are material representations of fact upon which BAE SYSTEMS will rely in making awards to Contractor. By submitting its written offer, or providing oral offers/quotations at the request of BAE SYSTEMS, or accepting any Contract, Contractor certifies to the representations and certifications as set forth below in this Subsection .These certifications and representations shall apply whenever these terms and conditions are incorporated by reference in any Contract, agreement, other contractual document or any quotation, request for quotation (oral or written), request for proposal or solicitation (oral or written), issued by BAE SYSTEMS. Contractor shall immediately notify BAE SYSTEMS of any change of status with regard to these certifications and representations.

1. **The following additional clauses apply to this Contract as defined by the respective FAR clause:**

52.203-2 Certificate of Independent Price Determination (APR 1985)

52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (SEP 2007).

52.209-2 Prohibition on Contracting with Inverted Domestic Corporations – Representation (NOV 2015)

52.225-20 Prohibition on Conducting Restricted Business Operations in Sudan – Certification (AUG 2009)

52.225-25 Prohibition on Contracting with Entities Engaging in Sanctioned Activities Relating to Iran – Representation and Certification (OCT 2015)

1. **The following additional referenced clauses apply to this Contract as written:**
2. FAR 52.209-5 -- Certification Regarding Responsibility Matters (OCT 2015) (1) The SELLER certifies, to the best of its knowledge and belief, that  
   The SELLER and/or any of its Principals:
   1. Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;
   2. Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property.
   3. Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph (a)(1)(i)(B) of this provision; and
   4. Have not, within a three-year period preceding this offer, been notified of any delinquent Federal taxes in an amount that exceeds $3,000 for which the liability remains unsatisfied.
      1. The SELLER has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.
3. FAR 52.209-6 Protecting the Government’s Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (OCT 2015) incorporated herein by reference, with the same force and effect as if they were given in full text, and:
   1. Contractor certifies that, to the best of its knowledge and belief, that Contractor and/or any of its Principals, (as defined in FAR 52.209-6) are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency
   2. Contractor shall provide immediate written notice to BAE SYSTEMS if, any time prior to award of any Contract, it learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. FAR 52.222-22 Previous Contracts and Compliance Reports (FEB 1999).

Contractor represents that if Contractor has participated in a previous contract or subcontract subject to the Equal Opportunity clause (FAR 52.222-26) (i) Contractor has filed all required compliance reports and: (ii) that representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

1. FAR 52.222-25 Affirmative Action Compliance (APR 1984).

Contractor represents (1) that Contractor has developed and has on file at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 C.F.R. 60-1 and 60-2), or (2) that in the event such a program does not presently exist, Contractor will develop and place in operation such a written Affirmative Action Compliance Program within 120 days from the award of this Contract.

1. FAR 52.209-7 (JUL 2013) Information Regarding Responsibility Matters.

If SELLER has current active Federal contracts and grants with a total value greater than $10,000,000, the SELLER represents, by submission of this offer, that the information it has entered in the FAPIIS is current, accurate, and complete as of the date of the submission of the offer with regard to the following:

1. Whether SELLER and/or any of its principals has, with in the last five years, been subject of a proceeding at the Federal or State level that resulted in a criminal conviction, a civil proceeding with a finding of fault and liability that results in the payment of $5,000 or more, or an administrative proceeding with a finding of fault and liability that results in a fine of $5,000 or more or restitution or damages in excess of $100,000.
2. The SELLER shall post the information of this provision in FAPIIS as required through maintaining an active registration in the System for Award Management database via https://www.acquisitions.gov
3. **The following additional representations apply:**

CONFLICT OF INTEREST

1. Seller acknowledges that FAR Subpart 9.5, Organizational and Consultant Conflicts of Interest, governs Work performed under this Agreement.
2. Seller represents and warrants that there are no actual, potential, or perceived conflicts of interest associated with its Work for BAE Systems; that it will comply with all BAE Systems policies and procedures related to Work with current United States Government employees; and that it is not prohibited by law or regulation from receiving compensation from BAE Systems for delivering and/or performing Work under this Agreement. Should any actual, potential, or perceived conflict of interest arise in connection with this Agreement, Seller shall notify BAE Systems immediately, but in no event later than one (1) calendar day after becoming aware of such conflict of interest.
3. BAE Systems, at its sole discretion and on a case-by-case basis, will determine whether a conflict of interest exists or is likely to arise. If BAE Systems determines that an actual, potential, or perceived conflict of interest exists, it may impose on Seller appropriate constraints to neutralize or mitigate that conflict of interest, up to and including, termination of this Agreement.
4. The term Seller as used in this Article shall mean: (1) the organization entering into this Agreement with BAE Systems; (2) all business organizations with which Seller may merge, join, or affiliate, now or in the future and in any manner whatsoever, or which hold or may obtain, by purchase, merger, or otherwise, direct or indirect control of Seller; (3) Seller’s parent organization, if any, and any of its present or future subsidiaries, associates, affiliates, or holding companies, and; (4) any organization or enterprise over which Seller has direct or indirect control, now or in the future.
5. In connection with a particular constraint, Seller may submit a proposal to BAE Systems for the purpose of indicating potential measures to avoid or mitigate a conflict. BAE Systems, at its sole discretion, may accept or reject Seller’s proposal
6. **DFARS FLOWDOWN CLAUSES**

Note: If the respective PO or Subcontract identifies this as non-Department of Defense, then the following clauses do not apply:

1. **The following additional clauses apply to this Contract as defined by the respective DFARS clause (for Commercial and Non-Commercial Items):**

252.204-7000 DISCLOSURE OF INFORMATION (OCT 2016)

252.204-7008 COMPLIANCE WITH SAFEGUARDING COVERED DEFENSE INFORMATION CONTROLS (OCT 2016)

252.204-7009 LIMITATIONS ON THE USE AND DISCLOSURE OF THIRD-PARTY CONTRACTOR REPORTED CYBER INCIDENT INFORMATION (OCT 2016)

252.204-7010 REQUIREMENT FOR CONTRACTOR TO NOTIFY DOD IF THE CONTRACTOR’S ACTIVITIES ARE SUBJECT TO REPORTING UNDER THE U.S.-INTERNATIONAL ATOMIC ENERGY AGENCY ADDITIONAL PROTOCOL (JAN 2009)

252.204-7012 SAFEGUARDING OF UNCLASSIFIED CONTROLLED TECHNICAL INFORMATION (OCT 2016)

252.204-7015 DISCLOSURE OF INFORMATION TO LITIGATION SUPPORT CONTRACTORS (MAY 2016)

252.208-7000 INTENT TO FURNISH PRECIOUS METALS AS GOVERNMENT-FURNISHED MATERIAL (DEC 1991)

252.209-7999 REPRESENTATION BY CORPORATIONS REGARDING AN UNPAID DELINQUENT TAX LIABILITY OR A FELONY CONVICTION UNDER A FEDERAL LAW

252.211-7003 ITEM IDENTIFICATION AND VALUA­TION (MAR 2016)

252.211-7007 REPORTING OF GOVERNMENT-FURNISHED PROPERTY (AUG 2012)

252.219-7003 SMALL BUSINESS SUBCONTRACTING PLAN (DoD Contracts) (MAR 2016)

252.219-7004 SMALL BUSINESS SUBCONTRACTING PLAN (TEST PROGRAM (OCT 2014)

252.222-7007REPRESENTATION REGARDING COMBATTING TRAFFICKING IN PERSONS (JAN 2015)

252.223-7001 HAZARD WARNING LABELS (DEC 1991)

252.223-7002 SAFETY PRECAUTIONS FOR AMMUNITION AND EXPLOSIVES (MAY 1994)

252.223-7003 CHANGE IN PLACE OF PERFORMANCE AMMUNITION AND EXPLOSIVES (DEC 1991)

252.223-7006 PROHIBITION ON STORAGE AND DISPOSAL OF TOXIC AND HAZARDOUS MATERIALS-BASIC (SEP 2014)

252.223-7007 SAFEGUARDING SENSITIVE CONVENTIONAL ARMS, AMMUNITION, AND EXPLOSIVES (SEP 1999)

252.223-7008 PROHIBITION OF HEXAVALENT CHROMIUM (JUN 2013)

252.225-7001 BUY AMERICA ACT AND BALANCE OF PAYMENTS PROGRAM (DEC 2016)

252.225-7007 PROHIBITION ON ACQUISITION OF UNITED STATES MUNITIONS LIST ITEMS FROM COMMUNIST CHINESE MILITARY COMPANIES (SEP 2006)

252.225-7008 RESTRICTION ON ACQUISITION OF SPECIALTY METALS (MAR 2013)

252.225-7009 RESTRICTION ON ACQUISITION OF CERTAIN ARTICLES CONTAINING SPECIALTY METALS (OCT 2014) (paragraphs (c) (6), (d), and (e) (1) are deleted)

252.225-7010 COMMERCIAL DERIVATIVE MILITARY ARTICLE-SPECIALTY METALS COMPLIANCE CERTIFICATE (JUL 2009)

252.225-7012 PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES (DEC 2016)

252.225-7013 DUTY-FREE ENTRY (MAY 2016)

252.225-7015 RESTRICTION ON ACQUISITION OF HAND OR MEASURING TOOLS (JUN 2005)

252.225-7016 RESTRICTION ON ACQUISITION OF BALL AND ROLLER BEARINGS (JUN 2011)

252.225-7017 PHOTOVOLTAIC DEVICES (JDEC 2016)

252.225-7018 PHOTOVOLTAIC DEVICES – CERTIFICATE (JAN 2016)

252.225-7021 TRADE AGREEMENTS-BASIC (DEC 2016) (Applicable in lieu of the clause at FAR 52.225-5 TRADE AGREEMENTS)

252.225-7025 RESTRICTION ON ACQUISITION OF FORGINGS (DEC 2009)

252.225-7030 RESTRICTION ON ACQUISITION OF CARBON, ALLOY, AND ARMOR STEEL PLATE (DEC 2006)

252.225-7031 SECONDARY ARAB BOYCOTT OF ISRAEL (JUN 2005)

252.225-7032 WAIVER OF UNITED KINGDOM LEVIES EVALUATION OF OFFERS (APR 2003)

252.225-7033 WAIVER OF UNITED KINGDOM LEVIES (APR 2003)

252.225-7036 BUY AMERICA – FREE TRADE AGREEMENTS – BALANCE OF PAYMENTS PROGRAM-BASIC (DEC 2016)

252.225-7039 DEFENSE CONTRACTORS PERFORMING PRIVATE SECURITY FUNCTIONS OUTSIDE OF THE UNITED STATES (JUN 2016)

252.225-7040 CONTRACTOR PERSONNEL AUTHORIZED TO ACCOMPANY U.S. ARMED FORCES DEPLOYED OUTSIDE THE UNITED STATES (OCT 2015)

252.225-7043 ANTI-TERRORISM/FORCE PROTECTION FOR DEFENSE CONTRACTORS OUTSIDE THE UNITED STATES (JUN 2015)

252.225-7048 EXPORT-CONTROLLED ITEMS (JUN 2013)

252.226-7001 UTILIZATION OF INDIAN ORGANIZATIONS, INDIAN-OWNED ECONOMIC ENTERPRISES, AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS- DOD CONTRACTS (SEP 2004) (In e (1), “Contractor” shall mean BAE SYSTEMS.)

252.229-7011 REPORTING OF FOREIGN TAXES – U.S. ASSISTANCE PROGRAMS (SEP 2005)

252.231-7000 SUPPLEMENTAL COST PRINCIPLES

(DEC 1991)

252.235-7003 FREQUENCY AUTHORIZATION-BASIC (MAR 2014)

252.237-7019 TRAINING FOR CONTRACTOR PERSONNEL INTERACTING WITH DETAINEES (JUN 2013)

252.239-7009 REPRESENTATION OF USE OF CLOUD COMPUTING (SEP 2015)

252.239-7010 CLOUD COMPUTING SERVICES (OCT 2016)

252.239-7016 TELECOMMUNICATIONS SECURITY EQUIPMENT, DEVICES, TECHNIQUES, AND SERVICES (DEC 1991)

252.239-7017 NOTICE OF SUPPLY CHAIN RISK (NOV 2013)

252.239-7018 SUPPLY CHAIN RISK (OCT 2015)

252.243-7001 PRICING OF CONTRACT MODIFICATIONS (DEC 1991)

252.244-7000 SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (DoD CONTRACTS) (JUN 2013)

252.245-7004 REPORTING, REUTILIZATION, AND DISPOSAL (SEP 2016)

252.246-7001 WARRANTY OF DATA-BASIC (MAR 2014) ALTERNATE II (MAR 2014)

252.246-7003 NOTIFICATION OF POTENTIAL SAFETY ISSUES (JUN 2013) (SUPPLIER shall provide notifications to BAE SYSTEMS and the ACO and PCO for the Prime Contract.)

252.246-7007 CONTRACTOR COUNTERFEIT ELECTRONIC PART DETECTION AND AVOIDANCE SYSTEM (Applicable for CAS-covered suppliers) (AUG 2016)

252.246-7008 SOURCES OF ELECTRONIC PARTS (OCT 2016)

Additional Requirements to BAEDOC USGOVFFP and USGOVCOST for non-CAS Subcontractors:

Under Clause **COUNTERFEIT PARTS:  PREVENTION AND NOTIFICATION,** paragraph c): Additionally, the SELLER’S Counterfeit Parts Prevention and Detection system shall have expanding levels of control based on increasing risk in order to ensure that human safety and mission success are not compromised. Determination of risk shall be based on the assessed probability of receiving a counterfeit electronic part, the probability that the inspection or test method selected will detect a Counterfeit Electronic Part, and the potential negative consequences of a Counterfeit Electronic Part being used. The system shall include a process for keeping continually informed of current counterfeiting information, trends and GIDEP reports, using such information to continuously update internal procedures and systems as necessary. The system shall consider means to contribute to the abolishment of Counterfeit Electronic Parts proliferation.

Additionally, for either products delivered under this contract containing Electronic Parts or Electronic Parts procured for this contract:  If Electronic Parts are determined to be Counterfeit Electronic Parts or Suspect Counterfeit Electronic Parts, notification will also be made not later than 60 days after such determination to the Government-Industry Data Exchange Program (GIDEP).

252.247-7024 NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA (MAR 2000)

1. **The following additional clauses apply to this Contract as defined by the respective DFARS clause if the value of this Contract equals or exceeds $150,000 (for Commercial and Non-Commercial Items):**

252.209-7002 DISCLOSURE OF OWNERSHIP OR CONTROL BY A FOREIGN GOVERNMENT (JUN 2010)

252.225-7050 DISCLOSURE OF OWNERSHIP OR CONTROL BY THE GOVERNMENT OF A COUNTRY THAT IS A STATE SPONSOR OF TERRORISM (OCT 2015)

252.244-7001 CONTRACTOR PURCHASING SYSTEM ADMINISTRATION (MAY 2014)

252.247-7023 TRANSPORTATION OF SUPPLIES BY SEA-BASIC (APR 2014) (Applicable in lieu of FAR 52.247-64 in all Contracts for ocean transportation of supplies. In the first sentence of paragraph (g), insert a period after “Contractor” and delete the balance of the sentence. Paragraph (f) and (g) shall not apply if this Contract is at or below $150,000.)

252.249-7002 NOTIFICATION OF ANTICIPATED CONTRACT TERMINATION OR REDUCTION (OCT2015)

1. **The following additional clauses apply to this Contract as defined by the respective DFARS clause if the value of this Contract equals or exceeds $1,500,000 (for Commercial and Non-Commercial Items):**

252.211-7000 ACQUISITION STREAMLINING (OCT 2010)

1. **The following additional clauses apply to this Contract as defined by the respective FAR clause if the Contract equals or exceeds $5,500,000 and is for a Non-Commercial Item:**

252.203-7004 DISPLAY OF HOTLINE POSTER(S) (OCT 2016)

1. **The following additional clauses apply to this Contract as defined by the respective DFARS clause if the Contract is for a Non-Commercial Item:**

252.203-7002 REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)

252.215-7000 PRICING ADJUSTMENTS (DEC 2012)

252.215-7002 COST ESTIMATING SYSTEM REQUIREMENTS (DEC 2012)

252.222-7000 RESTRICTIONS ON EMPLOYMENT OF PERSONNEL (MAR 2000)

252.227-7013 RIGHTS IN TECHNICAL DATA - NON-COMMERCIAL ITEMS (FEB 2014) (Applicable in lieu of FAR 52.227-14)

252.227-7014 RIGHTS IN NON-COMMERCIAL COMPUTER SOFTWARE AND NON-COMMERCIAL COMPUTER SOFTWARE DOCUMENTATION (FEB 2014)

252.227-7016 RIGHTS IN BID OR PROPOSAL INFORMATION (JAN 2011)

252.227-7018 RIGHTS IN NONCOMMERCIAL TECHNICAL DATA AND COMPUTER SOFTWARE-SMALL BUSINESS INNOVATION RESEARCH (SBIR) PROGRAM (FEB 2014)

252.227-7019 VALIDATION OF ASSERTED RESTRICTIONS - COMPUTER SOFTWARE (SEP2016)

252.227-7025 LIMITATIONS ON THE USE OR DISCLOSURE OF GOVERNMENT-FURNISHED INFORMATION MARKED WITH RESTRICTIVE LEGENDS (MAY 2013)

252.227-7026 DEFERRED DELIVERY OF TECHNICAL DATA OR COMPUTER SOFTWARE (APR 1988)

252.227-7027 DEFERRED ORDERING OF TECHNICAL DATA OR COMPUTER SOFTWARE (APR 1988)

252.227-7028 TECHNICAL DATA OR COMPUTER SOFTWARE PREVIOUSLY DELIVERED TO THE GOVERNMENT (JUN 1995) (In this clause, the term “contract” and “subcontract” shall not change in meaning.)

252.227-7030 TECHNICAL DATA - WITHHOLDING OF PAYMENT (MAR 2000)

252.227-7037 VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA (SEP 2016)

252.227-7038 PATENT RIGHTS - OWNERSHIP BY THE CONTRACTOR (LARGE BUSINESS) (JUN 2012)

252.228-7001 GROUND AND FLIGHT RISK (JUN 2010)

252.228-7005 ACCIDENT REPORTING AND INVESTIGATION INVOLVING AIRCRAFT, MISSILES, AND SPACE LAUNCH VEHICLES (DEC 1991)

252.242-7005 CONTRACTOR BUSINESS SYSTEMS (FEB 2012)

1. **The following additional clauses apply to this Contract as defined by the respective DFARS clause if the Contract equals or exceeds $150,000 and is for a Non-Commercial Item:**

252.203-7001 PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE CONTRACT-RELATED FELONIES (DEC 2008) (In this clause, the terms “contract,” “contractor,” and “subcontract” shall not change in meaning in paragraphs (a) thru (d).)

1. **The following additional clauses apply to this Contract as defined by the respective DFARS clause if the Contract equals or exceeds $1,000,000 and is for a Non-Commercial Item:**

252.222-7006 RESTRICTIONS ON THE USE OF MANDATORY ARBITRATION AGREEMENTS (DEC 2010)

1. **The following additional clauses apply to this Contract as defined by the respective DFARS clause if the Contract equals or exceeds $50,000,000 and is for a Non-Commercial Item:**

252.234-7004 COST AND SOFTWARE DATA REPORTING SYSTEM- BASIC (NOV 2014)

1. **The following additional clauses apply to this as defined by the respective DFARS clause if the Contract is for a Commercial Item:**

252.227-7015 TECHNICAL DATA - COMMERCIAL ITEMS (FEB 2014)

1. **The following additional clauses apply to this Contract as defined by the respective DFARS clause if the Contract is Cost Type, Incentive or T&M:**

252.234-7002 EARNED VALUE MANAGEMENT SYSTEM (MAY 2011)

252.242-7004 MATERIAL MANAGEMENT AND ACCOUNTING SYSTEM (MAY 2011)

252.242-7006 ACCOUNTING SYSTEM ADMINISTRATION (FEB 2012)

1. **NAVSEA FLOWDOWN CLAUSES**
2. **The following additional clauses apply to this Contract if the Prime Contract customer is Naval Sea Systems Command and the Prime Contract is either Cost Type or Fixed Price. Clauses may be invoked by either NAVSEA Headquarters or the Regional Maintenance Center:**

HQ C-2-0004 ACCESS TO THE VESSEL(S) (AT) (NAVSEA) (JAN 1983)

HQ C-2-0005 ACCESS TO VESSELS BY NON U.S. CITIZENS (NAVSEA) (DEC 2005)

HQ C-2-0006 ADDITIONAL PROVISIONS RELATING TO GOVERNMENT PROPERTY (NAVSEA) (SEP 2009)

HQ C-2-0014 CONTRACTOR'S PROPOSAL (NAVSEA) (MAR 2001)

HQ C-2-0016 DEPARTMENT OF LABOR OCCUPATIONAL SAFETY AND HEALTH STANDARDS FOR SHIP REPAIR (NAVSEA) (SEP 1990) (MODIFIED) (SEP 2012)

HQ C-2-0018 DISPOSAL OF SCRAP (NAVSEA) (JAN 2008)

HQ C-2-0023 EXCLUSION OF MERCURY (NAVSEA) (MAY 1998)

HQ C-2-0024 EXTENSION OF COMMERCIAL WARRANTY (NAVSEA) (NOV 1996)

HQ C-2-0028 GOVERNMENT SURPLUS PROPERTY (NAVSEA) (SEP 1990)

HQ C-2-0029 HEAVY WEATHER PLAN (NAVSEA) (JUN 1999)

HQ C-2-0045 QUALIFICATION OF CONTRACTOR NONDESTRUCTIVE TESTING PERSONNEL (NAVSEA) (APR 2004)

HQ C-2-0047 REMOVALS (NAVSEA) (SEP 1990)

HQ C-2-0056 TESTS AND TRIALS (NAVSEA) (OCT 1990)

HQ C-2-0059 UPDATING SPECIFICATIONS AND STANDARDS (NAVSEA) (AUG 1994)

HQ D-2-0007 MARKING AND PACKING LIST(S) - ALTERNATE I (NAVSEA) (DEC 2005)

HQ D-2-0008 MARKING OF REPORTS (NAVSEA) (SEP 1990)

52.246-18 WARRANTY OF SUPPLIES OF A COMPLEX NATURE (MAY 2001) (NAVSEA VARIATION) – Items to be specified on the face of the PO if applicable.

HQ E-1-0001 INSPECTION AND ACCEPTANCE OF DATA (NAVSEA) (SEP 1990)

HQ E-2-0002 ADDITIONAL PROVISIONS RELATING TO CORRECTION OF DEFECTS (NAVSEA) (OCT 1990)

5252.202-9101 ADDITIONAL DEFINITIONS (MAY 1993)

5252.223-9114 MANAGEMENT AND DISPOSAL OF HAZARDOUS WASTE (NOV 1996)

5252.233-9103 DOCUMENTATION OF REQUESTS FOR EQUITABLE ADJUSTMENT (APR 1999)

5252.233 9107 EQUITABLE ADJUSTMENTS: WAIVER AND RELEASE OF CLAIMS (AT) (JAN 1983)

5252.243-9113 OTHER CHANGE PROPOSALS (CT) - ALTERNATE I (JAN 1990)

RMC L-2-0010 GOVERNMENT PROPERTY IN POSSESSION OF OFFERORS (Undated)

**2. The following additional clauses apply to this Contract if the Prime Contract customer is Naval Sea Systems Command and the Prime Contract is Fixed Price. Clauses may be invoked by either NAVSEA Headquarters or the Regional Maintenance Center:**

HQ C-2-0003 ACCESS TO THE NAVY SUPPLY SYSTEM (NAVSEA) (MAR 2011)

HQ C-2-0010 COMMAND INSPECTION OF BERTHING FACILITIES (NAVSEA) (OCT 1990)

HQ C-2-0020 DOCK TRIALS AND FAST CRUISE (NAVSEA) (MAY 1993)

HQ C-2-0044 PROTECTION OF THE VESSEL (NAVSEA) (SEP 1990)

HQ C-2-0048 REQUISITIONS FROM THE FEDERAL SUPPLY SYSTEM (NAVSEA) (JUL 1992)

HQ C-2-0050 SPECIAL AGREEMENT REGARDING SWITCHBOARD SUBCONTRACTS (NAVSEA) (JUN 2000)

HQ C-2-0051 SPECIFICATIONS AND STANDARDS (NAVSEA) (AUG 1994)

HQ C-2-0053 STANDARDIZATION - ALTERNATE I (NAVSEA) (JAN 2008)

HQ C-2-0063 NOTIFICATION OF/USE OF NAVY SUPPORT CONTRACTORS FOR OFFICIAL CONTRACT FILES (NAVSEA) (APR 2004)

HQ C-2-0066 CONTRACTOR SAFETY AND HEALTH REQUIREMENTS FOR ACCESS TO NAVSEA/PEO SITE (NAVSEA) (MAY 2012)

HQ D-1-0004 WARRANTY NOTIFICATION FOR ITEMS (to be specified on the face of the PO if applicable) – ALTERNATE I (NAVSEA) (SEP 2009)

5252.227-9113 GOVERNMENT-INDUSTRY DATA EXCHANGE PROGRAM (OCT 2006)

RMC L-2-0015 NOTICE TO OFFERORS--USE OF OZONE DEPLETING SUBSTANCES (AUG 93)

HQ L-2-0009 SMALL BUSINESS SUBCONTRACTING PLAN (NAVSEA) (JUN 1999)

**3. The following additional clauses apply to this Contract if the Prime Contract customer is Naval Sea Systems Command and the Prime Contract is Cost Type. Clauses may be invoked by either NAVSEA Headquarters or the Regional Maintenance Center:**

HQ B-2-0016 PROVISIONING TECHNICAL DOCUMENTATION – WITHHOLDLING OF PAYMENT (NAVSEA) (SEP 1990)

HQ B-2-0019 TRAVEL COSTS (NAVSEA) (MAY 1993)

HQ C-2-0002 ACCESS TO PROPRIETARY DATA OR COMPUTER SOFTWARE (NAVSEA) (JUN 1994)

HQ C-2-0007 APPROVAL BY THE GOVERNMENT (AT) (NAVSEA) (JAN 1983)

HQ C-2-0008 ASSIGNMENT AND USE OF NATIONAL STOCK NUMBERS (NAVSEA) (MAY 1993)

HQ C-2-0011 COMPUTER SOFTWARE AND/OR COMPUTER DATABASE(S) DELIVERED TO AND/OR RECEIVED FROM THE GOVERNMENT (NAVSEA) (APR 2004)

HQ C-2-0025 FACILITIES NOT TO BE GOVERNMENT-FURNISHED (CT) (NAVSEA) (SEP 2009)

HQ C-2-0031 INFORMATION AND DATA FURNISHED BY THE GOVERNMENT (FIXED-PRICE) (NAVSEA) (SEP 2009) / (COST TYPE) ALTERNATE I (NAVSEA) (SEP 2009)

HQ C-2-0037 ORGANIZATIONAL CONFLICT OF INTEREST (NAVSEA) (JUL 2000)

HQ C-2-0042 PRINTING OF TECHNICAL MANUALS, PUBLICATIONS, CHANGES, REVISIONS AND AMENDMENTS – ALTERNATE I (NAVSEA) (JAN 2008)

RMC C-2-0060 USE OF POWER GRINDERS AND SAWS (NAVSEA) (SEP 1990)

RMC C-2-0016 USE OF BLACK OXIDE COATED BRASS THREADED FASTENERS (BOCBTFs) (Undated)

RMC C-2-0018 COSAL CONFIGURATION CHANGE DOCUMENTATION (NAVSEA) (JUN 1992)

RMC C-2-0024 CITIZENSHIP REQUIREMENTS (Undated)

RMC C-2-0026 THREAT CONDITIONS (Undated) (As applicable to the area wherein work will be performed under this Contract.)

RMC C-2-0027 USE/POSSESSION OF PERSONAL ELECTRONIC DEVICES (PED’S) (Undated)

HQ E-1-0005 INSPECTION AND ACCEPTANCE OF PIO (Undated)

HQ E-1-0006 INSPECTION AND ACCEPTANCE OF PTD (Undated)

RMC E-2-0001 QUALITY ASSURANCE PROGRAM (Undated)

HQ L-2-0003 FACILITY SECURITY CLEARANCE (NAVSEA) (FEB 2012)

HQ L-2-0005 NOTIFICATION OF POTENTIAL ORGANIZATIONAL CONFLICT(S) OF INTEREST (NAVSEA) (JUN 1994)

RMC L-2-0006 SECURITY REQUIREMENTS AND DESTRUCTION OF CLASSIFIED MATERIAL (Undated)

HQ L-2-0012 USE OF NON-DEVELOPMENTAL ITEMS (NDI) (NAVSEA) (MAY 1993)