

**PLEASE COMPLETE THIS FORM IN ITS ENTIRETY AND RETURN THE FIRST
4 PAGES TO PEERLESS INSTRUMENT AT
PIC_PURCHASING@CURTISSWRIGHT.COM**

**PART I – AGREEMENT AND CERTIFICATION
(ANNUAL SUBMITTAL)**

Supplier agrees/certifies the following:

Receipt of these Purchase Order "Terms and Conditions", Form P-101. (Clauses of this form will be included by reference in Peerless Purchase Orders and, accordingly, the form should be retained in your files.)

1. Prohibition of Segregated Facilities. See text below.
2. Agreement and Certification Regarding Women-Owned Business, Equal Opportunity, and Affirmative Action Compliance. See text below. Check-off as applicable.
3. Certification Regarding Responsibility Matters. See text on next page.
4. Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions. See text on next page.
5. Exclusion of Mercury Certification. See page 2.
6. Fraud or Falsification. See text on page 12.
7. Small Business Program Representations. See page 4.
8. MFG-43, Rev. B, Prohibited Materials. See attachment.
9. Peerless-provided instructions and procedures designated COMPANY PROPRIETARY may be passed down to sub-tier vendors to ensure compliance with product requirements.

Company

Date

Authorized Signature

Name & Title

Government regulations require government contractors, such as Peerless Instrument (Peerless), to include clauses pertaining to employment practices in certain subcontracts. Because Peerless may place subcontracts or purchase orders ("Contracts") aggregating \$2,500 or more annually with your company, we request that you execute and return Part I copy of the Agreement and Certification. Questions regarding this Agreement and Certification may be directed to Peerless Purchasing, 631-396-6500 at 1966D Broadhollow Road, East Farmingdale, New York 11735-1768. PIC_purchasing@curtisswright.com

The following provisions of this Agreement and Certification, including the contract clauses incorporated by reference, are included as terms of all contracts, and modifications, renewals or extensions of contracts issued by Peerless to suppliers. This document shall be issued to suppliers annually.

1. PROHIBITION OF SEGREGATED FACILITIES – FAR 52.222-21 (Apr. 2015)

(a) *Definitions.* As used in this clause

Gender identity has the meaning given by the Department of Labor's Office of Federal Contract Compliance Programs, and is found at http://www.dol.gov/ofccp/LGBT/LGBT_FAQs.html.

Segregated facilities, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, sexual orientation, gender identity, or national origin because of written or oral policies or employee custom. The term does not include separate or single-user rest rooms or necessary dressing or sleeping areas provided to assure privacy between the sexes.

Sexual orientation has the meaning given by the Department of Labor's Office of Federal Contract Compliance Programs, and is found at http://www.dol.gov/ofccp/LGBT/LGBT_FAQs.html.

(b) The Contractor agrees that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The Contractor agrees that a breach of this clause is a violation of the Equal Opportunity clause in this contract.

(c) The Contractor shall include this clause in every subcontract and purchase order that is subject to the Equal Opportunity clause of this contract.

2. WOMEN-OWNED BUSINESS (OTHER THAN SMALL BUSINESS) FAR 52.204-5 (Oct. 2014)

(a) *Definition.* "Women-owned business concern," as used in this provision, means a concern that is at least 51 percent owned by one or more women; or in the case of any publicly owned business, at least 51 percent of its stock is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

(b) *Representation.* [Complete only if the offeror is a women-owned business concern and has not represented itself as a small business concern in paragraph (c)(1) of FAR 52.219-1, Small Business Program Representations, of this solicitation.] The offeror represents that it is a women-owned business concern.

3. EQUAL OPPORTUNITY CLAUSE, (FAR 52.222-26). REPRESENTATIONS:

a. Previous Contracts and Compliance Reports. (FAR 52.222-22) (Feb 1999)

The Offeror represents that it:

1. has / has not participated in a previous contract or subcontract subject to the Equal Opportunity clause referenced herein;
2. has / has not filed all required compliance reports; (and)
3. Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

b. Affirmative Action Compliance. (FAR 52.222-25) (Apr 1984)

The Offeror represents that it:

1. has developed and has on file / has not developed and does not have on file at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), (or)
2. has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

4. CERTIFICATION REGARDING RESPONSIBILITY MATTERS – 52.209-5. (Aug. 2020)

(a) (1) The Offeror certifies, to the best of its knowledge and belief, that —

(i) The Offeror and/or any of its Principals –

(A) are are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;

(B) are are not, within a three-year period preceding this offer, been convicted of or had a civil judgement 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 statement, tax evasion, violating Federal criminal tax laws, or receiving stolen property (if offeror checks "have", the offeror shall also see 52.209-7, if included in this solicitation);

(C) are 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;

(D) have have not, within a three-year period preceding this offer, been notified of any delinquent Federal taxes in an amount that exceeds the threshold at 9.10405(a)(2) for which the liability remains unsatisfied.

(1) Federal taxes are considered delinquent if both of the following criteria apply:

(i) *The tax liability is finally determined.* The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.

(ii) *The taxpayer is delinquent in making payment.* A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.

(2) *Examples.*

(i) The taxpayer has received a statutory notice of deficiency, under I.R.C. § 6212, which entitles the taxpayer to seek Tax Court review of a proposed tax deficiency. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek Tax Court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(ii) The IRS has filed a notice of Federal tax lien with respect to an assessed tax liability, and the taxpayer has been issued a notice under I.R.C. § 6320 entitling the taxpayer to request a hearing with the IRS Office of Appeals contesting the lien filing, and to further appeal to the Tax Court if the IRS determines to sustain the lien filing. In the course of the hearing, the taxpayer is entitled to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek tax court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(iii) The taxpayer has entered into an installment agreement pursuant to I.R.C. § 6159. The taxpayer is making timely payments and is in full compliance with the agreement terms. The taxpayer is not delinquent because the taxpayer is not currently required to make full payment.

(iv) The taxpayer has filed for bankruptcy protection. The taxpayer is not delinquent because enforced collection action is stayed under 11 U.S.C. 362 (the Bankruptcy Code).

(ii) The Offeror has has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

(2) "Principal," for the purposes of this certification, means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a division or business segment; and similar positions).

This Certification Concerns a Matter Within the Jurisdiction of an Agency of the United States and the Making of a False, Fictitious, or Fraudulent Certification May Render the Maker Subject to Prosecution Under Section 1001, Title 18, United States Code.

(b) The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted, or has become erroneous by reason of changed circumstances.

(c) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection

with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsible.

(d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

(e) The certification if paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Office may terminate the contract resulting from this solicitation for default.

5. CERTIFICATION AND DISCLOSURE REGARDING PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS – 52.203-11. (Sept 2007)

(a) *Definitions.* As used in this provision—"Lobbying contact" has the meaning provided at 2 U.S.C. 1602(8). The terms "agency," "influencing or attempting to influence," "officer or employee of an agency," "person," "responsible compensation," and "regularly employed" are defined in the FAR clause of this solicitation entitled "Limitation on Payments to Influence Certain Federal Transactions" (52.203-12).

(b) *Prohibition.* The prohibition and exceptions contained in the FAR clause of this solicitation entitled "Limitation on Payments to Influence Certain Federal Transactions" (52.203-12) are hereby incorporated by reference in this provision.

(c) *Certification.* The offeror, by signing its offer, hereby certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any persons for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, or an officer or employee of Congress, or an employee of a Member of Congress on its behalf in connection with the awarding of this contract.

(d) *Disclosure.* If any registrants under the Lobbying Disclosure Act of 1995 have made a lobbying contract on behalf of the offeror with respect to this contract, the offeror shall complete and submit, with its offer, OMB Standard Form LLL, disclosure of Lobbying Activities, to provide the name of the registrants. The offeror need not report regularly employed officers or employees of the offeror to whom payments of reasonable compensation were made.

(e) *Penalty.* Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by 31 U.S.C. 1352. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure required to be filed or amended by this provision, shall be subject to a civil penalty of not less than \$10,000, and to more than \$100,000, for each such failure.

6. EXCLUSION OF MERCURY CLAUSE (ALL NAVAL NUCLEAR SUBCONTRACTS)

a. Supplies furnished under this contract shall not contain functional mercury. The presence of functional mercury shall be cause for rejection of the supplies. (Functional mercury is that mercury or mercury compound contained in a component, without the presence of which the component would fail to operate properly.)

b. Supplies furnished under this contract shall not be contaminated by mercury or mercury compounds and reasonable steps shall be taken to ensure that the supplies furnished under this contract are not contaminated during manufacture and testing with metallic mercury or mercury compounds.

c. Peerless shall be notified if there is reasonable cause to suspect the supplies of being contaminated by mercury, and Peerless shall have the option to witness contamination tests and to obtain test data.

d. The existence of external mercury contamination may be determined by the supplier as follows:

1. Enclose the supplied item in an airtight container, such as a polyethylene bag (the air volume inside the container should be approximately twice the volume of the item); place in an oven at 125°F ± 5°F (52°C ± 3°C) for one hour; sample the trapped air. If the mercury vapor concentration is 0.01 mg/m³ or more, the material is considered to be contaminated in so far as the requirements of this contract are concerned. Mercury vapor determined with a mercury vapor detector such as Beckman Instruments Model K-23, General Electric Catalog #8257557G-3, Sunshine Catalog No. 38D, Thermotron Corp. Model L006-1RP, or equivalent instrument. (It should be noted that certain vapors such as benzene interfere with these types of mercury vapor detectors, and accordingly the

detectors should never be zero adjusted in any suspect atmosphere unless the equipment has a filtered air calibration capability.)

2. An alternate procedure consists of enclosing a portion of the item (but not less than 10 percent of the area suspected of being contaminated) in a close-fitting polyethylene bag or other airtight container for 8 hours at room temperature of $76^{\circ}\text{F} \pm 10^{\circ}\text{F}$ ($24^{\circ}\text{C} \pm 5^{\circ}\text{C}$). The enclosed environment is then analyzed for mercury using the method outlined above.
3. Some classes of mercury compounds are not volatile at 125°F . If contamination by such a compound is suspected, special chemical

analyses as prescribed by Peerless shall be performed. Results indicating contamination above the maximum prescribed level shall be cause for rejection of the supplies.

- e. Contact the Peerless Quality Assurance Department if interpretation of any provision of this clause is required.
- f. The requirements of this clause shall be included in all subcontracts hereunder.

Peerless Instrument

Please complete the following Small Business Program Representations form and return to the Peerless Buyer.

SMALL BUSINESS PROGRAM REPRESENTATIONS

Definitions: Definitions required to complete this form can be found in the Federal Acquisition Regulation (FAR) Article 52.219-1.

- A. 1. The North American Industry Classification System (NAICS) code for this acquisition is _____ [insert NAICS code].
2. The small business size standard is _____ [insert size standard].
3. The small business size standard for a concern which submits an offer in its own name, other than on a construction or service contract, but which proposes to furnish a product which it did not itself manufacture, is 500 employees.

B. Representations.

1. The Offeror represents as part of its offer that it is, is not a small business concern.
2. [Complete only if the Offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The Offeror represents, for general statistical purposes, that it is, is not a small disadvantaged business concern as defined in 13 CFR 124.1002.
3. [Complete only if the Offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The Offeror represents as part of its offer that it is, is not a woman-owned small business concern.
4. Women-owned small business (WOSB) concern eligible under the WOSB Program. [Complete only if the offeror represented itself as women-owned small business concern in paragraph (b)(3) of this provision.] The offeror represents that as part of its offer that—(i) it is, is not a WOSB concern eligible under the WOSB Program, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that effects its eligibility; and (ii) it is, is not a joint venture that complies with the requirements of 13 CFR part 127, and the representation in (c) (4) (i) of this provision is accurate for each WOSB concern eligible under the WOSB Program participating in the joint venture. [The offeror shall enter the name or names of the WOSB concern or concerns that are participating in the joint venture: _____.]

Each WOSB concern eligible under the WOSB representation participating in the joint venture shall submit a separate signed copy of the WOSB representation.

5. Economically disadvantaged women-owned small business (EDWOSB) concern. [Complete only if the offeror represented itself as a women-owned small business concern eligible under the WOSB Program in (b) (4) of this provision.] The offeror represents that as part of its offer that ---(i) it is, is not an EDWOSB concern eligible under the WOSB Program, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that affects its eligibility, and it is, is not a joint venture that complies with the requirements of the 13 CFR part 127, and the representation in paragraph (c) (5) (i) of this provision is accurate in reference to the EDWOSB

concern participating in the joint venture. [The offeror shall enter the name or names of the EDWOSB concern and other small business that are participating in the joint venture: _____.]

Each EDWOSB concern participating in the joint venture shall submit a separate signed copy of the EDWOSB representation.

6. [Complete only if the Offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The Offeror represents as part of its offer that it is, is not a veteran-owned small business concern.
7. [Complete only if the Offeror represented itself as a veteran-owned small business concern in paragraph (b)(4) of this provision.] The Offeror represents as part of its offer that it is, is not a service-disabled veteran-owned small business concern.

[Complete only if the Offeror represented itself as a small business concern in paragraph (b)(1) of this provision.]

8. The Offeror represents, as part of its offer, that:
- a. It is, is not a HUBZone small business concern listed, on the date of this representation, on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration, and no material change in ownership and control, principal office, or HUBZone employee percentage has occurred since it was certified by the Small Business Administration in accordance with 13 CFR Part 126; and
- b. It is, is not a joint venture that complies with the requirements of 13 CFR part 126, and the representation in paragraph (b)(6)(i) of this provision is accurate for the HUBZone small business concern or concerns that are participating in the joint venture. [The Offeror shall enter the name or names of the HUBZone small business concern or concerns that are participating in the joint venture: _____.]
- Each HUBZone small business concern participating in the joint venture shall submit a separate signed copy of the HUBZone representation.

Notice: Under 15 U.S.C. 645(d), any person who misrepresents a firm's status as a small, HUBZONE small, small disadvantaged, service-disable veteran-owned small, economically disadvantaged women-owned small, or women-owned small business eligible under the WOSB Program in order to obtain a contract to be awarded under the preferences programs established pursuant to Section 8, 9, 15, 31, and 36 of the Small Business Act or any other provision of Federal law that specifically references Section 8(d) for a definition of program eligibility, shall —

- a. Be punished by imposition of fine, imprisonment, or both;
- b. Be subject to administrative remedies, including suspension and debarment; and
- c. Be ineligible for participation in programs conducted under the authority of the Act.

COMPANY

PRINT NAME

AUTHORIZED SIGNATURE, DATE

PRINT TITLE

Phone (631) 396-6500

Fax: (631)-396-6555

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PURCHASE ORDER "TERMS AND CONDITIONS"

This document contains "Terms and Conditions" that are incorporated by reference in Peerless purchase orders, as follows:

<u>PART</u>	<u>TITLE</u>	<u>APPLICABILITY</u>	<u>PAGE</u>
I	AGREEMENTS AND CERTIFICATIONS	As specified on form.	1
II	STANDARD TERMS AND CONDITIONS	All purchase orders.	6
III	NAVAL NUCLEAR SUBCONTRACT TERMS AND CONDITIONS (Including EXCLUSION OF MERCURY CLAUSE)	For Naval Nuclear Subcontract purchase orders.	9
IV	SUPPLIER QUALITY REQUIREMENTS	All purchase orders. (The applicable clauses shall be identified by number on the Purchase Order.)	15

PART II – STANDARD TERMS AND CONDITIONS

1. **ACCEPTANCE.** A purchase order constitutes Buyer's offer to Seller, and becomes a binding contract when it is accepted by Seller by acknowledgment or the commencement of performance hereof. No revisions to a purchase order shall be valid unless in writing and signed by an authorized representative of Buyer, and no condition stated by Seller in accepting or acknowledging this order shall be binding upon Buyer if in conflict with, inconsistent with, or in addition to the terms and conditions contained herein, unless expressly accepted in writing by Buyer.
2. **PACKING AND CRATING.** All items shall be packed by Seller in suitable containers for protection in shipment and storage. Prices set forth in a purchase order include all charges for Seller's packing and crating and for transportation to F.O.B. point.
3. **INSPECTION.** All materials or articles ordered will be subject to final inspection and approval at destination by Buyer. Buyer reserves the right to reject and hold, at Seller's expense subject to Seller's disposal, all materials or articles not conforming to Drawings and/or Specifications and/or samples, if required under the terms of a purchase order. If any merchandise fabricated by Seller from material furnished by Buyer is rejected by Buyer due to Seller's fault or failure to meet the requirements of drawings, specifications and/or samples, if required, Seller shall, at Buyer's option, either replace such merchandise at its own expense or pay Buyer the replacement cost of this material used therein. Seller will pay Buyer replacement costs of Buyer's materials or tools damaged while in Seller's possession.
4. **PRICES.** Seller represents that, to the best of its knowledge, information and belief, the price or prices to be charged for items covered by this order will not exceed the maximum prices permitted by applicable regulations, or Governmental authority, if any, and Seller agrees forthwith to refund any amounts paid by Buyer in excess of amounts permitted by such regulations.
5. **PRICE CHANGES.** Prices specified on any order accepted by Seller shall not be subject to change without Buyer's consent.
6. **DELIVERY.** All delivery requirements set forth in this order are firm. Seller agrees that delays during performance of the order which would cause delivery to extend beyond contractual delivery date(s), and which are the responsibility of Seller, must be made up by Seller at its expense through the use of whatever means are necessary including, but not limited to, overtime and additional workshifts.

If Seller notifies Buyer that Seller anticipates or is encountering difficulty in complying with the delivery schedule specified in this order or not meeting any other requirement of this order, such notification shall be for information only and its receipt by Buyer shall not be construed as a waiver by Buyer (i) of any delivery schedule or date, or (ii) of compliance with any other order requirements by the Seller, or (iii) of any other rights or remedies provided to Buyer by law under this order.
7. **ADVANCE MANUFACTURE AND SHIPMENTS.** Seller shall not manufacture in advance of Seller's normal Flow Time or deliver any material in advance of the schedule set forth in this order without Buyer's written permission. Buyer reserves the right to return, shipping charges collect, all

material received at Buyer's plant in advance of the schedule shown on a purchase order. Seller may request Buyer's written consent to advance manufacture and/or delivery at time of returning acknowledgment.

8. **GENERAL WARRANTY.**

- a. In addition to its obligations under other provisions of this order (including those concerning inspection and acceptance), Seller warrants material and workmanship, and that the items furnished under this order will be manufactured in accordance with order requirements, and, if Seller is responsible for design, will meet all design requirements set forth in this order. The term of this warranty shall be from the date of final acceptance and extend for a period of one (1) year.
- b. Buyer shall give Seller notice of any defect or lack of conformity with order requirements within a reasonable time after discovery. Seller shall promptly thereafter (without additional cost to the Buyer) either correct or replace such defective or nonconforming item or component thereof, and correct or replace all appropriate drawings, procedures, technical manuals, design reports and substantiating data. If Buyer does not require correction or replacement of the defective or non-conforming item or component thereof, Seller within a reasonable time after the notice shall repay such portions of the order price of the item as is equitable under the circumstances. If Seller fails to proceed with reasonable promptness to make any correction or replacement in accordance with the provisions of this article, Buyer reserves the right to cause such corrections or replacement to be made and Seller agrees to reimburse Buyer for the costs incurred thereby. Unless otherwise agreed, correction or replacement of defective or non-conforming items or components thereof shall be performed subject to and in accordance with the provisions of this order. Buyer has the right to require Seller to correct in place any defective or non-conforming item or component thereof delivered under this order or to return such item or component to Seller for correction in which case Seller shall be responsible for packing and packaging charges and shipping costs (to and from Seller's plant) for the item or component returned for correction. In exercising this right, Buyer will notify Seller which alternative it proposed to take. In this connection, Buyer will be reasonable in making its election in terms of its and the Government's time requirements, the relative economies of each course and the particular circumstances at the time of election, giving due regard to any reasonable requests of Seller. In the event that Seller is required to correct in place, Seller shall not be responsible for removal or reinstallation of the items or structural parts not furnished by Seller under this order.

In the event that any defective item is returned by Buyer to Seller's plant for correction, Buyer shall be responsible for removing the defective item from the system and Seller shall, upon completion of correction, make delivery as directed by Buyer, but shall not be obligated to incur costs in excess of the total price of this order, plus shipping (to and from Seller's plant) and packing and packaging charges, nor shall Seller be responsible for any costs of reinstallation. However, Seller shall not be responsible for shipping costs outside the continental limits of the United States.

- c. The warranty with respect to a corrected or replaced item, items or components thereof, shall be subject to the same terms as the warranty provided for in paragraph (a). The original warranty for other than the corrected or replaced item, items, or components thereof shall continue until the expiration of the period prescribed in paragraph (a) plus a period equal to the time elapsed between the discovery of the defect and correction or replacement of the defective item, items or components thereof.
- d. Approval of designs, drawings, samples, test results, procedures, processes or schedules by Buyer or the Government shall not in any way limit or diminish Seller's warranties hereunder.
- e. **Virus Warranty:**
Software and hardware provided by the Seller shall not contain known computer viruses or other malicious software in accordance with the following:
Viruses are program code that replicate themselves on execution and create undesirable effects, generally only applicable to personal computer systems. Malicious software is program code intentionally added to programs or media to produce undesirable results. An unintentional software error is not malicious code and will be resolved in accordance with other applicable purchase order requirements.
The Seller shall take anti-virus and anti-malicious software precautions including installation and proper use of anti-virus software where applicable and implementation of workplace awareness to avoid conveying known computer viruses or other malicious software to the Buyer. Specifically, all computer files, disks, memories, or other media produced by or utilized on operating systems supported by anti-virus utilities and provided by the Seller to the Buyer (other than third party supplied software in its original, unopened packaging materials) shall be checked by the Seller prior to delivery to the Buyer to detect and remove any known computer virus or other known malicious software. The Seller virus check shall be performed using the current signature file and software revision for the Seller selected anti-virus software. The Seller shall include a statement verifying that the check has been made prior to delivery to the Buyer. The Seller is not required to perform a virus check on media generated by operating systems not supported by anti-virus utilities.
In addition to Buyer's other remedies under this purchase order, the Seller shall, at the Seller's expense, replace or correct media found to have virus/malicious software during the Seller's check or later found by the Buyer during initial use (including receipt inspection virus check when applicable). The Buyer will provide written notification regarding any virus/malicious software contamination to the Seller.
- f. In the event this order is, in full or in part, for services, then (i) paragraphs a and b above are deleted solely with regard to the services portion of this order, and replaced with FAR 52.246-20, Warranty of Services and (ii) paragraphs c and d remain fully applicable except that references to "items" or "components" are replaced with "services" and (iii) those portions of paragraph e that qualify as services remain applicable.
9. **PATENT PROTECTION.** To the extent that the articles or materials delivered hereunder are not manufactured pursuant to designs originated by Buyer, Seller guarantees that the sale and/or use of any or all articles or materials delivered hereunder will not infringe any United States or foreign Patents, and agrees that Seller will save Buyer and/or its customers harmless from any loss, damage or liability which may be incurred on account of infringement or alleged infringement of patent rights with respect to such articles or materials, and that it will at its own expense defend any action, suit or claim in which such infringement is alleged; provided Seller is duly notified as to suits or claims against Buyer and provided further that Seller's indemnity as to use shall not apply to infringement arising from use in combination with other items where infringement would not have occurred from the normal use for which the articles was designed.
10. **INSURANCE.** All materials, tooling, models, patterns, drawings and other personal property belonging to Buyer, furnished by Buyer to Seller or otherwise in Seller's custody or possession, shall be at Seller's risk from loss or damage from all hazards, except that Buyer, for Buyer's sole benefit, shall insure such materials, etc., against loss or damage resulting from fire, lightning, cyclone, tornado, windstorm and hail, explosion, earthquake, aircraft or vehicle, smoke, sprinkler leakage, flood, strike, riot and civil commotion, and vandalism and malicious mischief, but such insuring shall not relieve Seller from liability for Seller's negligent acts or omissions. In the event that Seller is required to enter premises owned, leased, occupied by or under the control of Buyer during the performance of services ordered hereunder or during delivery or installation of materials or articles herein contemplated or during the performance of services otherwise required to be furnished by Seller, Seller agrees that Seller will indemnify and hold harmless Buyer, its officers and employees, from any loss, cost, damage, expense or liability by reason of property damage or personal injury of whatsoever nature or kind arising out of or as a result of the performance of such services and/or delivery and/or installation, whether arising out of the actions of Seller or of its employees, sub-contractors or sub-sub-contractors; and Seller agrees that it and its sub-contractors or sub-sub-contractors will maintain public liability and property damage insurance in reasonable limits covering the obligations set forth above and will maintain proper workmen's compensation insurance covering all employees engaged in the performance of such services and/or delivery and/or installation.
11. **ASSIGNMENTS.** Seller may not assign this order without the prior written consent of Buyer. Claims for monies due or to become due may be assigned by Seller, provided that Seller shall supply Buyer promptly with two copies of any such assignment, and provided further that payment to an assignee of any claim shall be subject to setoff or recoupment for any present or future claim or claims which Buyer may have against Seller.
12. **CANCELLATION FOR INSOLVENCY.** In the event of any suspension of payment or the institution of any proceedings by or against either party, voluntary or involuntary, in bankruptcy or insolvency, or under any provision of the United States Bankruptcy Act, or for the appointment of a receiver or trustee or an assignee for the benefit of creditors of either party, or in the event of a breach of any of the terms hereof, including warranties of Seller, the other party shall be entitled to cancel this contract forthwith, without liability for loss of anticipated profits.
13. **CONFIDENTIALITY.** The Seller shall not disclose any details connected with a purchase order to any third party except as may be required to insure performance and except as herein specified without providing prior notification to the Buyer of his intent to do so.
14. **TERMINATION. (Applicable to Commercial Orders only.)**
- Buyer may terminate work under a purchase order in whole or in part at any time by written or telegraphic notice to Seller.
 - Upon termination in whole or in part of the work by Buyer pursuant to Paragraph (a) above, Seller will, as to the terminated portion of the purchase order, stop work immediately, notify subcontractors to stop work and protect property in Seller's possession in which Buyer has or may acquire an interest.
 - Except where such termination is occasioned by a default or delay of Seller, other than one due to causes beyond Seller's control and without Seller's fault or negligence, Seller may claim reimbursement, on forms which Buyer will furnish on request, for Seller's actual costs incurred up to and including the date of termination which are properly allocable to or apportionable under recognized accounting practices to the terminated portion of the purchase order, including liabilities to subcontractors which are so allocable, and acceptable finished units at contract price not previously billed or paid for, but excluding any charge for interest or any materials which Seller may be able to divert to other orders. Seller may also claim a reasonable profit on the work actually done by Seller prior to such termination, the rate of which shall not exceed the rate used in establishing the original purchase order price. The total of such claim shall not, however, exceed the canceled commitment value of a purchase order.
15. **GOVERNMENT PROPERTY.** All Government Property received and used in the performance of Peerless Purchase Order requirements shall be processed, controlled and maintained in accordance with Subpart 45.5 of the FAR and DFARs 252.245-7001.
16. **PROCESSING OF NONCONFORMING MATERIAL**
The supplier does not have the authority to disposition for acceptance any supplies that do not conform to contract technical requirements. Nonconforming supplies must be reported to the Peerless Purchasing Department. Under no circumstances shall supplies be shipped without prior disposition from the Peerless Purchasing Department.
17. **PEERLESS FURNISHED MATERIAL**
The supplier shall visually inspect Peerless furnished raw material for accountability and damage from shipment and notify the buyer immediately of any nonconformance.
The supplier shall certify on the Certificate of Compliance submitted per Clause 3a herein as follows:
"The raw material used for this order is the material furnished by Peerless and no unauthorized substitutions have been made."

18. **PEERLESS FURNISHED GAUGES, INSTRUMENTS AND/OR SPECIAL TOOLING.** It is the supplier's responsibility for the accountability and safe-keeping of all Peerless furnished gauges, instruments and tooling.
19. **ELECTROSTATIC DISCHARGE CONTROL (ESD)**
ESD Sensitive items must be handled in accordance with MIL-STD-1686. Identification shall be in accordance with MIL-STD-129.

20. **CHANGES IN DESIGN OF PROCURED PRODUCTS**
The supplier must notify and obtain approval from Peerless for changes in design, specifications, drawings, procedures, etc., prior to processing of order.

21. **SUPPLIER REQUIREMENTS**

- a. The requirements and specifications for the processes, products, and services to be provided including the identification of relevant technical data (e.g., specifications, drawings, process requirements, work instructions) shall be complied with, and shall be available on PEERLESS Purchase Order (PO);
- b. The Supplier shall maintain controls for the approval of their:
- products and services;
 - methods, processes, and equipment;
 - the release of products and services;
- c. The Supplier shall maintain organizational competence, including any required qualification of persons;
- d. The Supplier shall cooperate through all interactions with PEERLESS;
- e. PEERLESS monitors Supplier performance for:
- On-Time Delivery (OTD): Number of late deliveries, Goal: 0 late deliveries.
 - Quality: Number of rejected orders at incoming inspection, Goal: 0 rejected orders.
- f. Certain instances may require PEERLESS and/or its customers to perform verification and/or validation activities at the Supplier's premises;
- g. The Supplier shall maintain control of design and development activities, as applicable;
- h. The Supplier shall maintain control of special requirements, critical items, or key characteristics, as applicable;
- i. The Supplier shall maintain control of tests, inspections, and verification activities (including production process verification), as applicable;
- j. The Supplier shall maintain control of the use of statistical techniques for product acceptance and related instructions for acceptance by the organization, as applicable;
- k. The Supplier shall:
- implement a quality management system;
 - use customer-designated or approved Suppliers, including process sources (e.g., special processes), as applicable;
 - notify the organization of nonconforming processes, products, or services and obtain approval for their disposition;
 - prevent the use of counterfeit parts;
 - notify the organization of changes to processes, products, or services, including changes of their Suppliers or location of manufacture, and obtain the organization's approval;
 - flow down to Suppliers applicable requirements, including customer requirements;
 - provide records of test specimens for design approval, inspection/verification, investigation, or auditing, as applicable;
- l. The Supplier shall provide the right of access by the organization, their customer, and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain;
- m. The Supplier shall ensure that persons are aware of:
- their contribution to product or service conformity;
 - their contribution to product safety;
 - the importance of ethical behavior.

22. **ADDITIONAL CONDITIONS (Applicable to Orders Placed Under Government Contracts or Subcontracts.)**

- a. **AUDIT.** Seller's manufacturing plant or such part of any manufacturing plant as may be engaged in furnishing or constructing the articles ordered, and books, shall at all times be subject to inspection and audit by any person designated by the head of any executive department of the Government.
- b. **DISCLOSURE OF INFORMATION.** Seller agrees to be responsible in matters within its control for the safeguarding of all top secret, secret, confidential or restricted matters that may be disclosed, or that may be developed in connection with the work under any purchase order and to require a similar agreement of all subcontractors and agents of Seller to whom any work or duty relating to this order may be allotted. It is understood that disclosure of information relating to the work contracted herein to any person not entitled to receive it, or failure to safeguard all top secret, secret, confidential and restricted matter that may come to Seller or to any person under his control in connection with the work under this contract, may subject Seller, his agents, employees, and subcontractors to criminal liability under the laws of the United States. See Espionage Laws: Title 18 U.S.C., Section 793; Title 18 U.S.C., Section 795; and E.O. 8381, 22 March 1940; 5 F.R. 1147; 60 U.S.C., 45 re-enacted as Title 18 U.S.C., Section 795.
- c. **ESPIONAGE, SABOTAGE OR SUBVERSIVE ACTIVITIES.** Seller shall immediately submit to the Buyer a confidential report concerning existing or threatened espionage, sabotage or subversive activities at any place at which work under a Peerless contract is being performed or at which material acquired and used in connection with the performance of a Peerless contract is stored.

Whenever directed by the Secretary of the department having jurisdiction of this contract, or his authorized representative, Seller shall submit such information as it may have concerning any of its employees engaged in work at any place at which work under a Peerless purchase order is being performed and shall, when directed by such Secretary, suspend from employment or refuse to employ any person or persons whom said Secretary in the interest of security may designate.
- d. **EMPLOYMENT OF ALIENS.** Seller agrees not to permit any alien employed or to be employed by it or by any sub-bidder or subcontractor to have access to the drawings, specifications and enclosures relating to the performance of a Peerless contract, or to the models or material referred to therein, or to engineering principles, composition, subassemblies, or assemblies which are vital to the functioning or use of the article or articles forming the subject matter of a Peerless contract, unless the written consent of the Secretary of the Department concerned with the Government contract noted on the Peerless purchase order has first been obtained.
- e. **NON-DISCRIMINATION.** The Seller, in performing the work required by this order, shall not discriminate against any worker, employee or applicant for employment because of race, creed, color, national origin, sex or disability.
- f. **DOMESTIC ARTICLES.** Seller shall comply with the law relating to preference for domestic articles (Section 2 and/or 3 of the Act of March 3, 1933, 47 Stat, 1520, 41 U.S.C. Section 10a and 10b) to the extent required under the determinations issued by the head of the department concerned with the Government Contract noted on the order.
- g. **WALSH-HEALY ACT.** Seller agrees to comply with the applicable provisions of the Walsh-Healy Act (Public Act No. 846, 74th Congress) and agrees to indemnify Buyer against any damages by reason of violations of this paragraph.
- h. Seller acknowledges that:
- (i) Curtiss-Wright Corporation has posted a copy of Curtiss-Wright Corporate Policy 1a Code of Conduct – Suppliers and Customers, at:
<https://curtisswright.com/investor-relations/governance/governance-documents/>.
- (ii) Seller has reviewed a copy of the policy; and
- (iii) Seller agrees to comply with the provisions of the policy.
- i. **TERMINATION.** (i) Buyer may terminate work under a purchase order in whole or in part at any time by written or telegraphic notice to Seller. (ii) Upon termination of an order by Buyer for any reason, other than default or delay of Seller (except when due to causes beyond Seller's control and without Seller's fault or negligence), the respective rights and duties of Buyer and Seller shall be as provided in, and settlement

shall be made in accordance with, the Approved Government Termination Article applicable to the prime contract referred to above as said Termination. Article may be amended and in effect as of the date of such termination. All terms of such Approved Government Termination Article shall be deemed to be incorporated herein and made a part hereof by this reference.

j. **CONTRACT CLAUSES.** The following clauses of the U.S. Government Federal Acquisition Regulations (FAR) and the Department of Defense (DoD) FAR Supplement shall apply to all purchase orders. (The clauses shall be those in effect on the effective date of this order.)

<u>Clause No</u>	<u>Title</u>
<u>FAR</u>	
52.202-1	Definitions
52.203-5	Covenant Against Contingent Fees
52.203-6	Restrictions on Subcontractor Sales to Government
52.203-7	Anti-Kickback Procedures
52.209-6	Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment
52.211-15	Defense Priority and Allocation Requirements
52.215-14	Integrity of Unit Prices (less paragraph [c])
52.222-4	Contract Work Hours and Safety Standards – Overtime Compensation (for Purchase Orders over \$150,000)
52.222-19	Child Labor – Cooperation with Authorities & Remedies
52.222-21	Prohibition of Segregated Facilities
52.222-50	Combating Trafficking in Persons
52.225-13	Restrictions on Certain Foreign Purchases
52.233-2	Service of Protest
52.233-3	Protest After Award
52.234-1	Industrial Resources Developed Under Defense Production Act, Title III
52.243-1	Changes – Fixed Price
52.244-6	Subcontracts for Commercial Products and Commercial Services.
52.246-25	Limitation of Liability – Services (for subcontracts exceeding \$250,000)
52.246.26	Reporting Non-conforming Items
52.247-63	Preference for U.S. Flag Air Carriers
<u>DoD FAR Supplement</u>	
252.225-7014	Preference for Domestic Specialty Metals

22. **SLAVERY / HUMAN TRAFFICKING.** Seller hereby certifies that the production of materials incorporated into any product sold or otherwise provided to Curtiss-Wright Corporation and/or its subsidiaries complies with laws regarding slavery and human trafficking of the states, provinces or countries in which seller's company does business.

23. **CONFLICT MINERALS COMPLIANCE.** Seller agrees that it will (1) provide Buyer with the information Buyer in its sole discretion deems necessary to comply with the requirements of Section 1502 (the Provision) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203, 124 Stat. 1376 (July 21, 2010)) relating to disclosure and reporting obligations concerning the use of conflict minerals during each calendar year on or before February 1st of the next year and (2) undertake due diligence on its supply chain and any other measures as necessary to obtain the information necessary for Buyer to comply with such requirements.

PART III – NAVAL NUCLEAR GOVERNMENT SUBCONTRACT TERMS AND CONDITIONS

Whenever necessary to make the context of the Federal Acquisition Regulation (FAR) and Department of Defense FAR Supplement (DFARS) clauses or of the TAC-2024 articles set forth in this part applicable to purchase orders, the term "Contractor" shall mean Seller, the term "Contract" shall mean Purchase Order, and the term "Government", "Contracting Officer" and equivalent phrases shall mean Peerless. In cases where the Seller is to contact the Government directly (e.g. Duty-Free Entry Requirements, Company Proprietary Information), Peerless requires that Seller notify Peerless of such action in a timely manner.

Unless otherwise noted, the following FAR clauses, DoD FAR Supplement clauses and TAC-2024 Articles applicable to each purchase order shall be those in effect on the effective date of the order:

FAR Clauses	Items	1 - 65
DoD FAR Supplement Clauses	Items	1 - 41
TAC-2024 Articles	Items	1 - 11

FAR Clauses:

1. Gratuities – 52.203-3. Applicable to purchase orders at all dollar levels.
2. Restrictions on Subcontractor Sales to the Government – 52.203-6. Applicable to all purchase orders exceeding \$250,000. For the purpose of this sub-article, the term "Government" shall continue to mean "Government".
3. Anti-Kickback Procedures – 52.203-7 less paragraph (c)(1). Applicable to all purchase orders over \$150,000.
4. Limitation on Payments to Influence Certain Federal Transactions – 52.203-12. All terms and definitions shall remain as stated in the clause. Applicable to all purchase orders over \$150,000.
5. Contractor Code of Business Ethics and Conduct – 52.203-13. Applicable to all purchase orders over \$6,000,000.
6. Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements – 52.203-19. Does not apply to personal services contracts with individuals.
7. Security Requirements – 52.204-2. Applicable to purchase orders providing access to classified information. Applicable to purchase orders at all dollar levels.
8. Basic Safeguarding of Covered Contractor Information Systems – 52.204-21 (applicable at all dollar levels).
9. Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities – 52.204-23.
10. Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment – 52.204-25.
(Note: This clause contains restrictions on obtaining covered telecommunications equipment or services from specific companies. Per part (e) of the clause, part (b)(2) is excluded.)
11. Prohibition on a Byte Dance Covered Application – 52.204-27.
12. Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment – 52.209-6 (dollar value equal to or exceeding \$35,000). Not applicable to acquisition of off-the-shelf commercial items.
13. Material Requirements – 52.211-5. Applicable to purchase orders at all dollar levels.
14. Audit and Records-Negotiation – 52.215-2. The Navy shall have the same rights provided the Comptroller of the United States. Applicable to purchase orders over \$250,000. Mandatory if the purchase order (1) is cost-reimbursement, incentive, time and materials, labor hour, or price-redeterminable, or combination thereof; (2) required submission of cost or pricing data; or (3) requires the subtiers furnishing of para. (e) reports.
15. Price Reduction for Defective Cost or Pricing Data – 52.215-10. Applicable to purchase orders equal to or exceeding \$2,000,000.

Indemnification - Seller shall indemnify and hold Buyer harmless from and against any loss or damage Buyer may incur which arises out of or results from any failure of Seller or any of Seller's actual or prospective subcontractors or vendors, at whatever tier, to furnish cost or pricing data that is complete, current, and accurate, as certified in its Certificate of

- Current Cost or Pricing Data or to furnish data of any description that is accurate. Any determination which is binding on Buyer and affects Seller under FAR 52.215-10 shall be binding on Seller; provided, however, that Buyer shall furnish Seller with notice of any Government or higher tier contractor action affecting Seller hereunder and, if Buyer elects not to appeal such action, to give Seller the opportunity, at Seller's expense, to assert in Buyer's name Buyer's right, if any, to process such an appeal.
16. Subcontractor Certified Cost or Pricing Data – 52.215-12. Applicable to purchase orders of \$2,000,000 or more. If applicable, a Certificate of Current Cost or Pricing Data is required to be executed and furnished by the seller.
 17. Subcontractor Certified Cost or Pricing Data-Modifications – 52.215-13.
 18. Integrity of Unit Prices – 52.215-14 (dollar value equal to or exceeding \$250,000). Not applicable to commercial items.
 19. Pension Adjustments and Asset Reversions – 52.215-15. Applicable to purchase orders of \$2,000,000 or more.
 20. Revision or adjustment of plans for Post Retirement Benefits other than Pensions – 52.215-18. Applicable to purchase orders of \$2,000,000 or more.
 21. Notification of Ownership Changes – 52.215-19. Applicable to purchase orders of \$2,000,000 or more.
 22. Requirements for Cost or Pricing Data or Information Other than Cost or Pricing Data – Modifications – 52.215-21. Applicable to purchase orders of \$2,000,000 or more.
 23. Limitations on Pass-Through Charges – 52.215-23. Does not apply to awards on the basis of adequate price competition or acquisition of commercial items (purchase orders greater than \$2,000,000).
 24. Utilization of Small Business Concerns – 52.219-8 (purchase orders exceeding \$350,000).
 25. Small Business Subcontracting Plan and Alt II – 52.219-9. Applicable to all purchase orders of \$900,000 or more.
 26. Notice to Government of Labor Disputes – 52.222-1 (at all dollar levels).
 27. Child Labor – Cooperation with Authorities and Remedies – 52.222-19 (at all dollar values).
 28. Prohibition of Segregated Facilities – 52.222-21.
 29. Contract Work Hours and Safety Standards Act – Overtime Compensation – 52.222-4. Applicable to purchase orders of \$150,000 or more.
 30. Equal Opportunity – 52.222-26. Applicable to purchase orders at all dollar levels. Subcontracts are exempt unless the aggregate value of Federal Contracts received in a 12 month period exceeds \$10,000.
 31. Equal Opportunity for Veterans – 52.222-35. Applies to all purchase orders of \$150,000 or more.
 32. Affirmative Action for Workers with Disabilities – 52.222-36. Applicable to all purchase orders of \$15,000 or more.
 33. Employment Reports on Veterans – 52.222-37. Applicable to all purchase orders of \$150,000 or more.
 34. Notification of Employee Rights under National Labor Relations Act, – 52.222-40; applicable to purchase orders exceeding \$10,000.
 35. Combating Trafficking in Persons. – 52.222-50. Applicable to purchase orders at all dollar levels. (Note: The current clause per section (h) requires a compliance plan which applies to supplies (other than commercial, off-the-shelf items) or services acquired outside of the U.S. which exceed \$550,000.) (NOV 2021)
 36. Employment Eligibility Verification – 52.222-54. Applicable to purchase orders exceeding \$3,500.
 37. Hazardous Material Identification and Material Safety Data – 52.223-3. Applicable to purchase orders at all dollar levels.
 38. Notice of Radioactive Materials – 52.223-7. (Mandatory for all subtier orders meeting the criteria in para. (a) of the clause.)
 39. Encouraging Contractor Policies to Ban Text Messages while Driving – 52.223-18. (purchase orders equal to or exceeding \$10,000).
 40. Duty-Free Entry – 52.225-8.
 41. Restrictions on certain Foreign Purchases – 52.225-13. Applicable to purchase orders at all dollar levels.

42. Authorization and Consent – 52.227-1 and Alternate I. Applicable to purchase orders equal to or exceeding \$250,000.
43. Notice and Assistance Regarding Patent and Copyright Infringement – 52.227-2. Applicable to all purchase orders of \$250,000 or more.
44. Patent Indemnity – 52.227-3. Applicable to purchase orders at all dollar levels.
45. Refund of Royalties – 52.227-9. (Royalty amounts exceeding \$250.)
46. Filing of Patent Applications – Classified Subject Matter – 52.227-10. Applicable to purchase orders which cover or are likely to cover classified subject matter.
47. Patent Rights – Small Business Firm or Non-Profit Organization – 52.227-11. [This Article applies only to (i) purchase orders or amendments thereto, regardless of tier, placed with small business firms and/or nonprofit organizations; (ii) for the performance of experimental, developmental, or research work (includes "design" and "design and furnish" scopes of work). With regard to this latter condition, if any part of this order or amendment is for the performance of experimental, developmental, or research work, then this clause applies.]
- Patent rights shall be retained under this order as set forth in FAR 52.227-11, Patent Rights – Ownership by the Contractor, however, the meanings at Article 1, Definitions and Meanings to these terms and conditions, to include meaning b(3) and its note, shall specifically apply.
48. Patent Rights – Ownership by the Government – 52.227-13. [This Article applies only to (i) purchase orders or amendments thereto, regardless of tier, placed with businesses other than small business firms and/or nonprofit organizations; (ii) for the performance of experimental, developmental, or research work (includes "design" and "design and furnish" scopes of work). With regard to this latter condition, if any part of this order or amendment is for the performance of experimental, developmental, or research work, then this clause applies.]
- The Government shall retain the Patent Rights set forth in FAR 52.227-13, Patent Rights – Ownership by the Government; however, the meanings of Article 1, Definitions and Meanings to these terms and conditions, to include meaning b(3) and its note, shall specifically apply.
49. Cost Accounting Standards – 52.230-2. Applies unless the purchase order is (i) exempt pursuant to 48 CFR 9903.201-1 or (ii) subject to 48 CFR 9903.201-2 modified coverage. Applicable to purchase orders of \$2,000,000 or more.
50. Disclosure and Consistency of Cost Accounting Practices – 52.230-3. Applies to this purchase order if it complies with 48 CFR 9903.201-2 as follows:
- (i). The purchase order is less than \$50 million awarded to a business unit that received less than \$50 million in net CAS-covered awards in the immediately preceding cost accounting period, and
- (ii). If any one purchase order is awarded with modified CAS coverage, all CAS- covered purchase orders awarded to that business unit during that cost accounting period must also have modified coverage with the following exception: if the business unit receives a single CAS-covered purchase order award of \$50 million or more, that purchase order must be subject to full CAS coverage. Thereafter, any covered purchase order awarded in the same cost accounting period must also be subject to full CAS coverage, and
- (iii). The Seller certified with its offer that it was eligible for and elected to use 48 CFR 9903.201-2 modified CAS coverage.
51. Administration of Cost Accounting Standards – 52.230-6. Applicable if either FAR 52.230-2 or FAR 52.230-3 applies. Also applies to purchase orders of \$2,000,000 or more.
52. Providing Accelerated Payments to Small Business Subcontractors – 52.232-40.
53. Industrial Resources Developed Under Defense Production Act Title III – 52.234-1. Applicable to purchase orders at all dollar levels.
54. Competition in Subcontracting – 52.244-5 (Purchase orders exceeding \$250,000.)
55. Subcontract for Commercial Items and Commercial Components – 52.244-6. Applicable to purchase orders at all dollar levels.
56. Government Property – 52.245-1. Applicable to purchase orders at all dollar levels.
57. Special Tooling and Test Equipment – 52.245-17 and -18.
- a. Except as to special tooling and special test equipment specified to be delivered to Buyer as an end item under Peerless purchase orders, the articles set forth in FAR 52.245-17 and 52.245-18 respectively shall

apply to all special tooling or special test equipment (as defined in the FAR articles) acquired or manufactured by Seller for use in the performance of Peerless purchase orders, full cost of which is charged to each respective order.

- b. Seller agrees that, in placing any lower-tier orders under a Peerless purchase order that involves tooling or special test equipment, the full cost of which is charged to each order, it will include therein appropriate provisions to obtain rights comparable to those granted Buyer and the Government by this article, and agrees that it will exercise such rights for the benefit of Buyer and the Government, as Buyer may direct.
58. Inspection of Supplies – Cost Reimbursement – 52.246-3. Only applies to cost reimbursement purchase orders.
59. Inspection of Services – Cost Reimbursement – 52.246-5. Only applies to cost reimbursement purchase orders.
60. Inspection – Time and Material and Labor-Hour – 52.246-6. Only applies to cost reimbursement purchase orders.
61. Reporting Non-Conforming Items – 52.246-26. (Purchase orders exceeding \$250,000.)
62. Preference for U.S. Flag Air Carriers – 52.247-63, (at all dollar levels).
63. Preference for Privately Owned U.S. Flag Commercial Vessels – 52.247-64, (at all dollar levels).
64. Termination – 52.249-2. Buyer may terminate all or any part of the work under this purchase order in accordance with the provisions of FAR 52.249-2 less subparagraph (j) in effect on the date of the order, except that the time limit for submittal of termination claims as specified in paragraph (e) of such article is changed to read "four (4) months from the effective date of termination or such further period as may be mutually agreed upon."
65. Default (Fixed Price Supply and Service) – 52.249-8. Applicable to purchase orders at all dollar levels.

DoD FAR Supplement Clauses:

- Requirements Relating to Compensation of Former DoD Officials – 252.203-7000. Applicable to purchase orders at all dollar levels.
- Requirements to inform employees of Whistleblower Rights – 252.203-7002. Applicable to purchase orders at all dollar levels.
- Display of Hotline Posters – 252.203-7004. Applicable to purchase orders over \$6,000,000.
- Limitations on the Use or Disclosure of Third Party Contractor Reported Cyber Incident Information – 252.204-7009. (Applies to subtier orders for services that include support for Government activities related to safeguarding covered defense information and cyber incident reporting, including contracts for commercial items.) All purchase order dollar levels.
- Requirements for Contractor to Notify DOD if the Contractor's Activities are Subject to Reporting Under the U.S.-International Atomic Energy Agency Additional Protocol – 252.204-7010. Applicable to purchase orders at all dollar levels.
- Safeguarding of Covered Defense Information and Cyber Incident Reporting – 252.204-7012. Applicable to purchase orders at all dollar levels.
- Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services – 252.204-7018.
- NIST SP 800-171 DoD Assessment Requirements – 252.204-7020.
- Prohibition on Acquisition of Covered Defense Telecommunications Equipment or Services. – 252.204-7020 NIST.SP 800-171 DOD Assessment Requirements.
- Subcontracting with Firms Owned or Controlled by the Government of a Terrorist Country – 252.209-7004. For Purchase Orders exceeding \$35,000.
- Small Business Subcontracting Plan – 252.219-7003. Applicable to Purchase orders of \$900,000 or more.
- Restrictions on the Use of Mandatory Arbitration Agreements – 252.222-7006, applicable to purchase orders or \$1,000,000 or more.
- Prohibition of Hexavalent Chromium – 252.223-7008.
- Buy American Act and Balance-of-Payments Program – 252.225-7001.
- Restriction on Acquisition of Specialty Metals – 252.225-7008. (Purchase orders exceeding \$250,000.)
- Restriction on Acquisition of Certain Articles Containing Specialty Metals – 252.225-7009. Applicable to purchase orders of \$250,000 or more.
- Duty Free Entry – 252.225-7013. Applicable to purchase orders at all dollar levels.
- Restriction on Acquisition of Ball and Roller Bearings – 252.225-7016 (at all dollar levels).

19. Restriction on Acquisition of Forgings – 252.225-7025 (at all dollar levels).
20. Export Controlled Items – 252.225-7048 (at all dollar levels).
21. Prohibition Regarding Business Operations with the Maduro Regime – 252.225-7056.
22. Postaward Disclosure of Employment of Individuals Who Work in the People's Republic of China – 252.225-7058; (Purchase Orders \$5,000,000 or more).
23. Prohibition on Certain Procurements from the Xinjiang Uyghur Autonomous Region – 252.225-7060.
24. Prohibition on the Procurement of Foreign-Made Unmanned Aircraft Systems. (DEV 2020-00015) – 252.225-7972
25. Rights in Technical Data – Other than Commercial Products and Services – DFARS 252.227-7013, is changed as follows.

(1.) Paragraphs (f) (2) through (f) (5) are deleted and replaced as follows:
 Except to the extent explicitly set forth in this order, the only authorized markings will be in accordance with the following:

Authorized Markings: Absent Buyer agreement otherwise, the following are the only authorized markings:

- Government Purpose Rights Legend. Data delivered or otherwise furnished with Government Purpose Rights shall be marked with the legend at DFARS 252.227-7013 (f) (2) modified to (i) also specify the purchase order number and (ii) to incorporate the following sentence: "The following entity, its respective successors and assigns, shall possess the right to exercise said property rights, as if it were the Government, on behalf of the Government, for the sole purpose of carrying out functions related to this purchase order: Bechtel Plant Machinery, Inc.
- Limited Rights Legend. Data delivered or otherwise furnished with Limited Rights shall be marked with the legend at DFARS 252.227-7013 (f) (3) modified to (i) also specify the purchase order number and (ii) to incorporate the following final sentence: "The following entity, its respective successors and assigns, shall possess the right to exercise said property rights, as if it were the Government, on behalf of the Government, for the sole purpose of carrying out functions related to this purchase order: Bechtel Plant Machinery Inc."
- Unlimited Rights Legend. DFARS 252.227-7013 does not authorize the application of a legend on data to be delivered with unlimited rights. Therefore, no legend should be placed upon data provided with Unlimited Rights. However, should Seller deem it necessary to include a legend to document any rights it may have retained to the data, then the following legend may be utilized (no other legend may be used absent Buyer approval):

Copyright, [year], [Supplier Name] (Copyright applies to commercial uses only)

Notwithstanding the above copyright/restriction, the Government possesses DFARS 252.277-7013

Unlimited Rights if this is technical data and

DFARS 252.227-7014 Unlimited Rights if this is computer software or computer software documentation.

(2.) Paragraph (h) is deleted and replaced as follows:

(h) Removal of Unauthorized Markings

1. Notwithstanding any provision of this order concerning inspection and acceptance, Buyer and the Government may correct, cancel, or ignore any marking not authorized by the terms of this order on any technical data documentation furnished hereunder in accordance with the "validation of restriction markings on technical data".
2. Correction of nonconforming markings is not subject to this clause entitled "validation of restriction markings on technical data." The Buyer and/or the Government may, at the Seller's expense, correct any nonconforming markings if Buyer or the Government notifies the Seller and the Seller fails to correct the nonconforming markings within sixty days.
3. Paragraphs (l) and (m) are incorporated below:

(l) Post Award Negotiation

If, after exhausting all reasonable efforts, the parties fail to agree on the apportionment of the rights in technical data furnished under this order by the date established in the order for agreement, or within any extension established by Buyer or the Government, then Buyer or the Government may establish the respective data rights of the parties.

Challenges shall be in accordance with DFARS 252.227-7037. However, nothing shall excuse the Seller from proceeding with the order pending resolution of any such challenge.

(m) Technical Data Pertaining to Nuclear Propulsion Plant

Systems

Pursuant to subparagraph (b)(1) of DFARS 252.227-7013, it is agreed that all technical data pertaining to nuclear propulsion plant systems have been, or will be developed exclusively with Government funds, and that all technical data generated under this order, and all technical data required to meet order requirements shall be provided to the Government with unlimited rights.

It is further agreed that promptly after delivery of all purchase order deliverables, or after any termination of all work under this purchase order, the Seller shall submit a letter report to the Buyer listing and providing a brief description of all items of technical data, pertaining to the deliverables developed or prepared under this purchase order. The Seller shall furnish in the Seller's format, and at the cost of reproduction, with unlimited rights, copies of the items of technical data so reported or which should have been reported, as the Buyer may require in writing from time to time. However, nothing in this requirement shall require the Seller to retain any time of such technical data beyond the period provided for in this purchase order, including the specifications, and other documents incorporated by reference, applicable to the item or type of technical data involved.

26. Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation DFARS 252.227-7014, is changed as follows:

(1.) Paragraphs (f) (2) through (f) (5) are deleted and replaced as follows:

Except to the extent explicitly set forth in this order, the only authorized markings will be in accordance with the following:

Authorized Markings. Absent Buyer agreement otherwise, the following are the only authorized markings:

- Government Purpose Rights Legend Computer software and computer documentation delivered or otherwise furnished with Government Purpose Rights shall be marked with the legend at DFARS 252.227-7014 (f) (2) modified to (i) also specify the purchase order number and (ii) to incorporate the following final sentence: "The following entity, its respective successors and assigns, shall possess the right to exercise said property rights, as if it were the Government, on behalf of the government, for the sole purpose of carrying out functions related to this purchase order: Bechtel Plant Machinery Inc."
- Restricted Rights Legend. Computer software and computer software documentation delivered or otherwise furnished with Restricted Rights shall be marked with the legend DFARS 252.227-7014 (f)(3) modified to (i) also specify the purchase order number and (ii) to incorporate the following sentence: "The following entity, its respective successors and assigns, shall possess the right to exercise said property rights, as if it were the Government, on behalf of the Government, for the sole purpose of carrying out functions related to this purchase order: Bechtel Plant Machinery Inc. "
- Unlimited Rights Legend DFARS 252.227-7014 does not authorize the application of a legend on computer software or computer software documentation that is provided with unlimited rights. Therefore, no legend should be placed on computer software or computer software documentation provided with Unlimited Rights. However, should Seller deem it necessary to include a legend to document any rights it may have retained to the computer software/ computer software documentation, then the following legend may be utilized (no other legend may be used absent Buyer approval):

Copyright, [year], [Supplier Name] (Copyright applies to commercial uses only)

Notwithstanding the above copyright/restriction, the Government possesses DFARS 252.227-7013

Unlimited Rights if this is technical data and DFARS 252.227-7014 Unlimited Rights if this is computer software or computer software documentation.

(2.) Paragraph (h) is deleted and replaced as follows:

(h) Removal of Unauthorized Markings

1. Notwithstanding any provision of this order concerning inspection and acceptance, Buyer and the Government may correct, cancel, or ignore any marking not authorized by the

terms of this order on any computer software/computer software documentation furnished hereunder in accordance with the clause of this order entitled "Validation of Asserted Restrictions-Computer Software."

2. Correction of nonconforming markings is not subject to this clause entitled "Validation of Asserted Restrictions-Computer Software". The Buyer and/or the Government may, at the Seller's expense, correct any nonconforming markings if Buyer or the Government notifies the Seller, and the Seller fails to correct the nonconforming markings within sixty days.
 3. Paragraphs (l) and (m) are incorporated here the same as added paragraphs (l) and (m) to DFARS 252.227-7013 in Article 18 above, except that all paragraphs (l) and (m) references to "technical data" are deleted and replaced with "computer software and computer software documentation".
27. Rights in Bid or Proposal Information - 252.227-7016.
 28. Validation of Asserted Restrictions – Computer Software – 252.227-7019.
 29. Deferred Ordering of Technical Data or Computer Software – 252.227-7027.
 30. Technical Data – Withholding of Payment – 252.227-7030, modified as follows: Subparagraph (a) at the end of the first sentence, delete "or amount unless a lesser withholding is specified in the contract" and insert "or \$100,000.00 whichever is less."
 31. Declaration of Technical Data Conformity – 252.227-7036.
 32. Validation of Restrictive Markings on Technical Data – 252.227-7037.
 33. Supply Chain Risk – 252.239–7018. Applicable to purchase orders at all dollar levels.
 34. Subcontracts for Commercial Products or Services (DoD Contracts) – 252.244–7000. Applicable to purchase orders at all dollar levels.
 35. Reporting of Loss of Government Property – 252.245-7002 (at all dollar levels).
 36. Notification of Potential Safety Issues – 252.246-7003. Purchase orders exceeding \$3,500.
 37. Contractor Counterfeit Electronic Part Detection & Avoidance System – 252.246-7007 (purchase orders exceeding \$2,000,000). (The applicable date stamp of the clause is May 2014.)
 38. Sources of Electronic Parts – 252.246-7008.
 39. Transportation of Supplies by Sea – 252.247-7023. Applicable to all purchase orders of \$250,000 or more.
 40. Notification of Anticipated Contract Terminations or Reductions – 252.249-7002. Applicable to all purchase orders of \$150,000 or more.
 41. Secondary Arab Boycott of Israel – 252.252-7031. Applicable to purchase orders at all dollar levels.

TAC-2024 Articles:

1. Inspection – Article 8
 - a. All work (which term throughout this article includes without limitation raw materials, procedures and processes, components, intermediate assemblies and end products) that is performed in accordance with order requirements of this purchase order shall be subject to inspection and test by Buyer and the Government, to the extent practicable at all times and places including the period of manufacture, and in any event prior to acceptance. Seller is responsible for, and shall upon Buyer's request furnish evidence of, compliance with all requirements of the order, and inspection and test by Buyer or the Government of any work, or approval of designs, drawings, samples, test results, procedures, processes or schedules by Buyer or the Government does not relieve Seller from any responsibility to meet the order requirements.
 - b. If any inspection or test is made by Buyer and/or the Government on the premises of Seller or a lower-tier subcontractor, Seller without additional charge shall provide a safe place to work and reasonable facilities and assistance for the convenience of Buyer and/or the Government's representatives in the performance of their duties. If Buyer and/or Government inspection or test is made at a point other than the premises of Seller or a lower-tier subcontractor, it shall be at the expense of Buyer except as otherwise provided in this order, provided that, in case of rejection, Buyer shall not be liable for any reduction in value of samples used in connection with such inspection or test.
 - c. Seller shall provide and maintain, and require its lower-tier subcontractors to provide and maintain, an inspection and quality

control system acceptable to Buyer and the Government covering the work hereunder. Records of all inspection and quality control work by Seller and its lower-tier subcontractors shall be kept complete and available to Buyer and/or the Government during performance of this order and for such longer period as may be specified elsewhere in this order.

2. Classified Information and Naval Nuclear Propulsion Information (NNPI) – Article 14
Seller shall comply with the requirements applicable to the receipt, handling, control, dissemination and disposal of classified information and NNPI, as those requirements are established elsewhere within this purchase order. "Information" means data, material, equipment and any and all other information of whatever type, kind, or description. [For the definition of NNPI, refer to the NN-801, Control and Protection of Unclassified Naval Nuclear Propulsion Information or the DD-254, Facility Wide Contract Security Classification Specification and/or DoE-F470.1, Contract Security Classification Specification for classified orders].
3. Suspension of Work for the Convenience of the Buyer – Article 22
Buyer may by written notice, direct Seller to suspend all or any part of the work for such period of time as may be determined by Buyer to be necessary or desirable for its convenience. If such suspension unreasonably delays the progress of the work and causes additional expense or loss to Seller in the performance of the work, not due to the fault or negligence of Seller, an equitable adjustment in the price and the time for performance shall be made by agreement of the parties, and the order shall be modified in writing accordingly, provided however, that any request by Seller for an adjustment hereunder must be asserted within thirty days from the date of a start order for resumption of work. Refer to Article 6(h) for the requirements of certifying a Request for Equitable Adjustment.
4. Cost Support and Certification Relative to Amendments – Article 27
 - a. Except where Seller demonstrates upon sufficient evidence that a FAR 15.403-1(b) exemption applies, Seller shall furnish cost or pricing data, at the threshold specified in FAR 15.403-4(a)(1), via a properly executed NN-P47, Contract Pricing Proposal Cover Sheet, for (i) any proposed amendment to this order with a price impact aggregating in excess of this threshold; (ii) support of final price agreements or termination settlement agreements which exceed this threshold.
 - b. Seller shall furnish properly executed SFs 1426 through 1440 in support of final price agreements and termination settlement agreements.
 - c. Upon completion of negotiations relative to the proposals described in a.(i) and (ii) above, Seller shall, within five working days, submit an updated NN-P47 and an NN-P34, Certificate of Current Cost or Pricing Data.
5. Pricing of Adjustments – Article 28
When costs are a factor in any determination of a purchase order price adjustment pursuant to FAR 52.243-1, "Changes Fixed Price," Article 22, "Suspension of Work for the Convenience of Buyer," FAR 42-249.2, "Termination for Convenience" or any other article or provision of this purchase order, such costs shall be in accordance with the provisions of FAR Part 31 and DFARS Part 231 in effect on October 7, 2010.
6. Fraud or Falsification – Article 31
 - a. This purchase order and activities hereunder are within the jurisdiction of the Department of Energy and/or the Navy. Any knowing and willful act to falsify, conceal or alter a material fact, or any false, fraudulent or fictitious statement or representation in connection with the performance of work under this purchase order may be punishable in accordance with applicable Federal Statutes.
 - b. Seller agrees that all employees engaged in the performance of this purchase order will be, if they have not been previously, informed in writing prior to commencing performance of work under this purchase order that there is a risk of Federal criminal penalties associated with any falsification, concealment or misrepresentation in connection with work performed under this purchase order. Seller agrees that a signed statement shall be, if it has not been previously, obtained from said employees prior to their commencing performance of work under this purchase order that they have been so informed. Such statements shall be retained by the Seller for at least three years after final payment on this purchase order. An acceptable form for such a statement is substantially as follows: "This company/division/department/branch performs work under contracts which are within the jurisdiction of departments of the United States Government. Some of the work performed under these contracts affects the national security of the United States and the requirements of these contracts are designed to ensure that essential attributes of the work are carefully checked or inspected and that records

accurately reflect the results of all work. Any falsification, concealment or alteration of any material facts, or any false, fraudulent or fictitious statement or representation in connection with the work under any contract within the jurisdiction of the Government is not only prohibited by company policy, but may also be punishable under Federal Law. Please acknowledge by your signature that you have read Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements and understand the above."

- c. Seller must also agree to include the following statement preprinted on each manufacturing, inspection or test record used in conjunction with the subject subcontract:

"Note: The recording of false, fictitious or fraudulent statements or entries on this document may be punishable as a felony under Federal Statutes."

If during contract Performance, Seller makes use of electronic process, reports, or records in lieu of hard copy, Seller shall advise Buyer of the method(s) by which the Seller is meeting the intent and usefulness of this requirement through electronic means.

- d. Seller shall include all provisions of this Article including this sentence in all lower-tier contracts under this order. Any inability or unwillingness of a lower-tier supplier to comply with this provision should be documented in writing and submitted to the Prime Contractor.
- e. Seller shall advise Buyer promptly upon identification of any potential or actual fraud and falsification incidents pertaining to this order and occurring either within its own organization or within its sub-tier(s) organization.

7. Disclosure of Information – Article 32.

- a. General Requirements. The Seller shall not release to anyone outside the Seller's organization any unclassified information, regardless of medium (e.g., film, tape, document, display, brochure, etc.), regardless of purpose (e.g., P.O. performance, advertising, promotion, etc.) pertaining to any part of this purchase order or any program related to this purchase order unless –

- (1) The Buyer has given prior written approval; or
- (2) The information is otherwise in the public domain before the date of release.

- b. Request Format and Timing. Requests for approval shall identify the specific information to be released, the medium to be used, and the purpose for the release. The Seller shall submit its request to Buyer at least forty-five days before the proposed date for release.

- c. Exception/Approval. In accordance with Paragraph (a)(1) above, approval is granted to Seller so that, as necessary, it may disclose unclassified information, including sensitive information, to domestic entities under subcontract either actually or prospectively, (including sub-tier orders), regardless of tier, under the purchase order for the provision of Naval Nuclear Propulsion Program (NNPP) supplies or services, entities of the Federal Government involved in the Naval Nuclear Propulsion Program having a need to know, and other entities performing NNPP work. This authority does not authorize Seller to release any information under or related to the subject order to any entity not specified above, or not specifically affiliated with Seller under the subject purchase order through a contractual or prospective contractual relationship. In addition, this authority does not authorize the Seller to release any information under or related to the subject order to a foreign source prior to submitting the information to the Buyer for either specific Buyer approval or information as required by the purchase order.

Moreover, approval for release of information to sub-tiers and other entities with which Seller has a contractual or prospective contractual relationship does not extend to those entities who, regardless of relationship, do not have in place proper safeguards and procedures for receipt and handling of the sensitive information.

The requirements of Paragraphs (a) and (b) above remain in effect as set forth and Seller must receive approval for release to any entity not covered by the authority set forth above in this paragraph (c). NOTE: For more specific guidance in this area, see security control documentation applicable to this order.

- d. Litigation. Should any information described in (a) above be requested, subpoenaed, or otherwise sought by a court or other judicial or administrative authority, this should be promptly brought to the attention of the Buyer to permit appropriate measures to be taken to protect the information. Under no circumstances should information, other than Paragraph (a)(2) information, be released to such authority without prior notification to, and agreement of, Buyer.

- e. Survivability. Seller agrees that the requirements of this Article 45, to include Seller's obligation to obtain prior Buyer approval of any release other than a Paragraph (a)(2) or (c) release, shall survive the purchase order and that Seller shall not for a period of twenty years subsequent to the issuance of the purchase order either directly or indirectly issue any such release without the requisite approval of Buyer, its successors or assignee.

- f. Mandatory Passdown. Seller shall include all provisions of this Article, including this sentence, in all sub-tier orders under this purchase order. Sub-tier requests for authorization to release information shall be submitted through Seller to Buyer.

8. **Export Controlled Items – Article 35**

In accordance with DFARS 252.225-7048, Export Controlled Items, the following applies:

Definition. "Export Controlled Items," as used in this clause, means items subject to the Export Administration Regulations (EAR) (15 CFR Parts 730-774) or the International Traffic in Arms Regulations (ITAR) (22 CFR Parts 120-130). The term includes:

1. "Defense Items," defined in the Arms Export Control Act, 22 U.S.C. 2278(j)(4)(A), as defense articles, defense services, and related technical data, and further defined in the ITAR, 22 CFR Part 120.
 2. "Items," defined in the EAR as "commodities," "software," and "technology," terms that are also defined in the EAR, 15 CFR 772.1.
- The Seller shall comply with all applicable law and regulations regarding export-controlled items, including but not limited to, the requirement for contractors to register with the Department of State in accordance with the ITAR. The Seller shall consult with the Department of State regarding any questions relating to the compliance with the ITAR and shall consult with the Department of Commerce regarding any questions relating to compliance with the EAR.
 - The Seller's responsibility to comply with all applicable laws and regulations regarding export-controlled items exists independent of, and is not established or limited by, the information provided by this clause.
 - Nothing in the terms of this contract adds, changes, supersedes, or waives any of the requirements of the applicable Federal laws, Executive orders, and regulations, including but not limited to:
 1. The Export Administration Act of 1979, as amended (50 U.S.C. App. 2401, *et seq.*);
 2. The Arms Export Control Act (22 U.S.C. 2751, *et seq.*);
 3. The International Emergency Economic Powers Act (60 U.S.C. App. 1701, *et seq.*);
 4. The Export Administration Regulations (15 CFR Parts 730-774);
 5. The International Traffic in Arms Regulations (22 CFR Parts 120-130);
 6. Executive Order 13222, as extended.
 - The seller shall include the substance of this clause, including this paragraph (e), in all subcontracts.

Additional Provisions:

- a. Seller agrees that it will not transfer any export-controlled item, data, or services to include transfer to foreign persons employed by, or associated with, or under purchase order to Seller or Seller's lower-tier suppliers, without the authority of an export license or applicable license exemption.
- b. Seller agrees to notify the Buyer if any deliverable under this Purchase Order is restricted by export control laws or regulations.
- c. Seller shall immediately notify the Buyer if Seller is or becomes listed in any Denied Parties List, or if Seller's export privileges are otherwise denied, suspended, or revoked, in whole or in part by any U.S. Government entity or agency.
- d. Seller shall be responsible for all losses, costs, claims, causes of action, damages, liabilities, and expenses including attorney fees, all expenses of litigation and/or settlement, and court costs arising from any act or omission of the Seller, its officers, employees, agents, suppliers, or subcontractors at any tier in the performance of any of its obligations under the "Export Controlled Items" provisions.
9. Prohibition on Contracting with Oerlikon – Article 37.
Seller and its subcontractors / sub-tier suppliers shall not place purchase order or subcontracts with Oerlikon that involve or include Unclassified Naval Nuclear Propulsion Information (UNNPI)
10. Seller Support of Buyer Requests for Information – Article 38.

In order for Buyer to effectively manage the Industrial / Supply base and make reasonable determinations on Supplier capabilities and needs to perform at optimal levels, Seller agrees to participate in support information exchanges when solicited by Buyer. Buyer shall be judicious in making such requests which could take the form of: the annual Industrial Base Assessment Supplier Survey; work force hiring / retention needs; shop capabilities; and related topics.

11. Required Disclosure of Organizational Conflicts of Interest – Article 39.
- a. "Organizational Conflict of Interest" means that because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the Government, or the other person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage. "Person" as used herein includes Corporations, Partnerships, Joint Ventures, and other business enterprises.
 - b. Seller warrants that to the best of its knowledge and belief, and except as otherwise set forth in the contract, at the time of execution if this contract the Seller does not have any organizational conflict of interest(s) as defined in paragraph (a).
 - c. Seller agrees that, if after award, it discovers an actual or potential organizational; conflict of organizational conflict of interest prior to the award of this contract or becomes, or should become, aware of an organizational conflict of interest after award of this contract and does not make an immediate and full disclosure in writing to Buyer, the Government Buyer may terminate this contract for default.
 - d. Notwithstanding paragraph (c) above, if Seller was aware, or should have been aware, of an organizational conflict of interest prior to the award of this contract or becomes, or should become, aware of an organizational conflict of interest after award of this contract and does not make an immediate and full disclosure in writing to Buyer, the Government Buyer may terminate this contract for default.
 - e. If Seller fails to take action required by this requirement, or required by Buyer upon receipt of Seller's disclosure required by paragraph (c), the Government / Buyer may terminate this contract for default.
 - f. Buyer's decision as to the existence of an actual or potential organizational conflict of interest shall be final.
 - g. Seller shall promptly notify Buyer, in writing, if it had been tasked to evaluate or advise the Government concerning its own products or activities, those of its subcontractors, those of one of its prime contractors (to which the Seller is a subcontractor), or those of a competitor in order to ensure proper safeguards exist to guarantee objectivity and to protect the Government's interest.
 - h. Seller shall include this requirement in subcontracts of any tier which involve access to information or situations/conditions covered by the preceding paragraphs, specifying the subcontractor, where appropriate.
 - i. The rights and remedies described herein shall not be exclusive and are in addition to other rights and remedies provided by law or elsewhere included in this Purchase Order.
 - j. Compliance with this requirement is a material requirement of this Purchase Order.

PART IV – SUPPLIER QUALITY REQUIREMENTS

The Quality Assurance Clauses contained herein are an integral part of Peerless Instrument Purchase Orders when incorporated by reference and shall be in addition to and not in derogation of Purchase Order requirements. Compliance with these Quality Assurance Clauses does not relieve the supplier of his responsibility for furnishing material and services that fully comply with Purchase Order, drawing and specification requirements and does not guarantee acceptance of material and services by Peerless. Acceptance of material and services will be withheld pending receipt of all required acceptable data and/or documentation.

Clause 01 GOVERNMENT SOURCE INSPECTION

Government Source Inspection is required prior to shipment from your Facility. Upon receipt of this order, promptly notify the Government Representative who normally services your facility so that appropriate planning for Government Inspection can be accomplished. FAR Clause 52.246-2 applies.

Clause 01a GOVERNMENT REVIEW OF PERFORMANCE

During performance on this order, the Supplier's Quality Control Inspection system and Manufacturing processes are subject to review, verification and analysis by authorized Government Representatives. Government inspection or release of material/product prior to shipment is not required unless the Supplier is notified otherwise. The Supplier shall provide a copy of the Purchase Order to the Government Representative upon their request. FAR Clause 52.246-2 applies.

Clause 02 QUALITY SYSTEM REQUIREMENTS

- ISO 9001 or MIL-Q-9858, AS9100D (*Quality Program*).
- MIL-I-45208, ISO 9001 (*Inspection System*).
- ISO 17025 or ANSI Z540.1, ANSI Z540.3 (*Calibration System*).
- Other, as specified in Purchase Order.

Clause 03 CERTIFICATIONS (All Certifications must include signature and date)

- Certificate of Compliance must accompany each shipment and include a statement identifying all applicable specification, drawing revision-level and Purchase Order requirements and that all those requirements have been met, and that supporting data and material certification are available upon request.
- Certification of Raw Material must accompany each shipment and include chemical and physical test results for each lot or heat number. The certification *must* reference the applicable specification and revision level stated in the Purchase Order.
- Certification that material conforms to specification and/or catalog requirements and includes cure date or manufacturing date and shelf-life expiration dates, as appropriate. Remaining shelf-life must be no less than 50% at time of receipt by Peerless.
- Certification for Special Processes (heat treating, nondestructive testing, finishes, etc.) must be submitted with shipment. This is in addition to any other required certification.
- Certification that specification(s) have been met (material, test, finish, etc.). Certification must reference the exact specification(s).
- Certification that material furnished does not contain, nor contaminated by mercury during manufacture, or tested with metallic mercury or mercury compounds.
- Certification that lead finish for all electronic components meet one of the following requirements: a) Matte Tin finish annealed IAW JEDEC/IPC publication No. 002; b) Tin/Lead alloys containing >3% Lead; c) Non Tin plated (i.e. Nickel/gold, Nickel/Palladium/Gold, Copper/Nickel/ Palladium/Gold, or Nickel/Palladium); d) Tin plated/nickel underlay on copper base (Nickel minimum thickness of 0.5 µm); e) Tin Bismuth alloy finishes with Bismuth content between 3-5%; f) Thicker Tin finish without Nickel or Silver underlay, Tin Thickness minimum of 7 µm with 10 µm nominal.

NOTES: 1) Pure Tin may *NOT* be used as an undercoat. 2) Sn-Ag-Cu (SAC) alloys will not be accepted. 3) Other finishes require prior approval, including all components supplied on electronic assemblies.

NOTE: Visual examination and review of the Manufacturer's Data Sheet is permissible for verification of lead finish.

PWA Subcontractors shall certify that the solder alloy used in the manufacture of Printed Wiring Assemblies conforms to the requirements specified in Q-PR-1 & IPC-J-STD-006, Subcontract Requirements for Manufacturing Printed Wiring Assemblies.

- The OEM Certificate of Compliance for the part number and date or lot code(s) being procured, in addition to the distributor's Certificate of Compliance. Part procured from a broker, the broker should be a member of the Independent Distributors of Electronics Association (IDEA) and the Electronics Resellers Association International (ERA). In addition, broker procured parts must be accompanied by a certification to the Counterfeit Component Avoidance Program (CCAP-101).

Subcontract PWA manufacturers that procure Electronic Components on behalf of Peerless are required to comply with the latest requirements of SAE AS5553 "Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition".

Subcontract PWA manufacturers are required to flow down the requirements of SAE AS6081 to their distributors.

Electronic Components Distributors are required to comply with SAE AS6081 "Fraudulent/Counterfeit Electronic Part Avoidance".

The following documents are imposed:

- AS5553 Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition
- AS6081 Fraudulent /Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition – Distributors
- AS6171 Test Methods Standard; General Requirements, Suspect/Counterfeit, Electrical, Electronic, and Electromechanical Parts
- BPMI E-471A09 Fraudulent/Counterfeit Electronic Part Risk Mitigation Requirements
- Peerless Q-Risk Counterfeit EEE Parts Risk Mitigation Plan

Clause 04 TEST/INSPECTION DATA

- Inspection data with actual readings is required for all **drawing characteristics** and shall be identified by part and/or serial numbers as applicable. Dimensions/data that are required to be recorded by a specific drawing note must also be identified by part and/or serial number. This data must accompany each shipment.
- No Requirement Imposed.
- Non-quantitative inspection and/or test data (e.g., pass/fail, accept/reject) must accompany each shipment.
- Test data with actual readings for all quantitative measurements must accompany each shipment and be identified by part and/or serial numbers as applicable.
- First Article AS9102 or equivalent, Inspection and/or test data with actual readings for all measurements must be submitted to Peerless for approval prior to release for production.
- Certificate of Calibration with actual readings traceable to national standards is required with each shipment.
- All supplier test failures (regardless of the failure cause) that occur during debugging (troubleshooting), formal quality conformance testing (i.e., acceptance testing), or other testing of production equipment (PWA flying probe, boundary scan, in circuit testing etc.) whether performed by the supplier or the supplier's sub tier shall be documented in a Quality Record and submitted to Peerless on a quarterly basis. The quarters shall be calendar quarters and not business quarters, i.e., "January 1, XXXX – March 31, XXXX = 1st quarter."

The Quality Record shall identify the Assembly Part Number and Serial Number that failed, the date the failure was detected, and the following information for the failed component(s):

- Component Reference Designator
- Part Number and Description
 - Source Control Drawing P/N
 - Industry P/N
- Manufacturer Name
- Date or Lot Code (when available)
- Failure mode
- Type of finding
 - Open, short, leakage, etc.
 - Design, workmanship, wrong part, missing part, damage, etc.
- Finding resolution, brief description of the resolution of the finding
- Isolated or non-isolated failure
- Failed component returned to Peerless (per Q-PR-3)

Clause 05 PEERLESS SOURCE INSPECTION

Peerless Source Inspection/Test is required prior to shipment from your facility. Notify the Peerless Purchasing Department 72 hours in advance when material is ready. Prime Contractor personnel shall have the option to accompany Peerless personnel. Evidence of Peerless Source Inspection must be supplied with shipment. (e.g., copy of Peerless report).

Clause 06 QPL/QML MIL Spec Components
Supplier/manufacturer must be QPL/QML listed for the applicable specification. In addition, commercial equivalents are not acceptable in place of the required MIL Spec components.

Clause 06a Component Mounting Hardware to be passivated CRES. No other materials or finishes will be permitted.

Clause 07 GOVERNMENT FURNISHED / OWNED MATERIAL
This material is Government furnished and owned. As such it cannot be altered, or repaired in any way other than as authorized by the purchase order. All damage must be reported, and repair procedures must be submitted for approval prior to proceeding. If components are replaced from PWA as part of a repair process, the defective or damaged components must be returned with shipment for Peerless evaluation and storage in accordance with Q-PR-3.

Clause 08 NO REQUIREMENT IMPOSED

Clause 09 CASTING REQUIREMENTS
a. Certifications for Material and Nondestructive Test Reports, when required by Purchase Order or Specification, must accompany each shipment of raw castings as well as machined castings.
b. Supplier Lay-Out Report must be submitted with each shipment. Deviations must be approved by the Peerless Purchasing Department prior to shipment.
c. No weld repair is permitted on any parts without prior written Peerless Instrument approval. Submit the request for permission with details and sketch to the Purchasing Department.

Clause 10 TRANSFORMER/INDUCTOR QUALIFICATION
Certification is required with each shipment stating the transformer/inductor is currently qualified in accordance with drawing requirements, and evidence of qualification (i.e., approved test data, approval letter, etc.) is maintained on file. Qualification testing (or retesting) is required if any of the following three items applies:
a. The unit has not been previously qualified, or
b. The location of manufacture of a qualified unit has changed, or
c. The retention of qualification requirement, per the design specification (i.e., MIL-PRF-27), has not been met.

Clause 11 PRINTED WIRING BOARDS (PWBs)
a. 100% Electrical Test (Continuity test) data is required on all PWBs and must be submitted with each shipment. Pass/fail data is acceptable.
b. Test coupons and polished cross-sectional mounts for each PWB must be supplied with each shipment. *(They will be returned after evaluation for record storage.)*

Clause 12 MICROCIRCUITS (Plastic Encapsulated)
Plastic encapsulated microcircuits (PEMs) and assemblies containing PEMs with an MSL (moisture sensitivity level) of 2 or higher must be packaged with desiccant and humidity indicators in moisture resistant barrier bags, and identified as moisture sensitive in accordance with J-STD-033B.1.

Clause 13 TRACEABILITY
Parts and assemblies manufactured must be serialized and traceable to material, special process certification, and Inspection/Test data throughout the entire manufacturing cycle.

Clause 14 RECORDS
Records of inspection, test and other Quality Control activities shall be retained for minimum of 7 years and be filed in a manner that will allow access within 24 hours.

Clause 15 NO REQUIREMENT IMPOSED

Clause 16 NON-DESTRUCTIVE TESTING REQUIREMENTS
a. The supplier is responsible to perform Liquid Penetrant Inspection in accordance with drawing requirements. Acceptance criteria shall be per drawing requirements. Procedures must be pre-approved by Peerless Instrument prior to inspection. Test results and test reports signed by the authorized qualified inspector over his title and level must be included with shipment.
b. The supplier is responsible to perform Magnetic Particle Inspection in accordance with drawing requirements. Acceptance criteria shall be in accordance with drawing requirements. Procedures and Technique Sheets must be pre-approved by Peerless Instrument prior to inspection. Test results and test reports signed by the authorized qualified inspector over his title and level must be included with shipment.
c. The supplier is responsible to perform radiograph testing in accordance with drawing requirements. Acceptance criteria shall be in accordance with drawing requirements. Procedures and Technique Sheets must be pre-approved by Peerless Instrument prior to testing. Test results and test reports signed by the authorized qualified inspector over his title and level must be included with shipment.

d. Procedure and Technique sheet approval IS NOT required. Supplier shall maintain Procedures and Technique Sheets on file and submit to Peerless upon request.

e. NSTR-99 REV. 6
Qualification Examination Requirements for nondestructive test personnel. (When imposed on P.O.)

Clause 17 MATERIAL SPECIAL PROCESSES
a. Heat treat in accordance with drawing requirements. Procedures must be pre-approved by Peerless prior to heat treating. Material hardness shall be in accordance with requirements specified on drawing or as specified on the Purchase Order. Test results and test reports signed by the inspector over his title and level must be included with shipment.
b. Each part shall be alloy verified. Acceptance criteria shall be in accordance with drawing requirements. Test results and test reports signed by the authorized qualified inspector over this title and level must be included with shipment.

Clause 18 FRAUD AND FALSIFICATION
The following statement shall be preprinted on each manufacturing, inspection or test record and certification used in conjunction with this P.O.

Note: The recording of false, fictitious or fraudulent statements or entries on this document may be punishable as a felony under Federal Statutes.

Seller agrees to comply fully with the following (as noted on Sheet 11, Item 6 of this Form P-101):

Fraud or Falsification
a. This purchase order and activities hereunder are within the jurisdiction of the Department of Energy and/or the Navy. Any knowing and willful act to falsify, conceal or alter a material fact, or any false, fraudulent or fictitious statement or representation in connection with the performance of work under this purchase order may be punishable in accordance with applicable Federal Statutes.

b. Seller agrees that all employees engaged in the performance of this purchase order will be, if they have not been previously, informed in writing prior to commencing performance of work under this purchase order that there is a risk of Federal criminal penalties associated with any falsification, concealment or misrepresentation in connection with work performed under this purchase order. Seller agrees that a signed statement shall be, if it has not been previously, obtained from said employees prior to their commencing performance of work under this purchase order that they have been so informed. Such statements shall be retained by the Seller for at least three years after final payment on this purchase order. An acceptable form for such a statement is substantially as follows: "This company/division/department/branch performs work under contracts which are within the jurisdiction of departments of the United States Government. Some of the work performed under these contracts affects the national security of the United States and the requirements of these contracts are designed to ensure that essential attributes of the work are carefully checked or inspected and that records accurately reflect the results of all work. Any falsification, concealment or alteration of any material facts, or any false, fraudulent or fictitious statement or representation in connection with the work under any contract within the jurisdiction of the Government is not only prohibited by company policy, but may also be punishable under Federal Law. Please acknowledge by your signature that you have read and understand the above."

c. Seller must also agree to include the following statement preprinted on each manufacturing, inspection or test record used in conjunction with the subject subcontract:

"Note: The recording of false, fictitious or fraudulent statements or entries on this document may be punishable as a felony under Federal Statutes."

d. Seller shall include all provisions of this Article including this sentence in all lower-tier contracts under this order. Any inability or unwillingness of a lower-tier supplier to comply with this provision should be documented in writing and submitted to the Prime Contractor.

a. Seller shall advise Buyer promptly upon identification of any potential or actual fraud and falsification incidents pertaining to this order and occurring either within its own organization or within its subtier(s) organization.

Clause 19 [DELETED]

Clause 20 PROCESS CONTROL
Process procedures (i.e., soldering, welding, brazing, painting/ finishing, etc.) must be submitted to Peerless Quality Assurance Department for approval prior to the start of the process.