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1. **ACCEPTANCE AND MODIFICATION:** Unless otherwise specifically agreed in writing by Pacific Propeller International LLC ("PPI"), this Purchase Order may be accepted only upon the terms and conditions specified herein and in the applicable PPI Supplemental Terms and Conditions referenced herein. This Purchase Order is PPI's offer to SELLER and acceptance is limited to the Purchase Order and these terms and conditions, without addition, deletion, or other modification. The acceptance of the order by SELLER shall be conclusive evidence of the SELLER's approval, consent, and agreement to these terms and conditions. No modification of this Purchase Order shall be binding on PPI unless agreed to by PPI in writing.
2. **ENTIRETY OF AGREEMENT:** This PO including the applicable PPI Supplemental Terms and Conditions constitutes the complete and entire agreement between the parties hereto and unless agreed in writing otherwise, supersedes all previous negotiations, discussions, communications, representations, course of dealing, usage of trade, or agreements, whether oral or written, between the parties hereto with respect to the subject matter hereof. No agreement or understanding varying, contradicting or extending the terms or conditions of this PO, including Seller provided terms and conditions included within a quote, proposal, order acknowledgement, or like document, will be binding unless in writing, expressly incorporated in the PO, and signed by duly authorized representatives of both parties.
3. **CONFIRMATION OF ORDER:** The SELLER must acknowledge the order and accept PPI's offer within five (5) business days after SELLER's receipt thereof.
4. **CHANGES:** PPI may at any time, by written order, make changes within the general scope of this Purchase Order, in any one or more of the following (i) drawings, designs or specifications: (ii) method of shipment or packing: (iii) place of inspection, delivery or acceptance: and (iv) reasonable changes in delivery schedules. If any such change causes an increase or decrease in the cost of, or the time required for the performance of any party of the work under this Purchase Order, whether changed or not changed by any such order, SELLER shall inform PPI of this and both parties shall agree to an equitable adjustment in the purchase price or schedule or both. SELLER shall proceed immediately to perform this Purchase Order as changed. If SELLER proceeds with any change without prior authorization of PPI, then PPI may, at its sole discretion, choose to maintain the original price and delivery date set forth in this Purchase Order.
5. **DELIVERY:** Time of delivery is of the essence. SELLER shall deliver the goods to PPI on the delivery date and at the destination stated in the Purchase Order. Shipments must equal the exact amounts identified in the Purchase Order and no partial shipments, changes or substitutions in specifications may be made without PPI's prior written consent. Seller will immediately notify PPI in writing of any event that may affect the quality or delivery of the goods and the writing shall state the reason for the delay and provide a new delivery schedule, which shall be subject to written acceptance by PPI. In case of delay in delivery, PPI may at its convenience terminate or suspend all or any portion of this Purchase Order that has not been shipped as of the date of such termination or suspension. If PPI terminates this Purchase Order because of SELLER's delay in delivery, PPI may, without prejudice to PPI's other rights or limiting PPI's other remedies, purchase goods in substitution for those goods not properly delivered by SELLER and recover from the SELLER the difference between the contracted price under this Purchase Order and

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the price actually paid by PPI for the substitute goods, together with any incidental or consequential damage suffered by PPI as a result of SELLER's delay.

6. **CANCELLATIONS:** PPI may at its option cancel any unshipped goods. If this Purchase Order covers any standard stock merchandise, PPI's obligation shall be only to pay for goods shipped prior to cancellation. If this Purchase Order covers goods made to PPI's specifications or prepared by the SELLER only for PPI, upon receipt of notice of cancellation, SELLER shall cease manufacture, supply or work in accordance with and to the extent specified in the notice and shall immediately do everything possible to mitigate any cost incurred by SELLER as a result of PPI's cancellation. In such cases, provided the SELLER is not in default, PPI shall pay the reasonable costs incurred by SELLER in fulfilling this Purchase Order prior to date of cancellation. The SELLER will not be entitled to payment for any unperformed work or services or for anticipated revenues or lost profits. Upon such payments, title any material, goods or merchandise already manufactured or partly completed shall pass to PPI. IN NO EVENT SHALL PPI BE LIABLE FOR ANY SPECIAL, INCIDENTAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES ARISING FROM OR RELATING TO THIS PURCHASE ORDER, EVEN IF PPI HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Any such cancellation shall not constitute a waiver of any other right or remedy PPI may have at law or in equity.

7. GRATUITIES/KICKBACKS:

- a. No gratuities (in the form of entertainment, gifts or otherwise) or kickbacks shall be offered or given by SELLER, to any employee of PPI for the purpose of obtaining or rewarding favorable treatment as a supplier.
 - b. By accepting this Contract, SELLER certifies and represents that it has not made or solicited and will not make or solicit kickbacks in violation of FAR 52.203-7 or the Anti-Kickback Act of 1986 (41 USC 51-58), both of which are incorporated herein by this specific reference, except that paragraph (c)(1) of FAR 52.203-7 shall not apply.
8. **QUALITY:** SELLER shall maintain a quality management system which is acceptable and appropriate for the goods supplied hereunder and shall comply with general industry standards. Goods supplied shall meet the requirement in the applicable technical specifications and documentations (drawings, specifications, standards, etc.) It shall be the sole responsibility of SELLER to monitor that the technical specifications regarding materials, methods, form, fitness, and function are observed, whether or not the items have been manufactured by SELLER or by any of SELLER's subcontractors. If no specific requirements are stated, good industry and craftsman-like practice shall be observed. SELLER shall notify the organization of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required obtain organization approval, and flow down to the supply chain the applicable requirements including customer requirements.
9. **RETENTION OF RECORDS:** Unless a longer period is specified in this Contract or by law or regulation, SELLER shall retain all records related to this Contract for seven (7) years from the date of final payment received by SELLER. Records related to this Contract include, but are not limited to, financial, proposal, procurement, specifications, production,

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inspection, test, quality, shipping and export, and certification records. At no additional cost, SELLER shall timely provide access to such records to Pacific Propeller Intl LLC upon request or agree to forward said records to Pacific Propeller.

- 10. FACILITY ACCESS:** Regardless of Buyer's or Buyer's Customer Point of Acceptance of this PO or whether Buyer's Customer has issued a delegation for this PO, Seller shall provide or obtain for Buyer, Buyers customers, any applicable regulatory or NISTB agency personnel access to any and all facilities where work is being performed or is scheduled to be performed (including those facilities of Seller's subcontractors) in order to perform item inspections, surveys or system/process surveillance as part of verification of conformance to the requirements of this PO. Seller's denial of any such access may result in inactivation of Seller's approval. Seller shall include the provisions of this facility access requirement in its POs with its subcontractors, for this PO. Seller shall provide the following at no increase in price, cost or fee to Buyer, Buyers customers or regulatory agencies: suitable facilities at Seller and Seller's subcontractors' manufacturing locations for Buyer, Buyers Supplier Quality Engineer, Buyer's customer and regulatory agency representatives to perform item inspections, surveys or system/process surveillance.
- 11. CODE OF CONDUCT:** Buyer is committed to conduct its business fairly, impartially, and in a safe, ethical and proper manner. Buyer's expectation is that the Seller also will conduct its business fairly, impartially, and in an ethical and proper manner. Buyer's further expectation is that Seller will have (or will develop) and adhere to a code of ethical standards. Seller ethical standards shall include but not limited to their contribution to product or service conformity, to product safety and the importance of ethical behavior.
- 12. MAINTENANCE AND PREVENTIVE MAINTENANCE PERSONNEL DUTY TIME LIMITATIONS:** Within the United States, each certificate holder (or person performing maintenance or preventive maintenance functions for it) shall relieve each person performing maintenance or preventive maintenance from duty for a period of at least 24 consecutive hours during any seven consecutive days, or the equivalent thereof within any once calendar month. Personnel duty time limitations shall be in compliance with 14 CFR part 121.377.
- 13. WARRANTIES – GUARANTIES:** SELLER warrants that goods delivered pursuant to this Purchase Order shall be free from defects in design, material, workmanship, and title: shall conform in all respects to the terms of this Purchase Order: and shall be fit and suitable, and perform satisfactorily for the purposes and under the conditions made known by PPI or reasonably to be inferred. This representation is in addition to any warranty or service guarantee offered by SELLER or implied or provided by law. SELLER acknowledges and agrees that all representations and warranties of SELLER hereunder, and all express and implied warranties with respect to the goods, are also for the benefit and extend to any customers of PPI who acquire any interest in or otherwise utilize the goods, or any portion thereof, and that such customers shall be entitled to exercise any rights of PPI and to make any claims and return any goods directly to SELLER pursuant to the terms of this Purchase Order. SELLER hereby assigns to PPI all assignable warranty rights with respect to the goods, including without limitation all rights of SELLER under warranties of any manufacturer or any of the goods or any part or component thereof.

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14. **COUNTERFEIT GOODS:** Seller warrants to Buyer, Buyer's successors, assigns, customer, and users of Goods sold by Buyer that all Goods provided hereunder shall not be Counterfeit. "counterfeit" shall mean a Good, or a part within a Good (collectively in the Article "Item(s)"), that is a copy or substitute without legal right or authority to do so, or one whose material, performance, or characteristics are knowingly misrepresented by Seller. Counterfeit Goods include, but are not limited to Items which: (i) do not contain the proper internal construction consistent with the ordered Items: (ii) have been used, refurbished, or reclaimed, but represented as new: (iii) have a different package style or surface/plating than the ordered Items: (iv) have not successfully completed the original manufacturer's full production and test processes, but have been represented as completed: or (v) are sold with modified labeling or markings intended to misrepresent the form, fit, function, or grade of the Item. Seller shall immediately quarantine goods and notify Buyer if Seller becomes aware or suspects that it has furnished Counterfeit Items. When reasonably requested by Buyer, Seller shall provide Original Equipment Manufacturer documentation that authenticates traceability of the affected Goods to the applicable OEM. In the event that Goods delivered under this Order constitute or include Counterfeit Goods, Seller shall, at its expense, promptly replace such Counterfeit Goods with genuine Goods conforming to the requirements of this Order. Notwithstanding any other provision in this Order, Seller shall be liable for all costs relating to the removal and replacement of Counterfeit Goods, including without limitation Seller's cost of removing Counterfeit Goods, of reinserting replacement Goods, and of any testing necessitated by the reinstallation of Goods after counterfeit Goods have been exchanged. The remedies contained in this paragraph are in addition to any remedies Buyer may have at law, equity, or other provisions under this Order. Seller shall include the provisions of the paragraph or equivalent provisions in lower tier subcontracts for the delivery of Goods that will be included in or furnished as Goods to Buyer.
15. **CERTIFICATION OF CONFORMANCE:** All goods must conform to the Original Equipment Manufacturers (OEMs) specifications and tests issued for such goods. The Certification of Conformance of said goods must accompany the goods from SELLER's facility, including a statement of the condition of the item, back up data on file for inspections and signed by an authorized representative of the SELLER. PACIFIC PROPELLER reserves the right to be supplied with and /or audit such certification on all new items purchased.
16. **INSPECTION - NONCONFORMANCE:** PPI shall have the right to inspect and test the goods at any time during manufacture and prior to shipment, and to make final inspection within a reasonable time after arrival at the ultimate destination. The making or failure to make any inspection of, payment for, or acceptance of goods, shall in no way impair PPI's right to reject nonconforming goods or to avail itself of any other remedies to which PPI may be entitled, notwithstanding PPI's knowledge of the nonconformity, its substantiality or the ease of its discover. PPI may reject any goods, which are defective, unsatisfactory, of inferior quality or workmanship, or fail to meet the specifications of this Purchase Order. Such goods, unless used by PPI, remain the property of SELLER, and may be returned at SELLER's risk and expense or held for SELLER's disposition. SELLER shall be responsible for all handling costs incurred. If any of the goods do not perform per specifications, SELLER shall make all necessary corrections at SELLER's cost and in a timely manner to meet the specification requirements. PPI shall, at its sole option, either give SELLER a reasonable time to correct the nonconformance or cancel the order as to such goods and

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retain rights with respect to cover as provided by law. SELLER shall notify BUYER of Nonconforming product, obtain organization approval for nonconforming product disposition.

17. **PACKAGING:** Unless otherwise specified, all packing and packaging of goods shall comply with best commercial practice to prevent damage or deterioration, secure lowest transportation rates, and comply with applicable tariffs. Furthermore, all goods must be packed in accordance with manufacturer's specifications. All shipments to PPI must be visually identified with the Purchase Order number on the exterior of package/box so that packages/boxes do not have to be opened to verify the order. Unidentified shipments may be refused and returned to sender. All hazardous materials/dangerous goods shipped to or on behalf of PPI, must be packaged, labeled, and shipped according to and in compliance with the International Air Transport Association (IATA) and Federal Aviation Administration (FAA) regulations, as well as any and all other applicable laws and regulations. UN number required with hazardous materials as per IATA and FAA regulations. MATERIAL SAFETY DATA SHEET (M.S.D.S): If an M.S.D.S is required for the goods or material to be shipped, the SELLER shall include one copy of the M.S.D.S., and it shall be identifiable and provided with each shipment of the goods furnished under this Purchase Order. Shelf life information must be included with shipment for all applicable goods or products.
18. **TRANSPORTATION:** Unless otherwise stipulated on Purchase Order, goods shall be shipped "FOB Destination". SELLER's risk of loss and title of said goods to pass to PPI only upon delivery to PPI's specified end destination. Transportation charges on goods delivered FOB Destination must be prepaid. No charges for unauthorized transportation will be allowed. Extra charges resulting from noncompliance with this requirement will be deducted from invoice.
19. **PRICES AND PAYMENT:** All prices are stated in U.S. Dollars and are guaranteed for the duration of the Purchase Order. The SELLER will absorb any price increases. Unless otherwise provided in this Purchase Order prices include all charges for packaging, preparation for shipping, duties (if any), transportation to the FOB shipping point, taxes, freight charges, handling fees and other charges if any kind with respect to the sale of goods covered by this Purchase Order. Payment will be made in accordance with the applicable provisions of this Purchase Order. Unless otherwise indicated in the Purchase Order, PPI will pay the purchase price upon delivery of the goods and proper invoicing. Delay in receiving invoices, any documents specified in this Purchase Order, or any other documents, will be considered just cause for PPI to withhold payment and will not affect any of PPI's discounts or other privileges.
20. **OWNERSHIP OF DESIGN AND TOOLS:** Unless otherwise agreed in writing, all drawings, designs, prototypes, specifications, tools, special dies, molds, patterns, jigs and any other property furnished to the SELLER by PPI or specifically paid for by PPI for use in the performance of this Purchase Order shall be and remain the property of PPI and shall be subject to removal at any time upon PPI's demand. Said property shall be used only in filling orders for PPI, shall be maintained in good order and condition and shall be clearly identified as the property of PPI. The SELLER assumes all liability for loss or damage to such property.



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- 21. TECHNICAL DOCUMENTS:** All written information obtained by the SELLER from PPI in compliance with this Purchase Order including, but not limited to, any design, processes, specifications, drawings, blueprints, data, software programs and other technical and proprietary information, shall remain the property of PPI and shall be used by the SELLER only to the extent necessary for performance of this Purchase Order and shall not be disclosed to any third parties without prior written consent of the PPI. Unless otherwise agreed in writing, at completion or termination of this Purchase Order, SELLER shall return all such information and goods to PPI or make such other disposition thereof as may be directed or approved by PPI.
- 22. INDEMNITY:** SELLER shall indemnify, defend and hold harmless PPI and its officers, agents, employees, successors and assigns from all claims, proceedings, liabilities and expenses (including reasonable attorneys' fees) suffered or incurred by any of them as a result of (i) defective or nonconforming goods furnished by SELLER: (ii) actual or alleged infringement or violation of any patent, copyright or trade secret: (iii) breach of warranty or any related theory of liability: (iv) violation or alleged violation of any applicable law: or (v) any other breach of this Purchase Order by SELLER. This indemnity shall survive the expiration, cancellation or fulfillment of this Purchase Order.
- 23. FORCE MAJEURE:** PPI reserves the right to cancel all or any part of this Purchase Order that has not actually been shipped by SELLER in the event PPI's business is interrupted because of strikes, labor disputes, lockout, riot, fire, act of God or public enemy, or any other cause, whether like or unlike the foregoing, if beyond the reasonable efforts of PPI to control.
- 24. ASSIGNMENT:** SELLER shall not assign, sell, or subcontract this Purchase Order, or any part thereof, or any rights or obligations hereunder without PPI's prior written consent. Any assignment by SELLER of this Purchase Order or any of the rights hereunder or hypothecation thereof in any manner in whole or in part, by operation of law or otherwise, without prior written consent shall be void.
- 25. PUBLICITY:** SELLER shall not, without first obtaining the written consent of BUYER, in any manner advertise or publish the fact that SELLER has contracted to furnish BUYER the Goods ordered by BUYER, or use any trademarks or trade names of BUYER in SELLER's advertising, recruiting, or promotional materials.
- 26. APPLICABLE LAW AND DISPUTES:**
- a. In the event of any dispute arising under or relating to this PO, the parties agree to make diligent and reasonable attempts to resolve through negotiations all such disputes prior to resorting to any remedy available in law or equity. Any action at law, suit in equity, or judicial proceeding of any kind arising directly, indirectly, or otherwise in connection with this PO or the relationship between the parties shall be brought only in a court of competent jurisdiction within the state of Washington. Each party hereby agrees to irrevocably submit and consent to the exclusive jurisdiction and venue of courts located in the state of Washington and each hereby waives its rights to challenge the personal jurisdiction of those courts over it.



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- b. Pending resolution of any such dispute by settlement or by final judgment, Seller shall proceed diligently with performance unless otherwise directed by Buyer in writing. In the event litigation is pursued, the prevailing party shall be entitled to recover its reasonable costs and expenses including its reasonable attorneys' fees and costs.
- c. Seller shall abide with the Arms Export Control Act and the Export Administration Act and their regulations at all times under this Purchase Order.

27. ITAR COMPLIANCE: Seller and PPI specifically acknowledge that this agreement is conditioned upon the ability of the Seller and PPI to conform to the laws and regulations of the U.S. government and its various cognizant departments regarding the use of any information or technical data which is required for the design development, production, manufacture, assembly, operation, repair, testing, maintenance or modification of defense articles. This includes information in the form of blueprints, drawings, photographs, plans, instructions and documentation. Any technical data or defense service exported from the United States in furtherance of this Agreement and any defense article which may be produced or manufactured from such technical data or defense service may not be transferred to a person in a third country or to a national of a third country except as specifically authorized in this Agreement unless the prior written approval from the U.S. Department of State has been obtained, and this obligation will remain binding and in effect after termination of this Agreement.

28. PRIORITY RATING: If the Order is a "Rated Order" certified for national defense use under the Defense Priorities & Allocations System (DPAS), the SELLER shall follow the applicable requirements of the DPAS Regulations as stated in 15 C.F.R. Part 700.

29. DEFAULT:

- a. PPI, by written notice, may terminate this Contract for default, in whole or in part, if SELLER fails to comply with any of the terms of this Contract, fails to make progress so as to endanger performance of this Contract, or fails to provide adequate assurance of future performance. SELLER shall have ten (10) days (or such longer period as PPI may authorize in writing) to cure any such failure after receipt of notice from PPI. Default involving delivery schedule delays shall not be subject to the cure provision.
- b. SELLER shall be compensated only for goods actually delivered and accepted. PPI may require SELLER to deliver to PPI any supplies and materials, manufacturing materials, and manufacturing drawings that SELLER has specifically produced or acquired for the terminated portion of this Contract. PPI and SELLER shall agree on the amount of payment for these other deliverables.
- c. SELLER shall continue all Work not terminated.
- d. If after termination under paragraph (a), it is determined that SELLER was not in default, such termination shall be deemed a Termination for Convenience.

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30. DEBARMENT OF SELLER: If SELLER (or any of its subcontractors) is debarred by the U. S. Government from participating in transactions, which involve the export of goods (whether commercial or military), PPI has the immediately available option of canceling this Purchase Order without liability of any kind to SELLER. If SELLER (or any of its subcontractors) is debarred by the U. S. Government from selling goods whether directly to the government or from providing goods as a subcontractor in fulfillment of requirements originating with the U.S. Government, PPI has the immediately available option of canceling this Purchase Order without liability of any kind to SELLER. If PPI only becomes aware of such status of SELLER (or any of its subcontractors) after receipt of the ordered goods, PPI may return such goods to SELLER and SELLER shall immediately refund all amounts paid by PPI, if any, for such goods. It is SELLER's responsibility to determine if its subcontractors meet the requirements of this paragraph.

31. SUPPLEMENTAL TERMS AND CONDITIONS:

- a. When the products or services furnished under an Order are furnished in connection with a U.S. Government prime contract or subcontract, the U.S. Federal Acquisition Regulation ("FAR"), U.S. Department of Defense FAR Supplement ("DFARS") and any other agency FAR Supplement clauses identified in PPI Supplemental Terms and Conditions QMS Form QA-002A for commercial items or PPI Supplemental Terms and Conditions QMS Form QA-002B for non-commercial items shall also apply to the Order as specified in the PPI Purchase Order and as required by terms of PPI's prime contract, or by operation of law or regulation. Said FAR and DFARS clauses are incorporated into the Order by reference, with the same force and effect as if they were given in full text. The effective version of each FAR or DFARS clause shall be the same version as appears in PPI's prime contract, or higher-tier subcontract under which the Order is issued. In the event there is no such equivalent clause in PPI's prime contract or higher-tier subcontract, the date shall be the regulatory date in effect as of the date of the Order.
- b. The applicability and interpretation of each clause are subject to any specific parenthetical statement following its title. In the event of a conflict between these FAR or DFARS provisions and the terms of the main body of the Order, the terms in the main body of the Order shall control. The U.S. Contracts Disputes Act shall have no application to the Order. Any reference to a "Disputes" clause shall mean the "Applicable Law and Disputes" clause of these general terms and conditions.
- c. Seller agrees to negotiate in good faith with PPI to amend and incorporate into the Order any additional clauses as PPI may deem necessary in order to comply with the clauses of its prime contract, subcontract, or higher tier subcontract. If any such amendment causes an increase or decrease in the cost of, or the time required for, performance of any part of the Order, an equitable adjustment shall be made by PPI pursuant to the "Changes" clause of the governing terms and conditions.

32. ORDER OF PRECEDENCE: If there are any inconsistencies or conflicts regarding the terms, specifications, or standards applicable to the Order, precedence shall be given in the following order, (i) the requirements on the face sheet of the Order including quality, price, specifications, shipping, drawings, statement of work, and specific modifications to these

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terms and conditions: (ii) the terms of any other agreement specifically referenced and incorporated into the Order (by way of example and not limitation, a memorandum of agreement, long-term agreement, master terms agreement, Product Support Agreement, etc.); (iii) applicable PPI Supplemental Terms and Conditions referenced in the order; and (iv) these terms and conditions, including any other appendices, exhibits and / or attachments hereto.

THESE TERMS AND CONDITIONS CONSTITUTE THE STANDARD TERMS AND CONDITIONS OF PURCHASE FOR PACIFIC PROPELLER INTERNATIONAL LLC AND ARE INCORPORATED IN THEIR UNMODIFIED ENTIRETY BY REFERENCE INTO ALL PACIFIC PROPELLER INTERNATIONAL LLC ORDERS ISSUED TO SELLER UNLESS OTHERWISE SPECIFIED THEREON. ANY MODIFICATION OF THESE TERMS AND CONDITIONS SHALL REQUIRE THE SIGNATURE OF AN AUTHORIZED REPRESENTATIVE OF EACH PARTY.

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SPECIAL CONDITIONS – FAR and DFAR FLOWDOWN PROVISIONS

This Order has been placed in support of a Pacific Propeller International LLC (“PPI”) U.S Government Contract. To the extent that Supplies delivered pursuant to this Order are in support of a U.S. Government Contract, the following flow-down provisions are applicable.

SECTION 1.0 PREAMBLE

1.1 These Government Contract Flow-down Provisions are applicable to all Purchase Orders supporting a U.S. Government contract or subcontract, and these provisions are in addition to PPI QMS Form QA-002, “External Suppliers General Terms and Conditions”. The Federal Acquisition Regulation (FAR) and Department of and Defense FAR Supplement (DFARS) identified herein are incorporated by reference with the same force and effect as if set forth in full text. Whenever necessary to make the context of the clauses applicable to this Order, the term “Contractor” shall mean SELLER, the term “Contract” shall mean this Purchase Order, the term “Subcontractor” shall mean a lower tier supplier to SELLER, and the terms “Government,” “Contracting Officer” and equivalent phrases shall mean PPI, except the terms “Government” and “Contracting Officer” do not change: (a) in the phrases “Government Property,” “Government-Furnished Property,” and “Government-Owned Property,” (b) in the patent clauses incorporated herein, (c) when a right, act, authorization or obligation can be granted or performed only by the Government or the Contracting Officer or their duly authorized representative, (d) when title to property is to be transferred directly to the Government, (e) when access to proprietary financial information or other proprietary data is required except as specifically otherwise provided herein, and (f) where specifically modified herein.

1.2 The following prerequisites must be met: (a) the Seller’s proposal identifies and represents its products to be a Commercial Item as defined in FAR 2.101 and provides supporting rationale and documentation to PPI and (b) PPI agrees and documents this Purchase Order that Seller’s product is a Commercial Item. If the foregoing prerequisites are met, note that these flow down clauses apply to items meeting the definition in FAR 2.101 for Commercially Available Off-the-Shelf Items (COTS), unless otherwise noted herein.

1.3 The SELLER agrees to flow-down all applicable Federal Acquisition Regulations (FAR) and Department of Defense Federal Acquisition Regulation Supplement (DFARS). The federal regulations cited herein are found in Title 48 of the Code of Federal Regulations, unless otherwise noted. The SELLER further agrees that all notifications and other communications required by these clauses shall be made to PPI’s Authorized Representative, unless this Purchase Order specifically provides otherwise.

1.4 The effective version of each provision listed below shall be the latest version published on the date that this Purchase Order is issued. If the substance of any of the clauses listed below is different from the substance of the clause actually incorporated in the Prime Contract or higher tier subcontract referenced herein, including any clause modified by amendment to the Prime Contract or higher tier subcontract, the substance of the clause incorporated in said contract shall apply instead. If, during the performance of the Order,

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SELLER discovers any conflict, error, ambiguity or discrepancy within this Section or between this Section and any other part of the Order, SELLER shall promptly report it to PPI's Authorized Representative in writing, who shall issue appropriate clarifying guidance to SELLER. Although PPI has made every effort to include every potentially applicable clause in this document, any clauses the inclusion of which in this Purchase Order is mandatory under a statute or regulation, shall be considered to be included by operation of law, even if it has been omitted from this Order.

1.5 SELLER agrees that upon the request of PPI it will execute amendments to this Order to incorporate additional provisions herein or to change provisions hereof, as PPI may reasonably deem necessary in order to comply with the provisions of the applicable Prime Contract (or higher tier subcontract), provisions of amendment to such Prime Contract and/or provisions of any launch or re-entry licenses issued by the Federal Aviation Administration (if applicable). If any such amendment to this Order causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this Order, an equitable adjustment may be made pursuant to the "Changes" clause of this Order.

1.6 Special Notes:

Note (1) Insert "and PPI" after "Government" in these clauses.

Note (2) Insert "or PPI" after "Government" in these clauses.

Note (3) Insert "and PPI" after "Contracting Officer" throughout these clauses.

SECTION 2.0: GOVERNMENT CLAUSES APPLICABLE TO ALL ORDERS FOR COMMERCIAL ITEMS

2.1 DEPARTMENT OF LABOR REGULATIONS – Title 41 of the Code of Federal Regulations. The following Equal Opportunity Clauses are incorporated into this Purchase Order as indicated:

60-1.4(a). The Seller shall abide by the requirements of 41 CFR 60-1.4(a). This regulation applies to all Purchase Orders regardless of value of the Purchase Order, and Seller shall flow this clause to all lower tier suppliers. This regulation prohibits discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. This regulation requires that contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

60-300.5(a). The Seller shall abide by the requirements of 41 CFR 60-300.5(a). This regulation applies for contracts, subcontracts or purchase orders of \$100,000 or more, and Seller shall flow this clause to its lower tier suppliers accordingly. This regulation prohibits discrimination against qualified protected veterans and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

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60-741.5(a). The Seller shall abide by the requirements of 41 CFR 60-741.5(a). This regulation applies for contracts, subcontracts or purchase orders of \$10,000 or more, except that subpart C of Part 40-741 (regarding affirmative action plans) only applies to contracts, subcontracts or purchase orders of \$50,000 or more. Seller shall flow this clause to its lower tier suppliers accordingly. This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

2.2 Certifications and Representations: Seller acknowledges that PPI will rely upon Seller's certifications and representations, including representations as to business size and socio-economic status as applicable, contained in these clauses, any written offer, proposal or quote, or company profile submission, which results in award of a contract to PPI. By entering into such contract, PPI republishes the certifications and representations submitted with its written offer, including company profile information, and oral offers/quoting made at the request of PPI, and PPI makes those certifications and representations set forth below. The Seller shall immediately notify PPI of any change of status regarding any certification or representation.

2.3 FAR CLAUSES INCORPORATED BY REFERENCE

52.203-6; "Restrictions on Subcontractor Sales to the Government" (Applicable to Orders over the simplified acquisition threshold as defined in FAR 2.101).

52.203-12; "Limitation on Payments to Influence Certain Federal Transactions" (Applicable to Orders over the simplified acquisition threshold as defined in FAR 2.101).

52.203-13; "Contractor Code of Business Ethics and Conduct" (Applicable if the Order's period of performance is more than 120 days and exceeds \$5,500,000. Note 1 applies. All disclosures of violation of the civil False Claims Act or of Federal criminal law shall be directed to the agency Office of the Inspector General, with a copy to the Contracting Officer.)

52.203-17; "Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights" (Applicable to Orders over the simplified acquisition threshold as defined in FAR 2.101).

52.203-19; "Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements"

52.204-10; "Reporting Executive Compensation and First-Tier Subcontract Awards" (Applicable only if the value of this Order is \$30,000 or more; only paragraphs (a), (c) and subparagraph (d)(3) apply. The first phrase of subparagraph (d)(3) is revised to read as follows: "Unless otherwise directed by the PPI, by the 10th business day of the month following the month of award of this Order, and annually thereafter, the SELLER shall report the names and total compensation of each of the five most highly compensated executives of SELLER for the SELLER's preceding completed fiscal year at <http://www.fsrs.gov> (The Contractor shall follow the instructions at <http://www.fsrs.gov> to report the data.)

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52.204-21; “Basic Safeguarding of Covered Contractor Information Systems” (Applicable to any Seller that may have Federal contract information residing in or transiting through its information system but does not apply to orders for Commercially Available Off-the-Shelf Items (COTS), as that term is defined in FAR 2.101.)

52.204-23; “Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities”

52.211-15; “Defense Priority and Allocation Requirements” (Applicable only if Defense Priority and Allocation System (DPAS) Requirements are invoked on Order)

52.219-8; “Utilization of Small Business Concerns” (If the order exceeds \$700,000 and Seller is other than a small business, Seller must flow this clause to its subcontractors.)

52.222-17; “Non-displacement of Qualified Workers” (Applicable to Orders over the simplified acquisition threshold as defined in FAR 2.101).

52.222-21; “Prohibition of Segregated Facilities”

52.222-26; “Equal Opportunity” (Paragraph (d) is deleted.)

52.222-35; “Equal Opportunity for Veterans” (Applicable to Orders over the simplified acquisition threshold as defined in FAR 2.101).

52.222-36; “Affirmative Action for Workers with Disabilities” (Applicable to Orders over the simplified acquisition threshold as defined in FAR 2.101).

52.222-37; “Employment Reports on Veterans” (Applicable to Orders over the simplified acquisition threshold as defined in FAR 2.101).

52.222-40; “Notification of Employee Rights Under The National Labor Relations Act” (Applies if this Order exceeds \$10,000 and will be performed wholly or partially in the United States, unless exempted by the rules, regulations, and orders of the Secretary of Labor issued pursuant to section 3 of Executive Order 13496 of Jan. 30, 2009.)

52.222-50; “Combating Trafficking in Persons” (In paragraph (e), Note 1 applies. Paragraph (h) applies only to any portion of the subcontract that is for (A) supplies, other than commercially available off-the-shelf items, acquired outside the United States, or services to be performed outside the United States; and (B) Has an estimated value that exceeds \$500,000).

52.222-54; “Employment Eligibility Verification” (Applicable to services and construction orders that: (1) exceed \$3,500; and (2) include work performed in the United States. Does not apply to orders for commercial services that are (a) part of the purchase of a Commercially Available Off the Shelf (COTS) item (or an item that would be a COTS item, but for minor modifications) (b) performed by the COTS provider, and (c) are normally provided for that COTS item.)

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52.223-18; “Encouraging Contractor Policies to Ban Text Messaging While Driving”

52.232-40; “Providing Accelerated Payments to Small Business Subcontractors” (applicable to subcontracts with small business concerns).

52.244-6; “Subcontracts for Commercial Items”

52.247-64; “Preference for Privately Owned U.S. Flag Commercial Vessels”

2.4 DFAR CLAUSES INCORPORATED BY REFERENCE

The following clauses are incorporated into the Purchase Order if such PO relates to a higher tier order for the Department of Defense:

252.203-7002; “Requirement to Inform Employees of Whistleblower Rights”

252.203-7003; “Agency Office of the Inspector General”

252.204-7003; “Control of Government Personnel Work Product”

252.204-7004; “Antiterrorism Awareness Training for Contractors” (Applies when subcontractor performance requires routine physical access to a Federally-controlled facility or military installation).

252.204-7012; “Safeguarding Covered Defense Information and Cyber Incident Reporting” (Applicable if performance of this Order will result in Seller’s receipt of “covered defense information” as defined in paragraph (a), or Seller will provide operationally critical support to a U.S. Government customer.) (Reports required under paragraph (c) shall be made in compliance with paragraph (m)(2) of this Clause; Seller shall provide Buyer with a copy of notifications submitted pursuant to paragraph (b)(2)(ii)(B).)

252.208-7000; “Intent to Furnish Precious Metals as Government-Furnished Material.”

252.211-7003; “Item Unique Identification and Valuation (Applies to any item(s) for which item unique identification is required in accordance with paragraph (c)(1) of this clause.

252.209-7004; “Subcontracting with Firms Owned or Controlled by the Government of a Country that is a State Sponsor of Terrorism”

252.211-7003; “Item Identification and Valuation” (Applicable if this Order requires items that contain unique item identification (“UID”) under paragraph c (1) of the clause).

252.222-7000; “Restrictions on Employment of Personnel”

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252.223-7001; "Hazard Warning Labels" (Applicable if this Order requires the delivery of hazardous materials.)

252.223-7008; "Prohibition of Hexavalent Chromium" (Applies only to orders that require, may require, or permit a subcontractor access to a DoD installation, at any subcontract tier.)

252.225-7001; "Buy American and Balance of Payments Program (Substituted In Lieu of Far 52.225-1" (Applicable if this Order includes other than domestic components).

252.225-7007; "Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies" (Applicable if SELLER is supplying items on the U.S. Munitions list.)

252.225-7009; "Restriction on Acquisition of Certain Articles Containing Specialty Metals" (Paragraphs (d) and (e)(1) are deleted.) (Applies if delivered items contain specialty metals, as that term is defined in the clause).

252.225-7013; "Duty-Free Entry"

252.225-7015; "Restriction on Acquisition of Hand or Measuring Tool"

252.225-7021; "Trade Agreements" (Applicable if items delivered under the Order contain other than U.S.-made, qualifying country or designated country end products. Applicable in lieu of FAR 52.225-5.)

252.225-7028; "Exclusionary Policies and Practices of Foreign Governments"

252.225-7048; "Export-Controlled Items"

252.226-7001; "Utilization of Indian Organizations, Indian Owned Economic Enterprises and Native Hawaiian Small Business Concerns" (Applicable if this contract exceeds \$500,000. In subparagraph (f)(1), "Contractor" shall mean "PPI". PPI has no liability to SELLER for incentive payments unless and until the Government provides said incentive payment to PPI.)

252.227-7015; "Technical Data – Commercial Items"

252.227-7033; "Rights in Shop Drawings".

252.227-7037; "Validation of Restrictive Markings on Technical Data" (Applies if PO requires delivery of technical data)

252.244-7000; "Subcontracts for Commercial Items"

252.246-7003; "Notification of Potential Safety Issues" (Applicable if this Order is for (i) parts identified as critical safety items; (ii) systems and subsystems, assemblies and subassemblies

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integral to a system; or (iii) repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system.)

252.246-7007; "Contractor Counterfeit Electronic Part Detection and Avoidance System" (The introductory text is excluded, and this clause applies to Seller regardless of whether Seller is subject to Cost Accounting Standards.)

252.246-7008; "Sources of Electronic Parts" (Applies only to orders for electronic parts or assemblies containing electronic parts, unless the Seller (or in the case of sub-tier flow down, Seller's subcontractor) is the original manufacturer).

252.247-7023; "Transportation of Supplies by Sea" (Applicable in lieu of FAR 52.247-64 in all orders for ocean transportation of supplies. Applies in full for orders that exceed over the simplified acquisition threshold as defined in FAR 2.101. For orders below the simplified acquisition threshold, only paragraphs (a) through (e) apply).

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SPECIAL CONDITIONS – FAR and DFAR FLOWDOWN PROVISIONS

This Order has been placed in support of a Pacific Propeller International LLC (“PPI”) U.S Government Contract. To the extent that Supplies delivered pursuant to this Order are in support of a U.S. Government Contract, the following flow-down provisions are applicable.

SECTION 1.0 PREAMBLE

1.1 These Government Contract Flow-down Provisions are applicable to all Purchase Orders supporting a U.S. Government contract or subcontract, and these provisions are in addition to PPI QMS Form QA-002, “External Suppliers General Terms and Conditions”. The Federal Acquisition Regulation (FAR) and Department of and Defense FAR Supplement (DFARS) identified herein are incorporated by reference with the same force and effect as if set forth in full text. Whenever necessary to make the context of the clauses applicable to this Order, the term “Contractor” shall mean SELLER, the term “Contract” shall mean this Purchase Order, the term “Subcontractor” shall mean a lower tier supplier to SELLER, and the terms “Government,” “Contracting Officer” and equivalent phrases shall mean PPI, except the terms “Government” and “Contracting Officer” do not change: (a) in the phrases “Government Property,” “Government-Furnished Property,” and “Government-Owned Property,” (b) in the patent clauses incorporated herein, (c) when a right, act, authorization or obligation can be granted or performed only by the Government or the Contracting Officer or their duly authorized representative, (d) when title to property is to be transferred directly to the Government, (e) when access to proprietary financial information or other proprietary data is required except as specifically otherwise provided herein, and (f) where specifically modified herein.

1.2 The SELLER agrees to flow-down all applicable Federal Acquisition Regulations (FAR) and Department of Defense Federal Acquisition Regulation Supplement (DFARS). The federal regulations cited herein are found in Title 48 of the Code of Federal Regulations, unless otherwise noted. The SELLER further agrees that all notifications and other communications required by these clauses shall be made to PPI’s Authorized Representative, unless this Purchase Order specifically provides otherwise.

1.3 The effective version of each provision listed below shall be the latest version published on the date that this Purchase Order is issued. If the substance of any of the clauses listed below is different from the substance of the clause actually incorporated in the Prime Contract or higher tier subcontract referenced herein, including any clause modified by amendment to the Prime Contract or higher tier subcontract, the substance of the clause incorporated in said contract shall apply instead. If, during the performance of the Order, SELLER discovers any conflict, error, ambiguity or discrepancy within this Section or between this Section and any other part of the Order, SELLER shall promptly report it to PPI’s Authorized Representative in writing, who shall issue appropriate clarifying guidance to SELLER. Although PPI has made every effort to include every potentially applicable clause in this document, any clauses the inclusion of which in this Purchase Order is mandatory under a statute or regulation,

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shall be considered to be included by operation of law, even if it has been omitted from this Order.

1.4 SELLER agrees that upon the request of PPI it will execute amendments to this Order to incorporate additional provisions herein or to change provisions hereof, as PPI may reasonably deem necessary in order to comply with the provisions of the applicable Prime Contract (or higher tier subcontract), provisions of amendment to such Prime Contract and/or provisions of any launch or re-entry licenses issued by the Federal Aviation Administration (if applicable). If any such amendment to this Order causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this Order, an equitable adjustment may be made pursuant to the "Changes" clause of this Order.

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

1.6 Special Notes:

Note (1) Insert "and PPI" after "Government" in these clauses.

Note (2) Insert "or PPI" after "Government" in these clauses.

Note (3) Insert "and PPI" after "Contracting Officer" throughout these clauses.

SECTION 2.0: GOVERNMENT CLAUSES APPLICABLE TO ALL ORDERS FOR Non-COMMERCIAL ITEMS

2.1 DEPARTMENT OF LABOR REGULATIONS – Title 41 of the Code of Federal Regulations. The following Equal Opportunity Clauses are incorporated into this Purchase Order as indicated:

60-1.4(a). The Seller shall abide by the requirements of 41 CFR 60-1.4(a). This regulation applies to all Purchase Orders regardless of value of the Purchase Order, and Seller shall flow this clause to all lower tier suppliers. This regulation prohibits discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. This regulation requires that contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

60-300.5(a). The Seller shall abide by the requirements of 41 CFR 60-300.5(a). This regulation applies for contracts, subcontracts or purchase orders of \$100,000 or more, and Seller shall flow this clause to its lower tier suppliers accordingly. This regulation prohibits discrimination against qualified protected veterans and requires affirmative

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action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

60-741.5(a). The Seller shall abide by the requirements of 41 CFR 60-741.5(a). This regulation applies for contracts, subcontracts or purchase orders of \$10,000 or more, except that subpart C of Part 40-741 (regarding affirmative action plans) only applies to contracts, subcontracts or purchase orders of \$50,000 or more. Seller shall flow this clause to its lower tier suppliers accordingly. This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

2.2 Certifications and Representations: Seller acknowledges that PPI will rely upon Seller's certifications and representations, including representations as to business size and socio-economic status as applicable, contained in these clauses, any written offer, proposal or quote, or company profile submission, which results in award of a contract to PPI. By entering into such contract, PPI republishes the certifications and representations submitted with its written offer, including company profile information, and oral offers/quoting made at the request of PPI, and PPI makes those certifications and representations set forth below. The Seller shall immediately notify PPI of any change of status regarding any certification or representation.

2.3 FAR CLAUSES INCORPORATED BY REFERENCE

Clauses	Title	Applicability
52.203-3	Gratuities	Orders exceeding \$150,000
52.203-5	Covenant Against Contingent Fees	Orders exceeding \$150,000
52.203-6	Restrictions on Subcontractor Sales to the Government	Orders exceeding \$150,000
52.203-7	Anti-Kickback Procedures <i>Except that paragraph (c)(1) does not apply.</i>	Orders exceeding \$150,000
52.203-8	Cancellation, Rescission and Recovery of Funds for Illegal or Improper Activity	Orders exceeding \$150,000
52.203-10	Price or Fee Adjustment for Illegal or Improper	Orders exceeding \$150,000
52.203-11	Certification and Disclosure Regarding Payment to Influence Certain Federal	Orders exceeding \$150,000
52.203-12	Limitation on Payments to Influence Certain Federal Transactions	Orders exceeding \$150,000
52.203-13	Contractor Code of Business Ethics and Conduct	Orders exceeding \$5,500,000 and with a period of performance greater than 120 days
52.203-14	Display of Hotline Posters	Orders exceeding \$5,500,000, except when the work is performed entirely outside the U.S.



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52.203-17	Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights	Orders exceeding \$150,000
52.203-19	Prohibition on Requiring Certain Internal Confidentiality Agreements or Statement	All Orders
52.204-2	Security Requirements <i>Except that paragraph (c) does not apply.</i>	All Orders involving access to classified information
52.204-9	Personal Identity Verification of Contractor Personnel	All Orders requiring physical access to a Federally controlled facility and/or access to Federally controlled information
52.204-10	Reporting Executive Compensation and First Tier Subcontract Awards	Applicable only if the value of this Order is \$30,000 or more; only paragraphs (a), (c) and subparagraph (d)(3) apply. The first phrase of subparagraph (d)(3) is revised to read as follows: "Unless otherwise directed by the PPI, by the 10th business day of the month following the month of award of this Order, and annually thereafter, the SELLER shall report the names and total compensation of each of the five most highly compensated executives of SELLER for the SELLER's preceding completed fiscal year at http://www.fsr.gov (The Contractor shall follow the instructions at http://www.fsr.gov to report the data.)
52.204-21	Basic Safeguarding of Covered Contractor Information Systems	All Orders that may have Federal contract information residing in or transiting through its information system
52.204-23	Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities	All Orders
52.209-6	Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment	Orders exceeding \$35,000
52.209-10	Prohibition on Contracting with Inverted Domestic Corporations	All Orders



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52.211-5	Material Requirements	All Orders
52.211-15	Defense Priority and Allocation Requirements	Applies if the orders is a DPAS DX or DO Priority Order
52.215-2	Audit and Records – Negotiation	Orders exceeding \$150,000
52.215-10	Price Reduction for Defective Certified Cost or Pricing Data In paragraph (c)(1) the term “Contracting Officer” does not change.	Orders exceeding \$750,000
52.215-11	Price Reduction for Defective Certified Cost or Pricing Data - Modifications In paragraph (d)(1) the term “Contracting Officer” does not change.	Orders exceeding \$750,000
52.215-12	Subcontractor Certified Cost or Pricing Data	Orders exceeding \$750,000
52.215-13	Subcontractor Certified Cost or Pricing Data – Modifications	Orders exceeding \$750,000
52.215-14	Integrity of Unit Prices Except that paragraph (b) does not apply	Orders exceeding \$150,000
52.215-15	Pension Adjustments and Asset Reversions	Orders exceeding \$750,000
52.215-16	Facilities Capital Cost of Money	Orders exceeding \$750,000 when facilities capital cost of money is proposed
52.215-17	Waiver of Facilities Capital Cost of Money	Orders exceeding \$750,000 when facilities capital cost of money is not proposed
52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other than Pensions	Orders exceeding \$750,000
52.215-19	Notification of Ownership Changes	Orders exceeding \$750,000
52.215-23	Limitations on Pass-Through Charges	Orders exceeding \$750,000
52.219-8	Utilization of Small Business Concerns	Orders exceeding \$150,000 that offer further subcontracting opportunities pursuant to FAR 52.219-9(d)(9)



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52.219-9	Small Business Subcontracting Plan	Orders exceeding \$700,000 that offer further subcontracting opportunities pursuant to paragraph (d)(9) of this clause
52.219-16	Liquidated Damages – Subcontracting Plan	Orders exceeding \$700,000
52.222-1	Notice to the Government of Labor Disputes	All Orders
52.222-2	Payment for Overtime Premiums In paragraph (a), the authorized overtime premium is	Orders for cost-reimbursement exceeding \$150,000
52.222-4	Contract Work Hours and Safety Standards Act – Overtime Compensation	Orders exceeding \$150,000
52.222-19	Child Labor – Cooperation with Authorities and Remedies	Orders exceeding \$10,000
52.222-21	Prohibition of Segregated Facilities	Orders exceeding \$10,000
52.222-24	Pre-Award On-Site Equal Opportunity Compliance Evaluation	Orders exceeding \$10,000,000
52.222-26	Equal Opportunity	Orders exceeding \$10,000
52.222-35	Equal Opportunity for Veterans	Orders of \$150,000 or more
52.222-36	Equal Opportunity for Workers with Disabilities	Orders exceeding \$15,000
52.222-37	Employment Reports on Veterans	Orders of \$150,000 or more
52.222-40	Notification of Employee Rights Under the National Labor Relations Act	Orders exceeding \$10,000 and will be performed wholly or partially in the United States
52.222-50	Combating Trafficking in Persons	All Orders
52.222-54	Employment Eligibility Verification	Orders exceeding \$3,500 for services performed in the U.S.
52.222-62	Paid Sick Leave Under Executive Order 13706	All Orders subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute for work to be performed in whole or in part in the U.S.



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52.223-3	Hazardous Material Identification and Safety Data	All Orders where delivery of hazardous material will be required
52.223-6	Drug-Free Workplace	All Orders
52.223-11	Ozone–Depleting Substances and High Global Warming Potential Hydrofluorocarbons	All Orders for supplies which contain ozone depleting substances
52.223-18	Encouraging Contractor Policies to Ban Text Messaging While Driving	Orders exceeding \$10,000
52.225-8	Duty Free Entry	Orders for foreign supplies, with a value at \$15,000, that will be imported into the U.S.
52.225-13	Restrictions on Certain Foreign Purchases	All Orders
52.227-1	Authorization and Consent	Orders exceeding \$150,000
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement	Orders exceeding \$150,000
52.227-9	Refund of Royalties	Orders where the amount of royalties reported will exceed \$250
52.227-10	Filing Patent Applications – Classified Subject Matter	All Orders that cover or may cover classified subject matter
52.227-11	Patent Rights – Ownership by the Contractor	All Orders for experimental, developmental or research work
52.227-13	Patent Rights-Ownership by the Government	All Orders for experimental, developmental or research work p
52.227-14	Rights in Data-General	All Orders
52.228-5	Insurance – Work on a Government Installation	All Orders for work on a Government installation
52.229-3	Federal, State, and Local Taxes	Fixed-price Orders exceeding \$150,000 where performance will be wholly or partly in the U.S. or outlying areas
52.230-2	Cost Accounting Standards Except that paragraph (b) does not apply	Orders exceeding \$750,000; unless an exemption applies



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52.230-3	Disclosure and Consistency of Cost Accounting Practices Except that paragraph (b) does not apply	Orders exceeding \$750,000; unless an exemption applies
52.230-4	Disclosure and Consistency of Cost Accounting Practices - Foreign Concerns Except that paragraph (b) does not apply	Orders exceeding \$750,000; unless an exemption applies
52.230-5	Cost Accounting Standards - Educational Institution Except that paragraph (b) does not apply	Orders exceeding \$2,000,000; unless an exemption applies
52.230-6	Administration of Cost Accounting Standards	All Orders where any of the following FAR clauses apply: 52.230-2; 52.230-3; 52.230-4, or 52.230-5
52.232-7	Payments under Time-and-Materials and Labor-Hour Contracts In paragraph (h)(2), use 30th	All time-and-materials, and labor-hour Orders
52.232-20	Limitation of Cost	All cost-reimbursement Orders
52.232-22	Limitation of Funds	All cost-reimbursement Orders
52.232-40	Providing Accelerated Payments to Small Business Subcontractors	All Orders to small businesses
52.234-1	Industrial Resources Developed Under Title III, Defense Production Act	All Orders
52.242-1	Notice of Intent to Disallow Costs Except that in paragraph (a)(2), replace the first reference to 60 days with 30 days	Cost-reimbursement, fixed-price Incentive, or price redetermination Orders
52.242-13	Bankruptcy Except replace "a listing of Government contract numbers and contracting offices for all Government contracts" with "a listing of all Buyer	Orders exceeding \$150,000
52.242-15	Stop Work Order Except that in paragraph (b)(2), replace 30 days with 15	All Orders
52.243-1	Changes – Fixed-Price Except that in paragraph (c), replace 30 days with 15	All fixed-price Orders
52.243-2	Changes – Cost-Reimbursement Except that in paragraph (c), replace 30 days with 15 days.	All cost-reimbursement Orders



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52.243-3	Changes – Time-and-Materials or Labor-Hours Except that in paragraph (c), replace 30 days with 15	All time-and-materials or labor-hour Orders
52.244-6	Subcontracts for Commercial Items	All Orders
52.245-1	Government Property In which “Government” means PPI except: (1) in the terms “Government furnished property” and “Government property,” and (2) in subparagraph (d)(3)(i)(B), paragraph (e), subparagraph (f)(1)(ii), and subparagraph (j)(1) “Government” means Government and/or PPI: In paragraph (g), and subparagraphs (h)(3), (h)(4), and (i).	All Orders where Government or PPI property will be acquired or furnished
52.246-1	Contractor Inspection Requirements	Orders at or below \$150,000
52.246-2	Inspection of Supplies – Fixed-Price	Fixed-price orders exceeding \$150,000
52.246-3	Inspection of Supplies – Cost-Reimbursement	All cost-reimbursement Orders
52.246-4	Inspection of Services – Fixed-Price	Fixed-price Orders exceeding \$150,000
52.246-5	Inspection of Services – Cost-Reimbursement	All cost-reimbursement Orders
52.246-6	Inspection – Time-and-Materials or Labor-Hours	All time-and-materials and labor-hour Orders
52.246-16	Responsibility for Supplies	Fixed-price Orders for supplies, or services involving supplies, expected to exceed \$150,000.
52.246-17	Warranty of Supplies of a Noncomplex Nature In the blanks at (b)(1) and (c)(1), insert “one year after	All fixed-price Orders for supplies
52.246-18	Warranty of Supplies of a Complex Nature In paragraph (b)(1) insert the words “one year after	All fixed-price Orders for supplies
52.246-20	Warranty of Services	All fixed-price Orders for services
52.247-63	Preference for U.S. Flag Air Carriers	Orders that may involve
52.247-64	Preference for Privately Owned U.S.-Flagged Commercial Vessels	Orders that may involve ocean transportation of supplies
52.248-1	Value Engineering	Orders of \$150,000 or more

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52.249-1	Termination for Convenience of the Government (Fixed Price) (Short Form)	Fixed-price Orders less than \$150,000
52.249-2	Termination for Convenience of the Government (Fixed Price) In paragraph (c), termination inventory schedule shall be submitted no later than "60 days from the effective date of termination;" paragraph (d) is deleted; in paragraph (e), "the Seller shall submit the termination settlement proposal within 6 months," and in paragraph (l), "a request for an equitable adjustment shall be requested within 45 days."	Fixed-price Orders exceeding \$150,000
52.249-6	Termination (Cost-Reimbursement) In paragraph (d), termination inventory schedule shall be submitted no later than "60 days from the effective date of termination;" paragraph (e) is deleted; in paragraph (f), "the Seller shall submit the termination settlement proposal within 6 months," and paragraphs (j) and (n) are deleted.	All Cost-reimbursement Orders
52.249-9	Default (Fixed-Price Research and Development)	Fixed-price Orders for research and development exceeding \$150,000
52.249-14	Excusable Delays	Cost-reimbursement, time-and-materials and labor-hour Orders

2.4 DFAR CLAUSES INCORPORATED BY REFERENCE

Clauses	Title	Applicability
252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense Contract-Related Felonies Except that paragraph (g) does not apply.	Orders exceeding \$150,000
252.203-7002	Requirement to Inform Employees of Whistleblower Rights	All Orders
252.203-7003	Agency Office of the Inspector General	Orders exceeding \$5,500,000
252.203-7004	Display of Fraud Hotline Poster(s)	Orders exceeding \$5,500,000
252.204-7000	Disclosure of Information	All Orders
252.204-7003	Control of Government Personnel Work Product	All Orders

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252.204-7012	Safeguarding Covered Defense Information and Cyber Incident Reporting	All Orders that involve covered defense information
252.208-7000	Intent to Furnish Precious Metal as Government - Furnished Material	All Orders
252.209-7004	Subcontracting with Firms That Are Owned or Controlled by The Government of a Country That is a State Sponsor of Terrorism	Orders exceeding \$150,000
252.215-7010	Requirements for Certified Cost or Pricing Data and Data Other than Certified Cost or Pricing Data	Orders exceeding \$150,000 and awarded on the basis of certified cost or pricing data
252.219-7003	Small Business Subcontracting Plan (DoD Contracts)	Orders exceeding \$750,000
252.223-7001	Hazard Warning Labels	All Orders that require the submission of hazardous material data sheets.
252.223-7006	Prohibition on Storage, Treatment, and Disposal of Toxic or Hazardous Materials	All Orders that require, may require, or permit access to a DoD installation
252.223-7008	Prohibition of Hexavalent Chromium	All Orders for supplies, maintenance and repair services, or construction materials
252.225-7001	Buy American Act and Balance of Payments Program "Government" is not changed in this clause.	All Orders
252.225-7002	Qualifying Country Sources as Subcontractors	All Orders
252.225-7004	Report of Intended Performance Outside the United States and Canada - Submission After Award	Orders exceeding \$750,000 performed outside the U.S. and Canada
252.225-7007	Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies	All Orders
252.225-7008	Restriction on Acquisition of Specialty Metals	Orders exceeding \$150,000
252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals Except that paragraphs (d) and (e)(1) do not apply	All Orders
252.225-7013	Duty-Free Entry	All Orders



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252.225-7015	Restriction on Acquisition of Hand or Measuring Tools	All Orders
252.225-7016	Restriction on Acquisition of Ball and Roller Bearings	All Orders
252.225-7021	Trade Agreements	All Orders
252.225-7025	Restriction on Acquisition of Forgings	All Orders
252.225-7027	Restriction on Contingent Fees for Foreign Military Sales	All Orders
252.225-7028	Exclusionary Policies and Practices of Foreign Governments	All Orders
252.225-7030	Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate	All Orders
252.225-7033	Waiver of United Kingdom Levies	Orders exceeding \$1,000,000 with a United Kingdom firm
252.225-7040	Contractor Personnel Authorized to Accompany U.S. Armed Forces Deployed Outside the United States	All Orders
252.225-7043	Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States	All Orders
252.225-7048	Export Controlled Items	All Orders
252.225-7993	Prohibition on Contracting with the Enemy (DEVIATION 2014-O0008)	Orders exceeding \$50,000, that are being, or will be, performed in the U.S. Central Command (USCENTCOM), United States European Command (USEUCOM), United States Africa Command (USAFRICOM), United States Southern Command (USSOUTHCOM), or United States Pacific Command (USPACOM) theaters of operations
252.226-7001	Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns	Orders exceeding \$500,000
252.227-7013	Rights in Technical Data--Noncommercial Items	All Orders
252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation	All Orders



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252.227-7015	Technical Data – Commercial Items	All Orders
252.227-7016	Rights in Bid or Proposal Information	All Orders
252.227-7017	Identification and Assertion of Use, Release, or Disclosure Restrictions	All Orders
252.227-7019	Validation of Asserted Restrictions--Computer Software.	All Orders
252.227-7025	Limitations on the Use or Disclosure of Government- Furnished Information Marked with Restrictive Legends	All Orders
252.227-7026	Deferred Delivery of Technical Data or Computer Software	All Orders
252.227-7027	Deferred Ordering of Technical Data or Computer Software	All Orders
252.227-7028	Technical Data or Computer Software Previously Delivered to the Government	All Orders
252.227-7030	Technical Data – Withholding of Payment	All Orders
252.227-7032	Rights in Technical Data and Computer Software (Foreign)	All Orders for technical data with foreign Sellers to be performed overseas, except Canada
252.227-7037	Validation of Restrictive Markings on Technical Data	All Orders
252.227-7038	Patent Rights – Ownership by the Contractor (Large Business)	All Orders for experimental, developmental, or research work to be performed by a large business.
252.227-7039	Patents – Reporting of Subject Inventions	All Orders for experimental, developmental, or research work to be performed by a small business concern or nonprofit organization.
252.228-7001	Ground and Flight Risk	All Orders
252.231-7000	Supplemental Costs Principles	Orders exceeding \$750,000
252.235-7003	Frequency Authorization	All Orders
252.243-7001	Pricing of Contract Modifications	Fixed Price Orders



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252.244-7000	Subcontracts for Commercial Items and Commercial Components (DoD Contracts)	All Orders
252.245-7001	Tagging, Labeling, and Marking of Government Furnished Property	All Orders where Government property will be acquired or furnished
252.245-7002	Reporting Loss of Government Property	All Orders where Government property will be acquired or furnished
252.246-7001	Warranty of Data	All cost-reimbursement Orders where technical data will be delivered to the Government
252.246-7003	Notification of Potential Safety Issues	All Orders
252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System	All Orders for electronic parts or assemblies containing electronic parts
252.246-7008	Sources of Electronic Parts	All Orders for electronic parts or assemblies containing electronic parts
252.247-7023	Transportation of Supplies by Sea	Paragraphs (a)-(h) apply to Orders exceeding \$250,000, and paragraphs (a)-(e) apply to Orders at or below \$250,000
252.247-7024	Notification of Transportation of Supplies by Sea Except that paragraph (a) the second sentence is modified to read "If, after award of the Order, the Seller learns that supplies..."	All Orders