



GENERAL TERMS AND CONDITIONS FOR PURCHASE ORDERS

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GENERAL TERMS AND CONDITIONS FOR PURCHASE ORDERS

1. SCOPE AND DEFINITIONS

1.1. SCOPE

This document describes general Terms and Conditions of purchase which are applicable to Orders placed by Germane Systems.

1.2. DEFINITIONS

The definitions set forth below shall apply to these Terms, any Order, and any related Agreement:

- 1.2.1 "Germane" shall mean "Buyer," "Germane Systems," and "Germane's Authorized Purchasing Representative".
- 1.2.2 "Germane Authorized Buyer" means a person authorized by Germane Systems to administer and/or execute this Contract.
- 1.2.3 "Contractor" or "Offeror" shall mean "Seller." "SELLER" means the party identified on the face of this Contract with whom Germane is contracting.
- 1.2.4 "Subcontractor" shall mean "Seller's Supplier" under this Purchase Order.
- 1.2.5 "Contract" shall mean the instrument of contracting, such as "Purchase Order", "PO", "Subcontract", or other such type designation, including the Provisions of these "Terms and Conditions", and all referenced documents, exhibits, and attachments. If these Terms and Conditions are incorporated into a "master" agreement that provides for releases, (in the form of a Purchase Order or other such document) the term "Contract" shall also mean the release document for the Work to be performed.
- 1.2.6 "Product" means goods, including components and parts thereof, services, documents, data, software, software documentation and other information or items furnished or to be furnished to Germane under any Order.
- 1.2.7 "Services" means the work to be performed by Seller under an Order for Germane as set forth in the statement of work and specifications established in the applicable agreement.
- 1.2.8 "Work" shall mean all required labor, articles, materials, supplies, goods, and services constituting the subject matter of this Contract.

2. ORDERING

2.1. ISSUANCE OF PURCHASE ORDERS

Germane's issuance of this purchase order creates a binding Contract that is subject to the clauses in these Terms and Conditions. These Terms and Conditions, together with any referenced exhibits, attachments, or other documents constitute the entire agreement between Germane and Seller with respect to the subject matter of this Purchase Order; and supersede any prior, concurrent, written, or oral agreements pertaining thereto.

2.2. ACCEPTANCE OF PURCHASE ORDERS

In the event that this Purchase Order does not state a price or delivery schedule, Germane will not be bound to accept any prices or delivery that it has not specifically agreed to in writing. Any Terms or Conditions proposed by Seller that is inconsistent with, or in addition to, the Terms and Conditions of this contract shall be void and of no effect. Seller shall submit modifications or additions in writing and may not proceed until written approval is received from Germane's Buyer.

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3. RISK OF LOSS

Upon request, Seller shall provide Germane with adequate proof of insurance against such risk of loss or damage.

4. SCHEDULE

4.1. DELIVERY

Timely delivery of the order is listed in the delivery schedule of this contract. Intentional failure of Seller to meet the requirements of the delivery schedule under this Purchase Order, without prior notice to Germane, shall be considered a material breach of this Purchase Order. Seller shall strictly adhere to the shipment or delivery schedules specified in this Contract. In the event of any anticipated, unanticipated, or actual delay, Seller shall: (i) promptly notify Germane in writing of the reasons for the delay and the actions being taken to overcome or minimize the effect of the delay; (ii) provide Germane with a written recovery schedule; and (iii) if requested by Germane, ship via air or other expedited routing, at no additional cost to Germane, to avoid or minimize delay to the maximum extent possible.

Germane reserves the right to refuse Goods delivered to Germane earlier than five (5) business days prior to or three (3) days later than the scheduled delivery dates without authorization in writing by Germane's Authorized Buyer. This Purchase Order is subject to cancellation, if Seller does not ship the Order at the scheduled delivery dates. Germane reserves the right to refuse to pay outside of the original due date.

Germane shall, at no additional cost, retain goods furnished in excess of the specified quantity or in excess of any allowable overage unless, within 45 days of shipment, Seller requests return of such excess. In the event of such request, Seller shall reimburse Germane for reasonable costs associated with storage and return of the excess.

5. ORDER OF PRECEDENCE

When requirements of the purchase order, the statement of work, this specification, or any subsidiary specification are in conflict, the following shall apply:

5.1. PRECEDENCE

- 5.1.1 The purchase order (contract) shall have precedence over any documents.
- 5.1.2 Germane Terms and Conditions.
- 5.1.3 Statements of work (the most recently agreed to and issued version of a statement of work shall control).
- 5.1.4 Specifications (the most recently agreed to and issued version of specifications shall control).
- 5.1.5 All other attachments, exhibits, appendices, documents or terms incorporated by reference in or attached to this Contract.

The first document or provision listed has the highest precedence.

5.2. ENTIRE AGREEMENT

This Contract, together with all purchase orders, change orders, attachments, exhibits, supplements, specifications, and other terms referenced in this Contract, contains the entire agreement of the Parties and supersedes any and all prior agreements, understandings and communications between Germane and Seller related to the subject matter of this Contract. Except as authorized herein, no

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amendment or modification of this Contract shall bind either Party unless it is in writing and executed by both parties.

6. QUALITY ASSURANCE, INSPECTION, REJECTION, AND ACCEPTANCE

6.1. QUALITY MANAGEMENT SYSTEM

Seller shall establish, implement, and maintain a quality management system that meets the requirements of the Supplier Self-Assessment, approved by Germane that will be applied to the design, development, and production of the products or services ordered under this Contract. Germane has the right to review procedures, practices, processes, and related documents used for the completion of the contract. Seller is obligated to promptly notify Germane and report any violation of or deviation from Seller's approved inspection/quality management system.

6.2. SPECIAL PROCESS CERTIFICATION

Seller shall provide a Special Process Certification for each shipment for all items that have received a Special Process. The Special Process Certification shall clearly state that it is a certification, shall state that the process produced its intended results, and be accompanied with objective evidence of validation. It shall state that the Special Process (es) demonstrate compliance with the drawing, specification, and Purchase Order requirements, as applicable.

6.3. ELECTROSTATIC DISCHARGE (ESD) CONTROL

Seller shall have an ESD control program in effect to build protection for ESD components and protect ESD-sensitive product during manufacturing, inspection, testing, packaging, and shipping. The program shall conform to MIL-STD-1686, ESD S20.20 or equivalent. ESD parts and assemblies shall be packaged and labeled in accordance with MIL-STD-129 with ESD approved symbols. "Pink Poly" in any form, used as cushioning, wraps, bags or dunnage/filler must comply with MIL-STD-3010, Method 3005.

6.4. COUNTERFEIT PREVENTION AND MATERIALS

Supplier shall have a counterfeit parts avoidance, detection, mitigation, and disposition program. Seller shall only deliver authentic components, devices, pieces, material, modules, assemblies, subassemblies, goods, etc. that are manufactured by or obtained from original equipment manufacturers (OEMs), original component manufacturers (OCMs), or authorized distributors. Seller shall make available to Germane documentation that authenticates and provides traceability of the Parts to the applicable OEM or OCM. Seller shall include this requirement into any agreement between Seller and its suppliers in relation to this contract.

The supplier shall have a documented process to Control suspect or confirmed counterfeit parts to preclude their use or reentry into the supply chain by physically identifying and segregating the parts from acceptable non-suspect parts and placing in quarantine.

The following documents are recommended to use as guidance:

- 6.4.1 **SAE AS5553:** Counterfeit Electrical, Electronic, and Electromechanical (EEE) Parts; Avoidance, Detection, Mitigation, and Disposition
- 6.4.2 **SAE AS6081:** Fraudulent/Counterfeit Electronic Parts: Avoidance, Detection, Mitigation, and Disposition – Distributors
- 6.4.3 **When buying from distributors:** Averting Risk Mitigation by testing piece parts in accordance with industry component testing currently available. As a basic requirement, Germane requires Level 2 testing (DC Plus Basic Functional Testing at 25C) for suppliers who

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assemble Circuit Card Assemblies (CCA) for Germane Systems. This requirement must be flowed down to direct and sub-tier suppliers as applicable.

It is recommended that the supplier utilizes GIDEP (Government Industry Data Exchange Program), ERAI (Electronic Resellers Association International) and/or IHS Parts Management tools and solutions. These resources provide up-to-the-minute reporting of counterfeit parts incidents.

When purchasing EEE parts, disclosure is required in writing when the source is not authorized for the EEE parts being supplied to Germane Systems.

6.5. IPC STANDARDS REQUIREMENTS

Seller shall, unless otherwise specified on this Purchase Order and/or other Germane supplied documentation, comply with all of the following IPC Standards, as applicable:

- 6.5.1 **Printed Wiring Boards (PWBs):** PWBs will comply with IPC-A-600 Acceptability of Printed Boards unless otherwise specified. Note: The supplier will default to Class 3 requirements if the class is not otherwise specified.
- 6.5.2 **Circuit Card Assemblies (CCAs):** CCAs will comply with IPC-A-610 Acceptability of Electronic Assemblies unless otherwise specified. CCAs will comply with IPC-J-STD-001 Requirements for Soldered Electrical and Electronic Assemblies unless otherwise specified. Note: The supplier will default to Class 3 requirements if the class is not otherwise specified.
- 6.5.3 **Wiring Harnesses:** Cables and wiring harnesses will comply with IPC/WHMA-A-620 Requirements and Acceptance for Cable/Wire Harness Assemblies unless otherwise specified. Cables and wiring harnesses shall be 100% electrically tested per IPC/WHMA-A-620 Class 3 requirements if the class is not otherwise specified.
- 6.5.4 **Electrical Insulated Compounds:** Electrically Insulated Compounds for Printed Wiring Assemblies shall comply with IPC-CC-830 (Qualification and Performance of Electrical Insulating Compound for Printed Wiring Assemblies), Class 3 product unless otherwise specified.
- 6.5.5 **Rework/Repair Authorization of Circuit Card Assemblies:** Rework shall be in accordance with IPC-7711/7721 Rework, Modification and Repair of Electronic Assemblies. Repair shall be in accordance with IPC-7711/7721 Rework, Modification and Repair of Electronic Assemblies, only after written approval by Germane Systems buyer.

Exception: This clause may not apply to Commercial-off-the Shelf (COTS) Items.

6.6. FOREIGN OBJECT DEBRIS (FOD) PREVENTION

The supplier shall establish a process to detect and prevent Foreign Object Debris. No packaging material is to be used that will leave any residue from the packaging material on the parts as a result of packaging or unpacking the product.

6.7. RETENTION OF RECORDS

Seller shall retain records for COTS (Including modified Goods customized with custom parts) after the production of a prototype. Seller shall maintain, on file at Seller's facility, Quality records traceable to the conformance of product/part numbers delivered to Germane. Seller shall make such records available to regulatory authorities and Germane's authorized representatives. Seller shall retain records for a period of not less than 10 years from the date on the Purchase Order. All records pertaining to parts procured from independent distributors shall be retained for a period of not less than 10 years. Seller shall promptly deliver such records to Germane at no additional cost on media agreed to by both parties.

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6.8. SELLER'S INSPECTION

Seller shall inspect or otherwise verify that all Products or Services, including those components procured from or furnished by subcontractors, suppliers or Germane, comply with the requirements of the Order prior to shipment to Germane. Seller shall be responsible for all tests and inspections of the Product during receiving, manufacture and Seller's final inspection. Seller agrees to furnish copies of test and/or control data upon request from Germane's Authorized Buyer.

6.9. FIRST ARTICLE INSPECTION

Seller shall use a representative item from the first production run of a new part or assembly to verify that the production processes, production documentation, and tooling are able to produce parts and assemblies that meet requirements of this contract.

Exception: COTS material is exempt from the requirements of this clause.

6.10. FIRST ARTICLE INSPECTION (AS9102)

When specified on individual Purchase Orders, Seller shall complete AS9102 First Article Inspection Reports (FAIR).

This level of FAI is required whenever any of the following events occur:

- 6.10.1 First production run
- 6.10.2 A change in the design characteristics affecting fit, form, or function of the part.
- 6.10.3 A change in manufacturing source(s), process(es), inspection method(s), location of manufacture, tooling, or materials that can potentially affect fit, form, or function. There is a change in the manufacturing process, which affects form, fit, or function of the part.
- 6.10.4 A change in numerical control program or translation to another media that can potentially affect fit, form, or function.
- 6.10.5 A natural or man-made event, which may adversely affect the manufacturing process.
- 6.10.6 An implementation of corrective action required to complete a previous FAI
- 6.10.7 A lapse in production for two years shall require an update for any characteristics that may be impacted by the inactivity. This lapse is from the completion of last production operation to the actual restart of production.

Seller's reports shall specify all applicable drawing notes, Germane Purchase Order requirements, and dimensional characteristics; along with the actual measurements during the seller's first production run. Seller's format is acceptable if they comply with AS9102 requirements.

For FAI lot, Seller shall furnish completed FAIR (Forms 1, 2 and 3). For non FAI lots, the Suppliers Certificate of Conformance is required. FAI records shall accompany the delivered First Article. All first time production items require a FAI that is traceable to the OEM inclusive of flow down directly to the detail components on sub-assemblies.

Exception: COTS material is exempt from the requirements of this clause.

6.11. FIRST ARTICLE INSPECTION/ACCEPTANCE

The following documentation is required for FAI Acceptance:

- 6.11.1 Test Reports and Material Certifications
- 6.11.2 Chemical and/or Physical Reports Identifiable to the Raw Materials used as required

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6.11.3 Certificate of Conformance

6.12. TEST SPECIMENS

Germane reserves the right to designate requirements for test specimens for design approval, inspection/verification, or audit requirements. These requirements include review of completion of the first article before acceptance.

6.13. NON-CONFORMING MATERIAL

Seller shall notify Germane of any nonconforming products verbally and in writing within 48 hours of detection of non-conformance. Disposition of nonconformance shall be provided by Germane in writing upon disposition determination. Seller shall notify Germane in writing when discrepancies in Seller's process have resulted in product nonconformity for goods delivered.

6.14. DISPOSITION OF NONCONFORMING PRODUCTS

When supplier is manufacturing products per Germane's design, the dispositions of use-as-is or repair shall only be used by the supplier after written approval from Germane's buyer unless written MRB authorization is granted. Supplier shall not use dispositions of use-as-is or repair, unless specifically authorized by Germane if the nonconformity results in a departure from the contract requirements.

6.15. DEVIATION/WAIVER REQUEST

Germane requires Seller to request a deviation and/or a waiver for changes to the design, development, or production of the product.

The Seller shall submit a Deviation Request when a temporary departure from the baseline requirements occurs. Seller shall submit a Waiver Request when a permanent departure from the baseline requirements occurs.

The Deviation or Waiver shall indicate the drawing number, the part number, and serial number, as applicable.

Exception: COTS material is exempt from the requirements of this clause.

6.16. CERTIFICATE OF CONFORMANCE

Seller shall include a Certificate of Conformance (COC) with each shipment for items identified on the delivery document. Serialized shipments shall list the serial numbers on the packing list, the Certificate of Conformance, and on the intermediate packaging label. Seller's COC information may be included as part of Seller's established shipping document.

Seller's COC shall include:

6.16.1 Seller's name, address, and reference to Germane's contract number and line item number.

6.16.2 Certificate of Conformance number or identifier.

6.16.3 Part number, Revision, National Stock Number, Serial Number, or other Item Unique Identification (as applicable) for each item.

6.17. GERMANE INSPECTION

Seller's Goods and services shall be inspected and tested by Germane after delivery. Germane has the right to require Seller to repair at seller's expense, replace at their own expense, or reimburse the purchase price of rejected Goods. Germane's acceptance of goods or services does not diminish Germane's rights, or bounds Germane if latent defects, fraud, or misrepresentation on the part of Seller is discovered after delivery.

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Seller shall furnish, without additional charge, all reasonable facilities, information, and assistance necessary for the safe and convenient inspection and tests required by Germane and Germane's customers.

For EOL electronics, Germane may choose to inspect 100% of the lot.

NOTE: Any parts determined to be suspect counterfeit parts will not be returned, will not be paid for and will be quarantined and handled in accordance with GIDEP procedures and requirements.

6.18. GERMANE ACCEPTANCE AND REJECTION

Germane shall accept the Goods that fulfill the requirements of the Purchase Order or give Seller notice of rejection within a reasonable time after the date of delivery. Germane reserves the right to approve or specify requirements for design, test, inspection, verification (including process verification), use of statistical techniques for order acceptance, and related instructions for order acceptance and any applicable critical items, including key characteristics.

6.19. QUALIFICATION OF PERSONNEL

The Seller shall employ competent personnel familiar with and trained to manufacture or service the product to ensure Germane requirements for design, development, manufacture, repair, or other orders and services will be delivered as required by the contract.

6.20. REACH

6.20.1. Work delivered by SELLER under this Contract may be incorporated into deliverable goods for use in the European Economic Area (EEA) and subject to the European Union Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH); the Classification, Labeling and Packaging Regulation (EC) No. 1272/2008 (CLP); and the Biocidal Products Regulation (EU) 528/2012 (BPR).

6.20.2. SELLER represents and warrants that the Work and any substances contained therein are not prohibited or restricted by, and are supplied in compliance with REACH, CLP, and BPR, and that no current requirement in REACH, CLP, or BPR prevents the sale or transport of SELLER's Work or substances in SELLER's Work in the EEA, and that all such Work and substances have been pre-registered, registered, reported, approved, and/or authorized as and to the extent required by REACH, CLP, and BPR.

6.20.3. SELLER shall timely respond to any request from GERMANE with all relevant information on the Work so that the intents of REACH, CLP, and BPR are met for communicating with downstream users (e.g., as defined in article 3(13) of REACH [any person established in the EEA using substances in the course of that person's industrial or professional activities; the definition does not include the manufacturer, importer, distributor, or consumer]), and in any case, SELLER shall provide all information necessary for GERMANE and any downstream user to timely and accurately fulfill their obligations under REACH, CLP, and BPR.

6.20.4. SELLER shall bear all costs, charges and expenses related to pre-registration, registration, evaluation, authorization, reporting, and approval under REACH, CLP, and BPR.

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6.21. SURVEILLANCE AND RIGHT OF ACCESS

Representatives of Germane, its customers, Government, and/or regulatory agencies (if applicable) reserve the right to visit the supplier and its suppliers with the intent of performing surveillance activities including inspections, surveys, audits, resolution of product quality issues, etc.

6.22. GERMANE SOURCE INSPECTION

When specified on individual Purchase Orders, Germane Source Inspection shall be performed at supplier's facility prior to shipment to Germane, and at required process operations, as directed by Germane.

7. CONFIGURATION MANAGEMENT

Seller shall notify Germane of changes that have significant impact to the cost, schedule, or technical baseline of the contract become known. Seller's notice shall be in writing and submitted within 48 hours.

7.1. REVISION LEVEL/VERSION

As applicable to which the Goods were manufactured (or serviced). Signed or stamped and dated statement attesting that Goods provided under this contract conform to all purchase order requirements.

The Seller shall maintain the identification and revision status of Germane's specifications, drawings, process requirements, inspection/verification instructions, and other relevant technical data related to this contract.

7.2. CONTROL OF CHANGES

Seller or its supplier agrees not to make any changes in materials or design details that would affect the part with regard to (i) part number identification or (ii) form, fit, and function interchangeability. Notification and written acceptance from Germane is required, for revising the part number and the originals of all drawings or data affected by the change. Seller is required to submit copies of the revised drawings or data to Germane for review, and written approval, upon request.

This clause may apply to distributors of COTS items when applicable to ensure form, fit, and function interchangeability meets the requirements of the Order.

7.3. PARTS SUBSTITUTION

Part substitutions are not authorized unless Germane's buyer has approved in writing. Part substitution approval shall be verified with a formally released Germane Deviation/Waiver Request. The supplier shall notify Germane of any End of Life (EOL), obsolete or Form, Fit, or Function changes for ten (10) years beyond the award date of the purchase order.

7.4. OBSOLESCENCE

Seller is required to provide availability guarantees, during completion of this Purchase Order. Seller shall notify Germane of any known, potential, or planned obsolescence of the good(s) identified in the line items in this Purchase Order.

8. MATERIAL MANAGEMENT AND TRACEABILITY

8.1. CHEMICALS AND HAZARDOUS SUBSTANCES

Seller shall provide the expiration date of the chemicals and a current Safety Data Sheet (SDS) with chemicals that are delivered. The sheet shall include the Globally Harmonized System (GHS) list to

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include; hazardous chemicals in the product, the proper Personal Protective Equipment (PPE), and safety handling.

8.2. RoHS (RESTRICTION OF HAZARDOUS SUBSTANCES)

Seller warrants and agrees that the goods or services sold to Buyer under this Order and specified to be "RoHS compliant" shall be fully compliant with the European Union Directive No. 2002/95/EC on the Restriction of Hazardous Substances ("RoHS"). Upon Buyer's request, Seller shall promptly provide Buyer with access to all necessary information and records evidencing the goods' RoHS compliance. Additionally, Seller shall promptly provide material declarations upon request with respect to the goods provided to Buyer hereunder.

8.3. CONFLICT MINERALS

Conflict minerals examples: tin, tantalum, tungsten, and gold. Seller will disclose to Germane whether Goods contain any conflict minerals as defined under Section 1502 of the U.S. Dodd-Frank Act and its implementing regulations (collectively the "Conflict Minerals Law"). Seller will provide, on request, information on Conflict Mineral smelters in the relevant supply chains including whether those smelters are "DRC conflict-free."

8.4. MERCURY PROHIBITION

The Seller is prohibited from manufacturing or shipping mercury or mercury contaminated known or suspected material according to the Toxic Substances Control Act (TSCA). Section 12(7) (B), 15 U.S.C. 2611 (c)(7)(B). Seller shall perform a suitable test that meets industry of standards to verify the presence of "elementary mercury" in the ordered Goods.

8.5. SHELF LIFE

Goods and products containing items with finite shelf life shall have the expiration date identification labeled on the Seller or Seller's supplier's product and delivery documentation. The remaining shelf life shall be a minimum of 80% of the total shelf life for the material at time of delivery unless otherwise specified.

8.6. IDENTIFICATION REQUIREMENTS

Seller shall provide identification, records of electronic, custom, and COTS modified orders, pending and or post completion of all required measuring and monitoring activities. Seller shall label, track, control and manage in maintenance, repair, and or supply systems material by its serial number.

8.7. BATCH IDENTIFICATION

Seller shall use the original manufacture Lot number, Date Code, Serial number, or Seller's own alphanumeric method to identify the order.

Seller shall not combine multiple lot or date coded material as a single item in a single shipment, each item shall be labeled, packaged, and marked with the unique identification; lot, batch, manufacture and Purchase Order number on each corresponding packing documentation. Seller shall not duplicate Lot, Date Code, or Serial number identification.

8.8. TRACEABILITY

The identification is to be maintained throughout the product life; The ability to trace all products manufactured from the same batch of raw material, or from the same manufacturing batch, to the destination (e.g., delivery, scrap); For an assembly, the ability to trace its components to the assembly and then to the next higher assembly; For a product, a sequential record of its production (manufacture, assembly, inspection/verification) to be retrievable.

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9. CONTROL OF EXTERNALLY PROVIDED PROCESSES, PRODUCTS, AND SERVICES

9.1. DIRECT AND SUB-TIER CONTROLS

The Seller shall comply and apply appropriate controls to their direct and sub-tier suppliers to ensure that Germane's requirements are met. Controls shall include:

- 10.1.1 Use of customer-designated or approved external providers, including process sources (e.g., special processes) when required by purchase order or supplier contract;
- 10.1.2 Have a process in place to prevent the use of counterfeit parts;
- 10.1.3 Flow down to its suppliers any applicable requirements including Germane requirements;
- 10.1.4 Provide, when required, test specimens for written design approval, inspection/verification, investigation, or auditing;
- 10.1.5 Ensure its employees are aware of their contribution to product or service conformity; their contribution to product safety; the importance of ethical behavior.

10. GENERAL AND INTERNATIONAL REQUIREMENTS

10.1. LANGUAGE

The Parties hereto have agreed that these terms be written in American English only. All contractual documents and all correspondence, invoices, notices and other documents shall be submitted in American English. Any necessary conversations shall be held in English.

10.2. CURRENCY AND OFFSETS

Unless specified elsewhere herein, all prices shall be stated in and all payments shall be made in the currency of the United States of America (U.S. Dollars). Germane shall be entitled at all times to set off any amount owing at any time from Seller or any of its affiliated companies to Germane, against any amount payable at any time by Germane or any of its affiliated companies to Seller.

10.3. ELECTRONIC TRANSMISSION

Seller shall not contest the validity of the documentation on the basis that this Purchase Order was electronically transmitted or contains an electronic signature. Seller shall, at Germane's request and Seller's expense, send and receive business transactions by electronic means using Web-based technologies, when required.

10.4. ITAR DISCLOSURE REQUIREMENTS

If any of the parts on this PO are ITAR controlled or require a license in order to export the good, Seller shall notify Germane's Authorized Buyer immediately for representative's written approval in writing.

10.5. IMPORT/EXPORT CONTROLS

If Seller is a U.S. company that engages in the business of either manufacturing, exporting, or importing defense articles or furnishing defense services, then Seller shall provide ITAR certification. The certification shall indicate that Seller has registered with the U.S. Department of State Directorate of Defense Trade Controls (DDTC) and understands Seller's obligations to comply with International Traffic in Arms Regulations ("ITAR") and the Export Administration Regulations ("EAR").

If the technical data required to perform this contract is subject to U.S. ITAR, seller shall comply with the following: Seller shall immediately notify Germane if it is or becomes listed on any Excluded or Denied Party List of an agency of the U.S. Government or its export privileges are denied, suspended or revoked.

11. PROPERTY MANAGEMENT

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GENERAL TERMS AND CONDITIONS FOR PURCHASE ORDERS

11.1. GERMANE PROPERTY

All drawings, tools, jigs, dies, fixtures, materials, and other property supplied or paid for by Germane shall be and remain the property of Germane; and if Seller fails to return such property upon Germane's demand, Germane shall have the right, upon reasonable notice, to enter Seller's premises and remove any such property at any time without being liable for trespass or damages of any sort.

Seller shall have the obligation to maintain all property furnished by Germane to Seller and all property to which Germane acquires an interest by this Purchase Order and shall be responsible for all loss or damage to said property except for normal wear and tear. Seller shall clearly mark, maintain in inventory, and keep segregated or identifiable all of Germane's property.

11.2. PROPERTY BELONGING TO CUSTOMERS OR EXTERNAL PROVIDERS

Seller shall exercise care with property belonging to Germane or Germane's customers, or other external providers while it is under the organization's control or being used by the organization.

Seller shall identify, verify, protect, and safeguard Germane or Germane's customer's property.

Seller shall report to Germane when the property of Germane or Germane's customer is lost, damaged, or otherwise found to be unsuitable for use, and retain documented information on what has occurred.

Note: Property can include materials, components, tools and equipment, premises, intellectual property, and personal data.

Any Customer Furnished Property (CFP) or Government Furnished Property (GFP) shall be handled in accordance with FAR Part 45 and DFAR Part 245. Alternatively, the supplier must provide their property management Policy and Procedure to Germane Quality for review and acceptance.

11.3. GOVERNMENT PROPERTY

Seller shall have a system of internal controls to manage (control, use, preserve, protect, repair, and maintain) Government property in its possession. In doing so, Seller shall initiate and maintain the processes, systems, procedures, records, and methodologies necessary for effective and efficient control of Government property.

12.3.1 Seller shall disclose any significant changes to its property management system to Germane prior to implementation of the changes. Seller may employ customary commercial practices, industry-leading practices, and standards that provide effective and efficient Government property management that are necessary and appropriate for the performance of this contract (except where inconsistent with law or regulation).

12.3.2 Seller shall include the requirements of this clause in all Seller's subcontracts under which Government Property is acquired or furnished for subcontract performance.

12.3.3 Seller shall establish and maintain procedures necessary to assess its property management system effectiveness and shall perform periodic internal reviews, surveillances, self-assessments, or audits. Significant findings or results of such reviews and audits pertaining to Government property shall be made available to Germane.

11.4. USE OF GOVERNMENT PROPERTY

12.4.1 Seller shall use Government property, either furnished or acquired under this contract, only for performing this contract, unless otherwise provided for in this contract or approved in writing by Germane's Buyer.

GENERAL TERMS AND CONDITIONS FOR PURCHASE ORDERS

- 12.4.2 Seller is prohibited from making modifications or alterations to Government property, unless they are approved in writing by Germane's Buyer.
- 12.4.3 Seller shall not cannibalize Government property unless otherwise provided for in this contract or approved by Germane's Buyer in writing
- 12.4.4 The Government may, at its option, furnish property in an "as-is" condition. Germane makes no warranty with respect to the serviceability and/or suitability of the property for contract performance. Any repairs, replacement, and/or refurbishment shall be at the Seller's expense as required by FAR 52-245-1.

11.5. RECEIPT OF GOVERNMENT PROPERTY

Seller shall receive Government property and document the information necessary to meet the record requirements of FAR 52-245-1 paragraph (f)(1)(iii)(A)(1) through (5). Seller shall mark, label, or tag the government property, and segregate them in a storage area away from other inventory.

- 12.5.1 Seller is not required to tag, label, or mark Government-furnished property previously tagged, labeled, or marked.
- 12.5.2 Seller shall submit a written report, to Germane of, cause, condition, and a recommended course of action; if overages, shortages, or damages and/or other discrepancies are discovered upon receipt of Government-Furnished Property.

12. WARRANTY

Seller warrants the goods delivered pursuant to this Purchase Order, unless specifically stated otherwise in this Purchase Order, shall (i) be new (ii) be free from defects in workmanship, materials, and design and (iii) meet the requirements of this Purchase Order. Seller further warrants that the performance of work and services shall conform to the requirements of this Purchase Order and industry standards. All warranties in this Purchase Order shall survive inspection, test, final acceptance and payment of goods and services.

Seller warrants that any hardware, software and firmware goods delivered under this Purchase Order: (i) shall not contain any viruses, malicious code, Trojan horse, worm, time bomb, self-help code, back door, or other software code or routine designed to: (a) damage, destroy, alter any software or hardware; (b) reveal, damage, destroy, or alter any data; (c) disable any computer program automatically; or (d) permit unauthorized access to any software or hardware; (ii) shall not contain any third party software (including software that may be considered free software or open source software) that (a) may require any software to be published, accessed or otherwise made available without the consent of Germane, or (b) may require distribution, copying or modification of any software free of charge; and (iii) shall not infringe any patent, copyright, trademark, or other proprietary right of any third party or misappropriate any trade secret of any third party.

Seller shall be liable for any loss, damage, or expense that Germane suffers from breach of any of these warranties.

13. RESPONSIBILITY FOR PERFORMANCE

13.1. SURVIVABILITY

Seller's obligations that by their very nature shall survive expiration, termination or completion of this Purchase Order, including but not limited to obligations under the Termination for Convenience,

GENERAL TERMS AND CONDITIONS FOR PURCHASE ORDERS

Termination for Default, Proprietary Rights, Release of Information, Warranty, Infringement, Taxes and Drawback, Compliance with Law, Responsibility and Insurance, Indemnity Against Claims, Import/Export Controls, Electronic Transmissions, and Germane's Access to Seller Records and Facilities provisions of this Purchase Order, shall survive expiration, termination or completion of this Purchase Order.

13.2. INDEPENDENT CONTRACTOR

This Agreement will not create a joint venture, partnership or other formal business relationship or entity of any kind, or an obligation to form any such relationship or entity. Seller is an independent contractor and not an agent of Germane for any purpose, and does not have the authority to bind Germane, unless written approval is provided by Germane's Buyer.

13.3. ASSIGNMENT, DELEGATION, AND SUBCONTRACTING

Seller shall not assign or delegate (whether voluntary, involuntary, by merger, change of control, consolidation, dissolution, operation of law, transfer, or any other manner) any of its rights or interest in this Contract or subcontract all or any portion of its performance of this Contract, without Germane's prior written consent.

Seller may assign its right to monies due or to become due from the Purchase Order. Any attempt to assign or delegate in violation of this article voids this contract.

Exception: Purchase Orders created by Seller for supplies or raw materials for completion of the contract are exempt from this clause.

Seller shall promptly notify Germane in writing of any organizational changes made by Seller, including name or ownership changes, mergers, or acquisitions.

13.4. INSURANCE

Seller shall maintain, and require seller's subcontractors to maintain, the insurance coverages that are required for conducting business with a government contractor, as required in this Purchase Order, INCOTERMS or, if none are specified, minimum insurance coverage and limits for the following are required:

- Workers' Compensation insurance meeting the statutory requirements
- Employers' Liability in the amount of \$1 million per occurrence
- Commercial General Liability in the amount of \$1 million per occurrence \$2M aggregate
- Automobile Liability in the amount of \$1 million per occurrence
- Certificates of insurance shall be provided to Germane upon request.

If work is to be performed on premises owned or controlled by Germane, then Seller shall comply with all the rules and regulations established by Germane for access to and activities in and around premises controlled by Germane or Germane's customer. Seller shall be responsible for the actions and failure to act of all suppliers retained by, though, or under Seller in connection with the performance of this Purchase Order.

The Government requires any contractor subject to Cost Accounting Standard (CAS) 416 (48 CFR 9004.416 (Appendix, FAR loose-leaf edition) to obtain insurance, by purchase or self-coverage, for the perils to which the contractor is exposed, except when—

- 14.4.1 The Government, by providing in the contract in accordance with law, agrees to indemnify the contractor under specified circumstances; or
- 14.4.2 The contract specifically relieves the contractor of liability for loss of or damage to Government property.

14. CHANGES

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GENERAL TERMS AND CONDITIONS FOR PURCHASE ORDERS

14.1. CHANGES CLAUSE

Germane's Authorized Buyer may direct changes within the general scope of this Contract. Seller agrees to comply promptly with the direction to make changes.

Seller shall assert any claim for adjustment to Germane's Authorized Buyer in writing within two (2) business days, and deliver a fully supported proposal to Germane's Authorized Buyer within three (3) business days, after Seller's receipt of such direction.

14.2. NOTIFICATION OF CHANGE/WORK TRANSFER

The supplier shall establish, implement and maintain a process to plan and control the temporary or permanent transfer of work to ensure the continuing conformity of the work to requirements. The process shall ensure that work transfer impacts and risks are managed. Supplier shall notify Germane when transferring work. Supplier shall also notify Germane and obtain Buyer's written approval when changing manufacturing facility location, changing product and/or process.

Seller shall provide Germane written notice of any proposed plans or intentions to transfer work to Seller's Supplier to complete the provisions of the contract. Seller shall notify Germane of plans for moving Seller's manufacturing location of the Goods or moving tooling or other equipment utilized in the manufacture of the Goods to another facility.

15. SUSPENSION OF WORK

Germane may issue a stop-work order to the Seller, for any part of the work Ordered by this purchase order for a period of 90 days after the order is delivered to the Seller, and for any further period to which the parties may agree.

If a stop-work order issued under this clause is canceled or the period of the order or any extension thereof expires, the Seller shall resume work.

If a stop-work order is not canceled and the work covered by the order is terminated for default, Germane shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-work order.

16. COMPLIANCE AND BUSINESS CONDUCT

16.1. GRATUITIES

Seller warrants that neither it nor any of its employees, agents, or representatives have offered, given, or will offer or give, any gratuities to Germane's employees, agents or representatives for the purpose of securing this Contract or securing favorable treatment under this Contract.

16.2. FRAUD AND FALSIFICATION

This Purchase Order is a subcontract or lower-tier subcontract under a Government prime contract. As such, activities hereunder are within the jurisdiction of the U.S. Government. 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 is subject to Federal statutes.

16.3. TAXES

Unless this Purchase Order specifies otherwise, the price of this Purchase Order includes, and Seller is liable for and shall pay, all taxes, impositions, charges, customs duties or tariffs and exactions imposed on or measured by this Purchase Order except for applicable sales and use taxes that are separately stated on Seller's invoice. Prices shall not include any taxes, impositions, charges or exactions for which Germane has furnished a valid exemption certificate or other evidence of exemption.

16.4. AUDIT

GENERAL TERMS AND CONDITIONS FOR PURCHASE ORDERS

Germane may require and the Seller shall support the audit of any financial information related to the items identified in this purchase order.

16.5. SEVERABILITY

If any provision of this Purchase Order or application thereof is found invalid, illegal or unenforceable by law, the remainder of this Purchase Order will remain valid, enforceable and in full force and effect, and the Parties will negotiate in good faith to substitute a provision of like economic intent and effect.

16.6. EQUAL OPPORTUNITY EMPLOYER

We are an Equal Opportunity employer and do not illegally discriminate in our employment decisions based on race, color, national origin, religion, sex, physical or mental disability, veteran status or pregnancy. We are also an Affirmative Action employer and are committed to inclusion of all qualified individuals in our employment selection process. If you meet certain qualification thresholds, you may also have to meet these requirements.

41 CFR 60-1.4(a) [or (b) as the situation applies] is incorporated here by reference.

17.6.1 For a purchase order in excess of \$10,000 the following applies:

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

17.6.2 For a purchase order in excess of \$100,000 the following applies:

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

16.7. TRAVEL

All travel that is required by this PO shall be authorized in advance, in writing, by the Germane Systems Procurement Agent. All travel costs shall be reimbursed at actual cost in accordance with the Federal Travel Regulations.

17. CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION AND MATERIALS

17.1. PROTECTION OF ELECTRONIC DATA

Germane and Seller shall ensure that electronic data containing information specified to be confidential by the sender or agreed mutually to be confidential between the Parties is maintained in confidence and will not be disclosed or transmitted to any unauthorized persons nor used for any purposes other than those intended by the Parties.

Germane and Seller shall secure all electronic data to safeguard against theft.

17.2. PROPRIETARY INFORMATION

Seller shall only use Germane Proprietary Information, materials, ideas, concepts, formats, suggestions, developments, arrangements, packages, programs, patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information and other proprietary rights and processes necessary for its business as now conducted and as presently proposed to be conducted, without any known infringement and other intellectual properties in the performance of and for the purpose of this Contract and/or any other agreement that is approved in writing by Germane's Authorized Purchasing Representative.

GENERAL TERMS AND CONDITIONS FOR PURCHASE ORDERS

Seller shall return to Germane all of Germane's Proprietary Information, Intellectual Property and all materials acquired upon the completion, termination or cancellation of this Contract. Seller shall not, without authorization in writing by Germane, sell or otherwise dispose of (as scrap or otherwise) any Goods, parts, or other materials containing, conveying, embodying or made in accordance with or by reference to any Germane Proprietary Information and Materials.

Seller may not disclose Germane proprietary information and materials to Seller's suppliers without Germane's Buyer's written approval, and only information required for the performance of this contract. Each of Seller's suppliers granted privilege to Germane Proprietary Information and Materials shall agree in writing to these Terms and Conditions. Seller shall be liable to Germane or any breach of these Terms and Conditions.

Any invention or intellectual property first made or conceived by Seller; in the performance of this Purchase Order, which is derived from, or based on the use of information supplied by Germane is the property of Germane. Seller hereby assigns to Germane all its intellectual property rights, including its copyright rights, in such works effective immediately upon creation of such works, including when they are first fixed in a tangible medium.

17.3. RELEASE OF INFORMATION

Seller shall not publish, distribute, or use any information developed under or about the existence of this Purchase Order, or use Germane's Company name (or the name of any division, affiliate, or subsidiary thereof), logo, trademark, service mark, or trade dress for the purpose of advertising, making a news release, creating a business reference, creating a website content or for goods or service endorsement without prior written approval from Germane's Buyer.

17.4. PATENT, TRADEMARK AND COPYRIGHT INDEMNITY

Seller will indemnify and defend Germane and Germane's customer from all claims, suits, and actions (including, but not limited to claims on intentional infringement of patents known at the time of such infringement, exceeding actual damages and/or including attorney's fees and/or costs), liabilities, damages, costs and attorneys' fees related to the actual or alleged infringement of any United States or foreign intellectual property right.

17.5. INTELLECTUAL PROPERTY

- 18.5.1 **Background Intellectual Property (IP):** Germane or Seller may use Germane or Seller's Background Intellectual Property in performance of research for the completion of this contract. This Contract does not convey to Seller any option, grant, or license to commercialize, or otherwise use Germane's Background Intellectual Property. Licensing of Background Intellectual Property, if agreed to by the Parties, shall be the subject of separate licensing agreements between the Parties. Employee Agreements: Seller shall obtain agreements with its personnel to enable the grant of rights to which Germane is entitled under this Clause.
- 18.5.2 **Third Party IP:** To the extent Seller incorporates third-party IP into any contract deliverable, Seller shall obtain for Germane the license rights, at no additional cost to Germane.
- 18.5.3 **Foreground IP:** Seller shall gain licensing right for Germane if required to: (i) COTS Goods except to the extent such Goods are modified or redesigned pursuant to this Contract; or (ii) any Goods to the extent their development was funded by the U.S. Government.
- 18.5.4 **Sideground IP:** Germane has the right to Background knowledge/IP that is relevant to a collaborative venture or open innovation project that is supplied by the partners at the start of the project. This knowledge would not have been gained outside of this contract.

GENERAL TERMS AND CONDITIONS FOR PURCHASE ORDERS

- 18.5.5 **Foreground knowledge/IP:** Germane has right to all the knowledge/IP produced within the collaborative venture or open innovation project during the project's tenure.
- 18.5.6 **Sideground knowledge/IP:** Germane has right to all knowledge/IP that is relevant to a collaborative venture or open innovation project, but produced outside the project by any of the partners during the project's tenure.
- 18.5.7 **Postground knowledge/IP:** Germane has right to all knowledge/IP that is relevant to a collaborative venture or open innovation project that is produced by any of the partners after the project ends.

All IP conceived, developed, or first reduced to practice by, for, or with Seller, either alone or with Seller's suppliers, in performance of this Contract (collectively, "Foreground IP") shall be the exclusive property of Germane. To the extent Foreground IP consists of works of authorship, such works shall be works made for hire with the copyrights vesting in Germane. Seller hereby transfers, conveys, and assigns all right, title and interest in such Foreground IP free of charge to Germane. Seller shall protect Foreground IP that is Proprietary Information and Materials as required by this Contract and shall mark documents or portions of documents containing Foreground IP as "Germane Proprietary" information or as otherwise directed by Germane in writing.

Seller will, within two (2) weeks after conception, or first actual production of any invention and prior to Contract completion, disclose in writing to Germane all inventions, whether or not patentable, in sufficient technical detail to clearly convey the purpose and use of the invention, person skilled in the art to which the invention pertains. Seller shall promptly execute all written instruments, and assist as Germane reasonably directs, in order to file, acquire, prosecute, maintain, enforce, and assign Germane's Foreground IP rights. Seller hereby irrevocably appoints Germane and any of Germane's officers and agents as Seller's attorney in fact to act on Seller's behalf, and instead of Seller, with the same legal force and effect as if executed by Seller, with respect to executing any such written instruments.

Germane does not grant to Seller a non-exclusive, royalty-free right during the term of this Contract to use, reproduce, modify, practice and prepare derivative works of any Foreground IP unless it is necessary for Seller to perform its obligations under this Contract. Seller shall not, use Foreground IP or such derivative works in any manner not authorized under this Contract, including, but not limited to, developing, manufacturing, obtaining a certification to manufacture, offering for sale or selling any product, equipment, or service which utilizes or is enabled by Foreground IP.

18. DISPUTES

Any controversy or claim that may arise out of or in connection with this Purchase Order shall be submitted in writing to Germane's senior management representatives and to Seller for resolution. Germane and Seller's senior management representatives will have ten (10) business days, or a mutually agreed upon date, after the dispute is submitted in writing by the Seller. Good faith efforts shall be made to settle the dispute to the mutual satisfaction of Germane and Seller. Germane and the Seller may submit the dispute to a court of competent jurisdiction. To the extent permitted by applicable law, Germane and Seller may waive any right they may have to a trial by jury. Notwithstanding the above, either Germane or Seller may seek injunctive or other equitable relief in any court of competent jurisdiction at any time.

Pending resolution or settlement of any dispute arising under this Purchase Order, Seller will proceed diligently as directed by Germane with the performance of this Purchase Order. Irrespective of the place of performance, this Purchase Order shall be governed and construed in accordance with the laws of the State within the United States from which this Purchase Order is issued by Germane, without regard to its conflicts of law's provisions, except that any provision in this

GENERAL TERMS AND CONDITIONS FOR PURCHASE ORDERS

Purchase Order that is: (i) incorporated in full text or by reference from the Federal Acquisition Regulation (FAR) or; (ii) incorporated in full text or by reference from any agency regulation that implements or supplements the FAR or; (iii) that is substantially based on any such agency regulation or FAR provision, shall be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, boards of contracts appeals, and quasi-judicial agencies of the United States Government.

Exception: The provisions of the "United Nations Convention on Contracts for International Sale of Goods" shall not apply to this Purchase Order, including any amendments or changes to this Purchase Order.

19. GOVERNING LAW

This Agreement shall be governed and construed in accordance with the laws of the Commonwealth of Virginia, without regard to its conflict of law provisions and exclusive jurisdiction over and venue of any suit arising out of or relating to this Agreement will be in the state and federal courts of Fairfax County, Commonwealth of Virginia. In the event either Germane or Seller shall bring any action to enforce or protect any of its rights under this Agreement, the prevailing Germane or Seller shall be entitled to recover, in addition to its damages, its reasonable attorneys' fees and costs incurred in connection therewith.

20. CANCELLATION AND TERMINATION FOR CONVENIENCE AND DEFAULT

20.1. REMEDIES

Except as otherwise provided herein, the rights and remedies of both Parties hereunder shall be in addition to their rights and remedies at law or in equity. Failure of either Germane or Seller to enforce any of its rights shall not constitute a waiver of such rights or of any other rights and shall not be construed as a waiver or relinquishment of any such provisions, rights or remedies; rather, the same shall remain in full force and effect.

20.2. CANCELLATION

Germane reserves the right to cancel any order for COTS products at any time prior to shipment.

20.3. TERMINATION FOR CONVENIENCE

Germane may, by written notice, terminate this Purchase Order for convenience and without cause, in whole or in part, at any time, and such termination shall not constitute default. In the event of partial termination, Seller is not excused from performance of the non-terminated balance of work under the Purchase Order

In the event of termination for convenience by Germane, Seller shall be reimbursed for actual, reasonable, substantiated and allocable costs, plus a reasonable profit for work performed to date of termination. Any termination settlement proposal shall be submitted to Germane promptly, but no later than thirty (30) days from the effective date of the termination. In no event shall the amount of any settlement be in excess of the Purchase Order value. Germane may take immediate possession of all goods, complete or incomplete, and all products resulting from services upon written notice of termination to Seller.

20.4. TERMINATION FOR DEFAULT

Germane may, by written notice to Seller, cancel all or part of this Contract: (i) if Seller fails to deliver the Goods within the time specified by this Contract or any written extension; (ii) if Seller fails to perform any other provision of this Contract or fails to make progress, so as to endanger performance of this Contract, and, in either of these two circumstances, within ten (10) days after

GENERAL TERMS AND CONDITIONS FOR PURCHASE ORDERS

receipt of notice from Germane specifying the failure, does not cure the failure or provide Germane with a written detailed plan adequate to cure the failure if such failure reasonably cannot be cured within such ten (10) days and such plan is not acceptable to Germane's Authorized Buyer; or (iii) in the event of Seller's bankruptcy, suspension of business, insolvency, appointment of a receiver for Seller's property or business, or any assignment, reorganization or arrangement by Seller for the benefit of its creditors.

Seller shall continue work not canceled. If Germane cancels all or part of this Contract, Seller shall be liable for Germane's excess re-procurement costs.

Germane may require Seller to transfer title and deliver to Germane, as directed by Germane, any (i) completed Goods, and (ii) any partially completed Goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and contract rights (collectively, "Manufacturing Materials") that Seller has specifically produced or acquired for the canceled portion of this Contract. Upon direction from Germane, Seller shall also protect and preserve property in its possession in which Germane or its Customer has an interest. Germane shall pay the Contract price for Goods accepted. In addition, any payment for Manufacturing Materials accepted by Germane and for the protection and preservation of property shall be at a price determined in accordance with the "Termination for Convenience" article of this Contract, except that Seller shall not be entitled to profit. Germane may withhold from any amount due under this Contract any sum Germane determines to be necessary to protect Germane or Germane's customer against loss because of outstanding liens or claims of former lien holders.

If, after cancellation, it is determined that Seller was not in default, the rights and remedies of the Parties shall be as if the Contract had been terminated according to the "Termination for Convenience" article of this Contract.

20.5. INDEMNITY AGAINST CLAIMS

Seller shall keep its work and all goods supplied by it hereunder free and clear of all liens and encumbrances, including mechanic's liens, in any way arising from performance of this Purchase Order by Seller or by any of its vendors or subcontractors. Seller may be required by Germane to provide a certification of the satisfactory release of liens as a condition of final payment.

Seller shall, without limitation, indemnify and save Germane and its customer(s) and their respective officers, directors, employees and agents harmless from and against (i) all claims (including claims under Workers' Compensation or Occupational Disease laws or other equivalent laws in Seller's country) and resulting costs, expenses (including attorney fees and costs) and liability which arise from personal injury, death, or property loss or damage attributed to, or caused by, the goods supplied, or the services performed by Seller pursuant to this Purchase Order, including, without limitation, latent defects in such goods and/or services, except to the extent that such injury, death, loss or damage is caused solely and directly by the negligence of Germane, and (ii) all claims (including resulting costs, expenses and liability) by the employees of Seller or any of its subcontractors.

20.6. FORCE MAJEURE

Except for a default of Seller's subcontractor at any tier, neither Germane nor the Seller shall be liable for any failure to perform the requirements of the contract; due to any cause beyond Seller's reasonable control and without their fault or negligence. Such causes include, but are not limited to the following: the effects of natural disasters, criminal acts, acts of the government in its sovereign or contractual capacity, labor strikes, or transportation freight embargoes Seller whose performance is so affected shall notify Germane's Authorized Buyer in writing. With Germane's Buyer's written approval, this Purchase Order shall be completed with adjustments to the delivery schedule as

GENERAL TERMS AND CONDITIONS FOR PURCHASE ORDERS

hindered by the existence of Force Majeure; or this Purchase Order may be terminated for convenience.

21. COMPLIANCE

21.1. GOVERNMENT PRIORITY RATING

Seller shall follow the requirements of the Defense Priorities Allocations System regulation (15 CFR 700) if this is a rated order certified for national defense, emergency preparedness, and energy program use. By accepting this order the Seller acknowledges the stated priority rating and will comply with all applicable requirements including meeting the required delivery schedule.

21.2. COMPLIANCE WITH LAWS

Seller warrants that the goods to be furnished and the services to be rendered under this Purchase Order shall be manufactured, sold, used, and rendered in compliance with all relevant federal, state, local law, orders, rules, ordinances, and regulations, including but not limited to the Foreign Corrupt Practices Act (FCPA), 15 U.S.C. § 78 et seq. and all laws and regulations of Seller's place of performance, and in compliance with applicable international prohibitions on child labor. Seller certifies that with respect to the production of the goods and/or the performance of the services covered by this Purchase Order, it has fully complied with Sections 6, 7, 12, and 15 of the Fair Labor Standards Act of 1938, as amended, and of regulations and orders of the United States Department of Labor under Section 14 thereof, if applicable.

Seller agrees with Germane that:

- 22.2.1 Seller is familiar with the prohibitions under the Anti-Corruption Requirements, and, in particular, it is familiar with the requirements described in clause 19(c)(3).
- 22.2.2 No compensation payable hereunder has been used, nor will be used, for any activity or purpose where a reasonable belief exists that the Anti-Corruption Requirements would be violated or that Seller or Germane would be exposed to liability under the Anti-Corruption Requirements.
- 22.2.3 In connection with its performance of this Purchase Order, Seller has not, and has not either agreed to or directly or indirectly, offered, paid, given, promised to pay or give, or authorized the payment or giving of any money, gift, loan, fee, reward, advantage or anything of value, and will not either agree to or directly or indirectly, offer, pay, give, promise to pay or give, or authorize the payment or giving of any money, gift, loan, fee, reward, advantage, or anything of value.
- 22.2.4 Seller warrants that it has complied with the Anti-Kickback Act of 1986 and has not offered or given and will not offer or give to any employee, agent, or representative of Germane any gratuity or any kickback within the meaning of the Anti-Kickback Act of 1986. Any breach of this warranty shall be a material breach of each and every contract between Germane and Seller.
- 22.2.5 None of Seller's principals, consultants, subcontractors, officers, directors, shareholders, employees or agents is a Government Official, Customer Personnel, or Restricted Person unless approved by Germane's Buyer in writing. Neither Seller nor any of its principals, consultants, subcontractors, shareholders, directors, officers, employees or agents has performed or will perform any act which Germane could reasonably believe would constitute a violation of the Anti-Corruption Requirements or which Germane could reasonably believe would cause Germane to be in violation of the Anti-Corruption

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Requirements, or present a credible risk, as determined by Germane, of a violation of the Anti-Corruption Requirements.

22.2.6 If at any time Seller becomes aware of information or circumstances that suggest any of the representations, warranties, and covenants referenced in this Section 19 may not be accurate, it shall notify Germane immediately in writing, but not more than seven (7) days after becoming aware of such circumstances.

22.2.7 H.R.1540: NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2012.

SEC.818. DETECTION AND AVOIDANCE OF COUNTERFEIT ELECTRONIC PARTS (The Secretary of Defense shall conduct an assessment of Department of Defense acquisition policies and systems for the detection and avoidance of counterfeit electronic parts).

21.3. ENVIRONMENTAL HEALTH AND SAFETY PERFORMANCE

Seller warrants that all goods delivered under this Purchase Order are in conformance with the current Occupational Safety Health Act (OSHA) worker, work environment, and equipment safety requirements and recommendations.

Seller warrants that in the performance of this Purchase Order, it will comply with all applicable U.S. Department of Transportation regulations on the transportation of hazardous materials and any other pertinent federal, state, or local statutes, laws, rules, or regulations.

21.4. GOVERNMENT CONTRACT REGULATIONS

When a right, act, authorization or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or duly Authorized Buyer, such as in FAR 52.227-1 and FAR 52.227-2 and (2) when title to property is to be transferred directly to the Government. If any of the following FAR or DFARS clauses do not apply to this Purchase Order, such clauses are considered to be self-deleting.

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Regulation	Title
52.203-7	Anti-Kickback Procedures
52.203-12	Limitation on Payments to Influence Certain Federal Transactions
52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards
52.204.21	Basic Safeguarding Of Covered Contractor Information Systems (Jun 2016) Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment
52.209-6	
52-209-10	Prohibition on Contracting with Inverted Domestic Corporations
52.211-15	Defense Priority and Allocation Requirements
52.212.5	Contract Terms and Conditions Required to Implement Statutes or Executive Orders – Commercial Items
52.215-2	Audit and Records – Negotiation
52.215-22	Limitations on Pass-Through Charges – Identification of Subcontract Effort
52.215-23 Alt	Limitations on Pass – Through Charges
52.222-21	Prohibition of Segregated Facilities
52.222-26	Equal Opportunity
52.222-35	Equal Opportunity for Veterans
52.222-36	Affirmative Action for Workers with Disabilities
52.222-40	Notification of Employee Rights Under the National Labor Relations Act
52.222-41	Service Contract Act of 1965
52.222-50 Alt	Combating Trafficking in Persons
52.222-51	Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment
52-222-53	Exemption from Application of the Service Contract Act to Contracts for Certain Services – Requirements
52.222-54	Employment Eligibility Verification
52-225-1	Buy American Act – Supplies
52-225-13	Restrictions on Certain Foreign Purchases
52.226-6	Promoting Excess Food donation to Nonprofit Organizations
52.244-6	Subcontracts for Commercial Items
52.246-11	Higher-Level Contract Quality Requirement
52.247-64	Preference for Privately Owned U.S.-Flag Commercial Vessels

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ALL DOD CONTRACTS

252.203-7002	Requirement To Inform Employees Of Whistleblower Rights (Sep 2013)
252.204-7007	Alternate A, Annual Representations And Certifications (Jan 2015)
252.204-7008	Compliance With Safeguarding Covered Defense Information Controls (Oct 2016)
252.204-7009	Limitations On The Use Or Disclosure Of Third-Party Contractor Reported Cyber Incident Information (Oct 2016)
252.204-7012	Safeguarding Covered Defense Information And Cyber Incident Reporting (Oct 2016)
252.204-7015	Notice Of Authorized Disclosure Of Information For Litigation Support (May 2016)
252.246-7008	Sources Of Electronic Parts (May 2018)
252.215-7003	Excessive Pass-Through Charges – Identification Of Subcontract Effort
252.215-7004	Excessive Pass-Through Charges
252.223-7008	Prohibition of Hexavalent Chromium
252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals
252.225-7010	Commercial Derivative Military Article – Specialty Metals Compliance Certificate
252.225-7014	Preference for Domestic Specialty Metals
252.227-7015	Technical Data – Commercial Items
252.227-7037	Validation of Restrictive Markings on Technical Data
252.244-7000	Subcontracts for Commercial Items and Commercial Components (DoD Contracts)
252.246-7003	Notification of Potential Safety Issues
252-246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System
252-247-7003	Pass through of Motor Carrier Fuel Surcharge Adjustments to the Cost Bearer
252.247-7023	Transportation of Supplies by Sea
252.247-7024	Notification of Transportation of Suppliers by Sea

**Orders, except those identified in FAR 15.408(n)(2)(i)(B)(2), that exceed the threshold for obtaining cost or pricing data in accordance with FAR 15.403-4*

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Revision History

DATE	DESCRIPTION OF CHANGES	REV	APPROVER
01-17-17	Added rev history page 1. Added information to satisfy AS9100C requirements. 2. Multiple Quality clauses was added under "Quality Control" 3. Added IPC requirements 4. Added AS9102 requirements	2	Carl Wallace
02-01-17	Changed section 7 b from "Germane's Authorized Procurement Representative in writing within 10 days, and deliver a fully supported proposal to Germane's Authorized Procurement Representative within 15 days" TO: "Germane's Authorized Procurement Representative in writing within two (2) business days, and deliver a fully supported proposal to Germane's Authorized Procurement Representative within three (3) business days"	3	Jim Kiracofe
12-14-17	1. Added/Revised the following sections: Scope, definitions, issuance of POs, Acceptance of POs, QMS, ESD Control, Counterfeit Prevention, IPC requirements, Configuration management, Government Property, FOD prevention, Seller's inspection, FAI Acceptance, Disposition of nonconforming parts, Germane Inspection, acceptance and rejection, source inspection, revision level/version, parts substitution, obsolescence, materials management, traceability, control of externally provided processes, language, property management, insurance, notification of change/work transfer, equal opportunity employer, environmental health and safety performance, and ITAR Requirements 2. Removed lower case roman numeral paragraph headers 3. Aligned paragraphs 4. Formatted Regulations 5. Added travel information	4	Jim Kiracofe
02-09-18	Updated Section 10.1 to include "Seller shall comply" Updated Section 6.9 and 6.10 "Exception: COTS material is exempt from the requirements of this clause"	5	Jim Kiracofe
03-26-18	Added DFAR 252.225-7048	6	Jim Kiracofe
05-24-18	Updated Section 6 to add REACH requirements Added FAR and DFAR clauses to Section 22.4 to support NIST updates.	7	Jim Kiracofe