

STRATOLAUNCH

STRATOLAUNCH TERMS AND CONDITIONS TIME AND MATERIAL CONTRACT

- 1. FORMATION OF CONTRACT.** This proposed purchase order, which incorporates by reference these provisions and all other terms and conditions set forth in this proposed purchase contract (collectively, the "Purchase Order"), is Buyer's offer to purchase the services and any related goods, materials, and/or other deliverables (collectively, the "Services") described in this offer. Acceptance is strictly limited to the terms and conditions included in this offer. Unless specifically agreed to in writing by Buyer's Authorized Procurement Representative, Buyer objects to, and is not bound by, any term or condition that differs from or adds to this offer. Seller's commencement of performance or acceptance of this offer in any manner shall conclusively evidence acceptance of this offer as written. Seller's provision of the Services shall be governed solely by this Purchase Order. Buyer and Seller are referred to herein as a "Party" or collectively as the "Parties." Except as authorized herein, no amendment or modification of this Purchase Order shall bind either Party unless it is in writing and is signed by the authorized representatives of the Parties.
- 2. SCOPE OF SERVICES.** Seller shall furnish the Services set forth in the Purchase Order during the term of this Purchase Order.
- 3. INDEPENDENT CONTRACTOR.** Seller is an independent contractor for all purposes. Seller shall have complete control over the performance of, and the details for accomplishing, the Services. In no event shall Seller or its agents, representatives or employees be deemed to be agents, representatives or employees of Buyer. Seller's employees shall be paid exclusively by Seller for all Services performed. Seller shall comply with all requirements and obligations relating to such employees under federal, state and local law (or foreign law, if applicable). Such compliance shall include, but not be limited to, laws regarding minimum wages, social security, unemployment insurance, federal and state income taxes and workers' compensation insurance.
- 4. STANDARDS.** Seller shall assign personnel satisfactory to Buyer to perform the Services provided in this Purchase Order. Buyer may, for good cause shown in Buyer's sole determination, require Seller to withdraw the services of any person and require that Seller promptly provide replacements for such person satisfactory to Buyer. Seller shall indemnify and hold harmless Buyer from and against any liabilities, claims, charges or suits for alleged losses, costs, damages, or expenses arising from Buyer's exercise of its rights hereunder.
- 5. SCHEDULE.** Time is and shall remain of the essence in the performance of this Purchase Order and Seller shall strictly adhere to the schedules specified in this Purchase Order. Failure to deliver in accordance with the Purchase Order schedule, if unexcused, shall constitute a material breach of this Purchase Order. Seller agrees that, unless otherwise required by law or regulation, the Buyer's order for Services under this Purchase Order shall take precedence over any other orders placed by the Seller's customers at the same time or subsequent to this Purchase Order. Without limiting the foregoing, if the Purchase Order is issued under the Defense Priorities and Allocation System ("DPAS"), Seller must fully comply with the regulations applicable to the DPAS rating of Buyer's Order, and that failure to do so could result in criminal penalties assessed against Seller by the US Government, in addition to Buyer's own remedies under this Order. In the event of any anticipated or actual delay, including but not limited to delays attributed to labor disputes, Seller shall: (i) promptly notify Buyer in writing of the reasons for the delay and the actions being taken to overcome or minimize the delay; (ii) provide Buyer with a written recovery schedule; and (iii) if requested by Buyer, ship via air or expedited routing, at no additional cost to Buyer, to avoid or minimize delay to the maximum extent possible. Seller shall not deliver Services earlier than thirty (30) calendar days prior to the scheduled delivery dates unless authorized in writing by Buyer's Authorized Procurement Representative.
- 6. NOTICE TO BUYER OF LABOR DISPUTES.** Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Purchase Order, Seller shall immediately give notice thereof, including all relevant information, to Buyer.
- 7. PACKING AND SHIPPING**
 - a. Seller shall pack the goods and materials to prevent damage and deterioration. Buyer may charge Seller for damage to or deterioration of any goods resulting from improper packing or packaging. Seller shall adhere to carrier regulations relevant to the chosen shipping method. Non-conforming shipments are subject to rejection and repackaging at Seller's expense.
 - b. If the Purchase Order specifies FOB destination (place of delivery), then in addition to any other shipping instructions, Seller shall forward goods freight prepaid. Seller shall make the transportation arrangements, pay the shipping costs, and remain responsible for the goods and materials until the goods and materials are delivered and the Buyer takes possession at the destination.

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- c. If the Purchase Order specifies FOB origin (place of shipment), then in addition to any other shipping instructions, Seller shall forward goods collect. For goods shipped within the United States, Seller shall make no declaration concerning the value of the goods shipped except on goods where the tariff rating is dependent upon released or declared value. In such event, Seller shall release or declare such value at the maximum value within the lowest rating. Upon Buyer's request, Seller shall identify packaging charges showing material and labor costs for container fabrication.
- d. Seller shall clearly mark all containers with necessary lifting, handling, and shipping information, Purchase Order Numbers, date of shipment, and the names of Buyer and Seller. Purchase Orders shall indicate a "Ship To" address. Seller shall not make, and Buyer shall have no obligation to accept, any partial shipments or shipments received before the date specified in the Purchase Order. All shipments shall be accompanied by an itemized packing list. Seller shall mark all invoices, bills of lading, and packing lists to show legibly the complete Purchase Order Number to which they relate. If Seller does not place an accurate Purchase Order Number on any document, Buyer will incur internal costs and may assess Seller a reasonable handling charge.
- e. Seller shall establish and maintain a quality control system acceptable to Buyer for the goods purchased under this Purchase Order. Seller shall permit Buyer to review procedures, practices, processes, and related documents to determine such acceptability. Seller shall promptly notify Buyer in writing when discrepancies in Seller's process, including any violation of or deviation from Seller's approved inspection/quality control system, or goods are discovered or suspected regarding goods delivered or to be delivered under this Purchase Order, including the quantity and specific identity of any impacted goods.
- f. Unless otherwise authorized in writing by Buyer, Seller shall not supply goods and materials in excess of quantities specified in this Purchase Order. Seller shall be liable for handling charges and return shipment costs for any excess quantities.

8. CHANGES

- a. Buyer's Authorized Procurement Representative may, without notice to sureties and in writing, direct changes within the general scope of this Purchase Order in any of the following: (i) technical requirements and descriptions, specifications, statement of work, drawings or designs; (ii) shipment or packing methods; (iii) place of delivery, inspection or acceptance; (iv) reasonable adjustments in quantities or delivery schedules or both; (v) amount of Buyer-furnished property; (vi) terms and conditions of this Purchase Order required to meet Buyer's obligations under Government prime contracts or subcontracts; (vii) description of services to be performed; (viii) the time of performance (e.g., hours of the day, days of the week, etc.); and (ix) place of performance. Seller shall comply promptly with such direction. Except for the rights granted to Buyer under this Article, a change pursuant to this Article shall not give rise to nor authorize any other modification of or amendment to the terms and conditions of this Purchase Order.
- b. If such change increases or decreases the cost or time required to perform this Purchase Order, Buyer and Seller shall negotiate an equitable adjustment in the price or schedule, or both, to reflect the increase or decrease. Buyer shall modify this Purchase Order in writing accordingly. Unless otherwise agreed in writing, Seller must assert any claim for adjustment to Buyer's Authorized Procurement Representative in writing within fifteen (15) days, and deliver a fully supported proposal to Buyer's Authorized Procurement Representative within thirty (30) days, after Seller's receipt of such direction. Buyer may, at its sole discretion, consider any claim regardless of when asserted. If Seller's proposal includes the cost of property made obsolete or excess by the change, Buyer may direct the disposition of the property. Buyer may examine Seller's pertinent books and records to verify the amount of Seller's claim. Failure of the Parties to agree upon any adjustment shall not excuse Seller from performing in accordance with Buyer's direction.
- c. If Seller considers that Buyer's conduct constitutes a change, Seller shall notify Buyer's Authorized Procurement Representative promptly in writing as to the nature of such conduct and its effect upon Seller's performance. Pending direction from Buyer's Authorized Procurement Representative, Seller shall take no action to implement any such change.

9. SUSPENSION OF WORK

- a. Buyer's Authorized Procurement Representative may, by written order, suspend all or part of the work to be performed under this Purchase Order for a period not to exceed one hundred (100) days. Within such period of any suspension of work, Buyer shall: (i) cancel the suspension of work order; (ii) terminate this Purchase Order in accordance with the "Termination for Convenience" Article of this Purchase Order; (iii) cancel this Purchase Order in accordance with the "Cancellation for Default" Article of this Purchase Order if grounds for default exists; or (iv) extend the stop work period.
- b. Seller shall resume work whenever a suspension is canceled. Buyer and Seller shall negotiate an equitable adjustment in the price or schedule or both if: (i) this Purchase Order is not canceled or terminated; (ii) the suspension results in a change in Seller's cost of performance or ability to meet the Purchase Order delivery schedule; and (iii) Seller submits a claim for adjustment within twenty (20) days after the suspension is canceled.

10. TERMINATION.

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a. Termination for Convenience.

- i. Buyer may terminate all or part of this Purchase Order, effective as of the date specified by Buyer, in accordance with the provisions of Federal Acquisition Regulation ("FAR") 52.249-6 (May 2004), "Termination (Cost-Reimbursement)," which provisions, except for subparagraphs (d) and (j), are incorporated herein by reference. The terms "Government" and "Contracting Officer" shall mean "Buyer," "Contractor" shall mean "Seller," and the phrase "1 year" is deleted each place it occurs and "six months" is substituted in its place. The period of "120 days" in subparagraph (c) is changed to "60 days" and the time for requesting an equitable adjustment under subparagraph (lower case letter "L") is reduced to forty-five (45) days. Settlements and payments under this Article may be subject to approval by the Contracting Officer and the Settlement Review Board.

b. Cancellation for Default.

- i. Buyer may, by written notice to Seller, cancel all or part of this Purchase Order: (i) if Seller fails to deliver the Services within the time specified by this Purchase Order or any written extension; (ii) if Seller fails to perform any other provision of this Purchase Order or fails to make progress, so as to endanger performance of this Purchase Order, and, in either of these two circumstances, within ten (10) days after receipt of notice from Buyer specifying the failure, does not cure the failure or provide Buyer 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 acceptable to Buyer's Authorized Procurement Representative; 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.
- ii. Seller shall continue all Services not canceled. If Buyer cancels all or part of this Purchase Order, Seller shall be liable for Buyer's excess re-procurement costs.
- iii. Buyer may require Seller to transfer title and deliver to Buyer, as directed by Buyer, any: (i) completed materials, and (ii) any partially completed 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 Purchase Order. Upon direction from Buyer, Seller shall also protect and preserve property in its possession in which Buyer or its customer has an interest.
- iv. Buyer shall pay the Purchase Order price for Services accepted and performed up to the date of termination, as defined in any statements of work as attached thereto. In addition, any payment for Manufacturing Materials accepted by Buyer and for the protection and preservation of property shall be at a price determined in accordance with the "Termination for Convenience" Article of this Purchase Order, except that Seller shall not be entitled to profit. Buyer may withhold from any amount due under this Purchase Order any sum Buyer determines to be necessary to protect Buyer or Buyer's customer against loss because of outstanding liens or claims of former lien holders.
- v. If, after cancellation, it is determined that Seller was not in default, the rights and remedies of the Parties shall be as if the Purchase Order had been terminated according to the "Termination for Convenience" Article of this Purchase Order.

11. FORCE MAJEURE. Seller shall not be liable for excess re-procurement costs pursuant to the "Cancellation for Default" Article of this Purchase Order, incurred by Buyer because of any failure to perform this Purchase Order under its terms if the failure arises from causes beyond the control and without the fault or negligence of Seller. Examples of these causes are: (a) acts of God or any of the public enemy; (b) acts of the Government in either its sovereign or contractual capacity; (c) fires; (d) floods; (e) epidemics; (f) quarantine restrictions; (g) strikes; (h) freight embargoes; and (i) unusually severe weather. In each instance, the failure to perform must be beyond the control and without the fault or negligence of Seller. If Seller's failure is caused by the failure of a subcontractor of Seller, and if such failure arises out of causes beyond the reasonable control of both, and if such failure is without the fault or negligence of either, Seller shall not be liable for excess re-procurement costs unless the materials or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Seller to meet the required delivery schedules. Seller shall notify Buyer in writing within ten (10) days after the beginning of any such cause(s). In all cases, Seller shall use reasonable efforts to avoid or minimize all such failures, including exercising work-around plans or obtaining the Services from other sources.

12. INSPECTION

- a. At no additional cost to Buyer, Services shall be subject to inspection, surveillance and test at reasonable times and places, including Seller's subcontractors' locations. Buyer has the right to visit Seller's and Seller's subcontractors' locations during operating hours to inspect, review and assess progress and performance under this Purchase Order, including, but not limited to, production, schedule, and quality. Any Buyer representative shall be allowed access to all areas used for the performance of the Purchase Order. Buyer shall perform inspections, surveillance, reviews and tests so as not to unduly delay the work. No inspection (including source inspection), test, approval (including design approval), or Acceptance of

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Products or Services, or failure to inspect and accept or reject Products or Services, shall relieve Seller from responsibility for any defects or other failure to meet the requirements of this Purchase Order, or for latent defects, fraud, such gross mistakes that amount to fraud, or Seller's warranty obligations, nor impose liability on Buyer. If Buyer performs an inspection, surveillance, review or test on the premises of Seller or its subcontractors, Seller shall furnish, and require its subcontractors to furnish, without additional charge, reasonable facilities and assistance for the safe and convenient performance of these duties.

- b. If the Services are specifically provided to Buyer in accordance with drawings, designs, requirements or specification furnished by Buyer:
 - i. Seller shall maintain an inspection system acceptable to Buyer for the Services purchased under this Purchase Order.
 - ii. Seller shall retain accurate and authenticated inspection and test records related to the work performed under this Purchase Order for a period of three (3) years following its completion, or as otherwise specified in the Purchase Order, and shall provide these records to the Buyer upon request.
 - iii. Seller shall provide Buyer with inspection and test reports, affidavits, certifications, technical documents generated or related to this order, or any other documents as may reasonably be requested by Buyer.
 - iv. Seller shall notify Buyer's Authorized Representative in writing of any changes in Services and/or process definition and obtain Buyer's written approval prior to proceeding; and
 - v. Seller agrees to insert the substance of this clause, including this sentence, in any lower-tier subcontract.
- c. Buyer's rights to perform inspections, surveillance, and tests and to review procedures, practices, processes and related documents related to quality assurance, quality control, flight safety and configuration control shall extend to the customers of Buyer that are departments, agencies or instrumentalities of the United States Government, including the United States Government Federal Aviation Administration and any successor agency or instrumentality of the United States Government. Buyer may also, at Buyer's option, by prior written notice from Buyer's Authorized Procurement Representative, extend such rights to other customers of Buyer and to agencies or instrumentalities of foreign governments equivalent in purpose to the Federal Aviation Administration. Seller shall cooperate with any such United States Government-directed or Buyer-directed inspection, surveillance, test, or review without additional charge to Buyer. Nothing in this Purchase Order shall be interpreted to limit United States Government access to Seller's facilities pursuant to law or regulation.
- d. Program reviews and production readiness assessments will be held at Seller's facilities or Buyer's facilities, as requested by Buyer. The topics of these reviews will be specified by Buyer and may include Seller's current and future capacity and capabilities, raw material and component part status, production status, Buyer-supplied components, inventory, Buyer's requirements, changes, forecasts, disaster preparedness, and other issues pertinent to Seller's performance under this Purchase Order.

13. ACCEPTANCE AND REJECTION

- a. Buyer shall accept the Services or give Seller notice of rejection within a reasonable time after the date of delivery. No payment, prior test, inspection, passage of title, any failure or delay in performing any of the foregoing, or failure to discover any defect or other nonconformance shall relieve Seller of any obligations under this Purchase Order or impair any rights or remedies of Buyer.
- b. If Seller delivers defective or non-conforming Services, Buyer may at its option and at Seller's expense: (i) require Seller to promptly reperform, correct or replace the Services; (ii) correct the Services; or (iii) obtain replacement Services from another source. Return to Seller of defective or non-conforming Services and redelivery to Buyer corrected or replaced Services shall be at Seller's expense.
- c. Seller shall not redeliver corrected or rejected Services without disclosing the former rejection or requirement for correction. Seller shall disclose any corrective action taken. All repair, replacement and other correction and redelivery shall be completed as Buyer may reasonably direct.

14. WARRANTY

- a. Seller warrants that:
 - i. Each of its personnel assigned to perform hereunder have the proper skill, training, and background to be able to perform in a competent and professional manner and all work will be performed in accordance with the applicable statement of work and this Purchase Order; it is and shall remain free of any obligation or restriction which would interfere or be inconsistent with, or present a conflict of interest concerning the Services to be furnished by Seller under this Purchase Order;
 - ii. The Services shall be free from defects in workmanship and conform to the requirements of this Purchase Order; and
 - iii. The Services shall not infringe any patent, copyright, trademark, or other proprietary right of any third party or misappropriate any trade secret of any third party.

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- b. To the extent Seller's delivery of Services includes materials or goods, Seller further warrants that:
 - i. The materials or goods shall conform to all specifications and requirements under this Purchase Order and shall be free from defects in materials;
 - ii. To the extent the materials or goods are not manufactured pursuant to detailed designs and specifications furnished by Buyer, such materials or goods shall be free from design and specification defects;
 - iii. The materials or goods shall be free from liens or encumbrances;
 - iv. The materials or goods 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 or 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; and
 - v. The materials or goods 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 Buyer; or (b) may require distribution, copying or modification of any software free of charge.
- c. This warranty shall begin upon Buyer's final acceptance of the Services and shall survive inspection, test and payment for, the Services. This warranty shall extend for a period of one (1) year or such period as set forth elsewhere in this Purchase Order, and Buyer shall give Seller notice after discovery of any defect or nonconformance in the Services. This warranty shall run to Buyer and its successors, assigns and customers. In the event of defective or non-conforming Services, Buyer may, at its option and at Seller's expense, either; (i) require correction, replacement or reperformance of any defective or nonconforming Services, or (ii) make an equitable adjustment in the price of this Purchase Order. Any Services corrected, replaced or reperfomed shall be subject to the requirements of this Purchase Order to the same extent as Services initially performed.

15. COUNTERFEIT GOODS

- a. Seller shall not furnish counterfeit goods to Buyer, defined as goods or separately-identifiable items or components of goods that: (i) are an unauthorized copy or substitute of an Original Equipment Manufacturer or Original Component Manufacturer (collectively, "OEM") item; (ii) are not traceable to an OEM sufficient to ensure authenticity in OEM design and manufacture; (iii) do not contain proper external or internal materials or components required by the OEM or are not constructed in accordance with OEM design; (iv) have been re-worked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OEM design but not disclosed as such or are represented as OEM authentic or new; or (v) have not passed successfully all OEM required testing, verification, screening, and quality control processes. Notwithstanding the foregoing, Services or items that contain modifications, repairs, re-work, or re-marking as a result of Seller's or its subcontractor's design authority, material review procedures, quality control processes or parts management plans, and that have not been misrepresented or mismarked, shall not be deemed counterfeit goods. Counterfeit goods shall be deemed nonconforming to this Purchase Order.
- b. Seller shall implement an appropriate strategy to ensure that goods furnished to Buyer under this Purchase Order are not counterfeit goods. Seller's strategy shall include, but is not limited to, the direct procurement of items from OEMs or authorized suppliers, conducting approved testing or inspection to ensure the authenticity of items, and, when items are to be procured from non-authorized suppliers, obtaining from such non-authorized suppliers appropriate certificates of conformance that provide one or more of the following: (i) the OEM's original certificate of conformance for the item; (ii) sufficient records providing unbroken supply chain traceability to the OEM; or (iii) test and inspection records demonstrating the item's authenticity.
- c. If applicable, Seller must maintain a counterfeit detection process that completes with SAE Standard AS5553, Counterfeit Electronic Parts, Avoidance, detection, Mitigation, and Disposition.
- d. If Seller becomes aware or suspects that it has furnished counterfeit goods to Buyer under this Purchase Order, Seller promptly, but in no case later than thirty (30) days from discovery, shall notify Buyer and replace, at Seller's expense, such counterfeit goods with OEM or Buyer-approved goods that conform to the requirements of this Purchase Order. Seller shall be liable for all costs related to the replacement of counterfeit goods and any testing or validation necessitated by the installation of authentic goods after counterfeit goods have been replaced.
- e. If applicable, Seller must comply with the requirements set forth in DFARS Clause 252.249-7007 "Contractor Counterfeit Electronic Part Detection and Avoidance System" (JAN 2023).
- f. Seller bears responsibility for procuring authentic goods or items from its subcontractors and shall ensure that all such subcontractors comply with the requirements of this Article.

16. INVOICES AND PAYMENT/SELLER FURNISHED MATERIAL

- a. As compensation for Services to be performed by Seller, Buyer shall pay Seller as set forth in this Purchase Order. Buyer shall have no liability for any other expenses or costs incurred by Seller. Payment due date shall be net 45 and shall be

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computed from the date of the later of the scheduled delivery date of Service, the actual delivery date of Service or the date of receipt of a correct invoice. Payment shall be processed on the next payment system run following the computed payment due date. Payment shall be deemed to have been made on the date the Buyer's check is mailed or payment is otherwise tendered. Seller shall promptly repay to Buyer any amounts paid in excess of amounts due Seller. Payment shall be subject to the standard payment process set forth elsewhere in the Purchase Order. Seller shall forward its invoice to ap@stratolaunch.com. Seller shall not take any action hereunder which could cause the amount for which Buyer would be obligated to Seller to exceed the Contract price. Seller shall advise Buyer, in writing, when the cumulative billable value of fees for Services and authorized expenses, if any, are equal to seventy-five percent (75%) of the Contract price. Notwithstanding any other provisions of this Contract, Buyer shall not be obligated to pay to Seller any amount in excess of the Contract price, provided however, that this sum may be increased from time to time by Buyer in writing.

- b. Except for amounts invoiced under articles Termination for Convenience or Cancellation for Default, Seller shall be deemed to have waived all charges and fees that are not invoiced within ninety (90) calendar days after the end of the calendar year in which the charges were incurred.
- c. Material shall be furnished by Seller except as specifically provided in this Purchase Order. Material purchased to support this Purchase Order shall be billed at actual costs without overhead, general and administrative costs, cost of money and profit, as evidenced by paid invoices. Material withdrawn from Seller's stores shall be charged at cost determined in accordance with generally accepted accounting practices. Unless otherwise noted, handling charges are included in the labor rates established in this Purchase Order. Buyer shall be credited with all cash or trade discounts, rebates, allowances (whether or not taken) and the value of any resulting scrap.

17. OVERTIME. Overtime shall mean those hours worked in excess of forty (40) hours during Seller's standard work week. All such overtime must have prior written approval of Buyer.

18. HOLIDAYS AND VACATIONS. If work is performed on Buyer's premises, Buyer shall not be obligated to make any payments to Seller for days designated by Buyer as holidays or shutdown periods, except for work specifically authorized in writing by Buyer's Authorized Procurement Representative and performed by Seller on such days.

19. 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 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 Buyer has furnished a valid exemption certificate or other evidence of exemption.

20. FINANCIAL RECORDS AND AUDIT

- a. Seller shall maintain complete and accurate books, records and documents pertaining to the time worked, costs, expenses and allowances incurred in the performance of this Purchase Order in sufficient detail to properly reflect all net costs (direct and indirect) of labor, materials, equipment supplies, services and other costs and expenses for which reimbursement or compensation is claimed. The labor hours shall be supported by a timekeeping system acceptable to Buyer and shall include evidence of actual payment. Buyer shall have the right to assign representatives to Seller's plant for the purpose of verifying the number and type of direct hours being incurred and making such audit and check of Seller's activities as may be reasonably required. Material charges shall be supported by paid invoices or storeroom requisitions. When Buyer-furnished property is used, a copy of Buyer's shipper will be kept in Seller's files for auditing purposes. Such records shall be made available to Buyer, upon request, for examination, reproduction, and audit from the date of this Purchase Order until three years after final payment hereunder. As a result of any audit performed by Buyer, payments previously made to Seller shall be subject to adjustment for over payment or under payment, respectively. Seller shall submit its final invoice promptly after completion of work. Upon approval of Seller's final invoice and substantiating documentation and upon compliance by Seller with all terms of this Purchase Order, Buyer shall promptly pay any balance due to Seller.
- b. Upon request, Seller shall make available to Buyer data relative to payroll policies and procedures, including collective bargaining agreements with respect to wage payments for straight time, overtime, holidays, etc.
- c. Seller shall retain all financial records and documents pertaining to the Services for a period of no less than three years after final payment. Such records and documents shall date back to the time this Purchase Order was issued and shall include, without limitation, catalogs, price lists, invoices, underlying data and basis for cost estimates, and inventory records. Buyer shall have the right to examine, reproduce and audit all Seller records related to pricing, performance and proposed costs associated with any proposals (prior to or after contract award), invoices or claims.

21. SELLER FINANCIAL REVIEW

- a. If Purchase Order, in the aggregate, exceeds \$700,000 and extends for more than one year, or if requested, the Seller shall

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provide financial data as specified below, on a quarterly basis, or as requested, to Buyer's Corporate Credit Office for credit and financial condition reviews. If Seller itself is publicly traded (not a subsidiary of a publicly traded company) and is required to file reports with the Securities and Exchange Commission ("SEC"), Buyer shall obtain Seller financial data from information made available to the general public via 10-K and 10-Q reporting requirements. If Seller does not submit financial statements to the SEC or is no longer required to do so during the term of this Purchase Order, Seller shall provide financial data on a quarterly basis to Buyer's Corporate Credit Office. Such financial data shall include, but is not limited to, balance sheets, schedule of accounts payable and receivable, major lines of credit, creditors, income statements (profit and loss), cash flow statements, firm backlog, and headcount. Copies of such data are to be made available within seventy-two (72) hours of any written request by Buyer. All such information shall be treated as confidential.

- b. This provision shall not apply if Seller is a nonprofit education or research institution associated with state or provincial universities, an agency of the United States government or of state governments, an entity that is at least fifty percent (50%) directly owned by Buyer, or an individual providing Services when the individual is the sole employee (inclusive of subcontractors) of the Seller.

22. DEFECTIVE COST OR PRICING DATA

- a. If Seller, its subcontractor, or prospective subcontractor fails to submit accurate, complete and current cost or pricing data, and, as a result of that failure, the Government reduces the price of Buyer's prime contract, Buyer may recover from Seller an amount equal to the price reduction of the prime contract.
- b. If, as a result of Seller's or its subcontractor's foregoing conduct, the Government imposes a penalty on or charges Buyer interest, Buyer may recover from Seller the amount of that interest or penalty.
- c. For the purposes of paragraphs a and b of this Article, if Buyer is a higher-tier subcontractor, "Government" means the higher-tier contractor and "prime contract" means the higher-tier subcontract.
- d. Seller shall not raise as defenses the matters listed in FAR 52.215-10(c)(1) (AUG 2011) or FAR 52.215-11(d)(1) (JUN 2020) unless some other date version or equivalent FAR clause is provided elsewhere in this Contract.

23. CONFIDENTIAL, PROPRIETARY, AND TRADE SECRET INFORMATION AND MATERIALS

- a. Buyer and Seller shall each keep confidential and protect from unauthorized use and disclosure all (i) confidential, proprietary and/or trade secret information; including Buyer-provided specifications and Buyer-provided information pertaining to qualification, certification, manufacturing, and/or quality testing and procedures; (ii) tangible items and software containing, conveying or embodying such information; and (iii) tooling identified as being subject to this Article that is obtained, directly or indirectly, from the other in connection with this Purchase Order or other agreement, including Buyer's contract with its customer, if any, (collectively referred to as "Proprietary Information and Materials"). Proprietary Information and Materials shall not include information that is, as evidenced by competent records provided by the receiving Party, lawfully in the public domain, lawfully disclosed to or known by the receiving Party without restriction, generally known in the relevant trade or industry prior to disclosure hereunder, or developed by the receiving Party independently without use of or reference to the disclosing Party's Proprietary Information and Materials.
- b. Buyer and Seller shall each use Proprietary Information and Materials of the other only in the performance of and for the purpose of this Purchase Order, other contracts between the Parties, and Buyer's contract with its customer, if any. However, despite any other obligations or restrictions imposed by this Article or any prior agreement, Buyer shall have the right to use and reproduce Seller's Proprietary Information and Materials internal to Buyer, regardless of when disclosed. Buyer shall further have the right to, use, disclose, reproduce and make derivative works of Seller's Proprietary Information and Materials (i) to fulfill Buyer's obligations under, and (ii) for the purposes of testing, certification, use, sale or support of any Services delivered under, this Purchase Order, other contracts with Seller and Buyer's contract with its customer, if any. Any such use, disclosure, reproduction or derivative work by Buyer shall, whenever appropriate, include a restrictive legend suitable for the particular circumstances. The restrictions on disclosure or use of Proprietary Information and Materials shall apply to all materials derived by the receiving Party or others on its behalf from the disclosing Party's Proprietary Information and Materials. In addition to disclosures permitted hereunder, a receiving Party may disclose received Proprietary Information and Materials in response to a subpoena or court order duly issued in a judicial or legislative process, provided that the receiving Party has used reasonable efforts to give the disclosing Party advance written notice of any such disclosure requirement and to reasonably cooperate with the disclosing Party in protecting against any such disclosure and/or obtaining a protective order narrowing its scope.
- c. Upon Buyer's request at any time, and in any event upon the completion, termination or cancellation of this Purchase Order, Seller shall return to Buyer all of Buyer's Proprietary Information and Materials and all materials derived therefrom, unless specifically directed otherwise in writing by Buyer. Seller shall not at any time (i) dispose of (as scrap or otherwise) any parts or other materials containing, conveying, embodying or made in accordance with or by reference to any Proprietary Information and Materials of Buyer without the prior written authorization of Buyer or (ii) make, use, or sell any Services, parts or other materials containing, conveying, embodying or made in accordance with or by reference to

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any Proprietary Information and Materials of Buyer without notifying Buyer in writing before any such planned making, using, or selling activity and executing an agreement between the Parties requiring payment by Seller of a reasonable license fee to Buyer as consideration for each use of such Proprietary Information and Materials of Buyer, unless Buyer has provided prior written authorization to Seller. Prior to disposing of such parts or other materials as scrap, Seller shall render them unusable. Buyer shall have the right to audit Seller's compliance with this Article.

- d. Seller may disclose Proprietary Information and Materials of Buyer to its subcontractors as required for the performance of this Purchase Order, provided that each such subcontractor first agrees in writing to obligations no less restrictive than those imposed upon Seller under this Article. Seller shall be liable to Buyer for any breach of such obligation by such subcontractor.
- e. The provisions of this Article are effective notwithstanding the application of any restrictive legends or notices to Proprietary Information and Materials. The provisions of this Article shall survive the performance, completion, termination or cancellation of this Purchase Order.

24. INFORMATION SECURITY. The Parties agree that the document titled "Stratolaunch – Information Security Clause," as published and maintained at the following website URL: www.stratolaunch.com/terms-of-use/, is hereby incorporated by reference into this Purchase Order.

25. INTELLECTUAL PROPERTY INDEMNITY. Seller shall indemnify, defend and hold harmless Buyer and its customer from all claims, suits, actions, awards (including, but not limited to, awards based on intentional infringement of patents), liabilities, damages, costs and attorneys' fees related to the actual or alleged infringement of any intellectual property right or misappropriation or wrongful use of information or documents, and arising out of or related to the use, manufacture, reproduction, sale or other distribution of Services by Buyer or its customer. Buyer and/or its customer shall timely notify Seller of any such claim, suit or action. Seller shall, at its own expense, defend such claim, suit or action and Buyer shall have the right to participate in the defense at its own expense. Seller shall have no obligation to indemnify Buyer for infringement arising from (i) the compliance of Seller's new product design with formal specifications issued by Buyer where infringement could not be avoided in complying with such specifications or (ii) use or sale of Services for other than their intended application when such infringement would not have occurred from the use or sale of those Services solely for the purpose for which they were designed or sold by Seller. The exception in (i) above shall not apply if the infringement arises out of adherence to one or more industry standards or regulatory requirements. For purposes of this Article only, the term Buyer shall include all Buyer officers, agents and employees of Buyer or its subsidiaries.

26. INTELLECTUAL PROPERTY

a. Definitions:

- i. "Intellectual Property" or "IP" means inventions, discoveries, and improvements; know-how, works of authorship, technical data, drawings, specifications, process information, reports, and documented information; and computer software.
 - ii. "IP Rights" means all worldwide common law and statutory rights to the IP, including but not limited to rights under patents, industrial designs, trade secrets, copyrights, and mask work registrations.
 - iii. "Background IP" means all IP and IP Rights owned or controlled by Seller prior to the effective date or outside the scope of this Purchase Order.
 - iv. "Foreground IP" means IP and IP Rights conceived, developed, or created by, for or with Seller either alone or with third parties, in the performance of this Purchase Order, including modifications to any Buyer Specification suggested by Seller.
 - v. "Buyer Specifications" means performance specifications, specification control documentation, interface control documents, schematics, definitions, configurations, and certification data, and all IP Rights therein, used or intended to be used by Buyer: (i) to establish and define (1) requirements for the Services and associated processes, service level, system specification, certification, and configuration; and (2) architecture descriptions for the Services and associated processes, service, and system; and (ii) to procure and certify Services or similar products and to assure integration of the Services or similar product with a Buyer product or other systems and equipment included in a Buyer product.
- b. **Seller-Owned IP.** Seller shall retain ownership of its Background IP and of any Foreground IP not assigned to Buyer pursuant to paragraph d. below (collectively, the "Seller-Owned IP"). Seller grants to Buyer an irrevocable, nonexclusive, sublicensable, perpetual, paid-up, royalty-free, worldwide license to exercise all IP Rights in Seller-Owned IP solely to the extent that such Seller-Owned IP would otherwise interfere with Buyer's, or its suppliers', or Customers' use or enjoyment of the Services, Buyer Specifications or Buyer-owned IP. In addition, if Buyer cancels all or part of this Purchase Order for Seller default in accordance with the "Cancellation for Default" Article of this Purchase Order, Seller hereby grants Buyer the right to exercise all IP Rights in Seller-Owned IP for the purpose of preventing interruptions to or stoppage of Buyer's production lines or delivery of Buyer's products to Customers.
- c. **Third Party IP.** If Seller incorporates third-party IP into any contract deliverable, Seller shall obtain for Buyer at least the license rights granted in paragraph b of this Article in such third-party IP, at no additional cost to Buyer and hereby grant such rights

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to Buyer.

- d. **Foreground IP.** This subparagraph d. shall not apply to unmodified commercial off-the-shelf goods. If goods are developed, modified or redesigned pursuant to this Purchase Order then the paragraphs below apply.
 - i. All Foreground IP shall be the exclusive property of Buyer except as set forth in subparagraph (iv) below.
 - ii. Seller hereby irrevocably assigns to Buyer all right, title and interest in the Foreground IP for no additional charge. Seller shall protect Foreground IP as Proprietary Information and Materials under this Purchase Order and shall mark documents or portions of documents containing Foreground IP as "Buyer Proprietary" information or as otherwise directed by Buyer in writing.
 - iii. Seller shall, within two (2) months after conception or first actual reduction to practice of any invention and prior to Purchase Order completion, disclose in writing to Buyer all inventions assigned hereunder, whether or not patentable, in sufficient technical detail to clearly convey the invention to one skilled in the art to which the invention pertains. Seller shall promptly execute all written instruments, and assist as Buyer reasonably directs in order to file, acquire, prosecute, maintain, enforce and assign Buyer's Foreground IP rights. If Seller does not or cannot execute instruments or assist Buyer as described above, Seller hereby irrevocably appoints Buyer and any of Buyer's officers and agents as Seller's attorney in fact to act on Seller's behalf and instead of Seller, with the same legal force and effect as if executed by Seller, with respect to executing any such written instruments.
 - iv. Subparagraphs ii. and iii. above shall not apply to any Foreground IP to the extent that the development of such Foreground IP was performed with funding received by Buyer under a U.S. Government procurement.
- e. **Buyer-Owned IP.** Buyer shall retain ownership of all Buyer IP provided hereunder, including the Buyer Specifications, and of any Foreground IP assigned to Buyer pursuant to paragraph d. above (collectively, the "Buyer-Owned IP"). Buyer grants to Seller a non-exclusive, royalty-free right during the term of this Purchase Order to exercise all IP Rights in the Buyer-Owned IP solely as necessary for Seller to perform its obligations under this Purchase Order. Seller shall not, without Buyer's prior written consent, use Buyer-Owned IP or any derivative works of any of the Buyer-Owned IP in any manner not authorized under this Purchase Order, 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 Buyer-Owned IP.

27. ASSIGNMENT AND CHANGE OF CONTROL

- a. Seller shall not and shall cause its affiliates not to, directly, indirectly, voluntarily or involuntarily, in each case, whether by transfer, operation of law, Change of Control (as defined in subparagraph b below) or otherwise assign this Purchase Order, assign any of its rights or interest in this Purchase Order, delegate any of its obligations under this Purchase Order, or subcontract for all or substantially all of its performance of this Purchase Order (each, an "Assignment"), without Buyer's prior written consent after advance written notice by Seller. No purported Assignment, with or without Buyer's consent, shall relieve Seller of any of its obligations under this Purchase Order or prejudice any rights or claims that Buyer may have against Seller, whether such obligations, rights or claims, as the case may be, arise before or after the date of any purported Assignment; provided however, that Seller may assign its right to monies due or to become due under this Purchase Order, and this Article does not limit Seller's ability to purchase standard commercial supplies or raw material in connection with its performance of this Purchase Order.
- b. For purposes of this Purchase Order, the term "Change in Control" shall mean any of the following, whether in a single transaction or a series of related transactions and whether or not Seller is a party thereto:
 - i. a sale, conveyance, transfer, distribution, lease, assignment, license or other disposition of all or substantially all of the assets of Seller;
 - ii. any consolidation or merger of Seller or its controlling affiliates, any dissolution of Seller or its controlling affiliates, or any reorganization of one or more of Seller or its controlling affiliates; or
 - iii. any sale, transfer, issuance, or disposition of any equity securities or securities or instruments convertible or exchangeable for equity securities (collectively, "securities") of Seller or its controlling affiliates in which the holders of all of the securities that may be entitled to vote for the election of any member of a board of directors or similar governing body of Seller or such controlling affiliate immediately prior to such transaction(s) hold less than fifty percent (50%) of the securities that may be entitled to vote for the election of any such member in such entity immediately following such transaction(s).

28. PUBLICITY AND CUSTOMER COMMUNICATION

- a. Without Buyer's prior written approval, Seller shall not, and shall require that its subcontractors at any tier shall not, release any publicity, advertisement, news release or denial or confirmation of same regarding this Purchase Order or the goods or program to which it pertains. All requests for approval shall identify the specific information to be released, the medium to be used, and the purpose for the release. Seller shall be responsible to Buyer for any breach of such obligation by any subcontractor.
- b. Except as otherwise expressly provided in this Purchase Order, Buyer shall be responsible for all coordination and

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communication with Buyer's customer, including any higher-tier contractor(s), regarding this Purchase Order or the goods or program to which it pertains. Seller shall have no communications regarding the foregoing with Buyer's customer, including any higher-tier contractor(s), without Buyer's advance written approval and coordination.

29. PROPERTY MANAGEMENT

- a. Buyer's Property. Seller shall clearly mark, maintain an inventory of, and keep segregated or identifiable all of Buyer's property and all property to which Buyer acquires an interest by virtue of this Purchase Order. Seller assumes all risk of loss, destruction or damage of such property while in Seller's possession, custody or control, including any transfer to Seller's subcontractors. Upon request, Seller shall provide Buyer with adequate proof of insurance against such risk of loss. Title to all property shall remain in Buyer's or its Customer's possession (as applicable). Seller shall not use such property other than in performance of this Purchase Order without Buyer's prior written consent. Seller shall notify Buyer's Authorized Procurement Representative if Buyer's property is lost, damaged or destroyed. As directed by Buyer, upon completion, termination or cancellation of this Purchase Order, Seller shall deliver such property, to the extent not incorporated in delivered goods, to Buyer in good condition subject to ordinary wear and tear and normal manufacturing losses. Nothing in this Article limits Seller's use, in its direct contracts with the Government, of property in which the Government has an interest
- b. Government-Owned Property. To the extent that Seller, including any subcontractor thereof, uses U.S. Government property, either furnished to or acquired by Seller under this Purchase Order, in the performance of this Purchase Order, Seller shall manage such property in accordance with FAR 52.245-1, Alternate 1 (APR 2012), unless some other date version or equivalent FAR clause is provided elsewhere in this Purchase Order. If FAR 52.245-1 (SEPT 2021) is applicable, then Seller shall have limited risk of loss for lost or damaged U.S. Government property and shall seek relief of accountability to the Buyer in accordance with FAR 52.245-1 (f)(1)(vii)

30. UTILIZATION OF SMALL BUSINESS CONCERNS

- a. Seller agrees to actively seek out and provide the maximum practicable opportunities for small businesses, small disadvantaged businesses, women-owned small businesses, minority business enterprises, historically black colleges and universities and minority institutions, Historically Underutilized Business Zone small business concerns and US Veteran and Service-Disabled Veteran Owned small business concerns to participate in the subcontracts Seller awards to the fullest extent consistent with the efficient performance of this Purchase Order.
- b. The Seller is hereby notified that, under 15 U.S.C. 645(d), any person who misrepresents a firm's business size or socioeconomic status as defined in FAR 52.219-9 in order to obtain a contract to be awarded under the preference programs established pursuant to sections 8(a), 8(d), 9 or 15 of the Small Business Act or any other provision of Federal law that specifically references section 8(d) for a definition of program eligibility, shall: (i) be punished by imposition of a fine, imprisonment, or both; (ii) be subject to administrative remedies, including suspension and debarment; and (iii) be ineligible for participation in programs conducted under the authority of the Act. Socioeconomic status for Stratolaunch subcontracts includes the list of concerns in FAR 52.219-9 as well as women-owned small business concerns, Historically Black College or University or Minority Institutions, Indian organizations or Indian-owned economic enterprises, rural area small business concerns, foreign business concerns, joint ventures, and/or a large minority business concerns or women-owned large business concerns.

31. BUSINESS CONDUCT

- a. Compliance with Laws. Seller and the Services shall comply with all applicable statutes and government rules, regulations and orders including without limitation, (i) all applicable country laws relating to anti-corruption or anti-bribery, including, but not limited to, legislation implementing the Organization for Economic Co-operation and Development "Convention on Combating Bribery of Foreign Public Officials in International Business Transactions" or other anti-corruption/anti-bribery convention; and (ii) the requirements of the Foreign Corrupt Practices Act, as amended, ("FCPA") (15 U.S.C. §§78dd-1, *et. seq.*), regardless of whether Seller is within the jurisdiction of the United States, and Seller shall, neither directly nor indirectly, pay, offer, give, or promise to pay or give, any portion of monies or anything of value received from Buyer to a non-U.S. public official or any person in violation of the FCPA and/or in violation of any applicable country laws relating to anti-corruption or anti-bribery.
- b. Gratuities and Kickbacks.
 - i. Seller warrants that neither it nor any of its employees, agents, or representatives have offered or given, or shall offer or give, any gratuity or kickback to Buyer's employees, agents or representatives for the purpose of securing this Purchase Order or securing favorable treatment under this Purchase Order.
 - ii. By accepting this Purchase Order, Seller certifies and represents that it has not made or solicited and will not make or solicit kickbacks in violations of FAR 52.203-7 (JUN 2020) 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.

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- c. Code of Basic Working Conditions and Human Rights. Buyer is committed to providing a safe and secure working environment and the protection and advancement of basic human rights in its worldwide operations. In furtherance of this commitment, Buyer strongly encourages Seller to adopt and enforce concepts similar to those that promote Seller's operations in a manner that is fully compliant with all applicable laws and regulations pertaining to fair wages and treatment, freedom of association, personal privacy, collective bargaining, workplace safety and environmental protection. Seller shall include the substance of this clause, including this flowdown requirement, in all subcontracts awarded by Seller for work under this Purchase Order.
 - d. Environmental Health and Safety
 - i. Environment, Health and Safety Performance. Seller acknowledges and accepts full and sole responsibility to maintain an environment, health and safety management system ("EMS") appropriate for its business throughout the performance of this Purchase Order. Buyer expects that Seller's EMS shall promote health and safety, environmental stewardship, and pollution prevention by appropriate source reduction strategies. Seller shall convey the requirement of this clause to its suppliers. Seller shall not deliver goods that contain asbestos mineral fibers.
 - ii. Chemical Profile Declaration. If requested by Buyer, Seller shall provide to Buyer or its authorized third-party service provider, the chemical profile of goods (by part number) in accordance with the requirements defined by the most recent published versions of IPC-1754 and IAEG® Aerospace and Defense Declarable Substances List (<http://www.iaeg.com/chemicalrpt/addsl/>). A response (or a request for more time) shall be required within twenty-five (25) days of the notification. If requested by Buyer, Seller shall provide updates when there is a change in regulatory requirements, supply of new Services, a new Seller manufacturing location, or a change in the composition of Services provided since the last chemical profile declaration was provided to Buyer.
 - e. Work Transfer. Seller shall not and shall ensure its supply chain shall not, initiate a movement or transfer of the location for the work to be performed under this Purchase Order to another facility without Buyer's prior written approval.
 - f. Buyer Policies. Seller agrees that Buyer's internal policies, procedures and codes are intended to guide the internal management of the Buyer and are not intended to, and do not, create any right or benefit, substantive or procedural, enforceable at law or in equity, by the Seller against the Buyer.
 - g. Subcontracting. Seller agrees that no subcontract placed under this Purchase Order shall provide for payment on a cost-plus-a-percentage-of-cost basis.
 - h. Ethics and Compliance Program. Seller acknowledges and accepts full and sole responsibility to maintain an ethics and compliance program appropriate for its business throughout the performance of this Purchase Order. Buyer strongly encourages Seller to model its program in accordance with the Federal Sentencing Guidelines, applicable guidance from enforcement authorities, and industry best practices. Seller shall convey the substance of this clause to its suppliers.
 - i. Seller and Sub-Tier Supplier Information. In addition to requirements set forth elsewhere in this Purchase Order, Seller shall, when reasonably requested by Buyer, provide sub-tier supplier information related to performance under this Purchase Order. Such information may include but is not limited to Seller's subcontract management plans, Buyer programs supported, Seller assessment of sub-tier supplier's capability including financial health and performance issues.
- 32. ACCESS TO PLANTS AND PROPERTIES.** If this Purchase Order requires Seller's personnel, including its employees and subcontractors, to enter Premises which are owned, operated or managed by Buyer or Buyer's customer (together "Premises") or obtaining access electronically to Buyer systems or information together, Seller shall comply with: (i) all the rules and regulations established by Buyer or Buyer's customer for access to and activities in and around premises controlled by Buyer or Buyer's customer; and (ii) Buyer requests for information and documentation to validate citizenship or immigration status of Seller's personnel or subcontractor personnel. Seller shall comply with Buyer's Visitor Control Process for all onsite visits on Buyer's Premises, and shall display proper Buyer-issued identification badges at all times. Upon completion of visit, Seller shall return issued badge and any equipment to Buyer or notify Buyer if such badge or equipment is lost. In addition, Seller acknowledges that Buyer may perform routine background checks on Seller personnel. Buyer may deny Seller personnel access to the Premises based on the results of such background checks. Seller shall include the substance of this clause, including this flowdown requirement, in all subcontracts awarded by Seller for work under this Purchase Order.
- 33. TRADE CONTROL COMPLIANCE**
- a. The Parties shall comply with all export and import laws, regulations, decrees, orders, and policies of the United States Government and the Government of any country in which the Parties conduct business pursuant to this Purchase Order, including but not limited to the Export Administration Regulations ("EAR") of the U.S. Department of Commerce, the International Traffic in Arms Regulations ("ITAR") of the U.S. Department of State, the U.S. Customs & Border Protection Regulations, the Harmonized Tariff Schedule, and the antiboycott and embargo regulations and guidelines as set forth in the EAR and in the U.S. Department of the Treasury, Office of Foreign Assets Control (collectively, "Trade Control Laws").
 - b. Seller shall control the disclosure of, and access to, controlled items or technical data provided by Buyer related to performance of this Purchase Order in compliance with all applicable Trade Control Laws. Seller shall not transfer (to

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include transfer to foreign persons employed by or associated with, or under contract to Seller, or Seller's sub-tier suppliers or Seller's non-U.S. subsidiaries) any export-controlled item, data, or services, without providing advance notice to Buyer and obtaining the requisite export and/or import authority.

- c. Subject to applicable Trade Control Laws, Seller shall provide Buyer with the export control classification of any commodity or technology including software.
- d. Seller represents that it maintains an effective export/import control compliance program in accordance with all applicable Trade Control Laws. A copy of process control documents and other documents reasonably requested by Buyer related to Seller's compliance with applicable Trade Control Laws shall be made available to Buyer upon request.
- e. Seller shall promptly notify Buyer if Seller is, or becomes, listed in any Denied Parties List or if Seller's export privileges are otherwise denied, suspended, or revoked in whole or in part by any Governmental entity.
- f. Seller shall timely inform Buyer of any actual or alleged violations of any applicable Trade Control Laws, including any suits, actions, proceedings, notices, citations, inquiries, or other communications from any government agency concerning any actual or alleged violations, in Seller's performance under this Purchase Order and shall comply with all reasonable requests from Buyer for information regarding any such violations.
- g. Seller shall incorporate into any contracts with its sub-tier suppliers' obligations no less restrictive than those set forth in this Article requiring compliance with all applicable Trade Control Laws.

34. GOVERNMENT CLAUSES. Government clauses applicable to this Purchase Order from Buyer's contract with its customer, if any, are incorporated elsewhere in this Purchase Order either by attachment or by some other means of reference.

35. GOVERNING LAW. This Purchase Order and any disputes arising out of, or relating to, this Purchase Order shall be governed by the laws of the State of Delaware without regard to the conflict of law rules thereof, provided that (i) contract provisions that have been incorporated directly from or by express reference to the FAR or FAR supplements, (ii) contract provisions that have been flowed down from a contract with the U.S. Government, and (iii) the Changes and Termination for Convenience articles, shall be construed and interpreted according to the federal common law of government contracts, as enunciated and applied by federal judicial bodies, boards of contract appeals, and quasi-judicial agencies of the federal government. This Purchase Order excludes the application of the 1980 United Nations Convention on Contracts for the International Sale of Goods.

36. DISPUTES. Any dispute that arises under or is related to this Purchase Order that cannot be settled by mutual agreement of the Parties may be decided by a court of competent jurisdiction. Pending final resolution of any dispute, Seller shall proceed with performance of this Purchase Order according to Buyer's instructions so long as Buyer continues to pay amounts not in dispute.

37. NO WAIVER, RIGHTS AND REMEDIES

- a. Any failures, delays or forbearances of either Party in insisting upon or enforcing any provisions of this Purchase Order, or in exercising any rights or remedies under this Purchase Order, 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.
- b. Except as expressly and affirmatively disclaimed in writing in this Purchase Order, the rights and remedies set forth herein are cumulative and in addition to any other rights or remedies that the Parties may have at law or in equity. If any provision of this Purchase Order is or becomes void or unenforceable by law, the remainder shall be valid and enforceable. Seller acknowledges and agrees that money damages would not be an adequate remedy for any actual, anticipatory or threatened breach of this Purchase Order by Seller with respect to its delivery of the Services to Buyer.
- c. Seller agrees that Buyer approvals of Seller's technical and quality specifications, drawings, plans, procedures, reports, and other submissions shall not relieve Seller from its obligations to perform all requirements of this Purchase Order.
- d. Buyer may at any time deduct or set-off Seller's claims for money due or to become due from Buyer against any claims that Buyer has or may have arising out of this Purchase Order or other transactions between Buyer and Seller.

38. INDEMNIFICATION, INSURANCE AND PROTECTION OF PROPERTY. The following provisions shall only apply if and to the extent Seller's personnel enter or perform work at premises owned or controlled by Buyer or Buyer's customer:

- a. Indemnification. Seller shall defend, indemnify and hold harmless Buyer, its subsidiaries, and their directors, officers, employees and agents from and against all actions, causes of action, liabilities, claims, suits, judgments, liens, awards and damages of any kind and nature whatsoever for property damage, personal injury or death (including without limitation injury to or death of employees of Seller or any subcontractor thereof) and expenses, costs of litigation and counsel fees related thereto or incident to establishing the right to indemnification, arising out of or in any way related to this Purchase Order, the performance thereof by Seller, any subcontractor thereof or other third parties within the control or acting at the direction of Seller, or any of their respective employees (collectively for the purposes of this paragraph, the "Seller

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Parties”), including, without limitation, the provision of goods, services, personnel, facilities, equipment, support, supervision or review. The foregoing indemnity shall apply only to the extent of the negligence or willful misconduct of the Seller Parties that occurs while on premises owned or controlled by Buyer. In no event shall Seller’s obligations hereunder be limited to the extent of any insurance available to or provided by Seller or any subcontractor thereof. Seller expressly waives any immunity under industrial insurance, whether arising out of statute or other source, to the extent of the indemnity set forth in this paragraph.

- b. Commercial General Liability. Seller shall carry and maintain, and ensure that all subcontractors thereof carry and maintain, throughout the period when work is performed and until final acceptance by Buyer, Commercial General Liability insurance with available limits of not less than \$1,000,000 per occurrence for bodily injury and property damage combined. Such insurance shall contain coverage for all premises and operations, broad form property damage, contractual liability (including, without limitation, that specifically assumed under paragraph a herein) and goods and completed-operations insurance with limits of not less than \$1,000,000 per occurrence for a minimum of twenty-four (24) months after final acceptance of the work by Buyer. Such insurance shall not be maintained on a per-project basis unless the respective Seller or subcontractor thereof does not have blanket coverage.
- c. Automobile Liability. If licensed vehicles shall be used in connection with the performance of the work, Seller shall carry and maintain, and ensure that any subcontractor thereof who uses a licensed vehicle in connection with the performance of the work carries and maintains, throughout the period when work is performed and until final acceptance by Buyer, Business Automobile Liability insurance covering all vehicles, whether owned, hired, rented, borrowed or otherwise, with available limits of not less than \$1,000,000 per occurrence combined single limit for bodily injury and property damage.
- d. Workers’ Compensation and Employers’ Liability. Throughout the period when work is performed and until final acceptance by Buyer, Seller shall, and ensure that any subcontractor thereof shall, cover or maintain insurance in accordance with the applicable laws relating to Workers’ Compensation (and Employers’ Liability with limits not less than \$1,000,000 per incident) with respect to all their respective employees working on or about Buyer’s premises. If Buyer is required by any applicable law to pay any Workers’ Compensation premiums with respect to an employee of Seller or any subcontractor, Seller shall reimburse Buyer for such payment.
- e. Certificates of Insurance. Prior to commencement of the work, Seller shall provide for Buyer’s review and approval certificates of insurance reflecting full compliance with the requirements set forth in paragraphs b, c, and d. Such certificates shall be kept current and in compliance throughout the period when work is being performed and until final acceptance by Buyer, and shall provide for thirty (30) days advance written notice to Buyer in the event of cancellation. Seller shall immediately notify Buyer in writing of any cancellation of coverage required under paragraphs b, c, and d, any reduction in Seller’s coverage below the minimum requirements set forth in paragraphs b, c, and d, or any material change in the terms and conditions of Seller’s coverage. Failure of Seller or any subcontractor thereof to furnish certificates of insurance, or to procure and maintain the insurance required herein or failure of Buyer to request such certificates, endorsements or other proof of coverage shall not constitute a waiver of Seller’s or subcontractor’s obligations hereunder.
- f. Self-Assumption. Any self-insured retention, deductibles and exclusions in coverage in the policies required under this Article shall be assumed by, for the account of and at the sole risk of Seller or the subcontractor which provides the insurance and, to the extent applicable, shall be paid by such Seller or subcontractor. In no event shall the liability of Seller or any subcontractor thereof be limited to the extent of any of the minimum limits of insurance required herein.
- g. Protection of Property. Seller assumes and shall ensure that all subcontractors thereof and their respective employees assume, the risk of loss or destruction of or damage to any property of such parties, whether owned, hired, rented, borrowed or otherwise, brought to a facility owned or controlled by Buyer or Buyer’s customer. Seller waives and shall ensure that any subcontractor thereof and their respective employees waive, all rights of recovery against Buyer, its subsidiaries and their respective directors, officers, employees and agents for any such loss, destruction or damage. At all times, Seller shall, and ensure that any subcontractor thereof shall, use suitable precautions to prevent damage to Buyer’s property. If any such property is damaged by the fault or negligence of Seller or any subcontractor thereof, Seller shall, at no cost to Buyer, promptly and equitably reimburse Buyer for such damage or repair or otherwise make good such property to Buyer’s satisfaction. If Seller fails to do so, Buyer may do so and recover from Seller the cost thereof.

39. RECIPROCAL WAIVER OF CLAIMS – QUALIFIED ANTI-TERRORISM TECHNOLOGY. If this Purchase Order involves the manufacture, sale, use, or operation of a Qualified Anti-Terrorism Technology(ies) and Seller is either Buyer’s (i) contractor, (ii) subcontractor, (iii) supplier, or (iv) vendor of or for such technologies, then pursuant to 6 U.S.C. §443(b) of the SAFETY Act and 6 C.F.R. §25.5(e), the Parties agree to a Reciprocal Waiver of Claims and each Party shall be responsible for Losses, including business interruption losses, that such Party sustains (and for Losses that its employees sustain) resulting from an activity resulting from an Act of Terrorism when the Qualified Anti-Terrorism Technology(ies) has been deployed in defense against or response to or recovery from such Act of Terrorism. “Act of Terrorism,” “Loss,” “Qualified Anti-Terrorism Technology,” and “Reciprocal Waiver of Claims,” are defined in 6 U.S.C. §§443-444.

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40. SEVERABILITY. Each clause, paragraph and subparagraph of this Purchase Order is severable, and if one or more of them are declared invalid, the remaining provisions of this Purchase Order will remain in full force and effect

41. ORDER OF PRECEDENCE. All documents and provisions in this Purchase Order shall be read so as to be consistent to the fullest extent possible. In the event of a conflict or inconsistency between the documents or provisions as incorporated into or attached to the Purchase Order, the documents or provisions shall prevail in the order listed below, with the first document or provision listed having the highest precedence:

Document Title/Description:

- a. Customer Contract Requirements, including customer flowdowns ("CCR"), if set forth in this Purchase Order;
- b. The system generated Purchase Order document containing or referencing these Purchase Order terms;
- c. Specifications (the most recently agreed to and issued version of specifications shall control and Buyer's specifications shall prevail over any subsidiary documents referenced there;
- d. Statements of work (the most recently agreed to and issued version of a statement of work shall control); and
- e. All other attachments, exhibits, appendices, documents, or terms incorporated by reference in or attached to this Purchase Order.

42. ENTIRE AGREEMENT. This Purchase Order, together with all purchase orders, change orders, attachments, exhibits, supplements, specifications, and other terms referenced in this Purchase Order, contains the entire agreement of the Parties and supersedes any and all prior agreements, understandings and communications between Buyer and Seller related to the subject matter of this Purchase Order. Except as authorized herein, no amendment or modification of this Purchase Order shall bind either Party unless it is in writing and is signed by Buyer's Authorized Procurement Representative and an authorized representative of Seller.