

PURCHASE ORDER TERMS AND CONDITIONS FOR COMMERCIAL PURCHASES

Prior to accepting this Purchase Order, HII-MDIS urges The Seller to read and understand fully the terms and conditions under which said Purchase Order is issued. Should there be any questions involving these terms and condition The Seller should contact the HII-MDIS Contractual Point of Contact listed in the Purchase Order.

Definitions - As used herein, the following terms have the meanings so indicated: a) "Items" means goods and/or services ordered by HII-MDIS from The Seller pursuant to a Purchase Order. b) "Purchase Order" means a transmission by HII-MDIS to The Seller, electronically through a computer network or otherwise, by mail of hard copy, or by such other means as may be agreed (each a "transmission"), containing a Purchase Order number, a supplier code number, an item, identification or specification number, engineering change number or material code number, and/or such other information evidencing an offer to The Seller by HII-MDIS relating to the purchase of goods or services. c) "Purchase Order Revision" means a transmission revising the information contained in a Purchase Order. d) "Goods" and "Services". The term "goods" as used herein means any and all products, chemicals, parts, products, machines, tooling, test equipment technical data, computer software, computer software documentation, and other tangible items or documentary information furnished or required to be furnished by The Seller under this Purchase Order other than labor. The term "services" means any and all technical assistance, consultation, engineering, program management, and other effort furnished or required to be furnished by The Seller under this Purchase Order other than labor furnished in connection with the product of goods.

- 1. Acceptance and Modifications of Purchase Order:** Agreement by Seller to furnish the goods hereby ordered, signing and returning a copy of Purchase Order, commencement of performance, shipment of goods, or acceptance of any payment, shall constitute Seller's unqualified acceptance of this Purchase Order subject to these terms and conditions. Any terms or conditions proposed by Seller inconsistent with or in addition to the terms and conditions contained herein shall be void and of no effect unless specifically agreed to by Buyer in writing. Modifications hereof or additions hereto, to be effective, must be made by Seller in writing and be signed by Buyer.
- 2. Contractual Direction:** Only the Buyer has authority on behalf of Buyer to make changes to this Purchase Order. Buyer's engineering and technical personnel may from time to time render assistance or given technical advice, discuss or affect an exchange of information with Seller's personnel concerning the goods hereunder. No such action shall be deemed to be a change under the "Change" article of this Purchase Order and shall not be the basis for equitable adjustment. Except as otherwise provided herein, all notices to be furnished by Seller shall be in writing and sent to the Buyer's Procurement Representative.
- 3. Invoice and Payment:** Original Invoice shall be submitted to accounts receivable for each delivery of goods and contain the following information: purchase order number; unique invoice number, invoice date, remit to address, line item number, description of good, part number, size, quantity, unit price, extended line item total and total invoice price. Any invoice submitted hereunder will be paid Net 30 (N30) Days after receipt of proper invoice and acceptance of delivered goods by the Buyer. Before payment, Buyer may make any adjustments to Seller's invoice to accommodate shortages, late delivery, rejections or other failure to comply with the requirements of this Purchase Order. Payment discounts will be taken from the date of an acceptable invoice. Payment shall not constitute final acceptance. Buyer may offset against any payment hereunder for any amount owed to Buyer by Seller. In the event of an overpayment, Seller shall promptly repay Buyer any amount paid in excess of amounts due to Seller.
- 4. Taxes:** All taxes, including, but not limited to, federal, state and local income taxes; franchise taxes; federal, state and local sales and use taxes (except sales or use taxes imposed on account of a transaction made under this Agreement); gross receipts taxes; and property taxes, are deemed to be included in the price of the goods. If state or local sales or use tax, value-added tax, or custom duty tax is applicable to any of the goods, it will be so noted on the Purchase Order, and the Seller shall bill the applicable tax separately on its invoice.
- 5. Delivery:** Time is of the essence and failure to deliver in accordance with the delivery schedule under this Purchase Order, if unexcused, shall be considered a material breach of this Purchase Order. No acts of Buyer, including without limitation modifications of this Purchase Order or acceptance of late deliveries, shall constitute waiver of this provision. Buyer reserves the right to refuse or return at Seller's risk and expense shipments made in excess of this Purchase Order or in advance of required schedules, or to defer payment on advance deliveries until scheduled delivery dates. Delivery shall not be deemed to be complete until goods have been actually received and accepted by property.

Seller shall notify Buyer in writing immediately of any actual or potential delivery delays under this Purchase Order. Such notice shall include a proposed revised schedule but such notice and proposal or Buyer's receipt or acceptance thereof shall not constitute a waiver to Buyer's rights and remedies hereunder.
- 6. Packing and Shipping:** Unless otherwise specified, all goods shall be suitably packed in accordance with good commercial practices and comply with carrier's regulations. All charges for packing, crating and transportation are included in the price for the goods set forth herein and will be paid by Seller.

Packing List shall accompany each shipment showing the purchase order number as well as the item number, description of goods and quantity. In the event that no such Packing List accompanies any shipment, the count, weight or other measure of Buyer shall be final and conclusive. Buyer shall not be obligated to accept any shipments in excess of the ordered quantity and may be returned to Seller at Seller's expense.

Unless otherwise stated herein, all deliveries under this Purchase Order shall be F.O.B. destination. Title and risk of loss of all goods shall pass to Buyer, when goods are received and Buyer takes possession of goods.

- 7. Inspection and Acceptance:** At no additional cost to the Buyer, all goods and services are subject to inspection by Buyer or Buyer's customer at reasonable times and places, including at Seller's location or at Seller's low-tier supplier/subcontractor's location.

If Seller delivers non-conforming good, Buyer may, in addition to any other remedies available at law or at equity: (i) accept all or part of such goods at an equitable price reduction; or (ii) reject non-conforming goods; or (iii) require Seller, at Seller's expense, to make all repairs, modifications, or replacements at the direction of Buyer necessary to enable such good to comply in all respects with this Purchase Order requirement. In this instance, Seller shall not redeliver corrected good without disclosing the corrective action taken to Buyer.

- 8. Warranty:** The Seller represents and warrants that all goods shall (i) conform strictly to applicable specifications, drawings, and standards of quality and performance and suitable for their intended purpose; (ii) all goods delivered will be new, unless otherwise specified herein, and be free from defects in design, material and workmanship; (iii) not be or contain Counterfeit Items/parts; and (iv) be and only contain goods obtained directly from the Original Equipment Manufacturer (OEM) or an authorized OEM reseller or distributor.

Seller warrants any hardware, software and firmware goods delivered hereunder 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 (i) damage, destroy or alter any software or hardware; (ii) reveal, damage, destroy or alter any data; (iii) shall not contain any third party software that may require any software to be published, accessed or otherwise made available without the Buyer's consent or may require distribution, copying or modification of any software free of charge; and (iv) shall not infringe any patent, copyright, trademark or other proprietary right of any third party or misappropriate any trade secret of any third party.

All warranties specified in this article shall survive inspection, delivery, acceptance, or payment by Buyer.

- 9. Changes and Suspension:** Buyer may, by written notice to Seller at any time, make changes within the general scope of this Purchase Order in any one or more of the following: (a) drawings, designs or specification; (b) quantity; (c) time or place of delivery; (d) method of shipment or packing; and (e) the quantity of Buyer furnished property. Buyer, may, for any reason, direct Seller to suspend, in whole or in part, delivery of goods or performance of services hereunder for such period of time as may be determined by Buyer at its sole discretion. If any such change or suspension causes a material increase or decrease in the cost of, or the time required for the performance of any part of the work under this Purchase Order, an equitable adjustment shall be made in the Purchase Order price or delivery schedule, or both, provided Seller shall have notified Buyer in writing of any claim for such adjustment within twenty (20 days) from the date of notification of the change or suspension from Buyer. The Seller shall provide supporting documentation for the claim. No such adjustment or any other modification of the terms of this Purchase Order will be allowed unless authorized by Buyer by means of a written modification to this Purchase Order. Failure to agree to any adjustments shall be resolved in accordance with the Disputes Article. Seller shall proceed with the work as changed without interruption and without awaiting settlement of any such claim.

- 10. Disputes:** Any claim, controversy, or dispute (hereinafter collectively referred to as "dispute"), that may arise under or in connection with this Purchase Order with respect to the rights, duties, or obligations of the Parties shall be reduced to writing and submitted for resolution to ascending levels of management of the respective Parties up to the Chief Executive Officer. Any dispute that cannot be resolved to both Parties' mutual satisfaction, after good faith negotiations, within ninety (90) calendar days from the date the written claim is received by the other Party, or such additional time as the Parties agree upon, in writing, may be settled by appropriate legal proceedings including, without limitation, arbitration or litigation. Any litigation shall be filed in a court of competent jurisdiction within Madison County, Alabama. The Seller shall proceed diligently with performance pending resolution of any such Dispute by settlement or final judgment. By accepting this Purchase Order, the Seller consents to this condition in its entirety.

Labor disputes: Whenever the Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Purchase Order, The Seller shall immediately provide written notice thereof, including all relevant information, to Buyer.

11. Force Majeure: Neither party shall be liable for failure or delay in performance under this Purchase Order, in whole or in part, for causes beyond the control and without the fault or negligence of the parties. Such causes are acts of God or of any public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, labor strikes, freight embargoes and unusually severe weather. When such a cause arises, the impacted party shall provide written notification to the other party within ten (10) days of such cause.

12. Indemnification: Seller shall indemnify, defend, and hold harmless Buyer, and Buyer's customers from and against any and all damages, losses, liabilities, claims, demands, subrogation's, suits, actions, proceedings, cost and expenses (including reasonable attorneys' fees and cost of litigation) arising out of or relating to any claims, causes of action, lawsuits or other proceedings, regardless of legal theory, that result, in whole or in part, from Seller's (or any of Seller's suppliers/subcontractors, employees, agents or representatives): (i) intentional misconduct, negligence, or fraud; (ii) breach of any representation, warranty or covenant made herein; (iii) breach of the confidentiality or disclosure provisions herein; (iv) infringement of any patent, trademark, copyright, trade secret, or any other intellectual property right; or (v) violation of any law or regulation. Notwithstanding of the foregoing, Seller's obligations under this Article shall not apply to the extent that a claim is finally determined by a court of competent jurisdiction to be caused by the negligence or willful misconduct of Buyer.

Buyer shall promptly notify Seller of any claim that is covered by this indemnification provision and shall authorize representatives of Seller to settle or defend any such claim or suit and to take charge of any litigation in connection therewith.

If the sale or use of any good delivered under this Purchase Order is enjoined as a result of Seller's infringement of any patent, trademark, copyright, trade secret, or any other intellectual property right, Seller shall obtain, at no expense to Buyer, the right for Buyer and Buyer's customer to use and sell said good or shall substitute an equivalent good acceptable to Buyer.

13. Limited Liability: Notwithstanding anything else to the contrary herein, Seller agrees that the maximum liability of Buyer under this Purchase Order (whether by reason of breach of contract, tort, or otherwise, including under all indemnification and warranty provisions (if any)), shall be limited to the aggregate amount of payments made to Seller as of the date the claim arises, and in no event shall Buyer be liable for indirect, special, consequential, punitive, exemplary, or incidental damages, regardless of whether Buyer (a) has been informed of the possibility of such damages or (b) is negligent.

14. Buyer's Furnished Items and Property: All items furnished, loaned or bailed by Buyer hereunder, or fabricated, manufactured, purchased, or otherwise acquired by Seller for the performance of this Purchase Order and specifically charged to Buyer, shall be the property of Buyer. Upon completion, expiration or termination of this Purchase Order, Seller shall return all such items in good condition, reasonable wear only accepted, together with all spoiled and surplus items to Buyer, or make such other disposition thereof as may be directed or approved by Buyer. Seller agrees to replace, at its expense, all such items not returned. Seller shall make no charge for any storage, maintenance or retention of such items. Seller shall bear all risk of loss for all such items in Seller's possession. Seller also agrees to use any designs or data contained or embodied in such items in accordance with any restrictive legends placed on such items by Buyer or any third party. If Buyer furnishes any material for fabrication hereunder, Seller agrees: (i) not to substitute any other material for such fabrication without Buyer's prior written consent; and (ii) that title to such material shall not be affected by incorporation or attachment to any other property.

15. Intellectual Property: Seller warrants that the goods delivered under this Purchase Order will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country. Seller agrees to defend, indemnify, and hold harmless Buyer and its customers from and against any claims, damages, losses, costs, and expenses, including reasonable attorney's fees, arising out of any action by a third party that is based upon a claim that the good delivered under this Purchase Order infringes or otherwise violates the intellectual property rights of any person or entity.

All data, copyrights, reports, and works of authorship developed in performance of this Purchase Order shall be the sole property of Buyer and shall be used by Seller solely in work for Buyer. To the extent that any of the deliverable items may not, by operation of law, be works made for hire, Seller hereby assigns to Buyer the ownership of copyright in the deliverable items and Buyer shall have the right to obtain and hold in its own name copyrights, registrations, and similar protection which may be available in the deliverable items. Seller agrees to give Buyer or its designees all assistance reasonably required to perfect such rights.

To the extent that any pre-existing inventions, technology, designs, works of authorship, mask works, technical information, computer software, and other information or materials are used, included, or contained in the Work or deliverable items and not owned by Buyer pursuant to this or a previous agreement with Seller, Seller grants to Buyer an irrevocable, nonexclusive, world-wide, royalty-free license to: (i) make, have made, sell, offer for sale, use, execute, reproduce, display, perform, distribute (internally or externally) copies of, and prepare derivative works based upon, such pre-existing inventions, technology, designs, works of authorship, mask works, technical information, computer software, and other information or materials and derivative works thereof; and (ii) authorize others to do any, some or all of the foregoing.

The tangible medium storing all reports, memoranda or other materials in written form including machine readable form, prepared by Seller and furnished to Buyer pursuant to this Purchase Order shall become the sole property of Buyer.

- 16. Disclosure:** No news releases, public announcement, denial or confirmation of any part of the subject matter of this Purchase Order or any phase of any program hereunder shall be made without prior written consent of the Buyer which shall not be unreasonably withheld.
- 17. Assignment:** This Purchase Order may not be assigned novated or otherwise transferred by operation of law or otherwise by Seller without Buyer's prior written consent, which shall not be unreasonably withheld.

Seller agrees to obtain Buyer's written approval before subcontracting this purchase order or any substantial portion thereof; provided; however, that this limitation shall not apply to the purchase of standard commercial supplies or raw materials.

- 18. Insurance:** Without prejudice to Seller's liability to indemnify Buyer as stated in any Indemnification provision contained in this Purchase Order, Seller shall, at its own expense, maintain, with insurers which are rated A- or better by A.M. Best, the following minimum coverage for the duration of this Purchase Order, and ensure that any of its suppliers and subcontractors used in connection with this Purchase Order procure and maintain, the insurance policies required below.
- (a) **Workers' Compensation:** Coverage for statutory obligations imposed by laws of any State in which the work is to be performed. Where applicable, Seller shall provide evidence of coverage for the Defense Base Act (DBA) including all employees working on U.S. Government contracts outside the United States. Seller and its insurer shall waive all rights of subrogation in favor of Buyer. Employer's Liability coverage of \$1 million each accident shall also be maintained.
- (b) **Commercial General Liability:** Coverage for third party bodily injury and property damage, including products and completed operations, contractual liability, and independent contractors' liability with limits not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Buyer, its directors, officers and employees, and Buyer's customer where required by Buyer's Contract with its customer, shall be named as Additional Insured.
- (c) **Business Automobile Liability:** Coverage for use of all owned, non-owned, and hired vehicles with limits of not less than \$1,000,000 per accident combined single limit for bodily injury and property damage liability.
- (d) **Professional Liability / Errors and Omissions:** If seller is performing any professional services, coverage for damages (including financial loss) caused by any acts, errors and omissions arising out of Seller's performance or failure to perform professional services with limits of not less than \$1,000,000 per claim.

The required insurance coverage's above shall be primary and non-contributing with respect to any other insurance that may be maintained by Buyer and notwithstanding any provision contained herein, the Seller, and its employees, agents, representatives, consultants, subcontractors and suppliers, are not insured by Buyer, and are not covered under any policy of insurance that Buyer has obtained or has in place.

Any self-insured retentions, 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. In no event shall the liability of Seller or Seller's suppliers and subcontractors be limited to the extent of any of insurance or the minimum limits required herein.

Prior to commencement of any work, and within 15 days of any policy renewal that occurs while any work is on-going under this Purchase Order, Seller shall provide Buyer certificates of insurance evidencing the insurance coverage required above, including evidence of additional insured status and waivers of subrogation where required.

- 19. Termination for Convenience:** Buyer may terminate this Purchase Order for its convenience, in whole or in part, by providing written notice of such termination to the Seller. In the event of such a termination, Seller shall: (i) stop work immediately and shall cause all of its suppliers and subcontractors to stop work immediately, on the terminated portion of the Purchase Order; (ii) promptly deliver to Buyer all partially or fully completed goods; and (iii) continue all work that is not being terminated.

Seller shall be entitled to an Equitable Adjustment, including reasonable settlement expenses, Seller shall not be paid for any work performed or costs incurred that could have been reasonably avoided. Seller must submit its proposal to Buyer for costs relating to the termination within thirty (30) days after the effective date of the termination. In no event shall Buyer be liable for lost or anticipated profits, unabsorbed indirect costs or overhead, or for any sum in excess of the total Purchase Order price. Seller hereby waives releases and renounces any claim for compensation not made within the aforementioned time period.

- 20. Termination for Default:** (a) Buyer by written notice to Seller, may, terminate this Purchase Order for default, in whole or in part, if Seller:
- (i) fails to comply with any of the terms of this Purchase Order;
 - (ii) fails to make progress so as to endanger performance of this Purchase Order;
 - (iii) fails to provide Buyer, in writing, adequate assurances of performance;
 - (iv) becomes insolvent or subject of proceedings under any law relating to bankruptcy or the relief of debtors or admits in writing its inability to pay its debts as they become due; or
 - (v) is debarred, suspended or proposed for debarment by the U.S. Federal Government

(b) Seller shall have ten (10) days, or such longer period as Buyer may authorize in writing, to cure any such failure after receipt of notice from Buyer. Seller shall not be entitled to a cure notice for a default involving delivery schedule delays, bankruptcy, and debarred, suspended or proposed for debarment by the U.S. Federal Government.

(c) If this Purchase Order is so terminated, Buyer may procure or otherwise obtain, upon such terms and in such manner as Buyer may deem appropriate, goods or services similar to those terminated. Seller shall be liable to Buyer for any excess re-procurement costs of such similar goods or services.

(d) Seller shall transfer title and deliver to Buyer, in the manner and to the extent requested in writing by Buyer at or after termination, such complete or partially completed articles, property, materials, parts, tools, dies, patterns, jigs, fixtures, plans, drawings, information and contract rights as Seller has produced or acquired for the performance of the terminated part of this Purchase Order. Buyer will pay Seller the price for completed articles delivered to and accepted by Buyer and the fair value of the other property of Seller so requested and delivered.

(e) Seller shall continue performance of this Purchase Order to the extent not terminated. Buyer shall have no obligations to Seller in respect to the terminated part of this Purchase Order except as herein provided. Buyer's rights as set forth herein shall be in addition to any other rights in case of Seller's default.

(f) Seller shall not be liable for damages resulting from default due to causes beyond Seller's control and without Seller's fault or negligence, provided, however, that if Seller's default is caused by the default of a subcontractor or supplier at any tier, such default must arise out of causes beyond the control of both Seller and subcontractor or supplier, and without the fault or negligence of either of them and, provided further, the supplies or services to be furnished by the subcontractor or supplier were not obtainable from other sources.

- 21. Export Control Compliance:** Seller agrees to comply with all applicable U.S. export control laws and regulations, specifically including, but not limited to, the requirements of the Arms Export Control Act, 22 U.S.C. 2751-2794, including the International Traffic in Arms Regulation (ITAR), 22 C.F.R. 120 et seq.; and the Export Administration Regulations, 15 C.F.R. 730-774; including the requirement for obtaining any export license or agreement, if applicable. Without limiting the foregoing, Seller agrees that it will not transfer any export controlled item, data, or services, to include transfer to foreign persons employed by or associated with, or under this Purchase Order to Seller or Seller's lower-tier suppliers, without the authority of an export license, agreement, or applicable exemption or exception.

Seller agrees to notify Buyer if any deliverable under this Purchase Order is restricted by export control laws or regulations.

Seller shall immediately 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 U.S. Government entity or agency.

If Seller is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, Seller represents that (i) it is registered with the Directorate of Defense Trade Controls, as required by the ITAR, and (ii) it maintains an effective export/import compliance program in accordance with the ITAR.

Employees of Seller who perform work on Buyer's premises will have access to information that is subject to U.S. export control laws and regulations and must be citizens or lawful permanent residents of the United States. Upon request of Buyer, Seller shall provide proof of citizenship, lawful permanent residence or other status as a U.S. Person for each employee who will perform work on Buyer's premises.

Where Seller is a signatory under a Buyer export license or export agreement (e.g., Technical Assistance Agreement (TAA), Manufacturing License Agreement (MLA)), Seller shall provide prompt notification to the Buyer in the event of changed circumstances including, but not limited to, ineligibility, a violation or potential violation of the ITAR, and the initiation or existence of a U.S. Government investigation, that could affect the Seller's performance under this Purchase Order.

Seller shall be responsible for all losses, costs, claims, causes of action, damages, liabilities and expenses, including attorneys' fees, all expense of litigation and/or settlement, and court costs, arising from any act or omission of Seller, its officers, employees, agents, suppliers or subcontractors at any tier, in the performance of any of its obligations under this Article.

- 22. Compliance to Law:** Seller warrants that it shall comply with all applicable Federal, State, and local laws or ordinance and, rulings, and regulations in effect on the date of this Purchase Order.
- 23. Governing Law:** This Purchase Order shall be governed by and construed in accordance with the laws of the State of Delaware.
- 24. Code of Business Ethics and Conduct:** Buyer believes in fair and open competition and is committed to conducting its business fairly, impartially and with the highest moral, legal and ethical standards. HII-MDIS demands and fosters the highest ethical conduct because Buyer can only be successful when employees look after long-term interests of the company and resist pressures to compromise such standards. Similarly, Buyer expects that the Seller will also conduct its business fairly, impartially and in an ethical and proper manner. In the event that a Seller believes Buyer or any employee of Buyer has acted improperly

or unethically under this Purchase Order, Seller shall immediately report such behavior either by contacting **HII-MDIS ETHICS HOTLINE (866) 334-5889** or at <http://www.huntingtoningalls.com/who-we-are/ethics-compliance/openline-and-contact-information/>. A copy of HII-MDIS's Code of Business Ethics and Conduct can be found on www.hii-tsd.com

- 25. Gratuities/Kickbacks:** Seller shall not offer or give a kickback or gratuity (in the form of entertainment, gifts, or otherwise) for the purpose of obtaining or rewarding favorable treatment as a supplier or subcontractor of the Buyer. By accepting this Purchase Order, Seller certifies and represents that it has not made or solicited and will not make or solicit kickbacks the Anti-Kickback Act of 1986 (41 USC 51-58), of which are incorporated herein by reference.
- 26. Debarred, Suspended or Potential Debarment:** Except for Commercial Off The Shelf (COTS) items, Seller represents and warrants that it is not currently debarred, suspended, or proposed for debarment or suspension by any federal or state agency.
- 27. Independent Contractor Relationship:** Seller is an independent contractor in all respects with regards to this Purchase Order. Nothing contained in this Purchase Order shall be deemed or constructed to create a partnership, joint venture, agency or other relationship other than that of a contractor and customer.
- 28. Survivability:** If this Purchase Order expires, is completed or is terminated, Seller shall not be relieved of those obligations contained in the following articles, prescribed herein: Warranty, Termination for Convenience, Termination for Default, Proprietary Rights, Disclosure, Warranty, Indemnification, Infringement, Buyer Furnished Items and Property, Intellectual Property, Compliance with Law, Governing Law, Disputes, Insurance, and Export Control Compliance.
- 29. Non-Waiver of Rights:** The failure of either party to insist upon strict performance of any of the terms and conditions set forth herein, or to exercise any rights or remedies, shall not be construed as a waiver of its rights to assert any of the same or to rely on any such terms and conditions at any time thereafter. The invalidity in whole or in part of any term or condition of this Purchase Order shall not affect the validity of other parts hereof.
- 30. Entire Agreement:** The parties hereby agree that this Purchase Order shall constitute the entire agreement and understanding between the parties hereto and shall supersede and replace any and all prior or contemporaneous representations, agreements or understandings of any kind, whether written or oral, relating to the subject matter hereof.
- 31. Order of Precedence:** In the event of any conflict arising between the documents constituting this agreement, the following descending order of precedence shall be given (a) the terms and conditions of this contract (b) the statement of work (SOW) or bill of materials (BOM) of this contract (c) formal request for proposal/quote (to include the statement of work attached thereto) and (d) all other attachments including those by reference.
- 32. Hazardous Material:** A. If this Purchase Order involves delivery of any hazardous material, packaging and shipment of such material must be made in accordance with Hazardous Goods Regulations Title 49 CFR, OSHA Hazard Communication Standard 29 CFR 1910.1200, and Federal Standard. 313C. The Seller as a condition of this Purchase Order shall provide a Goods Safety Data Sheet (MSDS) to HII-MDIS unless previously submitted. The Seller shall enter HII-MDIS's Purchase Order number on the top right corner of the MSDS's first page. The Purchase Order number may be handwritten. Unless there are changes affecting the characteristics and composition of the hazardous material previously reported, only one submission to HII-MDIS is required. A MSDS from the manufacturer will satisfy these requirements for distributors, dealers, jobbers and retailers who must comply with this Condition. B. The warning label required on hazardous material by CFR 1910.1200 shall not be obscured by other stamps or labels. When a MSDS is required, The Seller shall mail it separately to the address on the face of this Purchase Order to the attention of the Program Manager. By acceptance of this Purchase Order, The Seller certifies: (1) Compliance with this Condition; (2) an up to date MSDS will be submitted prior to delivery of any hazardous material; or (3) that no hazardous material will be delivered, as applicable.
- 33. Inclusion of Clauses and Mandatory:** Flow Down Clauses A. Seller agrees to accept the incorporation into this subcontract/purchase order of any clause that the Government may incorporate in HII-MDIS's prime contract during the subcontract period of performance. B. The following FAR clauses are incorporated herein by reference. Furthermore, the Subcontractor/Purchase Order agrees to include these clauses in any subcontract/Purchase Order associated with this order, not including these clauses at any tier subcontract/Purchase Order is a material breach of this Purchase Order by the Seller: Notification of Employee Rights Under the National Labor Relations Act (Dec 2010) (a) During the term of this contract, the Seller shall post an employee notice, of such size and in such form, and containing such content as prescribed by the Secretary of Labor, in conspicuous places in and about its plants and offices where employees covered by the national Labor Relations Act engage in activities relating to the performance of the contract, including all places where notices to employees are customarily posted both physically and electronically, in the languages employees speak, in accordance with 29 CFR 471.2(d) and (f). (1) Physical posting of the employee notice shall be in conspicuous places in and about the Seller's plants and offices so that the notice is prominent and readily seen by employees who are covered by the National Labor Relations Act and engage in activities related to the performance of the contract. (2) If the Seller customarily posts notices to employees electronically, then the Seller

shall also post the required notice electronically by displaying prominently, on any Web site that is maintained by the Seller and is customarily used for notices to employees about terms and conditions of employment, a link to the Department of Labor's Web site that contains the full text of the poster. The link to the Department's Web site, as referenced in (b)(3) of this section, must read, "Important Notice about Employee Rights to Organize and Bargain Collectively with Their Employers." (b) This required employee notice, printed by the Department of Labor, may be— (1) Obtained from the Division of Interpretations and Standards, Office of Labor-Management Standards, U.S. Department of Labor, 200 Constitution Avenue, NW., Room N-5609, Washington, DC 20210, (202) 693-0123, or from any field office of the Office of Labor-Management Standards or Office of Federal Contract Compliance Programs; (2) Provided by the Federal contracting agency if requested; (3) Downloaded from the Office of Labor-management Standards Web site at <http://www.dol.gov/olms/regs/compliance/EO13496.htm> ; or (4) Reproduced and used as exact duplicate copies of the Department of Labor's official poster. (c) The required text of the employee notice referred to in this clause is located at Appendix A, Subpart A, 29 CFR Part 471. (d) The Seller shall comply with all provisions of the employee notice and related rules, regulations, and orders of the Secretary of Labor. (e) In the event that the Seller does not comply with the requirements set forth in paragraphs (a) through (d) of this clause, this contract may be terminated or suspended in whole or in part, and the Contractor may be suspended or debarred in accordance with 29 CFR 471.14 and subpart 9.4 Such other sanctions or remedies may be imposed as are provided by 29 CFR part 471, which implements Executive Order 13496 or as otherwise provided by law. (f) Subcontracts. (1) The Seller shall include the substance of this clause, including this paragraph (f), in every subcontract and will be performed wholly or partially in the United States, unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 3 of Executive Order 13496 of January 30, 2009, so that such provisions will be binding upon each subcontractor. (2) The Seller shall not procure supplies or services in a way designed to avoid the applicability of Executive Order 13496 or this clause. (3) The Seller shall take such action with respect to any such subcontract as may be directed by the Secretary of Labor as a means of enforcing such provisions, including the imposition of sanctions for noncompliance. (4) However, if the Seller becomes involved in litigation with a subcontractor, or is threatened with such involvement, as a result of such direction, the Seller may request the United States, through the Chamber for the Secretary of Labor, to enter into such litigation to protect the interests of the United States.

- 34. Non-Complying Products:** HII-MDIS shall have the right (but not the obligation) to review work progress and test all supplies, special tooling, goods and workmanship to the extent practicable at all times and places during the period of manufacture. In case any goods delivered or services rendered hereunder are defective in material or workmanship or otherwise not in conformity with the requirements of this Purchase Order, HII-MDIS shall have the right notwithstanding payment or any prior inspection or test or custom or usage of trade, either to reject it or to require its correction by and/or at the expense of The Seller promptly after notice.
- 35. Drawings:** Unless otherwise agreed to in writing, any drawings, plans, specifications, tools and other goods supplied by HII-MDIS in connection with the production of the goods Purchase Ordered shall remain the property of HII-MDIS and shall be returned upon demand. The Seller shall keep such property safe and in good condition, and shall not use it except in connection with sales to HII-MDIS. Any information disclosed by The Seller with respect to the design, manufacture, sale or use of the goods Purchase Ordered shall be deemed to have been disclosed as part of the consideration for this Purchase Order, and The Seller shall not assert any claim (other than for patent infringement) against HII-MDIS by reason of HII-MDIS's use thereof.
- 36. Counterfeit Products/Parts:** For purposes of this clause, Goods are any tangible items, including without limitation the lowest level of separately identifiable items, such as parts, articles, components, and assemblies. "Counterfeit Goods" are Goods that are or contain items misrepresented as having been designed, produced, and/or sold by an authorized manufacturer and seller, including without limitation unauthorized copies, replicas, or substitutes. The term also includes authorized Goods that have reached a design life limit or have been damaged beyond possible repair, but are altered and misrepresented as acceptable. Offeror agrees and shall ensure that Counterfeit Goods are not delivered to HII-MDIS. Goods delivered to HII-MDIS or incorporated into other Goods and delivered to Caber shall be new and shall be procured directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. If requested by HII-MDIS, bidder shall provide OCM/OEM documentation that authenticates products. Offeror shall report suspected or confirmed counterfeit items into the Government-Industry Data Exchange Program (GIDEP).
- In the event that Work delivered under this Agreement constitutes or includes Counterfeit Goods, Seller shall, at its expense, promptly replace such Counterfeit Goods with authentic Goods conforming to the requirements of this Agreement. Notwithstanding any other provision in this Agreement, Seller shall be liable for all costs relating to the removal and replacement of Counterfeit Goods, including without limitation Buyer's costs of removing Counterfeit Goods, of reinserting replacement Goods, and of any testing necessitated by the reinstallation of Goods after Counterfeit Goods have been exchanged. Seller shall include equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Goods to Buyer.
- 37. Confidentiality and Use of Buyer Furnished Items/Information:** Seller agrees that it will keep confidential and not disclose, disseminate or publish the features of any equipment, tools, gauges, patterns, designs, drawings, engineering data, computer programs and software or other technical or proprietary information furnished, loaned or bailed by Buyer hereunder (hereinafter collectively referred to as "Items/Information", and use such Items/Information only in the performance of this

Purchase Order or, if authorized, other orders from Buyer and not otherwise, without Buyer's prior written consent. Notwithstanding any other provision herein, Buyer and Seller shall each retain ownership of, and all right, title and interest in and to, their respective pre-existing Intellectual Property. All such Items furnished, loaned or bailed by Buyer hereunder, or fabricated, manufactured, purchased, or otherwise acquired by Seller for the performance of this Purchase Order and specifically charged to Buyer, are the property of Buyer. Upon completion, expiration or termination of this Purchase Order, Seller shall return all such Items in good condition, reasonable wear only excepted, together with all spoiled and surplus Items to Buyer, or make such other disposition thereof as may be directed or approved by Buyer. Seller agrees to replace, at its expense, all such Items not so returned. Seller shall make no charge for any storage, maintenance or retention of such Items. Seller shall bear all risk of loss for all such Items in Seller's possession.

Seller also agrees to use any designs or data contained or embodied in such Items in accordance with any restrictive legends placed on such Items by the Buyer or any third party. If Buyer furnishes any material for fabrication hereunder, Seller agrees: (i) not to substitute any other material for such fabrication without Buyer's prior written consent, and (ii) that title to such material shall not be affected by incorporation in or attachment to any other property.

38. Equal Employment Opportunities

The parties shall comply with all Federal equal employment opportunity obligations under 41 CFR 60-1.4(a), 60-300.5(a), 60-741.5(a) and federal labor law obligations under 29 CFR part 471, appendix A and subpart A.

The contractor and subcontractor shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on race, color, religion, sex, national origin, sexual orientation and gender identify. Moreover, these regulations require that covered prime contractors and subcontractor stake affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.