



## GENERAL PROVISIONS

### 1. DEFINED TERMS/ APPLICATION OF THESE CONDITIONS

#### 1.1 Certain Definitions:

- a. "Buyer" means Northstar aerospace or its designated affiliate.
- b. "Buyer's Authorized Procurement Representative" means the person designated by the Buyer having primary authority and responsibility for interacting with Seller with respect to the Contract.
- c. "Conditions" means these terms and conditions of purchase.
- d. "Contract" means any contract between the Buyer and the Seller for the sale and purchase of the Goods and/or the Services comprising either (a) a Supply Agreement, these Conditions and Purchase Order(s), or (b) any Purchase Order (whichever is relevant) and these Conditions.
- e. "Goods" means and includes the goods which are the subject of the Contract.
- f. "Purchase Order" means the order or orders made by the Buyer in respect of the Goods and/or Services.
- g. "Services" means any services to be provided to the Buyer in connection with the Contract.
- h. "Seller" means the person, firm or company named as the Seller or Supplier or Provider in the Supply Agreement or, in the absence of a Supply Agreement, named in the relevant Purchase Order.

1.2 If there is a Supply Agreement, the Contract is only formed and binding when a Supply Agreement signed by the Buyer is delivered to the Seller. In the absence of a Supply Agreement, the Contract shall be formed and binding when a Purchase Order is delivered by the Buyer to the Seller and is accepted in writing by the Seller or upon Seller's commencement of performance. Acceptance is strictly limited to the terms and conditions in the Contract. Unless specifically agreed to in writing by Buyer's Authorized Procurement Representative, the Contract excludes all other terms and conditions which the Seller purports to apply under any acknowledgement or confirmation of order, quotation, specification, delivery note, invoice or any other similar document or communication whether or not such document is referred to in the Contract. Each Contract shall form a separate agreement for the provision of Goods and/or Services between the Seller and the Buyer.

1.3 Acceptance Of Priority Rated Order. Notwithstanding section 1.2, if the Contract has a defense priority rating, Seller must accept or reject the Contract in writing (hard copy) or electronic format, in accordance with 15 C.F.R. § 700.13(d), within fifteen (15) working days after receipt if the Contract is "DO" rated, and ten (10) working days after receipt if the Contract is "DX" rated.



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If Seller rejects the Contract, the reason(s) for such rejection shall be included in the written notice to the Buyer.

### 2. PROVISION OF GOODS AND SERVICES/SCHEDULE

2.1 Seller will supply the Goods and provide the Services (a) in the quantities and quality specified in the Contract; and (b) in accordance with the specifications and description of the Goods and/or Services specified in the Contract.

2.2 Seller shall strictly adhere to the shipment or delivery schedules specified in the Contract. In the event of any anticipated or actual delay, including but not limited to delays attributed to labor disputes, shipping delays and supply chain disruptions, Seller shall: (a) within (5) business days notify Buyer in writing of the reasons for the delay and the actions being taken to overcome or minimize the delay; (b) provide Buyer with a written recovery schedule if the recovery period will be (10) business days or more; and (c) ship via air or other expedited routing to avoid or minimize delay to the maximum extent possible. Unless Seller is excused from prompt performance as provided in the "Force Majeure" article of this Contract, the added premium transportation costs are to be borne exclusively by Seller.

2.3 Seller shall not deliver Goods more than (5) business days prior to the scheduled delivery dates unless authorized by Buyer.

2.4 Buyer shall, at no additional cost, retain Goods furnished in excess of the specified quantity or in excess of any allowable overage unless, within 60 days of shipment, Seller requests return of such excess. In the event of such request, Seller shall reimburse Buyer for reasonable costs associated with storage and return of the excess. If Goods are manufactured with reference to Buyer's proprietary information or materials, Seller agrees that, pursuant to the "Confidential, Proprietary and Trade Secrets Information and Materials" article of this Contract, it will not sell or offer such Goods for sale to anyone other than Buyer without Buyer's prior written consent.

2.5 Seller shall compensate Buyer for any damages incurred as a result of any delay.

### 3. PACKING AND SHIPPING OF GOODS

3.1 Seller shall pack the Goods to prevent damage and deterioration as specified in the detailed designs and specifications, or delivery notice and shall otherwise ensure that all labeling, packaging and storage materials comply with all relevant laws, regulations, standards and carrier requirements. Unless otherwise specified in the Contract, Goods sold origin (place of shipment) shall be forwarded collect.<sup>1</sup> 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

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<sup>1</sup> NOTE TO CLIENT: Recommend FOB destination when possible.



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such event, Seller shall release or declare such value at the maximum value within the lowest rating. Seller will be liable for any loss of, damage to or deterioration of any Goods due to its failure to properly label, pack, package, handle or preserve any shipment. No charge will be allowed for handling, packing, crating, returnable containers, import duties, transportation, or documentation unless previously agreed to in writing. All containers, packing lists, bills of lading and invoices must list the purchase order or contract number. Each purchase order or contract number must be placed on the shipping documents and in reference fields of automated shipping systems. Seller shall provide Buyer and Buyer's agent with all necessary information required for receipt of the Goods, including all necessary information for import and customs entry purposes where Buyer is the importer of record. Seller will make every reasonable effort to ensure information is provided timely and accurately, and in such a manner as stipulated by Buyer. Seller shall be liable for any fines and or/or penalties incurred as a result of Seller providing inaccurate information or refusal to furnish required information.

3.2 Unless this Contract specifies otherwise, Seller will ship the Goods in accordance with the following instructions:

a. Shipments by Seller or its subcontractors must include packing sheets, commercial invoices and certifications containing the detailed designs and specifications, or delivery notice. A shipment containing hazardous and nonhazardous materials must have separate packing sheets for the hazardous and nonhazardous materials. Seller shall not include vermiculite or other hazardous substance in any packing material included with the Goods. Items shipped on the same day will be consolidated on one bill of lading or air waybill unless Buyer's Authorized Procurement Representative authorizes otherwise. The shipping documents will describe the material according to the applicable classification and/or tariff. The total number of shipping containers will be referenced on all shipping documents. Originals of all Government bills of lading will be surrendered to the origin carrier at the time of shipment.

b. Seller shall comply with all marking requirements for export controlled items, including destination control statements in appropriate shipping documents as required under 15 C.F.R. 758.6 in the Export Administration Regulations (EAR) and 22 C.F.R. 123.9 in the International Traffic in Arms Regulations (ITAR).

c. Seller will not insure any F.O.B. origin shipment unless authorized in writing by Buyer.

d. Seller will label each shipping container with the purchaser order or contract number and the number that each container represents of the total number being shipped (e.g., box 1 of 2, box 2 of 2).

e. Buyer or Buyer's Authorized Representative will select the carrier and mode of transportation for all shipments where Buyer agrees to pay freight costs.



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- f. Prepay and/or shipment charges, including handling charges, are not authorized and Seller will not be reimbursed.
- g. If Seller is unable to comply with the shipping instructions in this Contract, Seller will immediately contact Buyer.
- h. Buyer's Shipment Routing Instructions are available on the Buyer's website through the Supplier Portal at <http://www.nsaero.com>.<sup>2</sup>
- i. Buyer's Shipment Routing Instructions apply to shipments sent collect (F.O.B. destination) to all Buyer locations.
- j. Seller's failure to comply with Buyer's Shipment Routing Instructions will result in Seller liability for excess and/or reversal of freight charges and any damages.
- k. Unless the Contract specifies otherwise, the price for the Goods includes shipping charges for Goods sold F.O.B. destination.
- l. Seller shall comply with carrier tariffs.
- m. If applicable, Seller shall comply with the Fastener Quality Act (Pub. L. 101-592 as amended by Pub. L. 104-113, Pub L. 105-234, and Pub L. 106-34).

### 4. QUALITY CONTROL

4.1 Seller shall establish and maintain a quality control system meeting, in compliance with AS9100, or acceptable to Buyer for the Goods purchased under this Contract. Copies of Buyer's quality requirements and contacts for such reports are available on [www.NSAERO.com](http://www.NSAERO.com). Seller shall permit Buyer, Buyer's Authorized Representative, or Government officials to review procedures, practices, processes and related documents to determine such acceptability. Seller shall have a continuing obligation to notify Buyer within (10) business days of any violation of or deviation from Seller's approved inspection/quality control system and to advise Buyer of the quantity and specific identity of any Goods delivered to Buyer during the period of any such violation or deviation.

4.2 Seller shall be fully competent in all phases of the work involved in producing and supporting the Goods and Services purchased hereunder, including but not limited to the designing, developing, manufacturing, improving, overhauling, servicing, testing and calibrations necessary to substantiate that the Goods or Services furnished under the Contract conform to Buyer's requirements. Seller agrees that Buyer is entitled to have relied upon Seller as an expert and Seller will not deny any responsibility or obligation hereunder to Buyer on the grounds that Buyer

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<sup>2</sup> NOTE TO CLIENT: Unable to verify.



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provided recommendations or assistance in any phase of the work involved. Quality records of such performance must be maintained on file at Seller's facility and made available for review by Buyer upon request. All documents and data will be retained throughout the life of the program and for 7 years after it is withdrawn from use. Electronic imaging/microfilming of records in lieu of storing actual quality records is permissible. For military parts, if the specification for the parts has a qualified products list (QPL), then the manufacturer of that part must be listed on the QPL. Packaging, marking, inspection and acceptance criteria are per drawing notes and any / all Contract specifications.

### 5. SELLER'S NOTICE OF DISCREPANCIES

Seller shall notify Buyer in writing within (5) business days when discrepancies in the Services or Goods (or the process for production of Goods) delivered or to be delivered under the Contract are discovered or otherwise suspected by Seller.

### 6. INSPECTION

6.1 At no additional cost to Buyer, Goods and Services shall be subject to inspection, surveillance and test at reasonable times and places, including Seller's subcontractors' locations, upon no less than three (3) working days prior written notice to Seller. Buyer shall perform inspections, surveillance and tests so as not to unduly delay the work.

6.2 Seller shall maintain an inspection system acceptable to Buyer for the Goods and Services purchased under this Contract.

6.3 If Buyer performs an inspection 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.

6.4 Any inspection or right to inspect shall not of itself constitute acceptance of Goods or Services or any part thereof.

### 7. ACCEPTANCE AND REJECTION

7.1 Buyer shall accept the Goods and or Services (as applicable) or give Seller notice of rejection or revocation of acceptance ("rejection" herein), notwithstanding any payment, prior test or inspection, or passage of title. No inspection, test, delay or failure to inspect or test or failure to discover any defect or other nonconformance shall relieve Seller of any obligations under this Contract or impair any rights or remedies of Buyer.

7.2 If Seller delivers non-conforming Goods or Services, Buyer may at its option and at Seller's expense (a) return the Goods for credit or refund; (b) require Seller to promptly correct or replace the Goods; (c) correct the Goods or Services; or (d) obtain replacement Goods or Services from another source.



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7.3 Seller shall not redeliver corrected or rejected Goods or Services without disclosing the former cause for rejection and providing a written explanation of corrective action taken. Repair, replacement and other correction and redelivery shall be completed within the original delivery schedule or 45 business days, whichever ever may occur first, or as Buyer's Authorized Procurement Representative may reasonably direct.

7.4 All costs and expenses and loss of value incurred as a result of or in connection with nonconformance and repair, replacement or other correction may be recovered from Seller by equitable price reduction or credit against any amounts that may be owed to Seller under this Contract or otherwise.

### 8. WARRANTY

8.1 Seller warrants its expertise (and, in addition, the expertise of any person engaged by Seller in the performance of the Services) and confirms the accuracy of all statements and representations made in respect of the Goods and Services prior to the Contract. Seller warrants that all Goods furnished under this Contract shall conform to all specifications and requirements of this Contract and shall be free from defects in materials and workmanship. All work and Services performed by Seller shall comply with all relevant laws and all applicable safety requirements. To the extent Goods are not manufactured pursuant to detailed designs and specifications furnished by Buyer, the Goods shall be free from design and specification defects. This warranty shall survive inspection, test and acceptance of, and payment for, the Goods and/or Services (as applicable). This warranty shall run to Buyer and its successors, assigns and customers. Such warranty shall begin after Buyer's final acceptance.

8.2 In the event of any defective or nonconforming Goods or Services or that otherwise do not comply with the warranty provided in this Section 8, Buyer may, at its option, either (a) return Goods for credit or refund, or (b) require prompt correction or replacement of the defective or nonconforming Goods or Services. The return to Seller of defective or nonconforming Goods and redelivery to Buyer of corrected or replaced Goods or Services shall be at Seller's expense. Goods and Services required to be corrected or replaced shall be subject to this article and the "Inspection" article of this Contract in the same manner and to the same extent as Goods or Services originally delivered under this Contract, but only as to the corrected or replaced part or parts thereof. Even if the parties disagree about the existence of a breach of this warranty, Seller shall promptly comply with Buyer's direction to: (x) repair, rework or replace the Goods or Services, or (y) furnish any materials or parts and installation instructions required to successfully correct the defect or nonconformance. If the parties later determine that Seller did not breach this warranty, the parties shall equitably adjust the Contract price.

### 9. TAXES

Unless this Contract specifies otherwise, the price of this Contract includes, and Seller is liable for and shall pay, all taxes, impositions, charges and exactions imposed on or measured by this



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Contract except for applicable sales and use taxes that are separately stated on Seller's invoice. Prices shall not include any taxes, impositions, charges, levies, tariffs or exactions for which Buyer has furnished a valid exemption certificate or other evidence of exemption.

### 10. INVOICES AND PAYMENT

Unless otherwise authorized by Buyer's Authorized Procurement Representative, Seller shall issue a separate original invoice for each delivery of Goods and Services that shall include Buyer's contract number and line item number. Seller shall forward its invoice to the address specified in the Contract. Unless freight or other charges are itemized, Buyer may take any offered discount on the full amount of the invoice. Payment due date, including discount periods, shall be computed from the later of the scheduled delivery of Goods or Services date (as applicable), the actual delivery of Goods or Services date (as applicable) or the date of receipt of a correct invoice. Payment shall be deemed made on the date Buyer's check is mailed or payment is otherwise tendered. Seller shall promptly repay Buyer any amounts paid in excess of amounts due Seller.

### 11. CHANGES

11.1 Buyer's Authorized Procurement Representative may, without notice to sureties and in writing, direct changes within the general scope of this Contract in any of the following: (a) technical requirements and descriptions, specifications, statement of work, drawings or designs; (b) shipment or packing methods; (c) place of delivery, inspection or acceptance; (d) reasonable adjustments in quantities or delivery schedules or both; (e) amount of Buyer-furnished property; (f) description of Services to be performed; (g) time of performance (e.g., hours of the day, days of the week) of Services; (h) place of performance of Services, and (i) terms and conditions of this Contract required to meet Buyer's obligations under U.S. Government prime contracts or subcontracts. Seller shall comply immediately with such direction.

11.2 If such change increases or decreases the cost or time required to perform this Contract, 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 Contract in writing accordingly. Unless otherwise agreed in writing, (a) Seller must assert any claim for adjustment to Buyer's Authorized Procurement Representative within five (5) days after receipt of direction from Buyer identifying if such change impacts cost and/or schedule; and (b) Seller must deliver a fully supported proposal including any recurring or non-recurring price and/or schedule impacts to Buyer's Authorized Representative within ten (10) days after receipt of direction from Buyer. Any claim for adjustment resulting from Buyer directed changes may, at Buyer's option, be deemed to be waived unless Seller submits the fully supported proposal within noted time period, administrative or overhead expenses will not be part of any adjustment

11.3 If Seller considers that Buyer's conduct constitutes a change, Seller shall notify Buyer's Authorized Procurement Representative immediately in writing as to the nature of such conduct





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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.

11.4 Other than Buyer's Authorized Procurement Representative, Seller shall not act on any directions by Buyer personnel, which changes or otherwise affects the general provisions, general provision addendum(s), or specifications stated in this purchase. Direction by anyone other than the Buyer's Authorized Procurement Representative shall not be construed as a change, expressed or implied, unless confirmed in writing by Buyer. Seller action on such direction shall do so at its own risk and any cost incurred shall be disallowed by Buyer.

### 12. DISPUTES

Any dispute which arises under or is related to this Contract that cannot be resolved by mutual agreement of the parties within thirty (30) days from the date of the written claim received by the other party shall be decided exclusively by the state and federal courts sitting in Cook County, Illinois. Seller agrees and consents to personal jurisdiction in the State of Illinois with regard to such disputes. Pending final resolution of any dispute, Seller shall proceed diligently with performance of this Contract according to Buyer's instructions so long as Buyer continues to pay amounts not in dispute. In no event shall Seller acquire any direct claim, or direct course of action against the U.S. Government except as approved by Buyer or as otherwise authorized by federal law.

### 13. FORCE MAJEURE AND EXCUSABLE DELAY

Seller shall not be liable for excess procurement costs pursuant to the "Cancellation for Default" article of this Contract, incurred by Buyer because of any failure to perform this Contract under its terms if the failure arises from: (a) acts of God or of the public enemy, (b) acts or failures of any government in either its sovereign or contractual capacity, or (c) fires, floods, epidemics, pandemics, terrorism, earthquakes, unusually severe weather, quarantine restrictions, strikes, freight embargoes, nuclear incident, or any other act or event beyond reasonable control or the fault of either party resulting in near-permanent disruption to raw materials or supply chain. In addition, any delay or failure to perform caused by the default of Seller's sub-tier supplier will be excused only if: (a) it is beyond the control of both Seller and its sub-tier supplier(s) and without the fault or negligence of any of them, (b) products and services to be furnished by Seller's sub-tier suppliers cannot be obtained from other sources in sufficient time to permit Seller to meet the delivery schedule, and (c) Seller provided Buyer with prompt notice as soon as it was made aware of the potential excusable delay or should have known about the potential excusable delay. Seller's ability to sell Goods or provide Services at a more advantageous price, Seller's inability or economic hardship in buying materials or processing necessary for manufacture of the Goods, or labor disputes will not constitute an excusable delay event.

If Buyer's customer delays or interrupts development, production, or delivery of any good or service, affecting goods or services from Buyer, such delay or interruption will be considered an





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excusable delay for Buyer. In such a case, and pursuant to prompt written notice by Buyer to Seller, Buyer may postpone its performance obligations under this Purchase Order until the excusable delay ceases.

If an excusable delay affects delivery of Goods or Services to Buyer, Seller will allocate its available supply of Goods and Services in a manner that assures Buyer of at least the same proportion of Seller's total output as was allocated to Buyer before the excusable delay event. If delivery of any Goods or Services is delayed for more than thirty (30) days, Buyer may, without liability to either party, terminate this Contract.

### 14. TERMINATION FOR CONVENIENCE

Buyer may terminate all or part of this Contract, effective as of the date specified by Buyer, in accordance with the provisions of Federal Acquisition Regulation ("FAR") 52.249-2 (APR 2012), "Termination for Convenience of the Government (Fixed Price)," 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 time for requesting an equitable adjustment under subparagraph (l – lower case letter L) is reduced to 45 days. Settlements and payments under this article may be subject to approval by a Contracting Officer and a Settlement Review Board in accordance with Buyer's obligations under a U.S. Government prime contracts or subcontracts.

### 15. CANCELLATION FOR DEFAULT

15.1 Buyer may, by written notice to Seller, cancel all or part of this Contract if (i) Seller fails to deliver the Goods or Services within the time specified by this Contract or any written extension; (ii) Seller fails to perform any other provision of this Contract or fails to make progress, so as to endanger performance of this Contract, and, in either of these two circumstances, does not cure the failure within ten (10) calendar days after receipt of notice from Buyer specifying the failure; or (iii) in the event of Seller's 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, or the suspension or debarment of Buyer by any U.S. Government agency.

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

15.3 Buyer may require Seller to transfer title and deliver to Buyer, as directed by Buyer, any (i) completed Goods, and (ii) any partially completed Goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and contract rights (collectively, "Manufacturing Materials") that Seller has specifically produced or acquired for the canceled portion of this Contract. Upon direction from Buyer, Seller shall also protect and preserve property in its possession in which Buyer or its Customer(s) has an interest.



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15.4 Buyer shall pay the Contract price for Goods and Services which are accepted pursuant to the Contract. 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 Contract, except that Seller shall not be entitled to profit. Buyer may withhold from any amount due under this Contract any sum Buyer determines to be necessary to protect Buyer or Buyer's customer(s) against loss because of outstanding liens or claims of former lien holders.

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

### 16. ASSIGNMENT, DELEGATION AND SUBCONTRACTING

Seller shall not assign any of its rights or interest in this Contract or subcontract or all or substantially all of its performance of this Contract, without Buyer's prior written consent. Seller shall not delegate any of its duties or obligations under this Contract. Seller may assign its right to monies due or to become due. No assignment, delegation or subcontracting by Seller, with or without Buyer's consent, shall relieve Seller of any of its obligations under this Contract or prejudice any of Buyer's rights against Seller whether arising before or after the date of any assignment. This article does not limit Seller's ability to purchase standard commercial supplies or raw materials.

### 17. PUBLICITY

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 Contract or the Services, Goods or program to which it pertains. Seller shall be responsible to Buyer for any breach of such obligation by any subcontractor.

### 18. 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 Contract. 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. Seller shall not use such property other than in performance of this Contract 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 Contract, 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



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this article limits Seller's use, in its direct contracts with the Government, of property in which the Government has an interest.

### 19. INDEMNITY

19.1 Seller will indemnify, defend and hold harmless Buyer and its customer, and each of their respective affiliates, officers, directors, employees, agents, successors, assigns and customers ("Indemnified Parties") from and against all claims, suits, actions, liabilities, losses, damages of any nature whatsoever, and awards (including, but not limited to, awards based on intentional infringement of patents known at the time of such infringement, exceeding actual damages and/or including attorneys' fees and/or costs), costs and attorneys' fees related to:

a. Seller's breach of any covenant, condition or obligation contained in or contemplated by these Conditions and/or the Contract (collectively, "Seller's General Indemnity Obligations"). Seller's General Indemnity Obligations are in addition to Seller's obligations to procure and maintain adequate insurance as set forth in these Conditions and/or the Contract. Costs and fees include attorneys' fees, litigation costs, investigatory costs, travel costs and expert fees.

b. any allegation that the Goods or Services infringe, misappropriate, or violate any United States or foreign intellectual property right (including, but not limited to, any right in a patent, copyright, industrial design or semiconductor mask work, or based on misappropriation or wrongful use of trade secrets, information or documents).

19.2 Buyer and/or its customer will duly notify Seller of any such claim, suit or action; and Seller will, at its own expense, fully defend such claim, suit or action on behalf of the Indemnified Parties. Seller will have no obligation under this article with regard to any alleged infringement arising from (a) Seller's compliance with formal specifications for the Goods or Services required by Buyer where infringement could not be avoided in complying with such specifications or (b) use or sale of Goods for use other than their intended application in combination with other items when such infringement would not have occurred from the use or sale of those Goods for use solely for the purpose for which they were designed or sold by Seller and not in combination with other items. For purposes of this article only, the term Buyer will include The Boeing Company and all Boeing subsidiaries and all officers, agents and employees of Boeing or any Boeing subsidiary.

### 20. CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION AND MATERIALS

Buyer and Seller shall each keep confidential and protect from unauthorized use and disclosure all (a) confidential, proprietary and/or trade secret information; (b) tangible items and software containing, conveying or embodying such information; and (c) tooling identified as being subject to this article and obtained, directly or indirectly, from the other in connection with this Contract or other agreement referencing this Contract (collectively referred to as "Proprietary Information



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and Materials”) of the other party or from Buyer’s customers. Buyer and Seller shall each use Proprietary Information and Materials of the other only in the performance of and for the purpose of this Contract and/or any other agreement referencing this Contract. However, despite any other obligations or restrictions imposed by this article, Buyer shall have the right to use, disclose and reproduce Seller’s Proprietary Information and Materials, and make derivative works thereof, for the purposes of testing, certification, use, sale or support of any Goods or Services delivered under this Contract or any other agreement referencing or relating to this Contract. 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 and use of Proprietary Information and Materials by Seller shall apply to all materials derived by Seller or others from Buyer’s Proprietary Information and Materials. Upon Buyer’s request at any time, and in any event upon the completion, termination or cancellation of this Contract, Seller shall return to Buyer all of Buyer’s Proprietary Information and Materials and all materials or copies derived therefrom, unless specifically directed otherwise in writing by Buyer. Seller shall not, without the prior written authorization of Buyer, sell or otherwise 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. 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 for ten (10) years after the expiration or termination of this Contract. Seller may disclose Proprietary Information and Materials of Buyer to its subcontractors as required for the performance of this Contract, provided that each such subcontractor first agrees in writing to the same obligations imposed upon Seller under this article relating to Proprietary Information and Material. Seller shall be liable to Buyer for any breach of such obligation by such subcontractor. The provisions of this article are effective in lieu of any restrictive legends or notices applied to Proprietary Information and Materials. The provisions of this article shall survive the performance, completion, termination or cancellation of this Contract.

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

### 21. FINANCIAL RECORDS AND AUDIT

Seller shall retain all financial records and documents pertaining to the Goods and Services for a period of no less than seven (7) years after final payment, unless a longer period is required by U.S. Government flow-down requirements, or for the period prescribed by any applicable United States law, whichever period is longer. Such records and documents shall date back to the time this Contract 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 such records related to pricing and incurred costs. Seller will



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require each of its sub-tier subcontractors, suppliers and vendors to do likewise with respect to their records and materials.

### 22. RIGHTS OF BUYER'S CUSTOMERS AND REGULATORS TO PERFORM INSPECTION, SURVEILLANCE AND TESTING

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 and to 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 at Seller's expense and without additional charge to Buyer. Nothing in this Contract shall be interpreted to limit United States Government access to Seller's facilities pursuant to law or regulation. Seller shall flow down these same requirements to all sub-tier subcontractors, suppliers and vendors.

### 23. GRATUITIES

Seller warrants that neither it nor any of its employees, agents, or representatives have offered or given, or will offer or give, any gratuities to Buyer's employees, agents or representatives for the purpose of securing this Contract or securing favorable treatment under this Contract. This includes making or receiving, directly or indirectly, any payments, loans, gifts, favors or other special consideration or form of compensation: a) to or from Buyer, to its employees, agents or representatives, other than payments set forth in this Contract or other written contractual agreement between Seller and Buyer; or b) to or from any third party for the purpose of influencing the performance by Seller or Buyer of its respective duties hereunder. Seller warrants that no Federal appropriated funds have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on Seller's behalf in connection with the awarding of this Contract. Seller warrants it has and will comply with the U.S. Foreign Corrupt Practices Act and any other applicable anti-bribery legislation or requirements. A breach of this provision will be deemed a material breach of this Contract and grounds for termination of this Contract pursuant to the terms of the Cancellation for Default provision (paragraph 15).

### 24. OFFSET CREDITS

a. To the exclusion of all others, Buyer or its assignees shall be entitled to all industrial benefits or offset credits which might result from this Contract. Seller shall provide documentation



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or information that Buyer or its assignees may reasonably request to substantiate claims for industrial benefits or offset credits.

b. Seller agrees to use reasonable efforts to identify the foreign content of goods that Seller either produces itself or procures from subcontractors for work directly related to this Contract. Promptly after selection of a non-U.S. subcontractor for work under this Contract, Seller shall notify Buyer of the name, address, subcontract point of contact (including telephone number) and dollar value of the subcontract.

### 25. UTILIZATION OF SMALL BUSINESS CONCERNS

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 U.S. 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 Contract and as may be required by any U.S. Government prime contract or subcontract.

### 26. RIGHTS AND REMEDIES

Any failures, delays or forbearances of either party in insisting upon or enforcing any provisions of this Contract, or in exercising any rights or remedies under this Contract, 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. Except as otherwise limited in this Contract, 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 Contract is or becomes void or unenforceable by law, the remainder shall be valid and enforceable.

### 27. COMPLIANCE WITH LAWS

Seller shall comply with all applicable national and international laws, statutes, codes, rules, regulations and orders, including all laws and regulations of the United States related to exports, imports, and foreign transactions. Seller shall, at Seller's expense, procure all licenses and permits, and pay all fees and other required charges necessary to conduct its business, and shall comply with all applicable guidelines.

Seller shall be responsible for compliance with all requirements and obligations relating to its employees under all applicable local, state, and federal statutes, ordinances, rules, and obligations. This includes, but is not limited to, employer obligations under laws relating to: income tax withholding and reporting; civil rights; equal employment opportunity; nondiscrimination and affirmative action on the basis of age, sex, race, color, religion, disability, national origin, veteran status, sexual orientation, gender identify, and any other reason prohibited by law; overtime;





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minimum wage; social security contribution and withholding; unemployment insurance; employer's liability insurance; worker's compensation; veteran's rights; and all other employment, labor, or benefits related laws.

27.1 Seller shall comply with all applicable economic sanctions and export control laws and regulations, including licensing requirements, of the United States and all other relevant jurisdictions, including without limitation: (i) the Arms Export Control Act; (ii) the International Traffic in Arms Regulations; (iii) the Export Control Reform Act of 2018; (iv) the Export Administration Act; (v) the Export Administration Regulations; (vi) the International Emergency Economic Powers Act and associated executive orders; and (vii) sanctions regulations administered by the U.S. Department of the Treasury's Office of Foreign Assets Control

27.2 Technical Data and Technology: Seller acknowledges that export controlled Technical Data, as defined at 22 C.F.R. 120.10, and export controlled Technology, as defined at 15 C.F.R. 772.1, provided to the Seller by the Buyer or its customer in regard to this Contract or in support of a related solicitation or contract is subject to the International Traffic in Arms Regulation (ITAR) and/or the Export Administration Regulations (EAR) accordingly. The Seller must obtain approval from the U.S. Department of State (ITAR) or U.S. Department of Commerce (EAR) before exporting such Technical Data or Technology, including any disclosure to foreign nationals (i.e., individuals who do not qualify as U.S. persons under ITAR or EAR) whether such foreign nationals are located within the United States or in a foreign country.

27.3 Seller's acceptance of this Contract or future Contract changes certifies that neither Seller nor its officers, directors, owners, partners, or any person having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a division, or business segment; and similar positions): (a) are presently debarred, suspended or proposed for debarment or declared ineligible for award by any federal agency; (b) have, within a three-year period preceding this Contract, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal criminal tax laws, or receiving stolen property; (c) are presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal criminal tax laws, or receiving stolen property; (d) have, within a three-year period preceding this Contract, had one or more contracts terminated for default by any federal agency; or (e) have, within a three-year period preceding this Contract, been notified of any delinquent federal taxes in an amount that exceeds \$3,500 for which the liability remains unsatisfied.



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27.4 Seller's acceptance of this Contract certifies that Seller is compliant with FAR 52.204-23, Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities (compliant since July 2018), FAR 52.204-24, Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment (compliant since October 2020), and FAR 52.204-25, Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment (compliant since August 2020).

### 28. GOVERNING LAW

This contract shall be governed by and construed in accordance with the laws of the state of Illinois. No consideration shall be given to Illinois's conflict of laws rules. This contract excludes the application of the 1980 United Nations Convention on Contracts for the International Sale of Goods. To the extent that the Buyer or any of its property becomes entitled at any time to any immunity on the grounds of sovereignty or otherwise for any legal action, suit, or proceeding of any nature, Buyer hereby irrevocably waives the application of immunity, and particularly the U.S. Foreign Sovereign Immunities Act, 28 U.S.C. 1602, et. seq. insofar as such immunity relates to Buyer's rights and obligations in connection with this Contract.

All FAR and DFARS clauses, whether incorporated in full text or by reference, and any provisions that are substantially based on any agency regulation or FAR or DFARS provision, shall be construed and interpreted according to the United States federal law of government contracts as enunciated and applied by United States federal judicial bodies, boards of contract appeals, and quasi-judicial U.S. Government agencies.

### 29. GOVERNMENT CONTRACT CLAUSES

Government contract clauses applicable to this Contract, including all applicable FAR and Defense Federal Acquisition Regulations Supplement ("DFARS") flow down requirements and any subsequent contract clause, FAR and DFARS revisions, are incorporated herein either by this reference to such clauses or as specified in the detailed designs and specifications for the Goods, or delivery notice for the Goods. The terms "Government," "Contracting Officer," and "Contractor" in the applicable FAR and DFARS clauses shall be revised to suitably identify the contracting parties herein and affect the proper intent of the provision.

Seller must flow down the appropriate provisions and FAR and applicable DFARS clauses in all its lower-tier agreements, including subcontracts and purchase orders, for purchased goods or process-related services required for the Goods, whether such Goods are supplied to Seller as an end item, a component part of an end item, or an individual piece part, and for the Services.



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### 30. 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 Contract for a period not to exceed 100 business days. Within such period of any suspension of work, Buyer shall (i) cancel the suspension of work order; (ii) terminate this Contract in accordance with the "Termination for Convenience" article of this Contract; (iii) cancel this Contract in accordance with the "Cancellation for Default" article of this Contract; 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 Contract is not canceled or terminated; (ii) the suspension results in a change in Seller's cost of performance or ability to meet the contract delivery schedule; and (iii) Seller submits a claim for adjustment within 20 days after the suspension is canceled.

### 31. ACCESS TO PLANTS AND PROPERTIES

Seller shall comply with all the rules and regulations established by Buyer for access to and activities in and around premises controlled by Buyer or Buyer's customer(s).

### 32. CODE OF CONDUCT

Buyer is committed to conducting its business fairly, impartially, and in an ethical and proper manner. Buyer's expectation is that Seller also will conduct its business fairly, impartially, and in an ethical and proper manner. Buyer's further expectation is that Seller will have (or will develop) and adhere to a code of ethical standards that encompasses at a minimum the standards of business conduct set forth in FAR 52.203-13 and that effectively prevents and corrects ethical violations and maintains compliance with laws. If Seller has cause to believe that Buyer or any employee or agent of Buyer has behaved improperly or unethically under this Contract, Seller shall report such behavior to Buyer. Buyer's Code of Conduct and contacts for such reports are available on [www.NSAERO.com](http://www.NSAERO.com) under "Ethics." Although Buyer will not use the failure to report improper or unethical behavior as a basis for claiming breach of contract by Seller, expect to the extent required by Buyer's obligations under a Government prime contract or subcontract or by applicable local, state, federal and international laws, orders, rules, regulations and ordinances, Seller is encouraged to exert reasonable effort to report such behavior when warranted. To the extent applicable, Seller must comply with local, state and federal disclosure requirements, including the disclosure requirements of FAR 52.203-13.

### 33. INSURANCE

a. Commercial General Liability. Throughout the period of performance of this Contract and until final acceptance by Buyer, Seller shall carry and maintain commercial Indemnity & Insurance



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WHEN PRINTED general liability insurance with limits of not less than one million dollars (\$1,000,000.00) per occurrence combined single limit for bodily injury, including death, or loss or damage to property. Such insurance shall be in an occurrence form or a claim made form with a twelve (12) month extended reporting period, and shall contain coverage for all premises and operations, broad form property damage, and contractual liability.

b. Professional Liability (Errors and Omissions). Seller shall carry and maintain professional liability insurance with limits of not less than one million dollars (\$1,000,000.00) covering claims which may result from negligent performance of Seller's obligations under this agreement. Such insurance shall be with insurers acceptable to Buyer. If such professional liability insurance is not reasonably available to Seller or any subcontractor, Seller shall promptly, in writing notify Buyer of that fact, stating the reasons therefore.

c. Automobile Liability. If licensed vehicles will be used on Buyer's premises in connection with the performance of the work, Seller shall carry and maintain throughout the period when work is performance and until final acceptance by Buyer, at Seller's own expense, business automobile liability insurance covering all vehicles, whether owned, hired, rented, borrowed or otherwise, with limits of not less than one million dollars (\$1,000,000.00) per occurrence combined single limit for bodily injury and property damage.

d. Workers' Compensation. Seller shall also carry and maintain employer's liability or workers compensation coverage with limits of not less than five thousand dollars (\$500,000.00) per accident. To the extent permitted by law, any policy or policies which provide any of the insurance required by this paragraph d) shall contain a waiver of rights of subrogation against Northstar Aerospace Incorporated, its subsidiaries, and their directors, officers and employees. If Buyer is required by any applicable law to pay any workers' compensation premiums with respect to employees of Seller or any subcontractor, Seller shall reimburse Buyer for such payment.

e. Certificates of Insurance. Prior to the 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 2a) (Commercial General Liability), 2b) (Professional Liability), 2c) (Automobile Liability), 2d) (Workers' Compensation). Such certification 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 or material change adversely affecting the interests of Buyer. Any policy or policies providing the insurance required under this section may be inspected by Buyer upon request. In jurisdiction requiring mandatory participation in a monopolistic state workers' compensation fund, or if Seller self-insures, a letter from the appropriate state agency confirming participation in accordance with statutory requirements will provide satisfactory evidence of coverage if required under 2d) above.

f. Self-Assumption/ Any self-assumed layer, deductibles, and exclusions in coverage in the policies required under this section 2, Insurance, shall be assumed by, for the account of, and at



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the sole risk of Seller which provides the insurance and to the extent applicable shall be paid by Seller. In no event shall the liability of Seller or subcontractor be limited to the extent of any of the minimum limits of insurance required under this section.

### 34. SELLER FINANCIAL REVIEW

If the contract exceeds \$500,000 and extends for more than one (1) year, Seller shall, upon Buyer's request, provide financial data on a quarterly basis or as requested to the Buyer's Credit Office for credit and financial condition reviews. The data shall include but not be 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 72 hours of any written request by Buyer. All such information shall be treated as confidential. This provision shall not apply to contracts with nonprofit education or research institutions associated with state or provincial universities; contracts with agencies of the United States government or agencies of state governments; contracts with entities that are at least fifty percent (50%) directly owned by Buyer; or, contracts for services of an individual when the individual is the sole employee of the company.

### 35. ORDER OF PRECEDENCE

If there is an irreconcilable conflict among the provisions of this Purchase Order and its exhibits, schedules, and other attachments, the following order of precedence applies:

- a. Any U.S. Government provisions and clauses (e.g., FAR, DFARS or other agency supplements) included or incorporated by reference;
- b. Any document executed by both the parties after execution of this Contract that is expressly intended to amend or supersede the terms of this Contract;
- c. Any supply agreement or other agreement of the parties referenced by this Contract;
- d. The face of this Contract and any supplemental terms attachments included or incorporated by reference;
- e. These General Provisions; then and finally
- f. Other documents agreed to in writing by the parties.

### 36. CYBERSECURITY AND PRIVACY

Seller shall employ appropriate tools and practices to protect the information of Buyer and its customers. Within two (2) days of detecting a cyber-attack which may compromise the data of Buyer or any of its customers, Seller shall advise Buyer of the cyber incident orally and in written. If DFARS 252.204-7012, Safeguarding Covered Defense Information and Cyber Incident



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Reporting, applies, Seller shall additionally rapidly report cyber incidents in the time period set forth in DFARS 252.204-7012 directly to the Department of Defense (“DoD”) at <https://dibnet.dod.mil/portal/intranet/> and to Buyer. This includes providing the incident report number assigned by DoD to Buyer as soon as practicable.