



AAR CORP

GENERAL PROVISIONS – FIXED PRICE (COMMERCIAL ITEMS OR SERVICES FOR GOVERNMENT PROGRAMS)

Except as may be expressly set forth in this Subcontract with the Government Contracting Officer's express consent, the subcontractor shall not acquire any direct claim or direct course of action against the US Government. Seller shall include in each lower-tier subcontract the appropriate flow down clauses as required by the Federal Acquisition Regulation (FAR).

1. DEFINITIONS

As used in this Repair order/Subcontract:

- a. "Government" means the United States of America.
- b. "Prime Contract" means the Contract existing between AAR and the Government or AAR Customer and in the latter case includes the Subcontract under which this Repair order is issued (unless the context otherwise requires).
- c. "This Repair order" or "this Subcontract" or "this Agreement" or "this Order" means the contractual instrument in which these General Provisions are incorporated.
- d. "Contracting Officer" means a person with the authority to enter into, administer, and/or terminate Contracts and make related determinations and findings on a Prime Contract. The term includes certain authorized representatives of the contracting officer acting within the limits of their authority as delegated by the contracting officer.
- e. "Buyer" or "AAR" means the legal entity issuing this order.
- f. The terms "supplies," "materials," "items," "products," "articles" and "components" may be used interchangeably throughout these provisions and the Repair order to refer to products to be provided by the Seller.
- g. "FAR" means the Federal Acquisition Regulation, as from time to time amended, that is included in the Prime Contract on the effective date of this Subcontract or Repair order.
- h. "Subcontract" means Repair orders and other similar instruments, including changes and modifications hereto.
- i. "Subcontractor" means Seller, Supplier, or Vendor.
- j. DOD FAR Supplement or (DFARS) means Department of Defense Federal Acquisition Regulation
- k. Supplement. DOSAR means Department of State Federal Acquisition Regulation Supplement.

NOTE: Where necessary to make the content of the referenced FAR, DFARS, and DOSAR clauses applicable to this Order, the terms "Government, DOS, and Contracting Officer" and equivalent phrases shall mean AAR; the term "Contractor" shall mean Seller; and the term "Contract" shall mean this Purchase Order, Order, Repair Order, or Subcontract.

2. ENTIRE AGREEMENT

Subcontractor agrees to the following General Provisions, and Subcontractor further agrees that the terms and conditions of the Subcontract and any documents (including these General Provisions and any plans, specifications, schedules, regulations, etc.) attached to or incorporated by reference into the Subcontract shall constitute the entire agreement between the parties hereto and supersede all prior agreements relating to the subject matter hereof. Subcontractor represents and warrants that in entering the Subcontract, Subcontractor does not rely on any previous direct or implied representation, inducement, or understanding of any kind.

3. ORDER OF PRECEDENCE

To the extent there are any conflicts among the provisions within the Subcontract, such conflicting provisions shall prevail in the following order of precedence:

- a. Subcontract or Repair order;
- b. Special Provisions as identified in the Supplemental Terms;
- c. These General Provisions;
- d. Statement of work or any other attachments when attached or incorporated by reference;
- e. Specifications

4. ACCEPTANCE – MODIFICATION OF TERMS

The Subcontract constitutes acceptance of Subcontractor's offer and such acceptance is expressly made conditional on Subcontractor's assent to the terms and conditions contained in the Subcontract. The Subcontract will be deemed accepted by Subcontractor upon the first to occur (i) Subcontractor's written acceptance of the Subcontract; or (ii) Subcontractor's commencement of performance under the Subcontract. In either such event any additional or different terms proposed by Subcontractor are rejected unless expressly approved in writing by an Authorized AAR Procurement Official. No communication from Subcontractor that in any way differs from or adds to the Subcontract, irrespective of whether or not AAR seasonably objects thereto, will be binding upon AAR unless such different or additional terms are incorporated into a writing signed by both AAR and Subcontractor, making express reference to the Subcontract.

5. CHANGES

Changes in the terms and conditions of this Subcontract may be made only by written agreement of the parties.

- a. Equitable Adjustment: If any such change causes a variation in the cost of performance or the time required for performance, AAR may make

an equitable adjustment in the Subcontract price and delivery schedule (except as otherwise provided herein) and the parties' shall modify the Subcontract in writing accordingly. Subcontractor must make any request, with a fully supported proposal, for an equitable adjustment of price or schedule in writing to AAR within ten (10) business days from the date of AAR's written notification to Subcontractor of the change or such further time as AAR may allow in writing. Subcontractor shall then have fifteen (15) days; from the date it submitted its request to AAR for an equitable adjustment to submit a fully supported proposal. Subcontractor's failure to adhere to the time deadline in submitting its equitable adjustment proposal shall waive Subcontractor's right to seek an equitable adjustment. Pending any equitable adjustment, Subcontractor shall proceed in accordance with the change order. The parties' failure to agree to any adjustment shall be a dispute concerning a question of fact covered by the clause entitled, Dispute Resolution.

6. INSPECTION AND ACCEPTANCE

- a. Inspection: Both AAR and AAR's customer may at any time (e.g., before, during or after manufacture or completion) inspect and test any or all Products or Services ordered hereunder with reasonable notice. Such inspection and/or test may occur at Subcontractor's location. All Products or Services shall be subject to final acceptance by AAR. Inspections shall be performed in such a manner as not to delay Subcontractor's performance unduly. In the case of rejection of any Products or Services, neither AAR nor AAR's customer, shall be liable for any reduction in value of samples used in connection with such inspection or test. No inspection or test or review or approval by AAR or AAR's customer shall relieve Subcontractor of any of its obligations under the Subcontract, or constitute a waiver of any defects or nonconformities.
- b. The Seller shall provide and maintain an inspection system acceptable to AAR, but approval of this system does not relieve the Seller of the obligation to make complete and adequate tests. As part of the system, the Contractor shall prepare records evidencing all inspections made under the system and the outcome. These records shall be kept complete and made available to AAR during Contract performance and for as long afterwards as the Contract requires. AAR reserves the right to inspect, test, and count at all times and places whether during or after manufacture. The Seller shall provide and shall require lower-tier Subcontractors to provide all reasonable facilities for the safety and convenience of AAR personnel (including inspection and resident representatives) in the performance of their duties. AAR further reserves the right to reject lots of material when samples drawn are at variance with the provisions set forth herein.
- c. The Government, through any representative authorized by the Contracting Officer, has the right, at all reasonable times, to inspect or otherwise evaluate the work performed or being performed hereunder and the premises in which it is being performed. If any inspection or evaluation is made by the Government on the premises of the Contractor or a Subcontractor, the Contractor shall provide and shall require his Subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the Government representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as shall not unduly delay the work. Inspection and evaluation of technical documentation as well as hardware items shall be performed. Deliverable hardware shall be made available to the Government to evaluate the Contractor's performance in the preparation of technical documentation.
- d. Seller warrants that the supplies and services used or delivered in performance of this Repair order will conform to the applicable drawings, specifications, or other requirements of this Repair order, that the supplies delivered hereunder will be of good quality, material, and workmanship, merchantable and free of defects and that the services provided hereunder will be performed in a workmanlike manner and to the highest standards of the industry.
- e. The Buyer reserves the right to charge to the Seller any additional cost incurred by the Buyer due to inspection or tests when the articles are not ready at the time such inspection or tests are requested by the Seller, or when reinspection or retest is necessitated by prior Buyer rejection of unacceptable articles.
- f. Configuration Management: All articles/parts/materials must be provided to AAR CORP. in the latest configuration unless otherwise specified within the repair order.
- g. Rejected Products or Services: Rejected Products or Services may, at the option of AAR, be returned to Subcontractor at Subcontractor's expense for outbound and inbound shipments with risk of loss or damage upon Subcontractor, or be accepted with an equitable adjustment in price. Upon rejection, Subcontractor shall immediately refund previous payments if applicable. Subcontractor shall not resubmit rejected Products or Services for acceptance without a concurrent notice to AAR of the prior rejection. If, after request by AAR, Subcontractor fails to promptly replace or correct any rejected Products or Services, AAR at its sole discretion (1) may replace or correct such Products or Services, and charge to Subcontractor the cost incurred by AAR in doing so, or (2) may, without further notice, terminate the Subcontract for cause, in accordance with Termination for Cause clause. The foregoing remedies shall in no way preclude or prejudice the exercise of any other right or remedy that AAR may have at law, in equity or under the Subcontract.
- h. Non-Conforming Product: Upon discovery of non-conforming or suspected non-conforming product that has been shipped to AAR CORP., the supplier must notify AAR CORP. and provide a formal written disclosure as soon as practical.
- i. *MRB authority must not be exercised without the written consent of AAR CORP.*
- j. Final Acceptance: Except as otherwise agreed in writing, all Products or Services provided under the Subcontract shall be subject to final inspection and acceptance by AAR and AAR's customer. Final acceptance by AAR of the Products or Services provided hereunder shall take place only after complete delivery of all Products or Services in accordance with the delivery schedule specified herein or later agreed upon by the parties in writing and after final inspection of those Products or Services by AAR and AAR's customer. Final acceptance shall be contingent upon agreement by AAR and the AAR customer that the Products or Services conform to the requirements of the Subcontract. Final acceptance by AAR shall be conclusive, except for latent defects, negligent or intentional misrepresentations by Subcontractor that a nonconformity or defect would be or had been cured or did not exist, acceptance induced by false or negligent assurances of Subcontractor, or as otherwise provided in the Subcontract or applicable law. Payment to Subcontractor does not constitute Final acceptance. Final acceptance by AAR of the Products or Services delivered hereunder shall not limit or affect the warranty or indemnity granted by Subcontractor hereunder.
- k. Any part number substitution is not allowed unless written pre-approval is given by AAR Purchasing personnel.
- l. Risk of Loss: Subcontractor shall bear the risk of loss or damage to the Products or Services until they are delivered in conformity with the Subcontract. (If not otherwise stated, destination point shall be AAR's facility or F.O. B. AAR facility). Upon such delivery, Subcontractor's responsibility for loss or damage to the Products or Services shall cease except for loss or damage resulting from Subcontractor's negligence or fault. Notwithstanding the foregoing, Subcontractor shall remain responsible for risk of loss of any nonconforming or rejected Products or Services, unless such loss, destruction,

or damage results from the sole negligence of AAR.

- m. Title: Except as otherwise stated in this Subcontract, title to all Products or Services furnished under this Subcontract shall pass to AAR upon final acceptance regardless of when or where AAR takes physical possession of the items.
- n. Corrective Action: Formal corrective action may be requested on any non-conforming products, rejected product or service, or other systemic discrepancies.
- o. The Seller agrees to include this Clause in any lower-tier Subcontracts, excluding Orders for standard commercial items or raw materials, issued in the performance of this Repair order.

7. INSURANCE

- a. Types of Insurance: Unless otherwise specified by AAR in writing, Subcontractor shall maintain and cause Subcontractor's subcontractors to maintain during the term of the Subcontract (a) workers' compensation insurance as prescribed by the law of the state or nation in which the work is performed; (b) employer's liability insurance with limits of at least \$1,000,000 for each occurrence; (c) automobile liability insurance if the use of motor vehicles is required hereunder, with limits of at least \$1,000,000 combined single limit for bodily injury and property damage per occurrence; (d)) if the Vendor will provide professional advice or services: professional liability insurance in the amount of \$1,000,000 for each occurrence and in the aggregate and (e) Commercial General Liability ("CGL") insurance, ISO 1988 or later occurrence form of insurance, including, without limitation, Blanket Contractual Liability and Broad Form Property Damage, with limits of at least \$1,000,000 for each occurrence and in the aggregate or in an amount equal to the cost of goods purchased if greater than \$1,000,000. All CGL and automobile liability insurance shall designate AAR, its affiliates, and its directors, officers, and employees (all referred to as "AAR") as well as AAR's customer as additional insured. All such insurance must be primary and non-contributory and required to respond and pay prior to any other insurance or self-insurance available. Insurance companies providing coverage under the Subcontract must be rated by A-M Best with at least an AVII rating unless no such company is available in the local market. If specifically requested by AAR, Subcontractor and Subcontractor's subcontractors shall furnish, prior to the start of work or at such other time as AAR requires, certificates or adequate proof of the foregoing insurance, including, without limitation, endorsements and policies. The policies evidencing required insurance shall contain an endorsement to the effect that any cancellation or any material change adversely affecting the interest of AAR or AAR's Customer shall not be effective (1) for such period as the laws of the State in which this Subcontract is to be performed prescribe or (2) until thirty (30) days after the insurer or Subcontractor gives written notice to AAR, whichever period is longer. Any other coverage available to AAR shall apply on an excess basis. Subcontractor agrees that Subcontractor, Subcontractor's insurer(s) and anyone claiming by, through, under or on Subcontractor's behalf shall have no claim, right of action or right of subrogation against AAR and AAR's Customer based on any loss or liability insured against under the foregoing insurance.
- b. AAR Materials, Tools, and Equipment: Subcontractor shall keep, at Subcontractor's sole expense, all AAR materials and all tools and equipment, special or otherwise, in which AAR has any interest, insured against risk of loss or damage by fire or other unavoidable casualty for their fair market value at the time of receipt by Subcontractor and during such time as they remain in Subcontractor's possession.
- c. No Effect on Indemnification Obligations: Subcontractor's obligation to obtain the insurance specified in this Clause does not waive or release Subcontractor's liabilities or duties to indemnify under this Subcontract.

8. INDEMNIFICATION

- a. General: Subcontractor acknowledges that, as an independent contractor, it is furnishing Products or Services to AAR which may be subject to certain local, state, Federal, and foreign laws and regulations. Subcontractor therefore agrees to indemnify and hold harmless AAR and AAR's customer and their respective directors, officers, agents, and employees, against all claims, damages, losses, causes of action, liabilities and expenses of any kind or nature, including without limitation, defense costs and attorneys' fees, which arise out of or relate to Subcontractor's failure to comply with all applicable local, state, Federal, and foreign laws and regulations in the performance of Subcontractor's obligations under the Subcontract. Subcontractor also agrees to indemnify and hold harmless AAR and AAR's customer and their respective directors, officers, agents, and employees, against all claims, damages, losses, causes of action, liabilities and expenses of any kind or nature, including without limitation, defense costs and attorneys' fees, which arise out of or relate to Subcontractor's failure to comply with the provisions of the Subcontract.
- b. Infringement: Subcontractor shall indemnify, defend, and hold harmless, AAR and AAR's customer and their respective officers, directors, agents, and employees against liability and losses including, without limitation, defense costs and attorneys' fees, for any allegation of or suit or action for infringement of any United States or foreign patent, copyright, trademark, or other intellectual property right arising out of the provision of Products or Services under the Subcontract or out of the use or disposal of such Products or Services by or for the account of AAR. Subcontractor shall at its own expense either procure for AAR and/or for AAR's customer, as AAR shall require in its sole discretion, the right to continue using the alleged infringing Products or Services, replace the infringing Products or Services with non-infringing Products or Services, or modify the Products or Services so that the Products or Services become non-infringing. AAR shall inform Subcontractor of the suit or action or other proceeding alleging infringement and give Subcontractor the opportunity as is afforded by applicable laws, rules, or regulations, to participate in the defense thereof.
- c. Work on AAR Premises: If the Subcontract involves performance by Subcontractor on the premises of AAR or AAR's customer, Subcontractor agrees, in addition to any other indemnification obligations in the Subcontract, to assume entire responsibility and liability for any and all damage or injury of any kind or nature whatever to persons, whether employees of Subcontractor or otherwise, and to all property, caused by, resulting from, or arising out of Subcontractor's performance or that of its agents or employees; provided, however, that any such damage or injury shall not have been caused solely by the negligence of the agents, servants, or employees of AAR or AAR's customer. Subcontractor also shall carry adequate insurance as provided in the clause entitled Insurance, to cover all such risks and to protect AAR and AAR's customer pursuant to this Clause.

9. PACKAGING, DELIVERY AND ADVANCE COMMITMENTS

- a. No charges shall be allowed for boxing, crating, packaging or any other handling unless such provisions are specifically agreed to in writing. All goods must be packaged appropriately to arrive at the specified destination without damage or degradation.
- b. Unless advance shipment has been authorized in writing by AAR, AAR may store or return, at Subcontractor's expense, all work received materially in advance of the scheduled delivery date.
- c. If Subcontractor becomes aware of difficulty in performing the work, Subcontractor shall timely notify AAR, in writing, giving pertinent details. This

notification shall not change any delivery schedule.

- d. Unless contrary terms appear on the face hereof, all items subject to this Order shall be Delivered Duty Paid (Incoterms 2010). No acts of AAR including, without limitation, modifications of this Order or acceptance of late deliveries shall constitute a waiver of this provision by AAR. For avoidance of doubt, risk of loss shall not pass to AAR until the goods actually have been received and accepted by AAR at the destination specified. All shipments shall be made as specified and strictly in accordance with the time or times for delivery specified in the Order. In the event that Supplier is actually or potentially unable to make delivery by the date required on the Order, it will immediately notify AAR in writing. AAR reserves the right to cancel or modify the Order, and make arrangements for completion of performance and/or purchase of substitute goods elsewhere. In the event of late delivery, Seller shall be responsible for the loss to AAR including but not limited to the cost to cover any additional charges incurred as a result of the late delivery.

10. PAYMENT

- a. Subcontractor shall submit invoices to AAR in accordance with the terms of the Subcontract, and such invoices shall contain at least the following information: Subcontract or Repair order number, Product/part number, description of Products or Services, sizes, quantities, unit of measure, unit prices and extended totals, applicable currency, condition, and supporting documentation for the amount invoiced. Seller shall provide additional invoice detail and support as may be reasonably requested from time-to-time to ensure the invoice is properly payable. AAR will pay invoices properly submitted hereunder within forty-five (45) days after receipt of an acceptable invoice. If AAR's Prime Contract is subject to FAR 52.232-40, AAR will make payment to small business vendors within thirty (30) days after receipt of an acceptable invoice. Payment by AAR shall be deemed to have been made on the date AAR deposited the payment in the U.S. mail or with another recognized commercial carrier, or the date AAR made the electronic funds payment.
- b. AAR may make any adjustment or withhold any payment reasonably appropriate in Subcontractor's invoices due to shortages, late delivery, rejections or other failure to comply with the requirements of the Subcontract. Cash discounts, if applicable, will be taken from date of receipt of invoice for material received. Payment does not constitute final acceptance.
- c. The price set forth in the Subcontract covers all Products or Services ordered by AAR. The aggregate of the payments and reimbursements due the Subcontractor by AAR shall not exceed the price for Subcontractor's Products or Services in the Subcontract and Subcontractor is not authorized to exceed nor is AAR obligated to pay Subcontractor any amount exceeding the price of the Products or Services stated in the Subcontract. Any increase in the price for the Products or Services shall be made by a change order in accordance with Clause 5, Changes.
- d. If so specified in the Subcontract, the Subcontractor shall furnish a signed Certificate of Compliance to the requirements of the Subcontract with each shipment made to AAR; to substantiate the Certificate of Compliance; the Subcontractor shall maintain inspection or test records which AAR or an AAR representative may audit from time to time.

11. QUALITY SPECIFICATION

- a. Subcontractors to AAR are integral to the conformity of all products and services supplied to AAR. AAR adheres to the highest ethical standards and behavior. AAR vendors are also required to conduct business to the highest ethical levels and standards and maintain compliance with all laws and regulations applicable to the vendor's business operations. The safety of AAR products and personnel start with the supplier base. Approved AAR vendors and their subcontractors shall ensure their employees are properly trained and equipped to safely accomplish assigned tasks to prevent product mishaps and to ensure product safety. Products must conform to all stated safety and quality standards prior to acceptance. Subcontractor shall comply with Quality clauses, requirements, or provisions specified in the Subcontract, Purchase Order, or required in these terms and conditions. Customer designated or approved sources are to be utilized at all times. Process sources include special processes such as NDT, Plating, Heat Treating, etc... should be performed by qualified and competent persons.
- b. Any product that has been provided by any vendor or subcontractor to AAR that is rejected or identified as a premature failure will result in AAR issuing a Supplier Corrective Action Report (SCAR) to the vendor / subcontractor requiring a detailed root cause investigation to be conducted and corrective action to be implemented. The completed SCAR will be provided back to AAR for review and acceptance. If at any time a supplier receives a government issued Corrective Action Report or Letter of Concern for any product line or processes that affects the product provided to AAR, the supplier will immediately notify (within 24 hours) AAR.
- c. All product being supplied shall meet Title 14 CFR of the Code of Federal Regulations Part 21 (Certification Procedures for Products & Parts) or Part 43 (Maintenance, Preventive Maintenance, Rebuilding, and Alterations) as applicable.
- d. This purchase order or repair order is subject to all AAR Quality Assurance requirements including the following:
 - 1) The material certification form must state the part condition and must show trace to a regulated source / supplier. New parts require trace to the Production Approval Holder or 121 Operator.
 - 2) Supplier shall ensure that services performed are carried out in conformance with the requirements of FAA or EASA Part 145 or any higher standard as may be attained by Supplier and as agreed to by AAR. The certificate must also contain a non-incident statement. NOTE: An original airworthiness release certificate (8130-3 or equivalent) from the FAA, CAA, or EASA approved repair agency must accompany all parts when applicable.
 - 3) Any goods subject to Federal Aviation Regulations must have been manufactured in accordance with FAR Part 21 Sub part F, G, K or O and must be certified accordingly. Goods manufactured outside the U.S.A. which are to be fitted to a U.S. type certificated product shall be imported into the U.S.A. in accordance with FAR part 21 Sub-part N, under a certificate of airworthiness. Goods manufactured outside the United States under EASA, or other approved Civil Aviation Authority shall be certified by EASA Form One, or approved equivalent Authorized Release Certificate/Airworthiness Approval Tag.
 - 4) All return to service parts must have documentation of work performed. The return to service document must include a statement of Airworthiness Directives, Service Bulletins, and mod embodied at this visit (if applicable).
 - 5) The Remarks Block of the 8130-3 (or equivalent) must state: manual, part, section, and revision numbers to which the parts were repaired.
 - 6) Standard parts and/or standard hardware require a Manufacturer CofC and must be produced to an available industry standard. For non-serialized parts, ink stamp or scribe the work order number directly on part.
 - 7) Outsourced repairs/overhauls must be pre-approved by AAR. Outsourced processes must be referenced in the documentation of work performed.
 - 8) Material supplied on this purchase order shall be in compliance with AS9100 Section 8.4.3. Acceptance of material on this purchase order constitutes compliance with AS9100 Sections 8.4.3: (a) positive part identification and drawing revision; (b) procedures for notification of nonconforming

product; (c) requirements for notification of changes to product definitions; and (d) right of access to supplier's facility and to all applicable records in support of audits, inspections by AAR or its customer or applicable regulatory authority.

e. In accordance with AAR's Aerospace Standards, all products purchased or repaired from the Supplier shall:

- 1) Notify AAR of nonconforming product,
- 2) Obtain AAR's approval for nonconforming product disposition,
- 3) Notify AAR of changes in product and/or process definition,
- 4) Changes of suppliers, change of manufacturing facility location, and where required, obtain AAR's approval,
- 5) Flow down to the supply chain the applicable requirements including customer requirements,
- 6) Ensure records are maintained for 7 years or as mutually agreed upon or dictated, and have AAR right of access, their customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.

f. Material supplied on this purchase order shall be in compliance with AS9100 Section 8.4.3. Acceptance of material on this purchase order constitutes compliance with AS9100 Sections 8.4.3:

- 1) Positive part identification and drawing revision;
- 2) Procedures for notification of nonconforming product;
- 3) Requirements for notification of changes to product definitions; and
- 4) Right of access to supplier's facility and to all applicable records in support of audits, inspections by AAR or its customer or applicable regulatory authority.

g. Supplier must have and keep on file all documentation. ISO9001 or AS9100 – Manufacturing Quality System(s) Requirements ANSI/ASQ Z1.4-2003 (R2013) C=0 Required - Sampling Procedures and Tables for Inspection by Attributes ANSI-Z540.3 - 2006 (R2013) / ISO 10012:2003 - Requirements for the Calibration of Measuring and Test Equipment MIL-STD-129P- Military Marking for Shipment and Storage (UID required for parts > \$5K, or when otherwise required) MIL-STD-130N w/CHANGE 1 - Identification Marking of U.S. Military Property Shelf-Life Controlled Items (if applicable) - Must have a minimum of 80% residual shelf life on date of shipment MIL-STD-2073-1D – Standard Practice for Military Packaging AS 5553A - Counterfeit Electronics Parts; Avoidance, Detection, Mitigation, and Disposition MIL-STD-1686 or equivalent - Electro-Static Discharge (ESD) control (if applicable) - Prior to processing ESD sensitive product, establish, document and implement an Electrostatic Discharge (ESD) program.

h. All First Article Inspection Reports provided to AAR CORP. must comply with the specifications outlined in AS9102 – Aerospace First Article Inspection Requirement for all first article inspections.

i. The Supplier/Vendor shall maintain and enforce Tool and Foreign Object Damage (FOD) control programs that meet the requirements such as the National Aerospace Standard (NAS) 412.

12. j. All flight control surfaces, Rudders, Flaps, Slats, Tabs, Spoilers, Ailerons, Elevators, Stabilizers, etc. must be painted to C40 Specs: Akzo Noble Gloss White ECL-G-46.8.4.38.4.3INTELLECTUAL PROPERTY RIGHTS AND LICENSES

a. Subcontractor and AAR agree that if Subcontractor exclusively used AAR monies (i.e. development was accomplished entirely with monies paid by AAR to Subcontractor that did not originate as a direct cost allocated to a government contract) to develop any modifications, redesigns, improvements, or derivative works protectable by intellectual property rights, then, all intellectual property rights (patent, copyright, trademark, registrations, and similar protections) relating to such modifications, redesigns, improvements, or derivative works developed by Subcontractor in the course of Subcontractor's Work under the Subcontract shall be AAR intellectual property and Subcontractor hereby agrees to assign, convey, and transfer as necessary all such modifications, redesigns, improvements, or derivative works in said property to AAR without any further consideration and upon request shall execute any required papers and furnish all reasonable assistance to AAR to vest all right, title and interest in such modifications, redesigns, improvements, or derivative works to AAR. Subcontractor also agrees that Subcontractor shall only use AAR intellectual property during the term of this Subcontract and only for purposes of Subcontractor's Work pursuant to the Subcontract.

b. Except as otherwise expressly stated herein, Subcontractor and AAR agree if Subcontractor development of modifications, redesigns, improvements, or derivative works protectable by intellectual property rights was accomplished entirely with money that originated as a direct cost allocated to a government contract, that all intellectual property rights (patent, copyright, trademark, registrations, and similar protections) relating to such modifications, redesigns, improvements, or derivative works developed by Subcontractor in the course of Subcontractor's Work under the Subcontract shall be Subcontractor intellectual property, subject to, the Government's rights in the technical data, computer software, and inventions (as those terms are defined in the Federal Acquisition Regulation ("FAR") applicable to the Prime Contract) related to Subcontractor's intellectual property. In addition to these Government rights, Subcontractor agrees to grant and hereby grants to AAR, the following licenses:

- 1) an irrevocable, paid-up, royalty-free, world-wide, license to use, modify, disclose, reproduce, release, display, perform, prepare derivative works, and distribute any and all data, computer software, copyrightable works, reports and works of authorship delivered to the Government with Unlimited Rights under FAR 52.227-14 pursuant to this Subcontract, for performance of the Prime Contract and any follow on contract; and
- 2) an irrevocable, paid-up, royalty-free, world-wide license to use, modify, disclose, reproduce, release, display, perform, and distribute any and all data, copyrightable works, reports and works of authorship delivered to the Government with Limited Rights under FAR 52.227-14 pursuant to the Subcontract ("the Limited Rights Data") subject to AAR abiding by the limitations provided in FAR 52.227-14, as applicable, as if AAR were the Government. The license to Limited Rights Data is limited to uses necessary for performance of the Prime Contract and any follow-on contract. The parties also agree that AAR shall only distribute copies of Limited Rights Data to third parties (other than the Government) if the third party is under a written obligation to hold and use the Limited Rights Data subject to the limitations expressed in this subparagraph; and
- 3) an irrevocable, paid-up, royalty-free, world-wide license to use, modify, disclose, reproduce, release, display, perform, and distribute any and all data, computer software, copyrightable works, reports and works of authorship delivered to the Government with Government

Purposes Rights under pursuant to this Subcontract ("the Government Purpose Rights Data") subject to AAR abiding by the limitations provided in FAR 52.227-14, as applicable, as if AAR were the Government. The license to Government Purpose Rights Data is limited to uses necessary for performance of the Prime Contract and any follow-on contract. The parties also agree that AAR shall only distribute copies of Government Purpose Rights Data to third parties (other than the Government) if the third party is under a written obligation to hold and use the Government Purpose Rights Data subject to the limitations expressed in this subparagraph; and

- 4) an irrevocable, paid-up, royalty-free, world-wide license to use, reproduce, display, perform, disclose, and distribute any and all computer software delivered to the Government with Restricted Rights under FAR 52.227-14 or pursuant to the Subcontract ("the Restricted Rights Computer Software") subject to AAR abiding by the limitations provided in FAR 52.227-14, as applicable, as if AAR were the Government. The license to Restricted Rights Computer Software is limited to uses necessary for performance of the Prime Contract and any follow-on contract. The parties also agree that AAR shall only distribute copies of Restricted Rights Computer Software to third parties (other than the Government) if the third party is under a written obligation to hold and use the Restricted Rights Computer Software subject to the limitations expressed in this subparagraph; and
 - 5) an irrevocable, paid-up, royalty-free, world-wide license to use and execute, but not to make or have made, any and all inventions, discoveries, improvements, mask works and patents conceived, first actually reduced to practice, or required in order to use or execute Works delivered in performance of the Subcontract, the license being limited to uses necessary for AAR's performance of its Prime Contract obligation and any follow-on contract.
- c. Notwithstanding the provisions in paragraph (b), if Subcontractor exclusively used AAR monies (i.e., development was accomplished entirely with money paid by AAR to Subcontractor that did not originate as a direct cost allocated to a government contract) to develop the Work delivered to the Government with Limited Rights, Government Purposes Rights, or Restricted Rights, Subcontractor agrees to grant and hereby grants to AAR, an irrevocable, paid-up, royalty-free, world-wide license to use, modify, disclose, reproduce, release, display, perform, prepare derivative works, and distribute any and all data, computer software, copyrightable works, reports and works of authorship for any purpose and in any manner.

13. WARRANTY

- a. Compliance with Specifications: Upon acceptance of the Subcontract, Subcontractor agrees to supply AAR all Products or Services, in the quantities listed, in conformance with all Subcontract requirements, including but not limited to applicable Government, AAR, or other specifications or drawings, to extent specified. The required test and/or inspection reports/data resulting from Subcontractor's documentation of Subcontractor's compliance with applicable Subcontract requirements shall be kept on file at Subcontractor's facility and made available for review by AAR representatives or Government inspectors at any reasonable time.
- b. Other Warranties: Subcontractor represents and warrants to AAR and AAR's customer as follows: (1) the title of Products or Services ordered under the Subcontract and conveyed by Subcontractor shall be good and the transfer rightful and that the Products or Services shall be delivered free from any security interest or other lien or encumbrance; (2) the Products or Services delivered hereunder will be of good quality, material, and workmanship in accordance with industry standards, is merchantable, and is fit and sufficient for the purpose for which the Products or Services are intended (to the extent Subcontractor knows such purpose); (3) the Products or Services provided by Subcontractor under the Subcontract do not infringe upon the rights of any third party. Subcontractor also agrees to and hereby provides any manufacturer's warranties the Subcontractor extends to its commercial customers of supplies or services like those purchased under this Subcontract.
- c. Timing: The warranties and representations specified in paragraphs a and b above, shall continue following final acceptance by AAR for a period of one year (or such longer period of time as provided on the front of the Subcontract or as Subcontractor may warrant similar work to its most favored customer). The warranties also shall cover any Products or Services corrected or furnished in replacement to the same extent as Products or Services initially furnished with the warranty period commencing on delivery of the conforming corrected or replacement Products or Services. No approval of data or drawings shall believe Subcontractor of its warranties provided in the Subcontract.
- d. Most Favored Customer: Subcontractor warrants that the prices, terms of payment, warranties and services extended under the Subcontract are no less favorable to AAR than those extended to Subcontractor's most favored customer for Products or Services substantially similar to the Products or Services ordered hereunder.
- e. In accordance with FAR 46.706(b)(5), the Subcontractor shall stamp or mark the supplies delivered, or otherwise furnish notice with the supplies, of the existence of a warranty, if any. Sufficient information shall be presented for supply personnel and users to identify warranted supplies. Warranty information shall include the terms and duration of the warranty and the name and telephone number of the Subcontractor's Representative to be notified if the supplies are found to be defective.
- f. The foregoing warranties shall survive inspection and acceptance of, and payment for the items delivered and services performed hereunder and shall remain in effect as to each item of material or services furnished for a period of eighteen months after is accepted by Buyer and shall run to Buyer, its successors, assign and customers.
- g. Seller will provide and pass on to the buyer the manufacturers or suppliers warranty terms.

14. TERMINATION FOR CAUSE

AAR may terminate this Subcontract, or any part hereof, for cause in the event of any default by the Subcontractor, or if the Subcontractor fails to comply with any contract terms and conditions, or fails to provide AAR, upon request, with adequate assurances of future performance. In the event of termination for cause, AAR shall not be liable to the Subcontractor for any amount for supplies or services not accepted, and the Subcontractor shall be liable to AAR for any and all rights and remedies provided by law. If it is determined that AAR improperly terminated this Subcontract for default, such termination shall be deemed a termination for convenience.

15. TERMINATION FOR AAR'S CONVENIENCE

AAR reserves the right to terminate the Subcontract, or any part hereof, for convenience with written notice of termination. In the event of such termination, Subcontractor shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of the Subcontract, Subcontractor shall be paid a percentage of the Subcontract price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges that Subcontractor can demonstrate to the satisfaction of AAR using its standard record keeping system and, have resulted from the termination (the "Termination Settlement"). This Clause does not give AAR any right to audit Subcontractor's records. Subcontractor shall not be paid for any work performed or costs incurred which reasonably could have been avoided.

Subcontractor must submit a fully supported termination for convenience cost proposal within thirty (30) days from the date of AAR's written notification to Subcontractor of the termination for convenience or such further time as AAR may allow in writing. Subcontractor's failure to comply with the time deadlines in this Clause for submitting a termination for convenience proposal shall waive Subcontractor's right to recover any termination for convenience amounts.

16. STOPWORK

- a. AAR may at any time, by written order to Subcontractor, require Subcontractor to stop all, or part, of the work called for by the Subcontract for a period of up to ninety (90) days after the Stop Work Order is delivered to Subcontractor, and for any further period to which the parties may agree. AAR shall specifically identify any such order as a Stop Work Order issued pursuant to this Clause. Upon receipt of such an order, Subcontractor shall forthwith comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the Subcontract during the period of work stoppage. Within a period of ninety (90) days after a Stop Work Order is delivered to Subcontractor, or within any extension of that period to which the parties shall have agreed to in writing, AAR shall either:
 - 1) Cancel the Stop Work Order; or
 - 2) Terminate the work covered by such Stop Work Order as provided in the Termination For Cause or the Termination For AAR's Convenience Clause.
- b. If a stop-work order issued under this clause is canceled or the period of the order or any extension thereof expires, the Subcontractor shall resume work. AAR shall make an equitable adjustment in the delivery schedule or price, or both, and the Subcontract shall be modified, in writing, accordingly, if --
 - 1) The stop-work order results in an increase in the time required for, or in the Subcontractor's cost properly allocable to, the performance of any part of the Subcontract; and
 - 2) The Subcontractor asserts its right to the adjustment within 30 days after the end of the period of work stoppage; provided, that, if AAR decides the facts justify the action, AAR may receive and act upon the claim submitted at any time before final payment under the Subcontract.
- c. If a stop-work order is not canceled and the work covered by the order is terminated for convenience, AAR shall allow reasonable costs resulting from the stop-work order in arriving at the termination settlement.
- d. If a stop-work order is not canceled and the work covered by the order is terminated for cause, AAR shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-work order.

17. DISPUTE RESOLUTION

- a. **Negotiation:** Except for the right of either party to apply to a court of competent jurisdiction for a temporary restraining order, a preliminary injunction, or other equitable relief to preserve the status quo or prevent irreparable harm, the parties agree that any Dispute between them or against any agent, employee, successor, or assign of the other arising under or related to this contract shall be settled to the extent possible by good faith negotiations. Any Dispute which cannot be resolved by good faith negotiations within thirty (30) days or such longer period as the parties may mutually agree to in writing shall be resolved in the courts with the appropriate jurisdiction located in the 18th Judicial Circuit of the State of Florida or the U.S. District Court for the Middle District of Florida (Orlando Division), and each party submits to the jurisdiction of each such court in any such action.
- b. **Waiver and Jury Trial:**
The parties mutually and intentionally agree, to the extent permitted by law, to waive all rights to a trial by jury of any Dispute. The parties specifically acknowledge that this mutual waiver is made knowingly and voluntarily after an adequate opportunity to negotiate its terms.
- c. **Cost and Fees:**
The prevailing party in any action related to the dispute or interpretation of the Subcontract shall be entitled to recover its reasonable attorney's fees incurred in pursuing the action, including those fees incurred throughout all bankruptcy and appellate proceedings.
- d. **Subcontractor's Obligation to Continue Performance:** Pending any prosecution, appeal or final decision referred to in this Clause, or the settlement of any dispute arising under the Subcontract, Subcontractor shall proceed diligently as directed by AAR with performance of the Subcontract.

18. PRODUCT SUPPORT

In the event the Subcontractor discontinues manufacture of the aforementioned items, subassemblies, and spare parts, or no longer supports the items purchased and does not provide for another qualified source, the Subcontractor shall make available to AAR data necessary to manufacture or procure said items, subassemblies, and spare parts under a royalty-free license which is hereby granted.

19. DISCLOSURE OF INFORMATION

- a. Subcontractor shall not release to anyone outside the Subcontractor's organization any Information, regardless of medium (e.g., film, tape, document), pertaining to any part of the Subcontract or any program related to the Subcontract unless:
 - 1) AAR has given prior written approval, or
 - 2) The information is otherwise in the public domain before the date of release.Requests for approval shall identify the specific information to be released, the medium to be used, and purpose for the release. Subcontractor shall submit its request to AAR at least sixty (60) days before the proposed date for release.
Subcontractor agrees to include a similar requirement in each supplier subcontract under the Subcontract. Subcontractor's suppliers shall submit requests for authorization to release through Subcontractor to AAR.
Subcontractor shall not, without the prior written consent of AAR, use in advertisements and any other media, information relating to the requirements set forth in the Subcontract. Subcontractor shall formally transmit to AAR a request for such releases including the exact wording and any sketches or photographs which may form a part of the release.

20. PARTS OBSOLESCENCE AND COUNTERFEIT PARTS

AAR may desire to place additional orders for items purchased hereunder. Subcontractor shall provide AAR with a "Last Time Buy Notice" as soon

as reasonably possible prior to any action to discontinue sale or manufacture of any item purchased under this Subcontract

Subcontractor, at a minimum shall have a counterfeit parts prevention plan I.A.W. DFAR 252.246-7007, AC 20-154 and AC 21-29, or AS5553 and AS6174. Subcontractor and its sub-tier suppliers shall ensure that only non-counterfeit parts and products are delivered to AAR. For further prevention of inadvertent use of counterfeit parts, Subcontractor shall only procure directly from the OEM, Original component manufacturer (OCM) or through OEM/OCM authorized distribution chain unless first approved in writing by AAR through the submission and approval of a request. Subcontractor must obtain written approval to use non-franchised distributors/brokers and must present complete and compelling support of all actions to ensure parts procured are legitimate, authentic, non-counterfeit parts.

21. GRATUITIES

Subcontractor agrees not to offer or provide any Gratuities to any officers, employees, agents or representatives of AAR. AAR may terminate the Subcontract for default as provided in the clause entitled Termination for Cause, if AAR discovers that Gratuities were offered or given by Subcontractor, or any agent or representative of Subcontractor, to any officer, employee, agent or representative of AAR with a view toward securing a Subcontract or securing favorable treatment with respect to the awarding or the making of any determinations with respect to the performing of the Subcontract. In the event AAR terminates the Subcontract for cause as provided herein, AAR may pursue any of the remedies set forth in Clause entitled, Termination for Cause, in addition to any other rights or remedies provided by law, in equity, or the Subcontract.

22. ADVERSE MATERIAL CHANGE

- a. In the event Subcontractor experiences or reasonably expects to experience a Material Adverse Change in its business operations, Subcontractor will promptly notify AAR in writing of such Material Adverse Change no later than five (5) days after such change occurs. For purposes of this section, "Material Adverse Change" will mean any change (whether related to financial considerations or otherwise) that negatively affects:
 - 1) Subcontractor's ability to perform its obligations under the Subcontract or these General Provisions;
 - 2) AAR's rights and remedies under the Subcontract or these General Provisions;
 - 3) Inability to pay creditors when due; and/or
 - 4) The validity or enforceability of the Subcontract or these General Provisions.
- b. If, in the reasonable opinion of AAR, Subcontractor's Material Adverse Change is likely to negatively affect Subcontractor's performance of its obligations hereunder, AAR will be entitled to request reasonable assurances of performance from Subcontractor, which Subcontractor will provide in writing within seven (7) days of AAR's written request. If such assurances are not adequate, AAR will be entitled to immediately terminate the Subcontract for cause upon written notice to Subcontractor.

23. TAXES

- a. Except as set forth in subparagraph b below, the price set forth in the repair order is hereby understood and agreed to include all applicable foreign, Federal, state and local taxes, including but not limited to any sales and use taxes. No liability shall accrue to AAR for any such taxes.
- b. AAR certifies that any material purchased hereunder, unless otherwise specified, and until this notice is revoked in writing by AAR, shall be considered to be purchased for resale as tangible personal property or as component parts thereof, for resale.

24. SURVIVAL

The General Provisions of the Subcontract, which by their very nature would continue beyond the termination, cancellation, or expiration of the Subcontract, including, without limitation the clauses entitled, Definitions, Indemnification, Inspection & Acceptance, Intellectual Property Rights and Licenses, Warranty, Termination for Cause, Termination for Convenience, Dispute Resolution, Disclosure of Information, Survival, Severability, Notice, Prohibited Software, Compliance With Laws, Applicable Law, and Compliance With International Environmental Requirements on Hazardous Substances And Waste Recycling Laws, shall continue as valid and enforceable rights and obligations of the parties and survive termination, cancellation, or expiration of the Subcontract.

25. SEVERABILITY

In the event any portion of the Subcontract conflicts with governing law or if any arbitration panel or court of competent jurisdiction holds invalid any portion of the Subcontract, such portion (and only such portion) shall be deemed severed or modified to reflect as nearly as possible the parties' intent. The remainder of the Subcontract shall remain in full force and effect.

26. ASSIGNMENT AND SETOFF

Subcontractor shall not assign the Subcontract or any rights, claims or obligations under the Subcontract without the prior written consent of AAR. Subcontractor agrees that any attempted assignment without the prior written consent of AAR shall be void.

27. NOTICE

Any notices required or permitted to be given under the Subcontract shall be in writing and delivered by hand delivery, U.S. mail, or a recognized commercial carrier to the address, or, by facsimile or email, to the point of contract identified on the front page of the Subcontract or to such other address as may be furnished for such purpose by notice duly given under the Subcontract. Such notice shall be deemed to have been given when delivered by hand or five (5) days after deposit with the courier or mail service. Any party may change its address for such communications by giving such notice to the other party in conformance with this Clause.

28. FORCE MAJEURE

Notwithstanding any other provision of the Subcontract, neither AAR nor Subcontractor shall be liable for delay or failure of performance occasioned by causes beyond its control, including, but not limited to, acts of God or the public enemy, civil unrest, riots, acts of terrorism, declared or undeclared war, fire, floods, unusually severe weather, earthquakes, or volcanoes ("Force Majeure Event"). If either Party is affected by a Force Majeure Event, the affected party shall give the other written notice, which shall cause, without penalty to either Party, all obligations under this Subcontract to be immediately suspended for a period of sixty (60) days. If the period of suspension caused by the Force Majeure Event exceeds that first sixty-day period, AAR either may terminate the Subcontract for convenience in accord with Clause 15, Termination for AAR's Convenience, or suspend the Subcontract for an additional period under Clause 16, Stop Work.

29. NONWAIVER

AAR's failure to enforce any provision of the Subcontract or to protest any breach or default of the Subcontract by Subcontractor shall not be construed as evidence of (or evidence to interpret) the rights or obligations of the parties, or as a waiver of any Subcontractor obligation or AAR right provided under the Subcontract or applicable law. No right or remedy of AAR shall be deemed waived or released unless such waiver or release is in writing and signed by an Authorized AAR Procurement Official.

30. FOREIGN TRANSACTIONS

Subcontractor, at its own expense, agrees to comply with all laws and regulations of the United States related to exports, imports, and foreign transactions, including, but not limited to, the International Traffic in Arms Regulations (ITAR) (22 C.F.R. §§ 120-130), the Export Administration Regulations (EAR) (15 C.F.R. §§ 730-774), and the National Industrial Security Program Operating Manual (NISPOM) (DoD 5220.22-M). Subcontractor also agrees to obtain, at its sole expense, any export licenses or other official authorizations and to carry out any customs or immigration formalities or similar requirements for the export of any Products or Services covered by the Subcontract. Subcontractor specifically shall obtain all required authorizations from the U.S. Government before transferring or otherwise disclosing technical data or technology (as those terms are defined in 22 C.F.R. § 120.10 and 15 C.F.R. § 722.1, respectively), to any Foreign Person (as defined in 22 C.F.R. § 120.16). Subcontractor also shall provide written notification to AAR before assigning or granting access to a Foreign Person to any work, equipment, supplies, or technical data related to the Subcontract. Subcontractor also agrees to bear sole responsibility for all regulatory record keeping associated with the use of licenses and license exceptions/exemptions. AAR may deem Subcontractor's failure to comply with the requirements of this Clause a material failure to perform under the Subcontract that shall subject Subcontractor to termination in accordance with Clause 14, Termination for Cause.

31. PROHIBITED SOFTWARE

- a. This clause only applies to Work/Product that includes the delivery of software.
- b. As used herein, "Prohibited License" means the General Public License ("GPL") or Lesser/Library GPL, the Artistic License (e.g., PERL), the Mozilla Public License, the Netscape Public License, the Sun Community Source License, the Sun Industry Standards License, or variations thereof, including without limitation licenses referred to as "GPL-Compatible, Free Software License."
- c. As used herein, "Prohibited Software" means software that incorporates or embeds software in, or integrates software in connection with, as part of, bundled with, or alongside any (1) open source, publicly available, or "free" software, library or documentation, or (2) software that is licensed under a Prohibited License, or (3) software provided under a license that (a) subjects the delivered software to any Prohibited License, or (b) requires the delivered software to be licensed for the purpose of making derivative works or be redistributable at no charge, or (c) obligates AAR to sell, loan, distribute, disclose or otherwise make available or accessible to any third party (i) the delivered software, or any portion thereof, in object code and/or source code formats, or (ii) any products incorporating the delivered software, or any portion thereof, in object code and/or source code formats.
- d. Unless SELLER has obtained AAR's prior written consent, which AAR may withhold in its sole discretion, SELLER shall not use in connection with this Contract, or deliver to AAR, any Prohibited Software.
- e. SELLER agrees to defend, indemnify, and hold harmless AAR, its customers and suppliers from and against any claims, damages, losses, costs, and expenses, including reasonable attorneys' fees, to the extent caused by AAR's use in connection with the Subcontract or the delivery of Prohibited Software.

32. COMPLIANCE WITH LAWS

Subcontractor agrees in the performance of the Subcontract to comply with all applicable International, Federal, state, and local laws, regulations, rules and orders, and any applicable Executive Orders. Subcontractor shall procure all licenses, permits, and pay all fees, and other required charges, and shall comply with all applicable guidelines.

33. APPLICABLE LAW

The Subcontract and any Dispute arising under or relating to the Subcontract, irrespective of the place of performance, shall be governed by the laws of the State of Florida, excluding its choice of law rules and the Convention for the International Sale of Goods, if otherwise applicable. Notwithstanding the foregoing, any provision of the Subcontract that incorporates in text or by reference a provision of the FAR shall be construed and interpreted according to the federal common law of government contracts, as interpreted by federal judicial bodies, boards of contracts appeals, and other quasi-judicial agencies of the federal government.

34. INDEPENDENT CONTRACTOR

Each party hereto is an independent contractor and nothing contained in the Subcontract shall be construed to be inconsistent with this relationship or status. As an independent contractor, each party has relied on its own expertise or the expertise of its legal, financial, technical or other advisors. Neither party owes a fiduciary duty to the other. Nothing in the Subcontract shall be deemed to represent that Subcontractor or any of Subcontractor's employees or agents, are the agents, representatives, or employees of AAR. Subcontractor assumes full and sole responsibility for the payment of all compensation, expenses, benefits (including, but not limited to, workers' compensation, and medical benefits) of its employees and for all state and United States income tax, unemployment insurance, social security, disability insurance, and other applicable withholdings or taxes. Subcontractor shall also pay any expenses normally paid by an employer in connection with its employees.

35. COMPLIANCE WITH INTERNATIONAL ENVIRONMENTAL REQUIREMENTS ON HAZARDOUS SUBSTANCES AND WASTE RECYCLING LAWS (applicable if Supplier notified of European Union deliverables)

- a. Subcontractor warrants that that it shall perform all obligations under this Agreement in compliance with all applicable U.S., Canada, South America, Pacific Rim, EU, state/provincial and local environmental, health and safety laws and regulations. At different times at AAR's request, Subcontractor shall provide certificates of compliance to AAR indicating compliance with the provisions of this clause.
- b. Subcontractor warrants that the resale, supply or export of any material (whether used as a component or otherwise) by AAR in any market will not violate any law or regulation in any jurisdiction world-wide on the use of hazardous substances, or the recycling or treatment of waste equipment including, but not limited to, the laws implementing the European Union Directive (2011/65/EU) on the Restriction on the Use of Certain Equipment "RoHS 2 Directive" and European Union Directive (2012/19/EU) on Waste Electrical and Electronic Equipment ("WEEE Directive") (together,

“Applicable Laws”). The above laws do not apply to supplies provided under this Subcontract which are intended for specifically military purposes, for security equipment, for computers for aircraft, for space flight, for large scale fixed installations(Radars, Communication towers),or for means of transport (aircraft, trains, etc.).

- c. Subcontractor warrants to AAR that no material contains any lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls or polybrominated diphenyl ethers or other substance or any other hazardous substances the use of which is restricted under EU Directive (2011/65/EU); chemicals restricted under the Montreal Protocol on ozone-depleting substances; or other chemical the use of which is restricted in any other jurisdictions to which AAR informs seller the materials are likely to be shipped or the seller knows the materials are likely to be shipped to or through; (in a quantity other than in compliance with the Applicable Laws), the use of which is banned or restricted by any Applicable Law.
- d. As soon as Subcontractor is aware of any non-compliance but in no event any later than prior to the delivery of any material, Subcontractor shall identify in writing to AAR (1) any and all components and materials contained in the material that may require recycling or other treatment under the laws and regulations implementing the Applicable Laws, (2) the location of any component or material that is hazardous within the meaning of the WEEE Directive or other Applicable Laws, and any material that is required by the Applicable Laws to be marked shall be so marked by Subcontractor.
- e. AAR shall have the right to audit Subcontractor’s compliance with the Applicable Laws. Subcontractor shall provide AAR with all such information and documentation that it may reasonably require (including access to its staff and facilities) to enable AAR to satisfy itself of the Subcontractor’s compliance with all Applicable Laws and that the Clause entitled Warranty of Services remains true and accurate.
- f. Subcontractor shall bear all costs and expenses, including but not limited to those related to recycling or taking back the Products or Services, arising out of or related to either AAR or Subcontractor complying with the Applicable Laws and placing the Products or Services on, or their importation into, any jurisdiction worldwide.
- g. Subcontractor shall indemnify and hold AAR harmless from any cost, expense, liability or damage suffered by AAR by reason of any breach or alleged breach of any of the Applicable Laws arising out of or related to the Products or Services.

36. CERTIFICATION

Refer to <https://www.aarcorp.com/assets/3/7/Supplier-Quality-Requirements.pdf>, for additional details.

- a. Wherever appropriate to the goods or services purchased with this Order, Subcontractor shall provide certification meeting the standards and requirements of the Federal Aviation Administration’s AC 00-56 (latest revision), applicable Federal Aviation Administration regulations, EASA, CAA regulations, specified Repair order requirements and generally accepted industry standards, including but not limited to: Certificates of Conformance, Test Reports, Manufacturer’s Certifications, and FAA Airworthiness Release Documentation.
- b. All manufacturers' certificates of conformance, airworthiness releases, logs, and other documents shall be signed originals or certified true copies.
- c. For all documents not in English, Subcontractors shall provide, at Subcontractor's expense, a certified English translation.
- d. Condition of part must be notated on packing slip and invoice (i.e. New, New Surplus, OH, Repaired, etc.). The material certification form must state the part condition and must show trace to a regulated source / supplier. New parts require trace to the Production Approval Holder or 121 Operator.
- e. Supplier shall ensure that services performed are carried out in conformance with the requirements of FAA or EASA Part 145 or any higher standard as may be attained by Supplier and as agreed to by AAR. The certificate must also contain a non- incident statement.
- f. All new parts shall meet the requirements of 14 CFR Part 21.9 (acceptable forms of documentation for articles are: FAA Form 8130-3 or EASA Form 1 or a Certificate of Conformance issued by Production Approval Holder).
- g. Standard parts and/or hardware require a Manufacturer CofC and must be produced to an industry standard. NOTE: An original airworthiness release certificate (8130-3 or equivalent) from the FAA, CAA, or EASA approved repair agency must accompany all parts when applicable.
- h. All return to service parts must have documentation of work performed. The return to service document must include a statement of Airworthiness Directives, Service Bulletins & mod embodied at this visit (if applicable).
- i. The Remarks Block of the 8130-3 (or equivalent) must state: manual, part, section, and revision numbers to which the parts were repaired.
- j. For non-serialized parts, ink stamp or scribe the work order# directly on part.
- k. Outsourced repairs/overhauls must be approved by AAR/Airinmar.
- l. Material supplied on this repair order shall be in compliance with AS9120 Section 8.4.3. Acceptance of material on this repair order constitutes compliance with AS9120 Sections 8.4.3:
 - 1) positive part identification and drawing revision;
 - 2) procedures for notification of nonconforming product;
 - 3) requirements for notification of changes to product definitions; and
 - 4) right of access to supplier's facility and to all applicable records in support of audits, inspections by AAR or its customer or applicable regulatory authority.
- m. If calibrated equipment is shipped, it must be with a current Certificate of Calibration. Material Safety Data Sheets must accompany all HAZMAT items. Burn Certificates/Analysis Reports must be included with shipment when applicable. Additionally, Subcontractor shall provide a certified statement disclosing whether parts or material were or were not:
 - 1) Subjected to conditions of extreme stress, corrosive agents, heat, environment or operation outside normal parameters or OEM limits; and
 - 2) Obtained from the U.S Government or military sources. Note that AAR will not accept any military surplus parts unless pre-approved in writing by AAR’s customer.
- n. Evidence that all used parts purchased have been functionally tested and/or repaired as necessary I.A.W. the latest manufacturer's maintenance manual, and certify airworthiness in accordance with regulatory guidelines. Incorporate all applicable Airworthiness Directives and mandatory Service Bulletins into the quote with details, pricing, lead time and trace paperwork.
- o. All product being supplied shall meet Title 14 CFR of the Code of Federal Regulations Part 21 (Certification Procedures for Products & Parts) or Part 43 (Maintenance, Preventive Maintenance, Rebuilding, and Alterations) as applicable.

Note that all parts shipped must have a remaining shelf life of 80% or greater. Also, all part numbers shipped must match the part number on the

repair order, packing slip and invoice. Repair order number must also be referenced on the air waybill.

37. FAR FLOWDOWN CLAUSES

REFERENCE	TITLE	DATE
52.203-6	Restriction on Subcontractor Sales to the Government	(Sep 2006)
52.203-7	Anti-Kickback Procedures	(May 2014)
52.203-12	Limitation on Payments to Influence Certain Federal Transactions (>\$150K)	(Oct 2010)
52.203-13	Contractor Code of Business Ethics and Conduct	(Oct 2015)
52.203-19	Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements	(Jan 2017)
52.204-19	Incorporation by Reference of Representations and Certifications	(Dec 2014)
52.204-21	Basic Safeguarding of Covered Contractor Information Systems	(Jun 2016)
52.204-25	Prohibition on Contracting for Certain Telecommunication and Video Surveillance Services or Equipment	(Aug 2019)
52.209-6	Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment	(Oct 2015)
52.211-15	Defense Priority and Allocation Requirement	(Apr 2008)
52.215-2	Audit and Records – Negotiation	(Oct 2010)
52.215-14	Integrity of Unit Prices	(Oct 2010)

52.249-8	Default (Fixed-Price Supply and Service)	(Apr 1984)
52.252-2	Clauses Incorporated by Reference	(Feb 1998)

38. DFARS FLOWDOWN CLAUSES

REFERENCE	TITLE	DATE
252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies	(Dec 2008)
252.203-7002	Requirement to Inform Employees of Whistleblower Rights	(Sep 2013)
252.203-7004	Display of Hotline Posters	(Oct 2016)
252.204-7012	Safeguarding Covered Defense Information and Cyber Incident Reporting	(Oct 2016)
252.211-7003	<p>Item Unique Identification and Valuation - (a) Definitions. As used in this clause—</p> <p>“Automatic identification device” means a device, such as a reader or interrogator, used to retrieve data encoded on machine-readable media.</p> <p>“Concatenated unique item identifier” means—</p> <p>(1) For items that are serialized within the enterprise identifier, the linking together of the unique identifier data elements in order of the issuing agency code, enterprise identifier, and unique serial number within the enterprise identifier; or</p> <p>(2) For items that are serialized within the original part, lot, or batch number, the linking together of the unique identifier data elements in order of the issuing agency code; enterprise identifier; original part, lot, or batch number; and serial number within the original part, lot, or batch number.</p> <p>“Data matrix” means a two-dimensional matrix symbology, which is made up of square or, in some cases, round modules arranged within a perimeter finder pattern and uses the Error Checking and Correction 200 (ECC200) specification found within International Standards Organization (ISO)/International Electrotechnical Commission (IEC) 16022.</p> <p>“Data qualifier” means a specified character (or string of characters) that immediately precedes a data field that defines the general category or intended use of the data that follows.</p> <p>“DoD recognized unique identification equivalent” means a unique identification method that is in commercial use and has been recognized by DoD. All DoD recognized unique identification equivalents are listed at http://www.acq.osd.mil/dpap/pdi/uid/iuid_equivalents.html.</p> <p>“DoD item unique identification” means a system of marking items delivered to DoD with unique item identifiers that have machine-readable data elements to distinguish an item from all other like and unlike items. For items that are serialized within the enterprise identifier, the unique item identifier shall include the data elements of the enterprise identifier and a unique serial number. For items that are serialized within the part, lot, or batch number within the enterprise identifier, the unique item identifier shall include the data elements of the enterprise identifier; the original part, lot, or batch number; and the serial number.</p> <p>“Enterprise” means the entity (e.g., a manufacturer or vendor) responsible for assigning unique item identifiers to items.</p> <p>“Enterprise identifier” means a code that is uniquely assigned to an enterprise by an issuing agency.</p> <p>“Government’s unit acquisition cost” means—</p> <p>(1) For fixed-price type line, subline, or exhibit line items, the unit price identified in the contract at</p>	(Dec 2013)

the time of delivery;

(2) For cost-type or undefinitized line, subline, or exhibit line items, the Contractor's estimated fully burdened unit cost to the Government at the time of delivery; and

(3) For items produced under a time-and-materials contract, the Contractor's estimated fully burdened unit cost to the Government at the time of delivery.

"Issuing agency" means an organization responsible for assigning a globally unique identifier to an enterprise, as indicated in the Register of Issuing Agency Codes for ISO/IEC 15459, located at http://www.aimglobal.org/?Reg_Authority15459.

"Issuing agency code" means a code that designates the registration (or controlling) authority for the enterprise identifier.

"Item" means a single hardware article or a single unit formed by a grouping of subassemblies, components, or constituent parts.

"Lot or batch number" means an identifying number assigned by the enterprise to a designated group of items, usually referred to as either a lot or a batch, all of which were manufactured under identical conditions.

"Machine-readable" means an automatic identification technology media, such as bar codes, contact memory buttons, radio frequency identification, or optical memory cards.

"Original part number" means a combination of numbers or letters assigned by the enterprise at item creation to a class of items with the same form, fit, function, and interface.

"Parent item" means the item assembly, intermediate component, or subassembly that has an embedded item with a unique item identifier or DoD recognized unique identification equivalent.

"Serial number within the enterprise identifier" means a combination of numbers, letters, or symbols assigned by the enterprise to an item that provides for the differentiation of that item from any other like and unlike item and is never used again within the enterprise.

"Serial number within the part, lot, or batch number" means a combination of numbers or letters assigned by the enterprise to an item that provides for the differentiation of that item from any other like item within a part, lot, or batch number assignment.

"Serialization within the enterprise identifier" means each item produced is assigned a serial number that is unique among all the tangible items produced by the enterprise and is never used again. The enterprise is responsible for ensuring unique serialization within the enterprise identifier.

"Serialization within the part, lot, or batch number" means each item of a particular part, lot, or batch number is assigned a unique serial number within that part, lot, or batch number assignment. The enterprise is responsible for ensuring unique serialization within the part, lot, or batch number within the enterprise identifier.

"Type designation" means a combination of letters and numerals assigned by the Government to a major end item, assembly or subassembly, as appropriate, to provide a convenient means of differentiating between items having the same basic name and to indicate modifications and changes thereto.

"Unique item identifier" means a set of data elements marked on items that is globally unique and unambiguous. The term includes a concatenated unique item identifier or a DoD recognized unique identification equivalent.

"Unique item identifier type" means a designator to indicate which method of uniquely identifying a part has been used. The current list of accepted unique item identifier types is maintained at http://www.acq.osd.mil/dpap/pdi/uid/uii_types.html.

(b) The Contractor shall deliver all items under a contract line, subline, or exhibit line item.

(c) Unique item identifier.

(1) The Contractor shall provide a unique item identifier for the following:

(i) Delivered items for which the Government's unit acquisition cost is \$5,000 or more, except for the following line items:

Contract Line, Subline, or Exhibit Line	Item Number	Item Description

(ii) Items for which the Government's unit acquisition cost is less than \$5,000 that are identified in the Schedule or the following table:

Contract Line, Subline, or Exhibit Line	Item Number	Item Description

(If items are identified in the Schedule, insert "See Schedule" in this table.)

(iii) Subassemblies, components, and parts embedded within delivered items, items with warranty requirements, DoD serially managed repairables and DoD serially managed nonrepairables as

specified in Attachment Number ____.

(iv) Any item of special tooling or special test equipment as defined in FAR 2.101 that have been designated for preservation and storage for a Major Defense Acquisition Program as specified in Attachment Number ____.

(v) Any item not included in (i), (ii), (iii), or (iv) for which the contractor creates and marks a unique item identifier for traceability.

(2) The unique item identifier assignment and its component data element combination shall not be duplicated on any other item marked or registered in the DoD Item Unique Identification Registry by the contractor.

(3) The unique item identifier component data elements shall be marked on an item using two dimensional data matrix symbology that complies with ISO/IEC International Standard 16022, Information technology – International symbology specification – Data matrix; ECC200 data matrix specification.

(4) Data syntax and semantics of unique item identifiers. The Contractor shall ensure that—

(i) The data elements (except issuing agency code) of the unique item identifier are encoded within the data matrix symbol that is marked on the item using one of the following three types of data qualifiers, as determined by the Contractor:

(A) Application Identifiers (AIs) (Format Indicator 05 of ISO/IEC International Standard 15434), in accordance with ISO/IEC International Standard 15418, Information Technology – EAN/UCC Application Identifiers and Fact Data Identifiers and Maintenance and ANSI MH 10.8.2 Data Identifier and Application Identifier Standard.

(B) Data Identifiers (DIs) (Format Indicator 06 of ISO/IEC International Standard 15434), in accordance with ISO/IEC International Standard 15418, Information Technology – EAN/UCC Application Identifiers and Fact Data Identifiers and Maintenance and ANSI MH 10.8.2 Data Identifier and Application Identifier Standard.

(C) Text Element Identifiers (TEIs) (Format Indicator 12 of ISO/IEC International Standard 15434), in accordance with the Air Transport Association Common Support Data Dictionary; and

(ii) The encoded data elements of the unique item identifier conform to the transfer structure, syntax, and coding of messages and data formats specified for Format Indicators 05, 06, and 12 in ISO/IEC International Standard 15434, Information Technology – Transfer Syntax for High Capacity Automatic Data Capture Media.

(5) Unique item identifier.

(i) The Contractor shall—

(A) Determine whether to—

(1) Serialize within the enterprise identifier;

(2) Serialize within the part, lot, or batch number; or

(3) Use a DoD recognized unique identification equivalent (e.g. Vehicle Identification Number); and

(B) Place the data elements of the unique item identifier (enterprise identifier; serial number; DoD recognized unique identification equivalent; and for serialization within the part, lot, or batch number only: original part, lot, or batch number) on items requiring marking by paragraph (c)(1) of this clause, based on the criteria provided in MIL-STD-130, Identification Marking of U.S. Military Property, latest version;

(C) Label shipments, storage containers and packages that contain uniquely identified items in accordance with the requirements of MIL-STD-129, Military Marking for Shipment and Storage, latest version; and

(D) Verify that the marks on items and labels on shipments, storage containers, and packages are machine readable and conform to the applicable standards. The contractor shall use an automatic identification technology device for this verification that has been programmed to the requirements of Appendix A, MIL-STD-130, latest version.

(ii) The issuing agency code—

(A) Shall not be placed on the item; and

(B) Shall be derived from the data qualifier for the enterprise identifier.

(d) For each item that requires item unique identification under paragraph (c)(1)(i), (ii), or (iv) of this clause or when item unique identification is provided under paragraph (c)(1)(v), in addition to the information provided as part of the Material Inspection and Receiving Report specified elsewhere in this contract, the Contractor shall report at the time of delivery, as part of the Material Inspection and Receiving Report, the following information:

- (1) Unique item identifier.
- (2) Unique item identifier type.
- (3) Issuing agency code (if concatenated unique item identifier is used).
- (4) Enterprise identifier (if concatenated unique item identifier is used).
- (5) Original part number (if there is serialization within the original part number).
- (6) Lot or batch number (if there is serialization within the lot or batch number).
- (7) Current part number (optional and only if not the same as the original part number).
- (8) Current part number effective date (optional and only if current part number is used).
- (9) Serial number (if concatenated unique item identifier is used).
- (10) Government's unit acquisition cost.
- (11) Unit of measure.
- (12) Type designation of the item as specified in the contract schedule, if any.
- (13) Whether the item is an item of Special Tooling or Special Test Equipment.
- (14) Whether the item is covered by a warranty.

(e) For embedded subassemblies, components, and parts that require DoD item unique identification under paragraph (c)(1)(iii) of this clause or when item unique identification is provided under paragraph (c)(1)(v), the Contractor shall report as part of the Material Inspection and Receiving Report specified elsewhere in this contract, the following information:

- (1) Unique item identifier of the parent item under paragraph (c)(1) of this clause that contains the embedded subassembly, component, or part.
- (2) Unique item identifier of the embedded subassembly, component, or part.
- (3) Unique item identifier type.**
- (4) Issuing agency code (if concatenated unique item identifier is used).**
- (5) Enterprise identifier (if concatenated unique item identifier is used).**
- (6) Original part number (if there is serialization within the original part number).**
- (7) Lot or batch number (if there is serialization within the lot or batch number).**
- (8) Current part number (optional and only if not the same as the original part number).**
- (9) Current part number effective date (optional and only if current part number is used).**
- (10) Serial number (if concatenated unique item identifier is used).**
- (11) Description.

** Once per item.

(f) The Contractor shall submit the information required by paragraphs (d) and (e) of this clause as follows:

(1) End items shall be reported using the receiving report capability in Wide Area WorkFlow (WAWF) in accordance with the clause at 252.232-7003. If WAWF is not required by this contract, and the contractor is not using WAWF, follow the procedures at <http://dodprocurementtoolbox.com/site/uidregistry/>.

(2) Embedded items shall be reported by one of the following methods—

(i) Use of the embedded items capability in WAWF;

(ii) Direct data submission to the UID Registry following the procedures and formats at <http://dodprocurementtoolbox.com/site/uidregistry/>; or

(iii) Via WAWF as a deliverable attachment for exhibit line item number (fill in) ____, Unique Item Identifier Report for Embedded Items, Contract Data Requirements List, DD Form 1423.

(g) Subcontracts. If the Contractor acquires by subcontract, any item(s) for which item unique identification is required in accordance with paragraph (c)(1) of this clause, the Contractor shall include this clause, including this paragraph (g), in the applicable subcontract(s), including subcontracts for commercial items.

(End of clause)ITEM UNIQUE IDENTIFICATION AND VALUATION (MAR 2016)

(a) Definitions. As used in this clause—

“Automatic identification device” means a device, such as a reader or interrogator, used to retrieve data encoded on machine-readable media.

“Concatenated unique item identifier” means—

(1) For items that are serialized within the enterprise identifier, the linking together of the unique identifier data elements in order of the issuing agency code, enterprise identifier, and unique serial number within the enterprise identifier; or

(2) For items that are serialized within the original part, lot, or batch number, the linking together of the unique identifier data elements in order of the issuing agency code; enterprise identifier; original part, lot, or batch number; and serial number within the original part, lot, or batch number.

“Data matrix” means a two-dimensional matrix symbology, which is made up of square or, in some cases, round modules arranged within a perimeter finder pattern and uses the Error Checking and Correction 200 (ECC200) specification found within International Standards Organization (ISO)/International Electrotechnical Commission (IEC) 16022.

“Data qualifier” means a specified character (or string of characters) that immediately precedes a data field that defines the general category or intended use of the data that follows.

“DoD recognized unique identification equivalent” means a unique identification method that is in commercial use and has been recognized by DoD. All DoD recognized unique identification equivalents are listed at http://www.acq.osd.mil/dpap/pdi/uid/iuid_equivalents.html.

“DoD item unique identification” means a system of marking items delivered to DoD with unique item identifiers that have machine-readable data elements to distinguish an item from all other like and unlike items. For items that are serialized within the enterprise identifier, the unique item identifier shall include the data elements of the enterprise identifier and a unique serial number. For items that are serialized within the part, lot, or batch number within the enterprise identifier, the unique item identifier shall include the data elements of the enterprise identifier; the original part, lot, or batch number; and the serial number.

“Enterprise” means the entity (e.g., a manufacturer or vendor) responsible for assigning unique item identifiers to items.

“Enterprise identifier” means a code that is uniquely assigned to an enterprise by an issuing agency.

“Government’s unit acquisition cost” means—

(1) For fixed-price type line, subline, or exhibit line items, the unit price identified in the contract at the time of delivery;

(2) For cost-type or undefinitized line, subline, or exhibit line items, the Contractor’s estimated fully burdened unit cost to the Government at the time of delivery; and

(3) For items produced under a time-and-materials contract, the Contractor’s estimated fully burdened unit cost to the Government at the time of delivery.

“Issuing agency” means an organization responsible for assigning a globally unique identifier to an enterprise, as indicated in the Register of Issuing Agency Codes for ISO/IEC 15459, located at http://www.aimglobal.org/?Reg_Authority15459.

“Issuing agency code” means a code that designates the registration (or controlling) authority for the enterprise identifier.

“Item” means a single hardware article or a single unit formed by a grouping of subassemblies, components, or constituent parts.

“Lot or batch number” means an identifying number assigned by the enterprise to a designated group of items, usually referred to as either a lot or a batch, all of which were manufactured under identical conditions.

“Machine-readable” means an automatic identification technology media, such as bar codes, contact memory buttons, radio frequency identification, or optical memory cards.

“Original part number” means a combination of numbers or letters assigned by the enterprise at item creation to a class of items with the same form, fit, function, and interface.

“Parent item” means the item assembly, intermediate component, or subassembly that has an embedded item with a unique item identifier or DoD recognized unique identification equivalent.

“Serial number within the enterprise identifier” means a combination of numbers, letters, or symbols assigned by the enterprise to an item that provides for the differentiation of that item from any other like and unlike item and is never used again within the enterprise.

“Serial number within the part, lot, or batch number” means a combination of numbers or letters assigned by the enterprise to an item that provides for the differentiation of that item from any other like item within a part, lot, or batch number assignment.

“Serialization within the enterprise identifier” means each item produced is assigned a serial number that is unique among all the tangible items produced by the enterprise and is never used again. The enterprise is responsible for ensuring unique serialization within the enterprise identifier.

“Serialization within the part, lot, or batch number” means each item of a particular part, lot, or batch number is assigned a unique serial number within that part, lot, or batch number assignment. The enterprise is responsible for ensuring unique serialization within the part, lot, or batch number within the enterprise identifier.

“Type designation” means a combination of letters and numerals assigned by the Government to a major end item, assembly or subassembly, as appropriate, to provide a convenient means of differentiating between items having the same basic name and to indicate modifications and changes thereto.

“Unique item identifier” means a set of data elements marked on items that is globally unique and unambiguous. The term includes a concatenated unique item identifier or a DoD recognized unique identification equivalent.

“Unique item identifier type” means a designator to indicate which method of uniquely identifying a part has been used. The current list of accepted unique item identifier types is maintained at http://www.acq.osd.mil/dpap/pdi/uid/uii_types.html.

(b) The Contractor shall deliver all items under a contract line, subline, or exhibit line item.

(c) Unique item identifier.

(1) The Contractor shall provide a unique item identifier for the following:

(i) Delivered items for which the Government’s unit acquisition cost is \$5,000 or more, except for the following line items:

Contract Line, Subline, or

Exhibit Line Item Number Item Description

(ii) Items for which the Government’s unit acquisition cost is less than \$5,000 that are identified in the Schedule or the following table:

Contract Line, Subline, or

Exhibit Line Item Number Item Description

(If items are identified in the Schedule, insert “See Schedule” in this table.)

(iii) Subassemblies, components, and parts embedded within delivered items, items with warranty requirements, DoD serially managed reparables and DoD serially managed nonreparables as specified in Attachment Number ____.

(iv) Any item of special tooling or special test equipment as defined in FAR 2.101 that have been designated for preservation and storage for a Major Defense Acquisition Program as specified in Attachment Number ____.

(v) Any item not included in (i), (ii), (iii), or (iv) for which the contractor creates and marks a unique item identifier for traceability.

(2) The unique item identifier assignment and its component data element combination shall not be duplicated on any other item marked or registered in the DoD Item Unique Identification Registry by the contractor.

(3) The unique item identifier component data elements shall be marked on an item using two dimensional data matrix symbology that complies with ISO/IEC International Standard 16022, Information technology – International symbology specification – Data matrix; ECC200 data matrix specification.

(4) Data syntax and semantics of unique item identifiers. The Contractor shall ensure that—

(i) The data elements (except issuing agency code) of the unique item identifier are encoded within the data matrix symbol that is marked on the item using one of the following three types of data qualifiers, as determined by the Contractor:

(A) Application Identifiers (AIs) (Format Indicator 05 of ISO/IEC International Standard 15434), in accordance with ISO/IEC International Standard 15418, Information Technology – EAN/UCC Application Identifiers and Fact Data Identifiers and Maintenance and ANSI MH 10.8.2 Data Identifier and Application Identifier Standard.

(B) Data Identifiers (DIs) (Format Indicator 06 of ISO/IEC International Standard 15434), in accordance with ISO/IEC International Standard 15418, Information Technology – EAN/UCC Application Identifiers and Fact Data Identifiers and Maintenance and ANSI MH 10.8.2 Data Identifier and Application Identifier Standard.

(C) Text Element Identifiers (TEIs) (Format Indicator 12 of ISO/IEC International Standard 15434), in accordance with the Air Transport Association Common Support Data Dictionary; and

(ii) The encoded data elements of the unique item identifier conform to the transfer structure, syntax, and coding of messages and data formats specified for Format Indicators 05, 06, and 12 in ISO/IEC International Standard 15434, Information Technology – Transfer Syntax for High Capacity Automatic Data Capture Media.

(5) Unique item identifier.

(i) The Contractor shall—

(A) Determine whether to—

(1) Serialize within the enterprise identifier;

(2) Serialize within the part, lot, or batch number; or

(3) Use a DoD recognized unique identification equivalent (e.g. Vehicle Identification Number); and

(B) Place the data elements of the unique item identifier (enterprise identifier; serial number; DoD recognized unique identification equivalent; and for serialization within the part, lot, or batch number only: original part, lot, or batch number) on items requiring marking by paragraph (c)(1) of this clause, based on the criteria provided in MIL-STD-130, Identification Marking of U.S. Military Property, latest version;

(C) Label shipments, storage containers and packages that contain uniquely identified items in accordance with the requirements of MIL-STD-129, Military Marking for Shipment and Storage, latest version; and

(D) Verify that the marks on items and labels on shipments, storage containers, and packages are machine readable and conform to the applicable standards. The contractor shall use an automatic identification technology device for this verification that has been programmed to the requirements of Appendix A, MIL-STD-130, latest version.

(ii) The issuing agency code—

(A) Shall not be placed on the item; and

(B) Shall be derived from the data qualifier for the enterprise identifier.

(d) For each item that requires item unique identification under paragraph (c)(1)(i), (ii), or (iv) of this clause or when item unique identification is provided under paragraph (c)(1)(v), in addition to the information provided as part of the Material Inspection and Receiving Report specified elsewhere in this contract, the Contractor shall report at the time of delivery, as part of the Material Inspection and Receiving Report, the following information:

(1) Unique item identifier.

(2) Unique item identifier type.

(3) Issuing agency code (if concatenated unique item identifier is used).

(4) Enterprise identifier (if concatenated unique item identifier is used).

(5) Original part number (if there is serialization within the original part number).

(6) Lot or batch number (if there is serialization within the lot or batch number).

(7) Current part number (optional and only if not the same as the original part number).

(8) Current part number effective date (optional and only if current part number is used).

(9) Serial number (if concatenated unique item identifier is used).

(10) Government's unit acquisition cost.

(11) Unit of measure.

(12) Type designation of the item as specified in the contract schedule, if any.

(13) Whether the item is an item of Special Tooling or Special Test Equipment.

(14) Whether the item is covered by a warranty.

(e) For embedded subassemblies, components, and parts that require DoD item unique identification under paragraph (c)(1)(iii) of this clause or when item unique identification is provided under paragraph (c)(1)(v), the Contractor shall report as part of the Material Inspection and Receiving Report specified elsewhere in this contract, the following information:

(1) Unique item identifier of the parent item under paragraph (c)(1) of this clause that contains the embedded subassembly, component, or part.

(2) Unique item identifier of the embedded subassembly, component, or part.

(3) Unique item identifier type.**

(4) Issuing agency code (if concatenated unique item identifier is used).**

(5) Enterprise identifier (if concatenated unique item identifier is used).**

Duty-Free Entry - (a) Definitions. As used in this clause—

“Component,” means any item supplied to the Government as part of an end product or of another component.

“Customs territory of the United States” means the 50 States, the District of Columbia, and Puerto Rico.

“Eligible product” means—

(i) “Designated country end product,” as defined in the Trade Agreements (either basic or alternate) clause of this contract;

(ii) “Free Trade Agreement country end product,” other than a “Bahrainian end product,” a “Moroccan end product,” a Panamanian end product,” or a “Peruvian end product,” as defined in the Buy American—Free Trade Agreements—Balance of Payments Program (either basic or alternate II) clause of this contract, basic or its Alternate II;

(iii) “Canadian end product,” as defined in the Buy American—Free Trade Agreements—Balance of Payments Program (either alternate I or alternate III) clause of this Contract; or

(iv) “Free Trade Agreement country end product” other than a “Bahrainian end product,” “Korean end product,” “Moroccan end product,” “Panamanian end product,” or “Peruvian end product,” as defined in of the Buy American—Free Trade Agreements—Balance of Payments Program (either alternate IV or alternate V) clause of this contract.

“Qualifying country” and “qualifying country end product” have the meanings given in the Trade Agreements clause, the Buy American and Balance of Payments Program clause, or the Buy American—Free Trade Agreements—Balance of Payments Program clause of this contract, basic or alternate.

(b) Except as provided in paragraph (i) of this clause, or unless supplies were imported into the customs territory of the United States before the date of this contract or the applicable subcontract, the price of this contract shall not include any amount for duty on—

(1) End items that are eligible products or qualifying country end products;

(2) Components (including, without limitation, raw materials and intermediate assemblies) produced or made in qualifying countries, that are to be incorporated in U.S.- made end products to be delivered under this contract; or

(3) Other supplies for which the Contractor estimates that duty will exceed \$300 per shipment into the customs territory of the United States.

(c) The Contractor shall—

(1) Claim duty-free entry only for supplies that the Contractor intends to deliver to the Government under this contract, either as end items or components of end items; and

(2) Pay duty on supplies, or any portion thereof, that are diverted to nongovernmental use, other than—

(i) Scrap or salvage; or

(ii) Competitive sale made, directed, or authorized by the Contracting Officer.

(d) Except as the Contractor may otherwise agree, the Government will execute duty-free entry certificates and will afford such assistance as appropriate to obtain the duty-free entry of supplies—

(1) For which no duty is included in the contract price in accordance with paragraph (b) of this clause; and

(2) For which shipping documents bear the notation specified in paragraph (e) of this clause.

(e) For foreign supplies for which the Government will issue duty-free entry certificates in accordance with this clause, shipping documents submitted to Customs shall—

(1) Consign the shipments to the appropriate—

(i) Military department in care of the Contractor, including the Contractor's delivery address; or

(ii) Military installation; and

(2) Include the following information:

(i) Prime contract number and, if applicable, delivery order number.

(ii) Number of the subcontract for foreign supplies, if applicable.

(iii) Identification of the carrier.

(iv)

(A) For direct shipments to a U.S. military installation, the notation: “UNITED STATES GOVERNMENT, DEPARTMENT OF DEFENSE Duty-Free Entry to be claimed pursuant to Section XXII, Chapter 98, Subchapter VIII, Item 9808.00.30 of the Harmonized Tariff Schedule of the United States. Upon arrival of shipment at the appropriate port of entry, District Director of Customs, please release shipment under 19 CFR Part 142 and notify Commander, Defense Contract Management Agency (DCMA) New York, ATTN: Customs Team, DCMAE-GNTF, 207 New York Avenue, Staten Island, New York, 10305-5013, for execution of Customs Form 7501, 7501A, or 7506 and any required duty-free entry certificates.”

(B) If the shipment will be consigned to other than a military installation, e.g., a domestic contractor's plant, the shipping document notation shall be altered to include the name and address of the contractor, agent, or broker who will notify Commander, DCMA New York, for execution of the duty-free entry certificate. (If the shipment will be consigned to a contractor's plant and no duty-free entry certificate is required due to a trade agreement, the Contractor shall claim duty-free entry under the applicable trade agreement and shall comply with the U.S. Customs Service requirements. No notification to Commander, DCMA New York, is required.)

(v) Gross weight in pounds (if freight is based on space tonnage, state cubic feet in addition to gross shipping weight).

(vi) Estimated value in U.S. dollars.

	<p>(vii) Activity address number of the contract administration office administering the prime contract, e.g., for DCMA Dayton, S3605A.</p> <p>(f) Preparation of customs forms.</p> <p>(1)</p> <p>(i) Except for shipments consigned to a military installation, the Contractor shall—</p> <p>(A) Prepare any customs forms required for the entry of foreign supplies into the customs territory of the United States in connection with this contract; and</p> <p>(B) Submit the completed customs forms to the District Director of Customs, with a copy to DCMA NY for execution of any required duty-free entry certificates.</p> <p>(ii) Shipments consigned directly to a military installation will be released in accordance with sections 10.101 and 10.102 of the U.S. Customs regulations.</p> <p>(2) For shipments containing both supplies that are to be accorded duty-free entry and supplies that are not, the Contractor shall identify on the customs forms those items that are eligible for duty-free entry.</p> <p>(g) The Contractor shall—</p> <p>(1) Prepare (if the Contractor is a foreign supplier), or shall instruct the foreign supplier to prepare, a sufficient number of copies of the bill of lading (or other shipping document) so that at least two of the copies accompanying the shipment will be available for use by the District Director of Customs at the port of entry;</p> <p>(2) Consign the shipment as specified in paragraph (e) of this clause; and</p> <p>(3) Mark on the exterior of all packages—</p> <p>(i) “UNITED STATES GOVERNMENT, DEPARTMENT OF DEFENSE”; and</p> <p>(ii) The activity address number of the contract administration office administering the prime contract.</p> <p>(h) The Contractor shall notify the Administrative Contracting Officer (ACO) in writing of any purchase of eligible products or qualifying country supplies to be accorded duty-free entry, that are to be imported into the customs territory of the United States for delivery to the Government or for incorporation in end items to be delivered to the Government. The Contractor shall furnish the notice to the ACO immediately upon award to the supplier and shall include in the notice—</p> <p>(1) The Contractor’s name, address, and Commercial and Government Entity (CAGE) code;</p> <p>(2) Prime contract number and, if applicable, delivery order number;</p> <p>(3) Total dollar value of the prime contract or delivery order;</p> <p>(4) Date of the last scheduled delivery under the prime contract or delivery order;</p> <p>(5) Foreign supplier’s name and address;</p> <p>(6) Number of the subcontract for foreign supplies;</p> <p>(7) Total dollar value of the subcontract for foreign supplies;</p> <p>(8) Date of the last scheduled delivery under the subcontract for foreign supplies;</p> <p>(9) List of items purchased;</p> <p>(10) An agreement that the Contractor will pay duty on supplies, or any portion thereof, that are diverted to nongovernmental use other than—</p> <p>(i) Scrap or salvage; or</p> <p>(ii) Competitive sale made, directed, or authorized by the Contracting Officer;</p> <p>(11) Country of origin; and</p> <p>(12) Scheduled delivery date(s).</p> <p>(i) This clause does not apply to purchases of eligible products or qualifying country supplies in connection with this contract if—</p> <p>(1) The supplies are identical in nature to supplies purchased by the Contractor or any subcontractor in connection with its commercial business; and</p> <p>(2) It is not economical or feasible to account for such supplies so as to ensure that the amount of the supplies for which duty-free entry is claimed does not exceed the amount purchased in connection with this contract.</p> <p>(j) The Contractor shall—</p> <p>(1) Insert the substance of this clause, including this paragraph (j), in all subcontracts for—</p> <p>(i) Qualifying country components; or</p> <p>(ii) Nonqualifying country components for which the Contractor estimates that duty will exceed \$200 per unit;</p> <p>(2) Require subcontractors to include the number of this contract on all shipping documents submitted to Customs for supplies for which duty-free entry is claimed pursuant to this clause; and</p> <p>(3) Include in applicable subcontracts—</p> <p>(i) The name and address of the ACO for this contract;</p> <p>(ii) The name, address, and activity address number of the contract administration office specified in this contract; and</p> <p>(iii) The information required by paragraphs (h)(1), (2), and (3) of this clause.</p> <p>(End of clause)</p>	

252.225-7048	Export of Controlled Items	(Jun 2013)
252.226-7001	Utilization of Indian Corporations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns	(Sep 2004)
252.227-7013	Rights in Technical Data – Noncommercial Items - (a) Definitions. As used in this clause— (1) “Computer data base” means a collection of data recorded in a form capable of being processed by a computer. The term does not include computer software. (2) “Computer program” means a set of instructions, rules, or routines recorded in a form that is capable of causing a computer to perform a specific operation or series of operations. (3) “Computer software” means computer programs, source code, source code listings, object code listings, design details, algorithms, processes, flow charts, formulae and related material that would enable the software to be reproduced, recreated, or recompiled. Computer software does not include computer data bases or computer software documentation. (4) “Computer software documentation” means owner’s manuals, user’s manuals, installation instructions, operating instructions, and other similar items, regardless of storage medium, that explain the capabilities of the computer software or provide instructions for using the software. (5) “Covered Government support contractor” means a contractor (other than a litigation support contractor covered by 252.204-7014) under a contract, the primary purpose of which is to furnish independent and impartial advice or technical assistance directly to the Government in support of the Government’s management and oversight of a program or effort (rather than to directly furnish an end item or service to accomplish a program or effort), provided that the contractor— (i) Is not affiliated with the prime contractor or a first-tier subcontractor on the program or effort, or with any direct competitor of such prime contractor or any such first-tier subcontractor in furnishing end items or services of the type developed or produced on the program or effort; and (ii) Receives access to technical data or computer software for performance of a Government contract that contains the clause at 252.227-7025, Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends. (6) “Detailed manufacturing or process data” means technical data that describe the steps, sequences, and conditions of manufacturing, processing or assembly used by the manufacturer to produce an item or component or to perform a process. (7) “Developed” means that an item, component, or process exists and is workable. Thus, the item or component must have been constructed or the process practiced. Workability is generally established when the item, component, or process has been analyzed or tested sufficiently to demonstrate to reasonable people skilled in the applicable art that there is a high probability that it will operate as intended. Whether, how much, and what type of analysis or testing is required to establish workability depends on the nature of the item, component, or process, and the state of the art. To be considered “developed,” the item, component, or process need not be at the stage where it could be offered for sale or sold on the commercial market, nor must the item, component, or process be actually reduced to practice within the meaning of Title 35 of the United States Code. (8) “Developed exclusively at private expense” means development was accomplished entirely with costs charged to indirect cost pools, costs not allocated to a government contract, or any combination thereof. (i) Private expense determinations should be made at the lowest practicable level. (ii) Under fixed-price contracts, when total costs are greater than the firm-fixed-price or ceiling price of the contract, the additional development costs necessary to complete development shall not be considered when determining whether development was at government, private, or mixed expense. (9) “Developed exclusively with government funds” means development was not accomplished exclusively or partially at private expense. (10) “Developed with mixed funding” means development was accomplished partially with costs charged to indirect cost pools and/or costs not allocated to a government contract, and partially with costs charged directly to a government contract. (11) “Form, fit, and function data” means technical data that describes the required overall physical, functional, and performance characteristics (along with the qualification requirements, if applicable) of an item, component, or process to the extent necessary to permit identification of physically and functionally interchangeable items. (12) “Government purpose” means any activity in which the United States Government is a party, including cooperative agreements with international or multi-national defense organizations, or sales or transfers by the United States Government to foreign governments or international organizations. Government purposes include competitive procurement, but do not include the rights to use, modify, reproduce, release, perform, display, or disclose technical data for commercial purposes or authorize others to do so. (13) “Government purpose rights” means the rights to— (i) Use, modify, reproduce, release, perform, display, or disclose technical data within the	(Feb 2014)

Government without restriction; and

(ii) Release or disclose technical data outside the Government and authorize persons to whom release or disclosure has been made to use, modify, reproduce, release, perform, display, or disclose that data for United States government purposes.

(14) "Limited rights" means the rights to use, modify, reproduce, release, perform, display, or disclose technical data, in whole or in part, within the Government. The Government may not, without the written permission of the party asserting limited rights, release or disclose the technical data outside the Government, use the technical data for manufacture, or authorize the technical data to be used by another party, except that the Government may reproduce, release, or disclose such data or authorize the use or reproduction of the data by persons outside the Government if—

(i) The reproduction, release, disclosure, or use is—

(A) Necessary for emergency repair and overhaul; or

(B) A release or disclosure to—

(1) A covered Government support contractor in performance of its covered Government support contract for use, modification, reproduction, performance, display, or release or disclosure to a person authorized to receive limited rights technical data; or

(2) A foreign government, of technical data other than detailed manufacturing or process data, when use of such data by the foreign government is in the interest of the Government and is required for evaluational or informational purposes;

(ii) The recipient of the technical data is subject to a prohibition on the further reproduction, release, disclosure, or use of the technical data; and

(iii) The contractor or subcontractor asserting the restriction is notified of such reproduction, release, disclosure, or use.

(15) "Technical data" means recorded information, regardless of the form or method of the recording, of a scientific or technical nature (including computer software documentation). The term does not include computer software or data incidental to contract administration, such as financial and/or management information.

(16) "Unlimited rights" means rights to use, modify, reproduce, perform, display, release, or disclose technical data in whole or in part, in any manner, and for any purpose whatsoever, and to have or authorize others to do so.

(b) Rights in technical data. The Contractor grants or shall obtain for the Government the following royalty free, world-wide, nonexclusive, irrevocable license rights in technical data other than computer software documentation (see the Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation clause of this contract for rights in computer software documentation):

(1) Unlimited rights. The Government shall have unlimited rights in technical data that are—

(i) Data pertaining to an item, component, or process which has been or will be developed exclusively with Government funds;

(ii) Studies, analyses, test data, or similar data produced for this contract, when the study, analysis, test, or similar work was specified as an element of performance;

(iii) Created exclusively with Government funds in the performance of a contract that does not require the development, manufacture, construction, or production of items, components, or processes;

(iv) Form, fit, and function data;

(v) Necessary for installation, operation, maintenance, or training purposes (other than detailed manufacturing or process data);

(vi) Corrections or changes to technical data furnished to the Contractor by the Government;

(vii) Otherwise publicly available or have been released or disclosed by the Contractor or subcontractor without restrictions on further use, release or disclosure, other than a release or disclosure resulting from the sale, transfer, or other assignment of interest in the technical data to another party or the sale or transfer of some or all of a business entity or its assets to another party;

(viii) Data in which the Government has obtained unlimited rights under another Government contract or as a result of negotiations; or

(ix) Data furnished to the Government, under this or any other Government contract or subcontract thereunder, with—

(A) Government purpose license rights or limited rights and the restrictive condition(s) has/have expired; or

(B) Government purpose rights and the Contractor's exclusive right to use such data for commercial purposes has expired.

(2) Government purpose rights.

(i) The Government shall have government purpose rights for a five-year period, or such other period as may be negotiated, in technical data—

(A) That pertain to items, components, or processes developed with mixed funding except when the Government is entitled to unlimited rights in such data as provided in paragraphs (b)(1)(ii) and (b)(1)(iv) through (b)(1)(ix) of this clause; or

(B) Created with mixed funding in the performance of a contract that does not require the development, manufacture, construction, or production of items, components, or processes.

(ii) The five-year period, or such other period as may have been negotiated, shall commence upon execution of the contract, subcontract, letter contract (or similar contractual instrument), contract modification, or option exercise that required development of the items, components, or processes or creation of the data described in paragraph (b)(2)(i)(B) of this clause. Upon expiration of the five-year or other negotiated period, the Government shall have unlimited rights in the technical data.

(iii) The Government shall not release or disclose technical data in which it has government purpose rights unless—

(A) Prior to release or disclosure, the intended recipient is subject to the non-disclosure agreement at 227.7103-7 of the Defense Federal Acquisition Regulation Supplement (DFARS); or

(B) The recipient is a Government contractor receiving access to the data for performance of a Government contract that contains the clause at DFARS 252.227-7025, Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends.

(iv) The Contractor has the exclusive right, including the right to license others, to use technical data in which the Government has obtained government purpose rights under this contract for any commercial purpose during the time period specified in the government purpose rights legend prescribed in paragraph (f)(2) of this clause.

(3) Limited rights.

(i) Except as provided in paragraphs (b)(1)(ii) and (b)(1)(iv) through (b)(1)(ix) of this clause, the Government shall have limited rights in technical data—

(A) Pertaining to items, components, or processes developed exclusively at private expense and marked with the limited rights legend prescribed in paragraph (f) of this clause; or

(B) Created exclusively at private expense in the performance of a contract that does not require the development, manufacture, construction, or production of items, components, or processes.

(ii) The Government shall require a recipient of limited rights data for emergency repair or overhaul to destroy the data and all copies in its possession promptly following completion of the emergency repair/overhaul and to notify the Contractor that the data have been destroyed.

(iii) The Contractor, its subcontractors, and suppliers are not required to provide the Government additional rights to use, modify, reproduce, release, perform, display, or disclose technical data furnished to the Government with limited rights. However, if the Government desires to obtain additional rights in technical data in which it has limited rights, the Contractor agrees to promptly enter into negotiations with the Contracting Officer to determine whether there are acceptable terms for transferring such rights. All technical data in which the Contractor has granted the Government additional rights shall be listed or described in a license agreement made part of the contract. The license shall enumerate the additional rights granted the Government in such data.

(iv) The Contractor acknowledges that—

(A) Limited rights data are authorized to be released or disclosed to covered Government support contractors;

(B) The Contractor will be notified of such release or disclosure;

(C) The Contractor (or the party asserting restrictions as identified in the limited rights legend) may require each such covered Government support contractor to enter into a non-disclosure agreement directly with the Contractor (or the party asserting restrictions) regarding the covered Government support contractor's use of such data, or alternatively, that the Contractor (or party asserting restrictions) may waive in writing the requirement for a non-disclosure agreement; and

(D) Any such non-disclosure agreement shall address the restrictions on the covered Government support contractor's use of the limited rights data as set forth in the clause at 252.227-7025, Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends. The non-disclosure agreement shall not include any additional terms and conditions unless mutually agreed to by the parties to the non-disclosure agreement.

(4) Specifically negotiated license rights. The standard license rights granted to the Government under paragraphs (b)(1) through (b)(3) of this clause, including the period during which the Government shall have government purpose rights in technical data, may be modified by mutual agreement to provide such rights as the parties consider appropriate but shall not provide the Government lesser rights than are enumerated in paragraph (a)(14) of this clause. Any rights so negotiated shall be identified in a license agreement made part of this contract.

(5) Prior government rights. Technical data that will be delivered, furnished, or otherwise provided to the Government under this contract, in which the Government has previously obtained rights shall be delivered, furnished, or provided with the pre-existing rights, unless—

(i) The parties have agreed otherwise; or

(ii) Any restrictions on the Government's rights to use, modify, reproduce, release, perform, display, or disclose the data have expired or no longer apply.

(6) Release from liability. The Contractor agrees to release the Government from liability for any release or disclosure of technical data made in accordance with paragraph (a)(14) or (b)(2)(iii) of this clause, in accordance with the terms of a license negotiated under paragraph (b)(4) of this clause, or by others to whom the recipient has released or disclosed the data and to seek relief solely from the party who has improperly used, modified, reproduced, released, performed, displayed, or disclosed Contractor data marked with restrictive legends.

(c) Contractor rights in technical data. All rights not granted to the Government are retained by the Contractor.

(d) Third party copyrighted data. The Contractor shall not, without the written approval of the Contracting Officer, incorporate any copyrighted data in the technical data to be delivered under this contract unless the Contractor is the copyright owner or has obtained for the Government the license rights necessary to perfect a license or licenses in the deliverable data of the appropriate scope set forth in paragraph (b) of this clause, and has affixed a statement of the license or licenses obtained on behalf of the Government and other persons to the data transmittal document.

(e) Identification and delivery of data to be furnished with restrictions on use, release, or disclosure.

(1) This paragraph does not apply to restrictions based solely on copyright.

(2) Except as provided in paragraph (e)(3) of this clause, technical data that the Contractor asserts

should be furnished to the Government with restrictions on use, release, or disclosure are identified in an attachment to this contract (the Attachment). The Contractor shall not deliver any data with restrictive markings unless the data are listed on the Attachment.

(3) In addition to the assertions made in the Attachment, other assertions may be identified after award when based on new information or inadvertent omissions unless the inadvertent omissions would have materially affected the source selection decision. Such identification and assertion shall be submitted to the Contracting Officer as soon as practicable prior to the scheduled date for delivery of the data, in the following format, and signed by an official authorized to contractually obligate the Contractor:

Identification and Assertion of Restrictions on the Government's Use, Release, or Disclosure of Technical Data.

The Contractor asserts for itself, or the persons identified below, that the Government's rights to use, release, or disclose the following technical data should be restricted—

Technical Data

Name of Person to be Furnished

Basis for Asserted Rights

Asserting With Restrictions*

Assertion**

Category***

Restrictions****

(LIST)

(LIST)

(LIST)

(LIST)

*If the assertion is applicable to items, components, or processes developed at private expense, identify both the data and each such item, component, or process.

**Generally, the development of an item, component, or process at private expense, either exclusively or partially, is the only basis for asserting restrictions on the Government's rights to use, release, or disclose technical data pertaining to such items, components, or processes. Indicate whether development was exclusively or partially at private expense. If development was not at private expense, enter the specific reason for asserting that the Government's rights should be restricted.

***Enter asserted rights category (e.g., government purpose license rights from a prior contract, rights in SBIR data generated under another contract, limited or government purpose rights under this or a prior contract, or specifically negotiated licenses).

****Corporation, individual, or other person, as appropriate.

Date

Printed Name and Title

Signature

(End of identification and assertion)

(4) When requested by the Contracting Officer, the Contractor shall provide sufficient information to enable the Contracting Officer to evaluate the Contractor's assertions. The Contracting Officer reserves the right to add the Contractor's assertions to the Attachment and validate any listed assertion, at a later date, in accordance with the procedures of the Validation of Restrictive Markings on Technical Data clause of this contract

(f) Marking requirements. The Contractor, and its subcontractors or suppliers, may only assert restrictions on the Government's rights to use, modify, reproduce, release, perform, display, or disclose technical data to be delivered under this contract by marking the deliverable data subject to restriction. Except as provided in paragraph (f)(5) of this clause, only the following legends are authorized under this contract: the government purpose rights legend at paragraph (f)(2) of this clause; the limited rights legend at paragraph (f)(3) of this clause; or the special license rights legend at paragraph (f)(4) of this clause; and/or a notice of copyright as prescribed under 17 U.S.C. 401 or 402.

(1) General marking instructions. The Contractor, or its subcontractors or suppliers, shall conspicuously and legibly mark the appropriate legend on all technical data that qualify for such markings. The authorized legends shall be placed on the transmittal document or storage container and, for printed material, each page of the printed material containing technical data for which restrictions are asserted. When only portions of a page of printed material are subject to the asserted restrictions, such portions shall be identified by circling, underscoring, with a note, or other appropriate identifier. Technical data transmitted directly from one computer or computer terminal to another shall contain a notice of asserted restrictions. Reproductions of technical data or any portions thereof subject to asserted restrictions shall also reproduce the asserted restrictions.

(2) Government purpose rights markings. Data delivered or otherwise furnished to the Government with government purpose rights shall be marked as follows:

GOVERNMENT PURPOSE RIGHTS

Contract No.

Contractor Name

Contractor Address

Expiration Date

The Government's rights to use, modify, reproduce, release, perform, display, or disclose these technical data are restricted by paragraph (b)(2) of the Rights in Technical Data—Noncommercial Items clause contained in the above identified contract. No restrictions apply after the expiration date shown above. Any reproduction of technical data or portions thereof marked with this legend must also reproduce the markings.

(End of legend)

(3) Limited rights markings. Data delivered or otherwise furnished to the Government with limited rights shall be marked with the following legend:

LIMITED RIGHTS

Contract No.

Contractor Name

Contractor Address

The Government's rights to use, modify, reproduce, release, perform, display, or disclose these technical data are restricted by paragraph (b)(3) of the Rights in Technical Data--Noncommercial Items clause contained in the above identified contract. Any reproduction of technical data or portions thereof marked with this legend must also reproduce the markings. Any person, other than the Government, who has been provided access to such data must promptly notify the above named Contractor.

(End of legend)

(4) Special license rights markings.

(i) Data in which the Government's rights stem from a specifically negotiated license shall be marked with the following legend:

SPECIAL LICENSE RIGHTS

The Government's rights to use, modify, reproduce, release, perform, display, or disclose these data are restricted by Contract No. ____ (Insert contract number) ____, License No. ____ (Insert license identifier) ____ . Any reproduction of technical data or portions thereof marked with this legend must also reproduce the markings.

(End of legend)

(ii) For purposes of this clause, special licenses do not include government purpose license rights acquired under a prior contract (see paragraph (b)(5) of this clause).

(5) Pre-existing data markings. If the terms of a prior contract or license permitted the Contractor to restrict the Government's rights to use, modify, reproduce, release, perform, display, or disclose

technical data deliverable under this contract, and those restrictions are still applicable, the Contractor may mark such data with the appropriate restrictive legend for which the data qualified under the prior contract or license. The marking procedures in paragraph (f)(1) of this clause shall be followed.

(g) Contractor procedures and records. Throughout performance of this contract, the Contractor and its subcontractors or suppliers that will deliver technical data with other than unlimited rights, shall—

(1) Have, maintain, and follow written procedures sufficient to assure that restrictive markings are used only when authorized by the terms of this clause; and

(2) Maintain records sufficient to justify the validity of any restrictive markings on technical data delivered under this contract.

(h) Removal of unjustified and nonconforming markings.

(1) Unjustified technical data markings. The rights and obligations of the parties regarding the validation of restrictive markings on technical data furnished or to be furnished under this contract are contained in the Validation of Restrictive Markings on Technical Data clause of this contract. Notwithstanding any provision of this contract concerning inspection and acceptance, the Government may ignore or, at the Contractor's expense, correct or strike a marking if, in accordance with the procedures in the Validation of Restrictive Markings on Technical Data clause of this contract, a restrictive marking is determined to be unjustified.

(2) Nonconforming technical data markings. A nonconforming marking is a marking placed on technical data delivered or otherwise furnished to the Government under this contract that is not in the format authorized by this contract. Correction of nonconforming markings is not subject to the Validation of Restrictive Markings on Technical Data clause of this contract. If the Contracting Officer notifies the Contractor of a nonconforming marking and the Contractor fails to remove or correct such marking within sixty (60) days, the Government may ignore or, at the Contractor's expense, remove or correct any nonconforming marking.

(i) Relation to patents. Nothing contained in this clause shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent.

(j) Limitation on charges for rights in technical data.

(1) The Contractor shall not charge to this contract any cost, including, but not limited to, license fees, royalties, or similar charges, for rights in technical data to be delivered under this contract when—

(i) The Government has acquired, by any means, the same or greater rights in the data; or

(ii) The data are available to the public without restrictions.

(2) The limitation in paragraph (j)(1) of this clause—

(i) Includes costs charged by a subcontractor or supplier, at any tier, or costs incurred by the Contractor to acquire rights in subcontractor or supplier technical data, if the subcontractor or supplier has been paid for such rights under any other Government contract or under a license conveying the rights to the Government; and

(ii) Does not include the reasonable costs of reproducing, handling, or mailing the documents or other media in which the technical data will be delivered.

(k) Applicability to subcontractors or suppliers.

(1) The Contractor shall ensure that the rights afforded its subcontractors and suppliers under 10 U.S.C. 2320, 10 U.S.C. 2321, and the identification, assertion, and delivery processes of paragraph (e) of this clause are recognized and protected.

(2) Whenever any technical data for noncommercial items, or for commercial items developed in any part at Government expense, is to be obtained from a subcontractor or supplier for delivery to the Government under this contract, the Contractor shall use this same clause in the subcontract or other contractual instrument, including subcontracts or other contractual instruments for commercial items, and require its subcontractors or suppliers to do so, without alteration, except to identify the parties. This clause will govern the technical data pertaining to noncommercial items or to any portion of a commercial item that was developed in any part at Government expense, and the clause at 252.227-7015 will govern the technical data pertaining to any portion of a commercial item that was developed exclusively at private expense. No other clause shall be used to enlarge or diminish the Government's, the Contractor's, or a higher-tier subcontractor's or supplier's rights in a subcontractor's or supplier's technical data.

	<p>(3) Technical data required to be delivered by a subcontractor or supplier shall normally be delivered to the next higher-tier contractor, subcontractor, or supplier. However, when there is a requirement in the prime contract for data which may be submitted with other than unlimited rights by a subcontractor or supplier, then said subcontractor or supplier may fulfill its requirement by submitting such data directly to the Government, rather than through a higher-tier contractor, subcontractor, or supplier.</p> <p>(4) The Contractor and higher-tier subcontractors or suppliers shall not use their power to award contracts as economic leverage to obtain rights in technical data from their subcontractors or suppliers.</p> <p>(5) In no event shall the Contractor use its obligation to recognize and protect subcontractor or supplier rights in technical data as an excuse for failing to satisfy its contractual obligation to the Government.</p> <p>(End of clause)</p>	
252.227-7016	Rights in Bid or Proposal Information	(Jan 2011)
252.227-7025	Limitations on the Use or Disclosure of Government Furnished Information Marked with Restrictive Legends	(May 2013)
252.227-7037	Validation of Restrictive Markings on Technical Data	(Sep 2016)
252.244-7000	Subcontracts for Commercial Items and Commercial Components (DOD Contracts)	(Jun 2013)

252.247-7023	Transportation of Supplier by Sea—Basic	(Apr 2014)
AFMCI 23-102	<p>Item Identification Marking and Shelf Life Item Provisions - Requirements set forth below shall apply to any contract issued thereon and will take precedence over other inconsistent requirements herewith. All standards, bulletins, and publications referenced herein shall be of the issue in effect on the date of this document.</p> <p>1. PHYSICAL MARKING OF ITEMS: SPECIAL INSTRUCTIONS: Items shall be marked in accordance with: (See Individual Line Item)</p> <p>2. PACKAGE AND CONTAINER MARKING: Shipments will not be made until the NSN has been assigned, unless specifically authorized by the Contracting Officer.</p> <p>MIL-STD-129/ASTM-D-3951:</p> <p>a. Interior packages and shipping containers shall be marked in accordance with MIL-STD-129 when Military packing is specified and ASTM-D-3951 when commercial packaging is specified. The requirements of paragraph 2.h apply regardless of which packaging is utilized.</p> <p>(1) Design manufacturer's name, trademark or manufacturer's code (from Cataloging Handbook H4-1 or H4- 2), identifying number, and serial number, when applicable, shall be included in the identification marking.</p> <p>(2) When applicable, the Air Force project designator code shall be included as the last line of the address marking and the project name related to the project code shall be marked in the clear on the exterior shipping container.</p> <p>b. Tags and labels, when required, shall be contractor's tags or labels conforming to the requirements of MIL-STD-129 or as approved by the procuring activity. Contractor's forms which indicate serviceable condition shall not be any shade of green or red. Labels are authorized to be used on metal containers. Items requiring technical order (T.O.) certification shall be annotated on inner and outer container tags or label with T.O. compliance.</p> <p>c. When dummy containers are used in a unitized load, the dummy containers shall be clearly marked "DUMMY CONTAINER" and located in the load so that the marking will be plainly visible to receiving and storage personnel.</p> <p>d. All interior packages and shipping containers for articles and materials classified as hazardous or restricted under provisions of Title 49, Code of Federal Regulations, or AFR 71-4/DLAM 4145.3/TM 38-250/NAVSUP PUB 505/MCO P 4030.19 shall be marked, regardless of exemption for mode of transportation, with proper shipping name of item; flash point of all liquids having a flash point of 200 degrees F. or below; and percentage concentration of acids and corrosive liquids. In addition, the quantity of each hazardous or restricted material included in a container shall be annotated adjacent to the shipping name of the item, e.g., Acetic Acid (80% concentration) -- 1 qt.</p> <p>e. On shipments of firearms regardless of mode of transportation, selected elements of identification and contractor data markings shall be omitted or obliterated in accordance with the requirements of MIL-STD-129 regarding sensitive items and packing lists shall be placed only inside the containers.</p> <p>f. Special markings for packages and containers when specified on AFMC Form 158 shall be complied with as a part of MIL-STD-129.</p> <p>g. All special coated terneplate containers shall be marked with the legend "CAUTION--DO NOT REUSE AS FOOD CONTAINERS."</p> <p>h. Bar code markings in accordance with MIL-STD-129 shall apply to all units, intermediate and exterior containers for all items going into stock regardless of package size or levels of package specified (including commercial packaging). In addition to the NSN/NATO stock number, the exterior shipping container shall include the 13 digit contract number (plus, if applicable, the four digit call number). Excluded from Bar Code Marking are:</p> <p>(1) Foreign Military Sales.</p> <p>(2) Direct Vendor Delivery (DVD)/Government Furnished Equipment (GFE) shipments.</p> <p>(3) Multipack Exterior Shipping Containers. (Unit and intermediate containers do require a bar coded NSN/NATO stock number. However, the next container (unit or intermediate) inside the multipack will also require a bar coded NSN/NATO stock number and contract number with call number, if applicable, in the lower right hand corner).</p> <p>(4) All unpacked or uncrated items; e.g., vehicles, tires, etc.</p> <p>i. Shipments of wheeled items weighing 2,000 pounds or more and scheduled for transportation by military aircraft will be marked with the individual axle weights in accordance with MIL-STD-129.</p> <p>3. WARRANTED ITEMS: When the contract contains warranty requirements, warranty information shall be applied on containers and items as follows:</p> <p>a. Container markings shall be as specified in MIL-STD-129. The period or conditions of the warranty shall be specifically stated, i.e., landings, flight hours, operating hours, days from shipping date, etc.</p> <p>b. Items shall be marked in accordance with requirements of MIL-STD-130. Markings shall be located in a manner so as to be conspicuous to the person removing the item from service. When no deleterious effect or functional degradation is caused, the markings shall be black letters on yellow</p>	(Feb 1998)

	FED-STD-595 color 13655) background. The marking shall include the same period or condition required on the containers. 4. SHELF LIFE ITEMS a. MARKING (1) Shelf life items shall be marked in accordance with MIL-STD-129. (2) Mark items controlled in MIL-STD-1523, or in specifications furnished as a part of the contract or purchase order, with the cure or assembly dates specified therein. b. DELIVERY. Unless specified otherwise in the contract, shelf life items shall have a minimum of 90% of the "storage period" remaining at the time of delivery to the Government.	
Anti-Debarment	Any representations and certifications submitted resulting in award of this Subcontract are hereby incorporated either in full text or by reference, and any updated representations and certifications submitted thereafter are incorporated by reference and made a part of this Subcontract with the same force and effect as if they were incorporated by full text. By signing this Subcontract, the Subcontractor hereby certifies that as of the time of award of this Subcontract: (1) the Subcontractor, or its principals, is not debarred, suspended or proposed for debarment or declared ineligible for award by any Federal agency; (2) 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 its behalf in connection with awarding the contract or this Subcontract; and (3) no changes have occurred to any other representations and certifications made by the Subcontractor resulting in award of this subcontract. The Subcontractor agrees to promptly notify the AAR Subcontracts Administrator/Buyer of any changes occurring at any time during performance of this Subcontract to any representations and certifications submitted by the Subcontractor.	

39. CERTIFICATIONS AND REPRESENTATIONS

- a. By signing the Subcontract, Subcontractor hereby certifies that, as of the time of award, all Certifications and Representations previously submitted to AAR are still valid, in full force and effect and there have been no material changes in Subcontractor's eligibility to do business with the U.S. Government. These Certifications and Representations are hereby incorporated by reference and are material representations of fact. If it is later determined that Subcontractor knowingly rendered an erroneous Certification or Representation, in addition to other remedies available to AAR, AAR may terminate the Subcontract for default under the clause entitled Termination for Cause. Subcontractor shall submit updated Representations and Certifications from time-to-time as reasonable required and requested by AAR.
- b. Debarred/Suspended Disclosure and Payments to Influence Certification or Disclosure
By signing the Subcontract, the Subcontractor hereby certifies that as of the time of award of this Subcontract: (1) the Subcontractor, or its principals, is not debarred, suspended or proposed for debarment or declared ineligible for award by any Federal agency; and (2) 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 its behalf in connection with awarding the contract or this Subcontract;
If any registrants under the Lobbying Disclosure Act of 1995 have made a lobbying contact on behalf of the offeror with respect to this contract, the offeror shall complete and submit, with its offer, OMB Standard Form LLL, Disclosure of Lobbying Activities, to provide the name of the registrants. The offeror need not report regularly employed officers or employees of the offeror to whom payments of reasonable compensation were made.

40. SUPPLEMENTAL TERMS

In addition to these General Provisions set forth herein, certain special clauses or special provisions may be applicable to the Subcontract. These special clauses shall be included either by reference in the Subcontract or Repair order or by attachment to the Subcontract, or both.

41. PACKAGING

- a. MARKING OF SHIPMENTS - The contract and task order number shall be placed on or adjacent to all exterior mailing or shipping labels of deliverable items. If not otherwise specified, interior packages and exterior shipping containers shall be marked in accordance with the following standards. (1) Deliveries to civilian activities. Supplies shall be marked in accordance with Federal Standard 123. (2) Deliveries to military activities. Supplies shall be marked in accordance with Military Standard 129.
- b. PACKING OF SUPPLIES FOR DOMESTIC SHIPMENT -Supplies shall be packed for shipment in a manner that will ensure acceptance by common carriers and safe delivery at destination. Containers and closures shall comply with the Interstate Commerce Commission Regulations, Uniform Classification Rules, and regulations of other carriers as applicable to the mode of transportation.
- c. PACKING LIST(S) - A packing list or other suitable shipping document shall accompany each shipment and shall include the following information: (1) Name and address of consignor;(2) Name and address of consignee;(3) Government contract number and task order number;(4) Requisition number;(5) Government bill of lading number covering the shipment, if any; and (6) Description of the items shipped, including item number, quantity, number of containers, and package number, if any. This information will be included on the Repair order that will be provided to the Subcontractor.
- d. MARKING OF REPORTS - All reports become the property of the Department. Reports shall not contain any markings or legends which will restrict the Department's use of such reports in any way. All reports delivered by the Subcontractor to the Government under this contract shall prominently show on the cover of the report: (1) Name and Business address of the Subcontractor;(2) Contract number and task order number;(3) Date of report;(4) Program office (s); and (5) Deliverable number.
- e. DATA PACKAGING REQUIREMENTS - All unclassified data shall be prepared for shipment in accordance with best commercial practices.
- f. REQUIREMENTS FOR TREATMENT OF WOOD PACKAGING MATERIAL - (Applies when Wood Packaging Material is used to make shipments under this contract and/or when Wood Packaging Material is acquired under this contract) (a) Wood packaging material (WPM) means wood pallets, skids, load boards, pallet collars, wooden boxes, reels, dunnage, crates, frame and cleats. The definition excludes materials that have undergone a manufacturing process, such as corrugated fiberboard, plywood, particleboard, veneer, and oriented strand board (OSD).

(b) All WPM must meet requirements of International Standards for Phytosanitary Measures Publication No. 15: "Guidelines for Regulating Wood Packaging Material in International Trade" (ISPM 15). (1) All WPM shall comply with the official quality control program for heat treatment (HT) or kiln dried heat treatment (KD HT) in accordance with American Lumber Standard Committee, Incorporated (ALSC) wood packaging material program and WPM enforcement regulations (see <http://www.alsc.org/>). (2) All WPM shall include certification/quality markings in accordance with the ALSC standard. Markings shall be placed in an unobstructed area that will be readily visible to inspectors. Pallet markings shall be applied to the stringer or block on diagonally opposite sides of the pallet and be contrasting and clearly visible. All containers shall be marked on a side other than the top or bottom, contrasting and clearly visible. All dunnage used in configuring and/or securing the load shall also comply with ISPM 15 and be marked with an ALSC approved dunnage stamp. (c) Failure to comply with these requirements may result in refusal, destruction, or treatment of materials at the point of entry.

g. PACKAGING, PACKING, MARKING AND LABELING OF HAZARDOUS MATERIAL SHIPMENTS -(a) Packaging, packing, marking and labeling hazardous materials to be shipped by any mode or combination of transportation modes shall be prepared (properly classed, described, packages, marked, labeled, placarded, etc.) for shipment in accordance with all applicable laws and regulations in effect at the time of shipment. The minimum packaging acceptable for packaging Department of Transportation regulated hazardous materials shall be those in 49 CFR 173.

(b) Applicable regulations include, but are not necessarily limited to the following:

- 1) Federal Hazardous Materials Act, as amended (15 U.S.C. 1261-1276)
- 2) 49 CFR 100-199.
- 3) Official Air Transport Restricted Articles Tariff Number 6-D C.A.B.82.
- 4) Official Air Transport Restricted Articles Circular Number 6-D.
- 5) International Air Transport Association Restricted Articles Regulations.
- 6) International Maritime Dangerous Goods Code.
- 7) Export shipments are also subject to the domestic regulations indicated for the port of embarkation.

42. SUPPLIER CODE OF CONDUCT

AAR's Supplier Code of Conduct Policy can be found on our website at: <http://www.aarcorp.com/terms-and-conditions/supplier-code-of-conduct>

43. CLAIMS

Except as may be expressly set forth in this Subcontract and with the Government Contracting Officer's express consent, the Subcontractor shall not acquire any direct claim or direct course of action against the U.S. Government.

44. FLOW DOWN CLAUSES

Subcontractor shall include in each lower-tier subcontract the appropriate flow down clauses as required by FAR, DFARS and other federal acquisition regulation supplements.

45. DATA RIGHTS

Nothing in these terms and conditions shall be construed or interpreted to limit or in any way restrict the rights of the Government in regard to data, tooling and other information it owns or has a right to use, including the right to authorized the supplier's use of such data, tooling or other information in direct contracts between the supplier and the Government.