



AAR CORP
GENERAL PROVISIONS – 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 Purchase 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 Purchase Order is issued (unless the context otherwise requires).
- c. "This Purchase 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 Purchase 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 Purchase Order.
- h. "Subcontract" means Purchase 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 Supplement.
- k. 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

This Purchase Order constitutes the entire agreement between the parties with respect to its subject matter and to all transactions related thereto and supersedes all proposals, oral or written, or negotiations, and all other communications, prior or contemporaneous thereto, between the parties with respect to such subject matter or such transactions including, without limitation, any prior or contemporaneous course of dealing, usage or trade or course of performance. The parties acknowledge and agree that entering into this transaction they have not relied upon any representations other than those explicitly set forth in this Purchase Order and each party acknowledges and agrees that the representatives or agents of the other party cannot make any warranties or representations not specifically included within the written provisions of this Purchase Order. Any term or condition which is, or may be, asserted as material by any party and which is not expressly stated in this Purchase Order, shall not be within this Purchase Order or binding on the parties hereto. Each party waives all defenses with regard to any such term and condition and no amendment to this Purchase Order shall be valid and binding unless in writing and signed by each party hereto.

3. ORDER OF PRECEDENCE

To the extent of Conflicts, if any, among the provisions of the printed terms and conditions herein and the typed provisions of this Purchase Order, or any other special required provisions attached hereto, or any specifications attached hereto, such conflicting provisions shall prevail in the following order of precedence:

- a. Typed Provisions of this Purchase Order
- b. Special Provisions
- c. These General Provisions
- d. Other Provisions of the Purchase Order when attached or incorporated by reference
- e. Specifications

4. ACCEPTANCE – MODIFICATION OF TERMS

The Purchase Order may be accepted only by Seller's agreement to all of the terms and conditions which are incorporated or added as supplements or attachments thereto. Acceptance may be made by signing the acknowledgment copy attached hereto and returning it to AAR or by part performance hereunder, and any such acceptance shall constitute an unqualified agreement to the terms and conditions set forth herein unless otherwise modified in writing by the parties. No charges beyond the Contract price herein specified shall be allowed except with the written consent of AAR. No additional or differing terms and conditions proposed by the Seller in accepting this Purchase Order shall be binding upon AAR unless accepted in writing by AAR, and no other addition, alteration, or modification to, and no waiver of any of the provisions herein contained shall be valid unless made in writing and executed by AAR and Seller.

5. CHANGES

- a. AAR may, at any time, by written notice or Order:
 - 1) Make changes in the shipping and packing instructions;

- 2) Increase or decrease the quantity of work or services ordered;
 - 3) Change the drawings, designs, statement of work or specifications;
 - 4) Change the place of inspection, delivery, or acceptance;
 - 5) Change the amount of Government or AAR furnished property;
 - 6) Change work or service schedules.
- b. If any change causes a variation in the cost of performance or the time required for performance, an equitable adjustment shall be made in this Purchase Order price and/or delivery schedule and this Purchase Order shall be modified in writing accordingly. Any claim for adjustment under this clause must be asserted in writing within twenty-one (21) days from the date the change is ordered. However, if AAR decides the facts justify such action, it may receive and act upon any such claim asserted at any time prior to final payment under this Purchase Order. Pending such adjustment, Seller shall proceed in accordance with such change notice or Order. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this Contract entitled "Disputes."
 - c. AAR engineering and technical personnel may assist or give technical advice in an exchange of information with Seller's personnel concerning the articles to be furnished under this Purchase Order. Such exchange of information or advice shall not authorize the Seller to change any of the terms, conditions, or the provisions of this Purchase Order, nor shall such assistance or technical advice operate as a waiver or relinquishment of any rights reserved to AAR hereunder or at law. Except as otherwise provided in this Purchase Order, no changes shall be made unless such change is authorized in writing by AAR.

6. SUBCONTRACTS AND PURCHASE ORDERS

Seller shall not Subcontract without the prior written authorization of AAR for the work or services ordered hereunder, and the Seller shall require a like agreement from immediate and lower-tier suppliers. This is not a restriction on use of authorized distributors or industrial suppliers for components. AAR must approve in advance any Subcontractors who will be providing some or all of the services if the Purchase Order is primarily for the provision of services. AAR' authorization to Subcontract 1) shall not constitute a determination of the acceptability of any Subcontract terms or conditions or the acceptability of any Subcontract price or any amounts paid under the Subcontract, and 2) shall not relieve Seller of any responsibility arising under the Purchase Order, regardless of whether certain work is performed directly by Seller or by a Subcontractor.

7. INSPECTION OF SERVICES – FIXED PRICE

- a. Definitions
"Services," as used in this clause, includes services performed, workmanship, and material furnished or utilized in the performance of services hereunder.
- b. The Contractor shall provide and maintain an inspection system acceptable to AAR covering the services under this Contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to AAR during Contract performance and for as long afterwards as the Contract requires.
- c. AAR has the right to inspect and test all services called for by the Contract, to the extent practicable at all times and places during the term of the Contract. AAR shall perform inspections and tests in a manner that will not unduly delay the work.
- d. If AAR performs inspections or tests on the premises of the Contractor or a subcontractor, the Contractor shall furnish, and shall require subcontractors to furnish, without additional charge, all reasonable facilities and assistance for the safe and convenient performance of these duties.
- e. If any of the services do not conform with Contract requirements, AAR may require the Contractor to perform the services again in conformity with Contract requirements, at no increase in Contract amount. When the defects in services cannot be corrected by reperformance, AAR may (1) require the Contractor to take necessary action to ensure that future performance conforms to Contract requirements and (2) reduce the Contract price to reflect the reduced value of the services performed.
- f. If the Contractor fails to promptly perform the services again or to take the necessary action to ensure future performance in conformity with Contract requirements, AAR may (1) by Contract or otherwise, perform the services and charge to the Contractor any cost incurred by AAR that is directly related to the performance of such service or (2) terminate the Contract for default. The foregoing remedies shall in no way preclude or prejudice the exercise of any other right or remedy that AAR may have at law or in equity

8. 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.

9. 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.

10. 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.

11. 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 Purchase 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 the Changes clause.

- 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.

12. QUALITY SPECIFICATION

Subcontractor shall comply with Quality clauses or provisions specified in the Subcontract or Purchase Order.

13. INTELLECTUAL 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.
- d. 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.

14. WARRANTY OF SERVICES

a. Definitions

"Acceptance," as used in this clause, means the act of an authorized representative of AAR by which AAR assumes for itself, or as an agent of another, ownership of existing and identified supplies, or approves specific services, as partial or complete performance of the Contract.

"Correction," as used in this clause, means the elimination of a defect.

- b. Notwithstanding inspection and acceptance by AAR or any provision concerning the conclusiveness thereof, the Contractor warrants that all services performed under this Contract will, at the time of acceptance, be free from defects in workmanship and conform to the requirements of this Contract. AAR shall give written notice of any defect or nonconformance to the Contractor within thirty (30) days from the date of acceptance by AAR. This notice shall state either (1) that the Contractor shall correct or reperform any defective or nonconforming services, or (2) that AAR does not require correction or reperformance.
- c. If the Contractor is required to correct or reperform, it shall be at no cost to AAR, and any services corrected or reperformed by the Contractor shall be subject to this clause to the same extent as work initially performed. If the Contractor fails or refuses to correct or reperform, AAR may, by Contract or otherwise, correct or replace with similar services and charge to the Contractor the cost occasioned to AAR thereby, or make an equitable adjustment in the Contract price.
- d. If AAR does not require correction or reperformance, AAR shall make an equitable adjustment in the Contract price.

15. DEFAULT

- a. Time is of the essence in this Purchase Order.
- b. AAR may, by written notices of default to the Seller, terminate this Purchase Order or any part thereof if the Seller fails to perform any of the other provisions of this Purchase Order or to make progress so as to endanger performance of this Purchase Order in accordance with its terms and does not correct such failure within a period of ten (10) days (or such longer period as AAR may authorize in writing) after receipt of notice from AAR specifying such failure.
- c. If, after notice of default under the provisions of b. above, it is determined that Seller was not in default, said notice shall be deemed to have been issued pursuant to the clause hereof entitled "Termination," and the rights and obligations of the parties hereto shall be governed by that clause.
- d. Failure of AAR to enforce any right under this clause shall not be deemed a waiver of any right hereunder. The rights and remedies of AAR under this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Purchase Order.
- e. If the damages and cost of completing the work exceeds the unpaid balance of the Purchase Order price herein stated, Seller shall pay AAR such excess within a thirty (30) day period after submission to Seller of invoice.
- f. Should Seller default in any of the provisions of this Subcontract and should AAR employ an attorney to enforce any provision hereof or to collect damages for breach of the Purchase Order, Seller agrees to pay AAR such reasonable fees as the attorney expends. As against the obligations herein contained, Seller waives all rights of exemption.

16. TERMINATION

The clause set forth in FAR 52.249-4 is incorporated and made a part hereof, except that in Paragraph (e) the reference to a "year" period for submission of a final termination proposal is changed to "six months," and where used therein, the term "Contractor" shall mean "Seller," the term "Contract" shall mean "Purchase Order," and the term "Government/Contracting Officer" shall mean "AAR." The reference to "Disputes clause" in Paragraph (j) of FAR 52.249-4 shall mean the Disputes clause in this Purchase Order.

17. STOP WORK ORDERS

- a. AAR may at any time, by written order to the Seller, require the Seller to stop all, or part, of the work called for by this Purchase Order for a period of up to ninety (90) days after the Stop Order is delivered to the Seller, and for any further period to which the parties may agree. Any such Order shall be specifically identified as a Stop Work Order issued pursuant to this article. Upon receipt of such an order, the Seller shall forthwith comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the Order during the period of work stoppage. Within a period of ninety (90) days after a Stop Work Order is delivered to the Seller, or within any extension of that period to which the parties shall have agreed, AAR shall either:
 - 1) Cancel the Stop Work Order, or
 - 2) Terminate the work covered by such Order as provided in the Termination article of this Purchase Order.

18. DISPUTE RESOLUTION

- a. Any dispute concerning issues arising under this Purchase Order, which is not resolved by agreement of the parties to the Purchase Order, may be settled by appropriate legal action at law or in equity or by such other procedure as may be agreed to by the parties. As an alternative to the foregoing, the parties may settle disputes in accordance with b. below.
- b. Notwithstanding any provision herein to the contrary, if a dispute under this Purchase Order involves issues which can be included in a claim by AAR pursuant to the "Disputes" provisions of its higher-tier Contract:
 - 1) AAR may include such issues in a claim against the Government or higher-tier Contractor pursuant to the disputes procedure of the AAR higher-tier Contract and AAR may invite the Seller to participate in the prosecution and share in the expense of such dispute; or
 - 2) The Seller may at its own expense and subject to AAR approval and in the name of AAR, submit such issues to the higher-tier Contracts procedure. Seller shall provide a certification in accordance with FAR 52.233-1 and a copy of the claim package prior to AAR approval.
 - 3) If, in accordance with 1) or 2) above, the Seller prosecutes or participates in the prosecution of such higher-tier Contract dispute, the Seller shall not resort to other means for settling the related issues involved under the Purchase Order; and the Seller shall abide by the final decision of such higher-tier disputes procedure, provided AAR, if it chooses not to exhaust its right of appeal under such procedure, gives the Seller the opportunity to take any available appeal.

- c. Pending any prosecution, appeal, or final decision referred to in this Article, or the settlement of any dispute arising under this agreement, the Seller shall proceed diligently, as directed by AAR, with performance of the Purchase Order.
- d. If a dispute arises out of or relates to this Purchase Order, and cannot be resolved through good faith negotiations by the parties, the parties agree to submit the dispute to a sole mediator selected by the parties or, if the parties are unable to agree to the sole mediator, the parties agree to submit the dispute to mediation under the Rules of the Supreme Court of the State of Florida or the Commercial Mediation rules of the American Arbitration Association ("AAA"). If not thus resolved and if both parties agree to binding arbitration, the dispute will be referred to arbitration.
- e. Arbitration – All disputes arising out of or in connection with this Purchase Order including its existence, validity or termination shall be administered by the American Arbitration Association (AAA) in accordance with its Commercial Arbitration Rules (including the Emergency Interim Relief Procedures) which rules are deemed to be incorporated herein by reference. There shall be a panel of three arbitrators who shall be appointed by agreement between the parties or failing such agreement in accordance with AAA rules. The parties will be entitled to conduct discovery pursuant to the Federal Rules of Civil Procedure and Evidence. The chairperson of the arbitration panel shall, among other things: (a) have authority to resolve discovery disputes and issue appropriate subpoenas and orders to facilitate discovery; (b) rule on dispositive motions; and (c) conduct the arbitration according to the Federal Rules of Evidence. The arbitration panel shall have authority to award injunctive and other emergency relief, which shall be enforceable by either the panel or any court with jurisdiction over the enjoined party or its assets. Either party may also, without waiving any remedy under this Agreement, seek from any court having jurisdiction over the parties or its assets any interim or provisional relief that is necessary to protect the rights or property of that party, pending the establishment of the arbitral panel (or pending the arbitral panel's determination of the merits of the controversy). The arbitration panel shall not have authority to award punitive, special or consequential damages.
- f. Each party shall bear its own expenses incurred in any mediation or arbitration, but any expenses related to the compensation and the costs of any mediator or arbitrator shall be borne equally by the parties.

19. USE OF INFORMATION

- a. Seller agrees to secure and keep confidential and not to disclose to any other person information related to this Purchase Order. Seller further agrees to use any such information only for purposes necessary for performing this Purchase Order, except with the prior written consent of AAR.
- b. Seller may disclose such information to its Subcontractors as required for performance of this Purchase Order, provided that each such Subcontractor first assumes by written agreement the same confidentiality and non-disclosure obligations imposed on Seller under the Purchase Order related to such information.
- c. AAR does not grant the Seller any reproduction rights to supplies provided under this Purchase Order, or any rights to use designs, drawings, or other information belonging to or supplied by AAR in the manufacture or design of articles or materials for anyone other than AAR, except with AAR' prior written consent.

20. 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 Default, 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, Default Cause, in addition to any other rights or remedies provided by law, in equity, or the Subcontract.

21. 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.

22. TAXES

The price set forth in this purchase order is hereby understood and agreed to include all applicable Federal, state, and local taxes, including any sales and use taxes. No liability shall accrue to AAR for any such taxes.

23. 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.

24. 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.

25. ASSIGNMENT AND SETOFF

Seller shall not assign this Purchase Order or any rights, claims, or obligations under this Order without prior written consent of AAR, and any such attempted assignment shall be void. All claims for monies due or to become due from AAR shall be subject to deduction by AAR for any setoff or claims which AAR may have against Seller arising out of this or any other of the AAR Purchase Orders with Seller, whether such setoff or counterclaim arose before or after any such assignment by Seller. In no event shall copies of this Purchase Order, specifications or other similar documents relating to work under this Purchase Order if marked "Top Secret," "Secret," or "Confidential" be furnished to any assignee of any claim arising under this Purchase Order without the prior written consent of the Contracting Officer.

26. 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.

27. 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 the Termination clause, or suspend the Subcontract for an additional period under Stop Work Order.

28. REMEDIES AND NONWAIVER

No waiver or discharge hereof shall be valid unless in writing and signed by an authorized representative of the party against which such waiver or discharge is sought to be enforced. A waiver of any provision of the Purchase Order shall not be construed to be a waiver of any succeeding breach of that provision or of any other provision.

29. FOREIGN TRANSACTIONS

The Seller shall comply with all laws and regulations of the United States related to exports, imports, and foreign transactions, including, but 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). Seller 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, respectively), to any Foreign Person (as defined in 22 C.F.R. § 120.16). Seller 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 this Purchase Order.

30. EXPORT CONTROL COMPLIANCE

The Seller agrees to comply with all U.S. Government regulations, as found in 22 CFR 120-130, International Traffic in Arms Regulations (ITAR), and 15 CFR 730-774, Export Administration Regulations (EAR). Whenever granting access to equipment or technology to a foreign vendor/Subcontractor, or before assigning any Foreign Person (as defined in 22 CFR 120.16) to perform work under this Contract, the Seller also agrees to notify AAR in writing prior to assigning or granting access to a Foreign Person to any work, equipment, or technical data in performance of this Contract. Failure to comply may be deemed a material failure to perform under this Subcontract or Purchase Order and shall subject Seller to termination in accordance with the Default clause.

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 AND VENUE

- a. This Purchase Order, irrespective of the place of performance, shall be governed by the laws of the State of Florida, excluding its choice of law rules, except that any provision of this Purchase Order that incorporates in text or by reference a provision of the FAR or DFARS shall be construed and interpreted according to the federal common law of government contracts, as interpreted by federal judicial bodies, boards of contract appeals, and other quasi-judicial agencies of the federal government. Unless otherwise agreed to in writing by the parties, venue and jurisdiction for all legal proceedings of any kind or nature regarding this Purchase Order shall lie within the 18th Judicial Circuit of the State of Florida or the U.S. District Court for the Middle District of Florida (Orlando Division).
- b. **The parties further agree, to the extent permitted by law, to waive all rights to a trial by jury of any action relating to any dispute or interpretation of this Purchase Order. The parties specifically acknowledge that this waiver is made knowingly and voluntarily after an adequate opportunity to negotiate its terms.**

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. CERTIFICATION

Refer to AAR's Exhibit 107, "Certification, Traceability, Shipping and Packaging Requirements for AAR Suppliers/Vendors" for additional details.

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 Purchase 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. All manufacturers' certificates of conformance, airworthiness releases, logs, and other documents shall be signed originals or certified true copies. For all documents not in English, Subcontractors shall provide, at Subcontractor's expense, a certified English translation. Condition of part must be notated on packing slip and invoice (i.e. New, New Surplus, OH, Repaired, etc.). A Certificate of Conformity from manufacturer must accompany new parts or new surplus parts. Repaired, overhauled parts must include an 8130-3 or equivalent Certificate of Airworthiness and must be dual release, if applicable. 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:

- a. Subjected to conditions of extreme stress, corrosive agents, heat, environment or operation outside normal parameters or OEM limits; and
- b. 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.

Note that all parts shipped must have a remaining shelf life of 75% or greater. Also, all part numbers shipped must match the part number on the purchase order, packing slip and invoice. Purchase order number must also be referenced on the air waybill.

36. HOLD HARMLESS

Buyer and Seller agree to indemnify and hold harmless the other, its agents, and employees from and against all damages, claims, losses, expenses, and liabilities arising out of or in connection with presence on the other's premises pursuant to this Purchase Order; provided, however, that such damage and liability shall not have been caused by the negligence of the agents, servants, or employees of the indemnified parties. Buyer and Seller shall carry adequate insurance to cover such risks.

37. KEY PERSONNEL

Seller's personnel listed or identified as Key Personnel in this Purchase Order may not be removed from the work contemplated herein, and their contribution may not be reduced from the amount contemplated herein without the consent of AAR. Substitutes for Key Personnel must be acceptable to AAR, and the Seller must receive AAR prior written approval before making the substitution.

38. TERMINATION OF INDIVIDUALS

Upon determination by AAR at any time that the performance of the Seller, or any of its employees performing the work hereunder, does not meet AAR required standards, and upon notification to the Seller of such determination, such personnel shall be directed by Seller to quit said work immediately, and thereafter shall be denied access to said work by AAR.

39. STANDARDS OF CONDUCT

AAR conducts its business in strict compliance with applicable laws, rules and regulations with honesty and integrity and with a strong commitment to the highest standards of business ethics. Seller agrees that it will at all times adhere to AAR' published policies as they pertain to standards of conduct of AAR' employees, as well as any other customary standards of business conduct including conduct prescribed by law or regulation. Seller shall be particularly careful to comply with all rules, laws and regulations pertaining to the entertainment of or providing of gratuities to U.S. Government officials as well as those pertaining to obtaining U.S. Government procurement sensitive information.

40. NOTICE TO AAR OF LABOR DISPUTES

Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Purchase Order, Seller shall immediately give notice thereof, including all relevant information with respect thereto, to AAR. Seller shall include this paragraph in each lower-tier Subcontract under this Purchase Order.

41. TITLE TO WORK PRODUCT

For data identified as a deliverable under this Agreement, the Seller grants to AAR, and all others acting on its behalf, a paid-up, non-exclusive, irrevocable worldwide license, to reproduce, prepare derivative works, and distribute copies to the public, and perform publicly and display publicly, by or on behalf of AAR for AAR' use in performance of AAR' obligations under a Prime Contract. For computer software identified as a deliverable under this Agreement, the Seller grants to AAR and others acting on its behalf, a paid-up, non-exclusive, irrevocable worldwide license, to reproduce and to prepare derivative works, by or on behalf of AAR for AAR' use or in performance of AAR' obligations under the Prime Contract.

42. CONTRACTOR NOTICE REGARDING LATE DELIVERY

- a. Time is of the essence in this Purchase Order.
- b. In the event the Seller encounters difficulty in meeting performance requirements, or when he anticipates difficulty in complying with the delivery schedule or date, he shall immediately notify AAR, in writing, giving pertinent details; provided, however, that this data shall be informational only in character and that this provision shall not be construed as a waiver by AAR of any delivery schedule or date or of any rights or remedies provided by law or under this Contract.

43. FACILITIES, SPECIAL TOOLING, AND TEST EQUIPMENT

- a. Unless specifically provided to the contrary in this Purchase Order, Seller warrants that the estimated cost set forth herein does not include as a direct charge to this Purchase Order the cost of any special tooling, test equipment, or industrial facilities. Any such special tooling, test equipment, or facilities to be charged to AAR shall be covered by a separate Purchase Order.
- b. The Seller represents that it now has or can readily procure without the assistance of AAR or the Government all facilities necessary for the performance of this Purchase Order.

44. INDEMNITY FOR ANTI-KICKBACK VIOLATIONS

The Subcontractor shall indemnify AAR from any liability which may arise under FAR 52.203-7 which results from or by reason of any activity prohibited by the Anti-Kickback Act of 1986. In the event that the AAR Contract price is reduced as a result of such violation by the Subcontractor, or any subtier Subcontractor, AAR shall in turn reduce Seller's Purchase Order price by a corresponding amount (less Buyer's fee). AAR will submit written notification thereof to the Seller of any required withholding by the Contracting Officer.

45. INDEMNIFICATION FOR VIOLATION OF LABOR LAWS AND REGULATIONS

Seller acknowledges that as an independent contractor, it is furnishing services to AAR which may be subject to certain local, state, and federal labor laws and regulations. Seller therefore agrees to indemnify and hold harmless AAR, its affiliates, subsidiaries, agents, directors, officers and employees, against all claims, damages, losses, causes of action, liabilities, penalties and expenses of any kind or nature, including reasonable attorney's fees, which arise out of or relate to Seller's failure to comply with all applicable local, state, and federal labor, employment, workman's compensation and wage and hour laws and regulations in the performance of Seller's obligations under this contract.

46. DISCLOSURE OF INFORMATION

- a. The Contractor shall not release to anyone outside the Contractor's organization any unclassified information, regardless of medium (e.g., film, tape, document), pertaining to any part of this Contract or any program related to this Contract, unless:
 - 1) AAR has given prior written approval; or
 - 2) The information is otherwise in the public domain before the date of release.
- b. Requests for approval shall identify the specific information to be released, the medium to be used, and the purpose for the release. The Contractor shall submit its request to AAR at least 60 days before the proposed date for release.
- c. The Contractor agrees to include a similar requirement in each Subcontract under this Contract. Subcontractors shall submit requests for authorization to release through the Contractor to AAR.

47. COMPLIANCE WITH SPECIFICATIONS

Upon acceptance of this Purchase Order, Seller agrees to supply AAR all materials, products, or services, in the quantities listed, in conformance with all Purchase Order requirements, including applicable Government, AAR Statement of Work, or other specifications or drawings, to the extent specified. The required test and/or inspection reports/data resulting from Seller's compliance with applicable Purchase Order requirements shall be kept on file at the Seller's facility and made available for review by AAR representatives or Government Inspectors at any reasonable time.

48. INFLUENCING FEDERAL TRANSACTIONS

The Seller, by signing its offer or by accepting this order, certifies to the best of his or her knowledge and belief that it is in compliance with FAR 52.203-11 and FAR 52.203-12. The Seller shall submit all applicable disclosure statements required by FAR 52.203-11 and FAR 52.203-12, and those submitted by subtier Subcontractors, to the cognizant Buyer/Administrator of this Purchase Order.

49. ADDITIONAL PROVISIONS

a. The following FAR or DFARS clauses in the Prime Contract on the effective date of this order are incorporated herein by reference with the same force and effect as if they are given in full text. If you do not have access to a copy of FAR or DFARS, contact the AAR Buyer for additional information.

- 1) 52.203-5 Covenant Against Contingent Fees
- 2) 52.203-7 Antikickback Procedures (Less Par. (c)(1))
- 3) 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity
- 4) 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
- 5) 52.203-12 Limitations on Payments to Influence Certain Federal Transactions
- 6) 252.203-7001 Prohibition of Persons Convicted of Fraud or Other Defense—Contract Related Felonies
- 7) 52.211-15 Defense Priorities, Allocations, and Allotments Requirements
- 8) 52.215-2 Audit and Records—Negotiation
- 9) 52.215-10 Price Reduction for Defective Cost or Pricing Data
- 10) 52.215-11 Price Reduction for Defective Cost or Pricing Data—Modifications
- 11) 52.215-12 Subcontractor Cost or Pricing Data
- 12) 52.215-13 Subcontractor Cost or Pricing Data—Modifications
- 13) 52.219-8 Utilization of Small Business Concerns
- 14) 52.222-4 Contract Work Hours and Safety Standards Act—Overtime Compensation
- 15) 52.222-21 Prohibition of Segregated Facilities
- 16) 52.222-26 Equal Opportunity
- 17) 52.222-35 Equal Opportunity for Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans
- 18) 52.222-36 Affirmative Action for Workers With Disabilities
- 19) 52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans
- 20) 52.222-41 Service Contract Act of 1965, as amended
- 21) 52.223-2 Clean Air and Water
- 22) 52.223-3 Hazardous Material Identification and Material Safety Data (and ALT 1 if other than DOD)
- 23) 52.223-11 Ozone Depleting Substances
- 24) 52.223-14 Toxic Chemical Release Reporting (Less Par. (e))
- 25) 252.223-7001 Hazard Warning Labels
- 26) 52.225-13 Restrictions on Certain Foreign Purchases
- 27) 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement
- 28) 52.227-3 Patent Indemnity
- 29) 52.227-14 Rights in Data—General
- 30) 52.227-16 Additional Data Requirements
- 31) 52.227-18 Rights in Data—Existing Works
- 32) 252.227-7013 Rights in Technical Data—Noncommercial Items
- 33) 52.228-5 Insurance—Work on a Government Installation
- 34) 52.237-2 Protection of Government Buildings, Equipment, and Vegetation
- 35) 52.244-6 Subcontracts for Commercial Items

50. QUALITY SPECIFICATION

The Seller's Quality system shall be compliant to the requirements of ISO 9001 unless otherwise specified in this Purchase Order. MRB delegation to the Seller is not authorized unless specifically stated in the Purchase Order. Calibration System for measuring, test and Process Control Equipment shall comply with ANSI/NCSLZ540-1 or ISO 10012-1.

51. DEBARRED/SUSPENDED CERTIFICATION

a. The Seller hereby certifies by acknowledgement or acceptance of this order to the best of its knowledge and belief, that:

- 1) The Seller and/or any of its Principals—
 - a) Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;
 - b) Have not within a three-year period preceding this award, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; and

- c) Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in this provision.
- 2) The Seller has not, within a three-year period preceding this award, had one or more contracts terminated for default by any Federal agency.

"Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions). THIS CERTIFICATION CONCERNS A MATTER WITHIN THE JURISDICTION OF AN AGENCY OF THE UNITED STATES AND THE MAKING OF A FALSE, FICTITIOUS, OR FRAUDULENT CERTIFICATION MAY RENDER THE MAKER SUBJECT TO PROSECUTION UNDER SECTION 1001, TITLE 18, UNITED STATES CODE.

- b. This certification is a material representation of fact. If it is later determined that the Supplier knowingly rendered an erroneous certification, in addition to other remedies available to AAR, AAR may terminate the contract for default.

52. INDEMNITY FOR INFRINGEMENT

The Seller shall, at its expense, hold harmless and defend AAR, its customers, and all persons claiming under AAR, against any claim, demand, action or suit alleging or arising from the infringement of any patent, copyright, or trademark or any misappropriation of trade secrets, and shall indemnify the aforesaid parties against all damages, costs, and expenses, including all legal expenses, arising therefrom by reason of the manufacture, sale or the normal and intended use of the articles and services covered by this Purchase Order. Seller shall be given adequate notice of such claims and will assume full and exclusive control in the defense thereof. AAR will provide reasonable cooperation to Seller by supplying relevant documents and making AAR employees available for consultation and testimony. Seller will compensate AAR for such cooperation.

53. COMMUNICATIONS WITH AAR CUSTOMERS

All communications (preliminary, unofficial, or official) with the Government Customer shall be submitted via AAR. All meetings with the Government Customer shall be arranged by AAR. Failure to abide by this clause will be considered a material breach of this contract and AAR will seek remedies under the law for this breach.

54. CONTRACTOR CODE OF ETHICS AND CONDUCT

If the subcontract value is more than \$5 million dollars and has a performance period exceeding 120 days FAR Clause 52.203-13 is applicable which will require the subcontractor and other parties to disclose violations of this code and the code of ethics and conduct.

55. SUPPLEMENTAL TERMS

In addition to the General Provisions set forth above, certain special clauses may be applicable to this Purchase Order. These special clauses shall be included either by reference or by attachment to the General Provisions, or both, and will include any applicable patent and/or additional data rights clauses.

56. 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.

57. 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.

58. 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.