

I. Special U.S. Government Flow Down Requirements for MY IX.

H-1 RESTRICTIONS ON THE USE OF MANDATORY ARBITRATION AGREEMENTS

DFARS 252.222-7006, Restrictions on the Use of Mandatory Arbitration Agreements (DEC 2010), is hereby incorporated by reference.

H-19 DISCLOSURE OF CONTROLLED UNCLASSIFIED INFORMATION (CUI)

Pursuant to DFARS 252.204-7000, Disclosure of Information, this provision constitutes the prior written approval of Buyer's U.S. Government Contracting Officer to release CUI: (1) directly related to the performance of this subcontract to lower-tier subcontractors requiring such information, and (2) to Government auditors or other Government personnel acting in their official capacity. The Supplier shall not release any unclassified information to foreign governments or international organizations, regardless of medium (e.g., film, tape, and document), pertaining to any part of this subcontract or any program related to this subcontract to anyone outside the Contractor's organization, unless:

- a) Approval for release through the ITAR process IAW 22CFR125.2 is obtained; or
- b) The written approval of Buyer's U.S. Government customer is obtained; or
- c) The information is otherwise in the public domain before the date of release.

The Supplier shall include a similar requirement in each subcontract under this Agreement. Supplier and its subcontractors shall submit requests for authorization to release through Buyer to the Contracting Officer.

H-36 COMMINGLED PARTS

The Prime Contractor's U.S. Government customer has prohibited the commingling of domestic and non-domestic ball and roller bearings under Buyer's prime contract and this Subcontract. Supplier agrees that any ball or roller bearings provided under this subcontract will be domestic pursuant to DFARS 252.225-7016, and that Supplier shall not commingle domestic and non-domestic ball or roller bearings to be delivered under this subcontract with any non-domestic ball or roller bearings.

H-48 DFARS 252.211-7003, ITEM UNIQUE IDENTIFICATION AND VALUATION (DEC 2013)

DFARS 252.211-7003, Item Unique Identification and Valuation, is hereby incorporated by reference.

H-51 DFARS 252.204-7012, SAFEGUARDING COVERED DEFENSE INFORMATION (AUG 2015)

DFARS 252.204-7012, Safeguarding Covered Defense Information, is hereby incorporated by reference.

II. Special Flow Down Requirements for MY IX.

1. General

1.1 If an Order is placed at any tier under a Prime Contract awarded by the U.S. Government, additional U.S. Government provisions (“U.S. Government Contract Clauses”) shall apply. In the event of a conflict between a provision in this document and Buyer’s Standard Terms and Conditions of Purchase, this document shall control to the extent permitted by law. Terms not defined herein shall have the meaning ascribed to them in Buyer’s Standard Terms and Conditions of Purchase.

1.2 While Buyer has made every effort to include every potentially applicable U.S. Government Contract Clause in this document, U.S. Government Contract Clauses, the inclusion of which in a subcontract is mandatory under a statute or regulation, shall be considered to be included by operation of law, even if it has been omitted from the Order.

1.3 Supplier shall incorporate the applicable U.S. Government Contract Clauses in each lower-tier subcontract placed in support of this Order.

1.4 Supplier shall indemnify and hold Buyer harmless from and against any cost, price reduction, withholding, offset, penalty, interest, claim, demand, determination of unallowability or unallocability, or any other civil, criminal, or administrative liability, whether arising under statute, regulation, contract or common law, and shall reimburse Buyer for all of its damages and associated costs, including reasonable attorney fees and other expenses, if said liability is attributable to the Supplier or Supplier’s subcontractors’ failure to comply with the applicable U.S. Government Contract Clauses.

1.5 Notwithstanding any other provisions in this document, Supplier shall comply with, and shall support Buyer’s compliance with, any applicable U.S. Government procurement regulations and policies, including (but not limited to) those concerning furnishing and certifying the currency, accuracy, and completeness of cost and pricing data for the Goods/Services. To the extent the prices under the Agreement and/or Order for the Goods/Services are at any time not supported by Supplier’s cost or pricing data, Supplier agrees to negotiate fair and reasonable prices for the Goods/Services and to incorporate such prices in the Agreement and/or Order. In no event shall any renegotiated unit price for any of the Goods/Services exceed the unit price incorporated herein for such Goods/Services.

2. Warranty

2.1 Supplier warrants to Buyer and Buyer's successors, assigns, Buyer's Customers, and users of Goods sold by Buyer for a period of thirty-six (36) months after acceptance of the Aircraft by Buyer’s customer that all Goods provided under the Order shall be and continue to be: (i) new; (ii) free from defects in material and workmanship; (iii) free from defects in design if the design is not provided by Buyer; (iv) manufactured in strict accordance and complies with the Specifications; (v) free from liens or encumbrances on title (collectively in this section “Warranty”); and (vi) to the extent the Goods are, or contain, hardware, software, and/or firmware products, be able to accurately process date/time data (including, but not limited to, calculating, comparing, and sequencing all times and dates) and are free of viruses and other sources of network corruption (collectively, "Warranty"). If the Order requires specific Goods to perform as a system, the foregoing Warranty also shall apply to those Goods as a system. The Warranty shall never extend beyond forty-eight (48) months after Buyer’s receipt of the Goods (“Warranty Term”). Delivery, inspection, test, use of, or payment for, Goods shall not effect Supplier's Warranty obligation.

2.2 Buyer may require Supplier to promptly repair or replace, at Buyer’s option, any Goods which breach the Warranty. Buyer may return ship the Goods on the fastest available commercial carrier at Supplier’s expense and risk of loss. Goods returned to Buyer hereunder shall be shipped at Supplier’s expense and risk of loss and shall be accompanied by notice stating whether they are new replacements or repaired originals, and shall continue to be covered under this warranty. Supplier shall conduct intake, review,

analysis and any other activity required to evaluate whether the returned Goods are covered by the Warranty at no expense to Buyer. Repaired original Goods shall be covered under this Warranty for the greater of six (6) months or for the balance of the original Term. The balance of the original Term shall be determined by the time remaining on the Term as of Buyer's discovery or receipt of notification of the defect.

- 2.3 Notwithstanding any other provision, in addition to the foregoing, Supplier shall be liable for Buyer's actual costs, expenses and damages related to or arising from Goods not conforming to the warranty, including but not limited to labor and other costs related to transportation of Goods, expediting, removal, disassembly, failure analysis, fault isolation, assembly, reinstallation, re-inspection, retrofit, and any and all other such corrective action costs incurred by Buyer.
- 2.4 Supplier warrants to Buyer that all Services provided under or in connection with an Order: (i) have been, if applicable, and will be performed in a professional and workmanlike manner and in accordance with current, sound and generally accepted industry standards and practices by appropriately licensed, trained, supervised and personnel who are experienced in the appropriate fields; and (ii) do, if applicable, and will conform to and be in compliance with all applicable Specifications, performance requirements and other requirements contained in the Order (the "Service Warranty"). Supplier agrees that should any of the Services be defectively performed by Supplier, Supplier will re-perform or correct such defective Services at no additional charge. Notwithstanding any other provision, in addition to the foregoing, Supplier shall be liable for Buyer's actual costs, expenses and damages related to or arising from the Services not conforming to the Services Warranty.
- 2.5 Supplier warrants to Buyer that all documentation and certifications by Supplier or Supplier's subcontractors or business partners related to the Goods, Services and Order, as applicable, are current, complete, truthful, and accurate and have been signed or stamped, as applicable, by individuals authorized and qualified to sign or stamp such documentation and certifications.

3. Inspection and Audit Rights

- 3.1 Supplier (which, for the purposes of this Section, includes Supplier's suppliers, subcontractors and business partners) shall at any time, and after reasonable notice by Buyer, (i) grant to Buyer, Buyer's Customers and/or to any competent regulatory authority, unrestricted access to (or if requested by Buyer, provide to Buyer copies of) Supplier's books records and documentation (including, without limitation, inspection those pertaining to quality, and testing of Goods and Services, security and data protection procedures, ethics and compliance programs and any other requirement or obligation under the Order), but excluding financial books and records), wherever such books and records may be located (including third-party repositories and at facilities of Supplier's suppliers, subcontractors, and business partners used in connection with the Order)), and (ii) provide Buyer, Buyer's Customers and/or any such authority the right to access, and to perform any type of inspection, test, audit or investigation at Supplier's premises, including without limitation, manufacturing and test locations and the facilities of Supplier's suppliers, subcontractors and business partners used in connection with the Order for the purpose of enabling Buyer to verify compliance with the requirements set forth in the Order or for any other purpose indicated by Buyer's Customers and/or said authority in connection with the design, development, certification, manufacture, sale, use and/or support of the Goods. Supplier and its suppliers, subcontractors and business partners shall cooperate with Buyer and Buyer's Customers and/or any such authority to furnish all reasonable facilities for and assistance with the safe performance of Inspections, tests, audits and/or investigations in connection with any Order and Goods and Services thereunder.
- 3.2 Supplier shall maintain complete inspection records for all Goods which shall be available to Buyer during performance of an Order and until the later of: (i) four (4) years after final payment, (ii) final resolution of any dispute involving the Goods delivered hereunder, (iii) the latest time required by an Order, (iv) the latest time required by applicable laws and regulations, or (v) as otherwise directed by Buyer.

- 3.3 Any corrective action requested by Buyer, Buyer's Customers and/or any said authority following any such inspection, test, audit or investigation shall be implemented by Supplier at Supplier's cost.
- 3.4 In addition to any other inspection or audit rights granted to Buyer hereunder, Buyer may inspect and audit, on reasonable notice, Supplier's financial books and records if the Order: (i) is a time and material order, (ii) is a cost-based order, or (iii) provides for advance or progress payments based on costs incurred by Supplier.

4. Duty to Proceed

Except as expressly authorized in writing by Buyer, no failure of Supplier and Buyer to reach an agreement regarding a dispute related to the Order shall excuse the Supplier from proceeding.

5. Specialty Metals

Supplier agrees that it will not incorporate into any Goods to be delivered under this Order, specialty metals not melted in the United States, its possessions, Puerto Rico, or a qualifying country. Supplier will flow down DFARS 252.225-7014, ALT I or DFARS 252.225-7009, as applicable to Buyer's Prime Contract, to its suppliers with instructions that Supplier's suppliers must flow DFARS 252.225-7014, ALT I or DFARS 252.225-7009, as applicable, to their suppliers. To ensure compliance, Buyer may require the following information from Supplier: (i) methods the Supplier uses to verify whether or not its Goods contain specialty metals; (ii) Supplier's methods of validating that it has received compliant hardware quotes from its suppliers; (iii) methods of flowing down specialty metals requirements to Supplier's suppliers; (iv) Supplier's record management practices regarding specialty metals compliance; (v) Supplier's inventory process for identifying and handling compliant hardware; and (vi) Supplier's specialty metals training requirements. Supplier shall immediately notify Buyer in writing if its Goods or any component thereof qualify for an exception to the specialty metals requirements.

Exceptions to DFARS 252.225-7014, ALT I, include the following:

Qualifying Country – End items, Goods, parts, components, etc., that are manufactured in a qualifying country listed in DFARS 225.872-1 are exempt from the ALT I requirements, regardless of where the specialty metals in such end items, Goods, parts, components, etc. have been melted. In this regard, note that the United States is not a qualifying country. If Supplier asserts that its Goods qualify under this exception, Supplier must provide Buyer with documents and information sufficient to support the application of this exception.

Domestic Non-availability Determination – DCMA maintains a list of Domestic Non-Availability Determinations (DNADs) approved by the Under Secretary of Defense for Acquisition, Technology and Logistics (USD/AT&L) resulting from DCMA reviews of contractor corrective action plans (CAPs). This list may be accessed at the following link: <http://www.dcms.mil/dnad/>. If Supplier asserts that its Goods are covered by a DNAD, Supplier must provide Buyer with documents and information sufficient to support the application of this exception.

6. Solder

Supplier, and Supplier's sub-tier suppliers, shall not use lead-free solder in Goods. For the purposes of this Section, solder shall be considered lead-free if it has a lead content of less than three percent (3%). Supplier may request a waiver of this duty by applying in writing to Buyer's Purchasing Department.

7. Offset

- 7.1 Buyer may use all or any part of the value of the Order, including the value of any subcontracts placed by the Supplier for the Order, for satisfying international offset obligations of Buyer, Buyer's Affiliates, or any entity that Buyer transfers such value to. Supplier may use the offset credit generated by the Order or the subcontracting of the Order only upon Buyer's written approval.

- 7.2 Supplier shall support Buyer in meeting Buyer's offset requirements in proportion to the value of the Goods supplied by Supplier to the value of the end item sold by Buyer into the particular country.
- 7.3 Upon Buyer's request the Supplier shall (i) report all subcontract sources outside the United States utilized in the fulfillment of this Order, including the name and location of each such source, amounts paid and committed thereto and identification of the Goods or Services procured, and (ii) require its subcontractors, including those at all lower tiers, to maintain records of the above information.

8. Insurance

- 8.1 Without limiting Supplier's duty to hold harmless and indemnify hereunder, Supplier agrees to secure and carry as a minimum the following insurance with respect to all work to be performed and Goods to be produced under the Order for the duration of the Order: (i) Workers' Compensation Insurance, inclusive of an alternate employer endorsement, in an amount sufficient by virtue of the laws of the U.S., foreign country, state, or other governmental subdivision in which the work or any portion of the work is performed and Employer's Liability Insurance in the minimum amount of \$1,000,000 for any one occurrence; (ii) Commercial General Liability Insurance including Premises Liability and contractual Liability, in which the limit of liability for property damage and bodily injuries, including accidental death, shall be at a minimum, a Combined Single Limit of \$5,000,000 for any one occurrence; (iii) if Supplier vehicles are used on Buyer's premises and/or used to accomplish work under the Order or otherwise on behalf of Buyer, Automobile Liability Insurance in which the limit of liability for property damage and bodily injuries, including accidental death, shall be a combined single limit of \$1,000,000 for any one occurrence; (iv) if Supplier or its subcontractors have Buyer's materials or equipment in its care, custody or control, Supplier shall have and maintain All-Risk Property Insurance in an amount sufficient to meet or exceed the value of such material; and (v) if Supplier is performing Professional Services on behalf of Buyer, Supplier shall maintain Professional Liability Insurance with a limit of no less than \$5,000,000;
- 8.2 All such insurance shall be issued by companies authorized to do business under the laws of the State or jurisdiction in which all or part of the Services are to be performed, and must have an AM Best financial rating of A- or better or an equivalent rating as produced by another rating agency acceptable to Buyer.
- 8.3 The insurance coverages described above shall be in form satisfactory to Buyer, and shall contain a provision prohibiting cancellation or material change except upon at least ten (10) days' (seven (7) days in the case of War Risks Insurance) prior notice to Buyer. All such insurance policies will be primary in the event of a loss arising out of the Supplier's performance of work and shall provide that where there is more than one insured the policy will operate, except for the limits of liability, as if there were a separate policy covering each insured and shall operate without right of contribution from any other insurance carrier by Buyer. Certificates evidencing such insurance and endorsements naming BUYER and the Buyer as an additional insured or, in the case of All Risk Property Insurance, naming BUYER as a loss payee, shall be filed with Buyer upon execution of the Order and before commencement of any work hereunder, and within thirty (30) days after any renewals or changes to such policies are issued. To the extent permitted by law, Supplier and its insurer(s) agree that subrogation rights against BUYER are hereby waived; such waiver shall be reflected on the insurance certificate. Supplier shall, if requested by Buyer, advise Buyer of the amount of available policy limits and the amounts of any self-insured retention.
- 8.4 The certificate of insurance shall identify the contract number or work to be performed and shall acknowledge that such coverage applies to liabilities incurred by supplier, its employees, invitees or agents under the Order and that such insurance shall not be invalidated by any act or neglect of the supplier whether or not such act or neglect is a breach or violation of any warranty, declarations or conditions of the policies.
- 8.5 Supplier shall require its lower-tier subcontractors and suppliers to maintain insurance in commercially reasonable amounts and types as required by this provision.

9. Price Reduction for Defective Cost or Pricing Data

- 9.1 The following provisions shall apply to all Orders for which Supplier is required to submit cost or pricing data pursuant to the Truth in Negotiations Act (“the Act”). A “determination” by Buyer's Customer means a final decision of a Government Contracting Officer or the withholding of money, reduction in any cost, price or fee from Buyer by a customer based on an alleged failure of Supplier or its subcontractors to comply with the Act.
- 9.2 Supplier shall reimburse Buyer for any loss or damage in the event that Buyer's Customer makes a determination pursuant to the clause(s) in, or required to be in, Buyer's Prime Contract related to the Act or its implementing regulations because: (i) Supplier or a subcontractor of Supplier failed to furnish cost or pricing data, including any requested data, that is required under the Act or its implementing regulations; or (ii) Supplier or subcontractor of Supplier furnished cost or pricing data that was not complete, accurate and current as certified, or as required to be certified, in the Supplier's or its subcontractor's certificate of current cost or pricing data.
- 9.3 The sums paid or payable to Supplier under this Order may be reduced or setoff in the amount by which the sums received or receivable by Buyer from Buyer's Customer (including, but not limited to, the allocable share of Buyer's indirect costs and profit or fee) are reduced based upon such determination.
- 9.4 If an appealable decision is made by a Contracting Officer of the U.S. Government relating to cost or pricing data required to be submitted, or actually submitted, by Supplier or a subcontractor of Supplier, such decision shall be conclusive upon Supplier, unless Buyer, in its sole discretion, gives Supplier the opportunity to appeal such decision in the name of Buyer. Any such appeal brought by Supplier in the name of Buyer shall be at the sole expense and responsibility of Supplier. If Supplier is given the opportunity to so appeal and elects to do so, Supplier shall, upon Buyer's written request, provide to Buyer advance copies of papers to be filed in such appeal and such other information, consultation and opportunity to participate in the appeal as Buyer may reasonably request. Supplier shall be conclusively bound by any decision of any such Board of Contract Appeals or Federal Court.

10. Inspection of Books and Records

- 10.1 Supplier agrees that its books, records and facilities, or such parts of its facilities as may be engaged in the performance of this Order, shall at all reasonable times be subject to inspection and audit by Buyer or any authorized representatives of the U.S. Government.
- 10.2 Supplier hereby grants to Buyer the right to examine its books, records and data which will permit the adequate evaluation of cost and pricing data used to arrive at the price quoted in this Order (including without limitation claims/proposals submitted pursuant to the Clauses entitled Changes and Termination for Convenience).
- 10.3 Supplier hereby grants to Buyer the right to conduct audits of Supplier's premises, records, data and documentation pertaining to: quality, inspection and testing of Goods; security and data protection procedures; ethical practices; and, any other requirement or obligation, under this Order.

11. Orders Involving Government Property

- 11.1 Title to facilities, special test equipment and special tooling acquired, fabricated or procured by Supplier for Buyer under this Order shall pass to and vest in the Government or Buyer (depending on the line item under which it is acquired) when its use in performing this Order commences or when Buyer has paid for it, whichever is earlier, whether or not title previously vested in the Government or Buyer. The Government shall retain title to government-furnished property.
- 11.2 If this Order contains a provision directing Supplier to purchase material from a vendor for which Buyer will reimburse Supplier as a direct item of cost under this Order, title to material purchased from the

vendor shall pass to and vest in the Government or Buyer upon the vendor's delivery of such material to Supplier, and title to all other material shall pass to and vest in the Government or Buyer upon: (i) issuance of the material for use in Order performance; (ii) commencement of processing of the material or its use in Order performance; or (iii) reimbursement of the cost of the material by Buyer, whichever occurs first.

- 11.3 Supplier shall establish and maintain a system acceptable to the Buyer and the Government and in compliance with FAR Part 45 and DFARS Part 245 to control, protect, preserve, repair and maintain Government Property. Government Property shall be used only for performing this Order, unless otherwise provided in this Order or approved by the Government.

12. Intellectual Property Under U.S. Government Contracts

Definitions.

- 12.1 "Computer Software" means computer software as defined in DFARS 252.227-7013(a)(3), or for Prime Contracts with NASA or the DoE, as defined in FAR 52.227-14(a) or such other relevant Government Acquisition Regulation clause as may be incorporated in this Agreement.
- 12.2 "DoE" means the Department of Energy.
- 12.3 "Government Acquisition Regulations" means the FAR, DFARS, NASA FAR Supplement and DoE Acquisition Regulation (DEAR) regulations that are incorporated into the Prime Contract and, by incorporation, this Order.
- 12.4 "Intellectual Property" as used in this Article, means the definition set forth in the Terms & Conditions of Purchase that reference this document as well as Subject Invention, Technical Data, and Computer Software.
- 12.5 "Invention" means the invention as defined in DFARS 252.227-7038(a), or for Prime Contracts with NASA or the Department of Energy, as defined in FAR 52.227-11(a).
- 12.6 "NASA" means the National Aeronautics and Space Administration.
- 12.7 "Practice" means to make, use, sell, offer for sale, import and export Goods that embody the Subject Invention.
- 12.8 "Subject Invention" means subject invention as defined in DFARS 252.227-7038(a), or for Prime Contracts with NASA or the DoE, as defined in FAR 52.227-11(a).
- 12.9 "Technical Data" means technical data as defined in DFARS 252.227-7013(a)(14), or for Prime Contracts with NASA or the DoE, as defined in FAR 52.227-14(a), or such other relevant Government Acquisition Regulation clause as may be incorporated in this Agreement.
- 12.10 "Unlimited Rights" means unlimited rights as defined in DFARS 252.227-7013(a)(15), -7014(a)(15) and -7018(a)(20), or for Prime Contracts with NASA or the DoE, as defined in FAR 52.227-14(a), or such other relevant Government Acquisition Regulation clause as may be incorporated in this Agreement.
- 12.11 "Use" means the right to use, modify, reproduce, perform, display, release, disclose, compile, integrate, embed and make derivative works of any Technical Data and Computer Software.

Technical Data and Computer Software Ownership and License Rights.

- 12.12 Supplier acknowledges and agrees that the rights in Technical Data and Computer Software to be granted to the Government will be determined in accordance with the regulations set forth in FAR Part 27 and DFARS Part 227 based upon the specific Technical Data, Computer Software and Goods to be performed under this Order and the assertions of restrictions on use, release or disclosure of Supplier's Intellectual Property that are provided to Buyer for delivery to the U.S. Government. Supplier grants licenses to the Government as required to be granted in DFARS 252.227-7013, 7014, 7015, 7016 and 7018, or for Prime Contracts with NASA or the DoE in FAR 52.227-14, for Technical Data and Computer Software acquired, created or delivered to Buyer in the performance of this Order.
- 12.13 For Technical Data and Computer Software in which the Government has Unlimited Rights, Supplier hereby grants to Buyer an irrevocable, non-exclusive, paid-up, worldwide license, with the right to grant sublicenses, to Use, including the right to make or have made, such Supplier's Technical Data and Computer Software for any purpose whatsoever, and to have or authorize others to do so.
- 12.14 Except as provided above, Supplier hereby grants to Buyer an irrevocable, non-exclusive, paid-up, worldwide, license to sell and Use Supplier's Technical Data and Computer Software acquired, created or delivered in the performance of this Order (i) to fulfill Buyer's obligations under the Prime Contract; (ii) to disclose to third parties for obtaining government approvals, including airworthiness; and (iii) to satisfy other contract requirements for the same or similar Goods.
- 12.15 Supplier shall deliver to Buyer all Technical Data and Computer Software needed to fulfill Supplier's obligations in the performance of this Order by the Delivery Date. At Buyer's request, Supplier shall deliver to Buyer all Technical Data and Computer Software acquired or created by Supplier in the performance of this Order, whether or not delivery was required and without additional cost to Buyer.

Patent Ownership and License Rights

- 12.16 For any Subject Invention, Supplier hereby grants the U.S. Government a non-exclusive, nontransferable, irrevocable, paid-up, worldwide license to Practice or have Practiced the Subject Invention for or on behalf of the U.S. Government.
- 12.17 For any Subject Invention in which the Supplier retains ownership, Supplier hereby grants Buyer a non-exclusive, nontransferable, irrevocable, paid-up, worldwide license to Practice and have Practiced the Subject Invention to the extent necessary to fulfill Buyer's obligations under the Prime Contract, as well as for any other purpose.
- 12.18 Supplier acknowledges the Government invention reporting requirements under the applicable Government Acquisition Regulations and hereby agrees to report all Subject Inventions directly to the Government in accordance with these sections. Supplier shall submit to Buyer a copy of the Government invention reporting letter, without including detailed invention disclosure information.

General Intellectual Property

- 12.19 Supplier represents and warrants that Supplier has sufficient rights in all Intellectual Property that Supplier uses or transfers to Buyer in connection with this Order to allow Supplier to lawfully comply with this Order. If, in the performance of this Order, Supplier incorporates third party Intellectual Property into the Goods, Supplier shall obtain for the Government and the Buyer license rights equivalent to those granted by Supplier herein.
- 12.20 Except as expressly authorized herein, nothing in this Order shall be construed as Buyer granting Supplier a license in or any right to use any of Buyer's Intellectual Property other than in the performance of work under this Order.

Data Assertions and Markings

- 12.21 Supplier shall properly identify and assert the Supplier's rights in Technical Data and Computer Software delivered to the Government with other than Unlimited Rights in conformance with the applicable Government Acquisition Regulations. For assertions made subsequent to the effective date of this Order, the Supplier shall describe why the assertion is an inadvertent omission or new information before the Buyer will submit such assertions to the Government. Supplier shall properly mark all Technical Data and Computer Software that Supplier delivers to the Buyer in connection with this Order. Supplier represents and warrants that it has written procedures and maintains records sufficient to justify the validity of all restrictive markings.
- 12.22 If the Supplier's assertions do not comply with the applicable Government Acquisition Regulations, the Government rejects the Supplier's assertions, or the Supplier does not correctly mark Technical Data or Computer Software, the Buyer assumes no responsibility or liability for any loss of rights by the Supplier. Supplier is responsible for ensuring that markings and assertions are consistent. If the markings and the assertions are inconsistent, Buyer may submit such inconsistently marked Technical Data or Computer Software to the Government and the Supplier assumes the risk of loss of rights. In the event the Government rejects the Supplier assertions, Supplier agrees to work diligently with the Buyer to immediately correct such rejections such that there is no negative impact to Buyer's delivery obligations under the Prime Contract.

Patent Indemnification

- 12.23 If the Prime Contract includes the Patent Indemnification provision under FAR 52.227-3, and if the Buyer's liability to the Government is for the infringement of a United States patent related to the Goods, the Supplier shall indemnify the Buyer under the same provision provided for in FAR 52.227-3 which is incorporated herein by reference, except that the terms "Contractor", "Government", "contract" and "Contracting Officer" shall be replaced by "Supplier", "Buyer", "Order" and "Buyer" respectively.

13. Supplier Changes to Specifications/U.S. Government Inspection

Goods manufactured to Supplier's Specifications require prior Buyer's written approval for any variations. Goods manufactured to Buyer or Buyer's customer furnished Specifications require prior Buyer's written approval for any variations to Specifications. When U.S. Government Inspection at Supplier's facility appears in the inspection block of this Order, the following paragraph applies: U.S. Government inspection is required prior to shipment from Supplier's facility. Upon receipt of this Order, Supplier shall promptly notify and furnish a copy of the Order to the U.S. Government representative normally servicing Supplier's facility so that the U.S. Government inspection can be appropriately planned. If a U.S. Government representative does not service Supplier's facility, Supplier shall contact the nearest Defense Contract Management Association ("DCMA") office to plan the inspection. If Supplier cannot locate the DCMA office, Supplier shall notify Buyer immediately.

14. U.S. Government Contract Clauses Incorporated by Reference

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

This contractor and subcontractor shall abide by the employee notice requirements set forth in 29 C.F.R. Part 471, Appendix A to Subpart A.

III. Additional Special Flow Down Requirements for MY IX.

1.0 Obsolescence Management

Supplier shall maintain, at its own expense, an Obsolescence Management Program (“OMP”) that includes an on-going review and identification of actual and potential obsolescence issues, including but not limited to, obsolescence of components, assemblies, sub-assemblies, and material for the Goods. The OMP shall remedy any and all obsolescence issues arising for the Goods. Supplier shall perform all testing, qualification, non-recurring activities, and engineering services required for maintaining an OMP. In no event shall remedying obsolescence issues: (i) entitle Supplier to a price increase, (ii) entitle Supplier to make a claim for equitable adjustment, or (iii) waive, relieve or release Supplier from fulfilling all its duties under the Order including, without limitation, compliance with Specifications and Delivery Dates.

The Supplier shall procure components (perform a last time buy “LTB”) as needed for the duration of their Order in order to bridge the transition to a replacement component. In addition to the foregoing, Supplier shall also comply with any obsolescence related statements of work or Order attachments.

3.1 Obsolescence Critical Components:

Supplier shall deliver to Buyer, 90 days after contract, every April and October thereafter, and within 30 days after an obsolescence issue is realized as defined below, a list of all components that have critical obsolescence availability issues (less than five years to projected LTB date).

Note: As LTB dates can change through time, the validity of the LTB dates shall be monitored throughout the entire process, and at a minimum, be updated at every scheduled submittal. The Supplier shall provide data needed to make short and long term strategic decisions and include Supplier’s plans for resolution.

2.0 Engineering Changes, Waivers and Deviations

Class I Changes, Class II Changes, Request for Deviation, and Request for Waivers shall be submitted to Air Methods Corporation. All Air Methods Suppliers have a requirement to submit any or all of the above mentioned requests to Air Methods for concurrence and approval for any engineering changes initiated by the supplier, including (but not limited to) changes to Source Control, Specification Control, or Supplier drawings.