



## **GENERAL PROVISIONS FOR TIME AND MATERIALS PURCHASE ORDERS FOR COMMERCIAL SERVICES**

**1.0 DEFINITIONS** - As used throughout this Order, including provisions incorporated by reference, the following terms shall have the meaning set forth below:

- (a) “BUYER” or “Buyer” means General Dynamics Mission Systems, Inc., the legal entity issuing this order.
- (b) “BUYER’s Supply Chain Team Member” means the authorized Purchasing Agent representing BUYER.
- (c) “Order” means the Purchase Order in which these General Provisions are incorporated.
- (d) “Government” means the Government of the United States of America.
- (e) “SELLER” or “Seller” means the person, firm or corporation which will furnish the Deliverables required under this Order.
- (f) “SELLER’s Contract Representative” means the authorized Purchasing Agent or Contract Manager representing SELLER.
- (g) “Service” means products, supplies, engineering support, data or services (including software and software documentation) provided by SELLER.

**2.0 ACCEPTANCE OF ORDER** - Seller shall accept this Order by signing the acceptance copy and returning it promptly to Buyer or by providing to Buyer any of the Services specified herein. By Seller's acceptance of this Order, Seller agrees to the terms, conditions, and specifications of this Order. Buyer hereby objects to and rejects any terms, conditions, or specifications contained in Seller's acceptance of this Order (or any other form or paper submitted by Seller) which differ from or add to the terms, conditions, and specifications of the Order. Seller agrees that the terms, conditions, and specifications of the Order shall prevail over any inconsistent provisions in any form or other paper submitted by Seller.

**3.0 WAIVER** - Buyer's failure to enforce any provision of the Order or to protest any breach or default of the Order by Seller shall not be construed as evidence of (or evidence to interpret) the rights or obligations of the parties, or as a waiver of any Seller obligation or Buyer right provided under the Order or by law. No right or remedy of Buyer shall be deemed waived or released unless such waiver or release is in writing and signed by an authorized representative of Buyer.

## **4.0 DELIVERY**

**4.1 Transportation:** Transportation shall be in accordance with the Delivery Terms specified on the front page of the Purchase Order. “ If this procurement is from a source located outside the United States (including the 50 states and U.S. territories or possessions) or from a U.S. based source with foreign manufacturing locations that will ship directly to Buyer in the United States, such shipments are subject to INCOTERMS 2020 DAP or other mutually agreed upon INCOTERMS Rule.” Buyer shall not be liable for insurance or premium transportation charges unless Buyer consents such charges in writing.

**4.2 Risk of Loss:** Seller shall bear the risk of any loss or damage to the Services until they are delivered in conformity to the “Ship To” address on the front page of this Purchase Order.

**4.3 Title:** Except as otherwise expressly stated in this Order, title to all Services furnished under this Order shall pass to Buyer upon final acceptance, regardless of when or where Buyer takes physical possession of the result of the Service.

**4.4 Delays:** Seller understands that Buyer depends upon prompt delivery by Seller at the time specified in the schedules furnished by Buyer in order to comply with Buyer's contractual obligations to third parties. Because time is of the essence, if delivery of the Service is not made in the quantities and at the time and manner specified, Buyer shall have the right without liability, and in addition to its other rights and remedies under this Order and the law, to take any of the following actions: (1) direct expedited delivery of Services for which Seller shall bear all premium transportation charges and risk of loss; (2) direct acceleration of Services for which Seller shall bear all premium labor costs and other acceleration costs; (3) delay payment for a period of time equal to the lateness of such delivery or performance; and/or

**GENERAL DYNAMICS**  
Mission Systems

(4) terminate this Order by written notice effective when received by Seller as to the Services not yet delivered, and purchase substitute Services elsewhere and charge Seller with any loss incurred. Seller shall, in the event of a delay or threat of delay, due to any cause, in the production, delivery, of Services hereunder, immediately notify Buyer in writing of the delay. Seller's notice shall include all relevant information with respect to such delay or threatened delay. Seller shall be liable for any damages resulting from failure to make delivery within the time called for by this Order or by any written instructions of Buyer, except where such delay in delivery was due to causes beyond the reasonable control of Seller and Seller notifies Buyer as required by this Section 4.4. Seller agrees to add the substance of this Section 4.4 to each subcontract or purchase Order issued by Seller hereunder.

4.5 Advanced Shipments: If, without written authorization from Buyer, Seller ships items so as to arrive more than five business days in advance of schedule, Buyer may return the items to Seller and Seller shall be liable for transportation charges and risk of loss for the return of the items as well as for the shipment of the items. Seller shall not invoice Buyer for payment prior to the scheduled delivery date. Invoices covering items shipped in advance of the delivery schedule will not be paid until normal maturity after the specified date of delivery.

4.6 Quantity: Seller shall comply with the delivery schedules but shall not make material or production commitments in advance of such time as Seller reasonably believes is necessary to meet the schedules without Buyer's prior written consent. Except as otherwise expressly provided in the Order, Buyer need not accept any variation in quantity of Services provided by Seller. Buyer may return excess quantities to Seller at Seller's sole expense and risk, or retain such excess quantities at no increase in price.

**5.0 INSPECTION AND FINAL ACCEPTANCE** - Final acceptance by Buyer of any Service under this Order shall not limit or affect any warranty or right of indemnity granted by Seller herein. Except as otherwise agreed in writing, all delivery under this Order shall be subject to final inspection and acceptance by Buyer. The Parties expressly agree that any prior inspection or payment by Buyer will not constitute final acceptance. Buyer's final acceptance of the Service shall take place only after complete delivery in accord with the schedule specified herein and after final inspection by Buyer. Buyer's final acceptance shall be contingent upon agreement by Buyer that the Service conforms to the applicable contract Order requirements. Final acceptance by Buyer shall be conclusive, except for latent defects, negligent or intentional misrepresentations by Seller that a nonconformity or defect would be or had been cured, acceptance induced by false or negligent assurances of Seller or as otherwise provided in this Order or applicable law.

**6.0 FACILITIES, TOOLS, AND PLANT VISITS**

6.1 Unless otherwise specified herein, Seller shall supply all necessary services, facilities, materials, and equipment (including, but not limited to, tools, test apparatus, etc.).

6.2 During performance of this Order, authorized representatives of Buyer or Buyer's customer shall have the right to visit Seller's facilities involved in the performance hereunder at any time during normal business hours to conduct reviews, monitor, coordinate, or expedite performance and to secure necessary information for such purposes. Such visits will be coordinated with Seller's appropriate personnel to minimize any effect on Seller's normal operations.

**7.0 TERMINATION**

7.1 BUYER may at any time terminate all or any part of this Order by written notice to SELLER if (a) termination is in the best interest of the BUYER; (b) SELLER fails to deliver the Service within the time specified by this Order or any written extension; (c) SELLER fails to perform any other provision of this Order or fails to make progress, so as to endanger performance of this Order, and does not cure the failure within ten calendar days after receipt of notice from BUYER specifying the failure; or (d) in the event SELLER declares bankruptcy, suspension of business, or initiates any reorganization and/or arrangement for the benefit of its creditors. Seller shall continue Service not terminated.

7.2 In the event of such termination, SELLER shall immediately cease all work terminated hereunder and cause any and all of its suppliers and SELLERS to cease work. SELLER must submit all claims within sixty calendar days after the effective date of termination.



## **8.0 REPRESENTATIONS AND WARRANTIES**

8.1 Except as to any Service or materials thereof which the specifications contained herein specifically provide need not be new, Seller represents and warrants to Buyer that the Services and materials provided are new (not used or reconditioned), not counterfeit parts and not of such age or so deteriorated as to impair their usefulness or safety. Seller also represents and warrants to Buyer that all Services and materials furnished under the Order will comply with the requirements of this Order; be free from defects in design (except to the extent of Buyer's design), material, manufacture, and workmanship; will be free from liens and encumbrance; and, to the extent Seller knows such purpose, will be fit and sufficient for the purpose for which the item was intended. If the Services and materials furnished contain any manufacturer's warranties, Seller hereby assigns such warranties to Buyer. Seller also represents and warrants to Buyer that all labor provided hereunder shall be performed by qualified personnel, with diligence, and shall conform to the terms, specifications, and description of the Service specified by Buyer. Seller further represents and warrants to Buyer that the Services(s) provided under this Order will not infringe upon the rights of any third party. These representations and warranties extend to the future performance of the Service and shall continue for a period of twelve months (or such longer period of time as Seller may warrant similar Service to its most favored customer) following final acceptance by Buyer.

8.2 Buyer shall not be deemed to waive any defects or nonconformity by reason or approval of samples or receipt of, or payment for Service. If Buyer finds through inspection and testing or through use that any Service delivered by Seller is other than as warranted above, Seller shall promptly deliver repaired or replacement Service. Seller shall warrant repaired or replacement Service as set forth in this Article 8.0.

8.3 Services must be in accordance with their stated specifications or GDMS specification and drawing requirements in order to meet product safety requirements. Services must comply with their designed or intended purpose without causing unacceptable risk of harm to persons or damage to property.

## **9.0 CHANGES**

9.1 BUYER's Supply Chain Team Member may, in writing, direct changes in: description of Services, place, and/or time of performance of the Services, within the general scope of this Order. If the BUYER's Supply Chain Team Member directed change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this Order, whether or not changed by the directed change, SELLER must assert any claim in writing within twenty-five calendar days and deliver a fully supported proposal to BUYER's Supply Chain Team Member within sixty calendar days after SELLER's receipt of such a directed change. BUYER and SELLER shall negotiate an equitable adjustment in the price and / or schedule to reflect the increase or decrease. Failure of the Parties to agree upon any adjustment shall not excuse SELLER from performing in accordance with BUYER's direction. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the Section of this Order entitled "Disputes".

9.2 The SELLER shall not make any changes in the Service that do not conform to the requirements of this Order without the prior written consent of BUYER.

## **10.0 RIGHTS AND USE OF BUYER'S PROPRIETARY INFORMATION AND MATERIALS AND AI -**

Seller, if required, shall use Seller's proprietary information only in the performance of and for the purpose of performing this Order. The restrictions on disclosure or use of proprietary information by SELLER shall apply to all materials derived by SELLER or others from BUYER's proprietary information. Upon the completion, termination, or cancellation of this Order, or upon BUYER's request at any time, SELLER shall return to BUYER all of BUYER's proprietary information and all materials derived therefrom, unless specifically directed otherwise in writing by BUYER. For the purposes of this Order, "Artificial Intelligence (AI)" means technology that can make decisions or predictions, provide recommendations, create content, or identify patterns without being programmed to do so, an "AI System" means an engineered or machine-based system that can, using a prescribed set of objectives, generate outputs such as predictions, recommendations, or decisions influencing real or virtual environments. AI systems are designed to operate with varying levels of autonomy. Seller shall not use, and shall not permit any other third party to use, any proprietary information disclosed by Buyer to Seller to train, validate, update, improve, or modify any of Seller's AI Systems, or other third parties' AI Systems without the prior written modification of this Order executed by authorized



representatives of both Parties. Agreement to a proposed modification regarding AI is solely within the discretion of Buyer. Seller shall not export Buyer's proprietary information, including but not limited to, AI Systems, outside of the United States.

**11.0 ASSIGNMENT, TRANSFER, DELEGATION, AND SUBCONTRACTING** - No right or interest of SELLER or BUYER hereunder or arising out of this Order may be assigned or transferred, whether by operation of law or otherwise, and/or all or substantially all of its performance of this Order without the prior written consent of BUYER or SELLER, respectively, which shall not be unreasonably withheld. Notwithstanding the foregoing, BUYER may assign this Order without SELLER's consent to a successor company resulting from a restructuring, consolidation, merger or other combination within General Dynamics. SELLER shall not delegate any of its duties or obligations under this Order. SELLER may assign its right to monies due or to become due. No assignment, transfer, delegation or Ordering by SELLER, with or without BUYER's consent, shall relieve SELLER of any of its obligations under this Order or prejudice any of BUYER's rights against SELLER whether arising before or after the date of any assignment or transfer. Any unauthorized assignment, transfer or delegation is void. This Section does not limit SELLER's ability to purchase standard commercial supplies or raw materials.

## **12.0 GOVERNING LAW AND VENUE**

**12.1** The Parties agree that this Order shall be governed by and construed in accordance with the laws of the State of New York and without regard to its conflict of laws rules.

**12.2** All claims or disputes arising under or in any way related to this Order shall be resolved through good faith negotiations between authorized representatives of each Party. In the event that such negotiations do not lead to a written settlement signed by a duly authorized representative of each Party within thirty calendar days or such longer period of time as may be mutual agreed, then either Party may elect to resolve the matter through the state or federal courts. Venue for any action brought under or relating to this Order shall exclusively be in the State of New York. The Parties hereby irrevocably waive any right to challenge such venue on the basis of forum non conveniens or otherwise. THE PARTIES HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN ANY ACTION ARISING OUT OF OR RELATING TO THIS ORDER.

**12.3** The Parties further agree and consent to accept service of process by certified or registered United States mail, return receipt requested, addressed as provided herein. In the event that legal action is commenced by either Party, the substantially prevailing Party shall be entitled to recover its costs and attorneys' fees from the other Party.

**13.0 SEVERABILITY** - If a court of competent jurisdiction determines one or more provisions of this Order Illegal or invalid, that determination shall not affect the enforceability of the remaining provisions to the extent they can be given effect without the illegal or invalid provision. In the event that any provision of this Order is held invalid or unenforceable, the Parties shall make every effort to mutually agree to a new provision in regard to the same subject.

## **14.0 COMPLIANCE WITH APPLICABLE LAWS**

**14.1** United States Law: Seller, at its sole expense, shall comply with all applicable Federal, State and local laws, executive orders, rules and regulations which may be applicable to the Item and Seller's performance under this Order, including, without limitation, all laws, regulations, and rules related to the safety and conditions of each job site, including but not limited to those promulgated or prescribed pursuant to the Occupational Safety and Health Act of 1970, and any amendment thereto. Seller agrees to comply with any applicable provisions of the Rehabilitation Act of 1973, the Veteran's Readjustment Act of 1974, and implementing regulations of the U.S. Department of Labor, which embody governmental policy on equal employment opportunity. To the extent applicable: This contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified protected veterans and qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and qualified individuals with disabilities. Seller also agrees that in connection with activities under this Order it shall not make or promise to make any improper payments, or provide or offer to provide anything of value, directly or indirectly, to government officials or other parties in violation of the Foreign Corrupt Practices Act or other applicable anti-bribery laws.

**GENERAL DYNAMICS**  
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14.2 Foreign Corrupt Practices Act and Anti-Bribery Laws: Seller agrees to comply with the Foreign Corrupt Practices Act, the UK Bribery Act of 2010, and all applicable anti-bribery laws. Seller specifically represents and warrants that, in connection with the performance of its activities under this Order, neither it, nor anyone acting on its behalf, has or will, directly or indirectly, offer, pay, promise to pay, or authorize the giving of, any money or thing of value to any Government Official or to any person, while knowing that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to a Government Official, for the purpose of influencing any act or decision of such Government Official, including any act or decision to fail to perform his/her lawful duty, or for the purpose of inducing such Government Official to use his/her influence with any government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality to obtain or retain business for any person. "Government Official" means any officer, employee, agent, representative, or any other person acting in an official capacity for or on behalf of a government, government-owned or -controlled entity or instrumentality, public international organization, political party, party official or political candidate.

14.3 Export. SELLER shall not export, directly or indirectly, any hardware, software, technology, information or technical data disclosed under this Order to any individual or country for which the U.S. Government requires an export license or other government approval, without first obtaining such license or approval. SELLER, at its sole expense, shall comply with all applicable U.S. export control laws and regulations in the performance of this Order, including, but not limited to, the International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120 to 130, the Export Administration Regulations (EAR) 15 CFR Parts 730 through 799, and with all other laws, regulations, or executive orders of the United States related to the import, export, or delivery of goods or services contemplated by this Order such as customs laws and regulations, immigration laws and regulations, etc. SELLER shall insert the substance of this clause in any lower-tier subcontracts it enters into in connection with this Order.

SELLER further understands that BUYER is a defense contractor providing work for the United States Government, and as such, is under certain mandatory security obligations with regard to access to its facilities and technology. Due to the fact that disclosure of certain information to any individual may be deemed an export, SELLER agrees that it will not assign any worker (including the SELLER him or herself) to perform services under this Order (including but not limited to accessing SELLER's web based portal for the applicable program) unless that person qualifies as a "U.S. person," defined as:

- i. U.S citizen;
- ii. U.S. nationals, including an alien lawfully admitted for permanent resident (those possessing a valid Form I-551); or
- iii. Asylee or refugee as defined in 8 U.S.C. 1324(b)(a)(3).

14.4 Employment Verification. In addition to the foregoing requirements, SELLER will comply with the Immigration Reform and Control Act of 1986 ("IRCA") and in particular, have all of its workers fill out an I-9 form, verifying their authorization to work in the United States.

14.5 Compliance with Office of Federal Contract Compliance Programs ("OFCCP") Rules

To the extent applicable:

The SELLER and its Subcontractors shall abide by the requirements of 41 CFR 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified protected veterans and qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and Subcontractor to employ and advance in employment qualified protected veterans and qualified individuals with disabilities.

14.6 Prohibition on Contracting with the Enemy

14.6.1 Seller shall exercise due diligence to ensure that none of the funds received under this contract are provided directly or indirectly to a person or entity who is actively opposing United States or Coalition forces involved in a contingency operation in which members of the armed forces are actively engaged in hostilities.



**GENERAL DYNAMICS**  
 Mission Systems

14.6.2 Seller shall exercise due diligence to ensure that none of its subcontracts are associated with a person or entities listed in NDAA FY2012 Section 841/FY2014 Section 831 Identified Entities list posted at <http://www.acq.osd.mil/dpap/pacc/cc/policy.html>.

14.6.3 In accordance with recent U.S. Government restrictions and/or regulations, Buyer will no longer accept products, either directly or indirectly, from the following entities or any subsidiary or affiliate of such entities: Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, Dahua Technology Company and Acronis International GmbH (hereinafter "Prohibited Entities"). As such, Seller, hereby represents and warrants to Buyer that no products from Prohibited Entities will be sold, licensed or transferred to Buyer pursuant to this Order. This representation and warranty extends to the future performance of this Order.

14.6.4 Buyer has the authority to (1) Terminate this contract for default, in whole or in part, if the Seller failed to exercise due diligence as required by Sections 14.6.1, 14.6.2, and 14.6.3 of this clause; or (2) Void this contract, in whole or in part, if the Buyer or the U.S. Government determines in writing that any funds received under this contract have been provided directly or indirectly to a person or entity who is actively opposing United States forces involved in a contingency operation in which members of the armed forces are actively engaged in hostilities.

**15.0 INSURANCE** - Unless otherwise specified by Buyer in writing, Seller shall maintain and cause Seller's subcontractors to maintain during the term of this Order (a) workers' compensation insurance as prescribed by the law of the state or nation in which the Service is performed; (b) employer's liability insurance with limits of at least \$2,000,000 for each occurrence; (c) automobile liability insurance if the use of motor vehicles is required hereunder, with limits of at least \$2,000,000 combined single limit for bodily injury and property damage per occurrence; and (d) 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 \$2,000,000 combined single limit for bodily injury and property damage per occurrence. For each type of insurance required by Buyer, Seller's corresponding line of coverage may be supplemented by Seller's umbrella insurance coverage to meet Buyer's minimum coverage requirement. Seller is required to provide Buyer with written notification of any claims made against Seller's umbrella coverage. All CGL and automobile liability insurance shall designate Buyer, its affiliates, and its directors, officers, and employees (all referred to as "Buyer") 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. If specifically requested by Buyer, Seller and Seller's subcontractors shall furnish, prior to the start of Service, 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 Buyer or Buyer's Customer shall not be effective (1) for such period as the laws of the State in which this Order is to be performed prescribe or (2) until thirty calendar days after the insurer or Seller gives written notice to Buyer, whichever period is longer. Any other coverage available to Buyer shall apply on an excess basis. Seller agrees that Seller, Seller's insurer(s) and anyone claiming by, through, under or in Seller's behalf shall have no claim, right of action or right of subrogation against Buyer and Buyer's Customer based on any loss or liability insured against under the foregoing insurance. Insurance companies providing coverage under this Order must be rated by A. M. Best with at least an A-rating. Seller's obligation to obtain the foregoing insurance does not waive or release Seller's liabilities or duties to indemnify under this Order.

**16.0 INDEMNIFICATION BY SELLER** – Seller agrees to indemnify, defend and hold harmless Buyer, its affiliates, subsidiaries, directors, officers, employees and agents from and against any and all actions, causes of action, liabilities, claims, expenses (including reasonable attorneys' fees and court costs), losses, damages, penalties, fines, forfeitures, suits, judgments, liens, awards and damages of any kind and nature whatsoever for (a) property damage, (b) personal injury, including death, and (c) all violations of applicable laws, and (d) breaches of Seller's or any of its suppliers' obligations arising from this Order. Seller's obligation hereunder is not limited to insurance available to or provided by Seller or any of its suppliers. Seller expressly waives any immunity under industrial insurance, whether arising out of statute or common law, to the extent of the indemnity set forth in this Article 16.0. This duty to defend, indemnify, and hold harmless extends to any suit, liability, claim, judgment, or demand that may arise out of or in connection with the performance or nonperformance of this Order by Seller or its agents, breach of warranty by Seller or its agents, any defective Item performed or delivered by Seller or its agents, any patent infringement or

**GENERAL DYNAMICS**  
Mission Systems

misappropriation of trade secrets by Seller or its agents, any failure of Seller or its agents to pay royalties, any assertion under workers' compensation or similar acts by persons furnished by Seller or its agents, or any other breach of Seller's obligations hereunder, whether such suit, liability, claim, judgment, or demand is based upon contract, warranty, strict liability in tort, negligence, or other legal theory, and extends not only to "third party claims" but also to any direct loss suffered by Buyer. Buyer will inform Seller of any claim, demand, judgment, or suit asserted or instituted against it to which this provision may apply. "Agents" as used herein includes, but is not limited to, Seller's employees, subcontractors, and suppliers.

**17.0 CERTIFICATIONS AND REPRESENTATIONS** - SELLER shall complete BUYER's Annual Representations and Certifications. All certifications and representations, which the SELLER submitted to BUYER in connection with the award of this Order, are incorporated herein and made a part hereof and BUYER has relied such upon in issuing this Order. The SELLER shall promptly advise BUYER should there be any change in SELLER's status with respect to these certifications and representations.

17.1 Contractor certifies that Contractor will not provide to Owner (without Owner's prior written consent) any goods or items under this Agreement incorporating (at any tier in the supply chain) any materials, excluding COTS Items, exported from Russia or China. For the purpose of this Agreement, "COTS Item" means any item of supply (including construction material) that:

- (a) Is a product that is of a type customarily used by the general public for non-governmental purposes;
- (b) Has been sold in substantial quantities in the commercial marketplace; and
- (c) Was acquired by the importer (i.e., Contractor or its sub-tier supplier), without modification, in the same form in which it is sold in the commercial marketplace.

**18.0 PUBLICITY** - Neither Party shall issue any press release or make any other public statement relating to this Order, any work done under this Order or any of the transactions contemplated by this Order without obtaining the prior written approval of the other Party as to the contents and the manner of presentation and publication of such press release or public statement. This restriction applies to all releases of information to the public, industry, or Government organizations except (a) information for actual or potential Orders or vendors necessary for the SELLER to accomplish this Program, (b) information to be supplied to a duly authorized representative of BUYER project office, and (c) information necessary for BUYER to provide to its Government customer.

**19.0 GRATUITIES SELLER** warrants that neither it nor any of its employees, agents or representatives have offered or given, or will offer or give, any gratuities to BUYER's employees, agents or representatives for the purpose of securing this Order or securing favorable treatment under this Order.

**20.0 PROTECTION OF PROPERTY** - At all times SELLER shall, and ensure that any of SELLER's suppliers shall, use suitable precautions to prevent damage to BUYER's property. If any such property is damaged by the fault or negligence of SELLER or any SELLER thereof, SELLER shall, at no cost to BUYER, promptly and equitably reimburse BUYER for such damage or repair or otherwise make good such property to BUYER's satisfaction. If SELLER fails to do so, BUYER may perform the repairs and recover from SELLER the cost thereof.

**21.0 INDEPENDENT CONTRACTOR** - It is the intention of BUYER and SELLER that for all purposes SELLER is and shall be an independent contractor and the sole employer and/or principal of any and all persons assigned by SELLER to provide Services under this Order. SELLER is obligated to perform all requirements of an employer under federal, state, and local laws and ordinances (or foreign law, if applicable). Such compliance shall include, but not be limited to, laws regarding minimum wages, social security, unemployment insurance, federal and state income taxes and workers' compensation insurance. SELLER, not BUYER, is the "common law employer" within the meaning of Treas. Reg. § 31.3401(c)-1(c) of employees of all persons assigned by subcontractor to provide Services under this Order. Under no circumstances shall SELLER or its employees or agents be construed to be employees, representatives, or agents of BUYER for any purpose, including but not limited to record keeping obligations under state or federal OSHA and Worker's Compensation Laws. SELLER's employees and agents shall not be entitled to participate in the profit sharing, pension, or other plans established for the benefit of BUYER's employees. If required by federal or state law, SELLER agrees to comply with the Family and Medical Leave Act ("FMLA") for its employees and agrees that with regard to such employees, it is the primary employer as defined by the FMLA regulations.



## **22.0 USE OF FREE AND OPEN SOURCE SOFTWARE (FOSS)**

22.1 This clause only applies to Service that includes the delivery of software (including software residing on hardware).

22.2 SELLER shall disclose to BUYER in writing any FOSS that will be used or delivered in connection with this Order and shall obtain BUYER's prior written consent before using or delivering such FOSS in connection with this Order. BUYER may withhold such consent in its sole discretion.

22.3 As used herein, "FOSS License" means, but is not limited to, the General Public License ("GPL"), Lesser/Library GPL, (LGPL), the Affero GPL (APL), the Apache license, the Berkeley Software Distribution ("BSD") license, the MIT license, the Artistic License (e.g., PERL), the Mozilla Public License(MPL), or variations thereof, including without limitation licenses referred to as "Free Software License", "Open Source License", "Public License", or "GPL Compatible License."

22.4 As used herein, "FOSS" means software that incorporates or embeds software in, or uses 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 FOSS License, or (3) software provided under a license that (a) subjects the delivered software to any FOSS 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 BUYER 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.

22.5 SELLER agrees to defend, indemnify, and hold harmless BUYER, its customers and suppliers from and against any claims, damages, losses, costs, and expenses, including reasonable attorney's fees, relating to use in connection with this Order or the delivery of FOSS.

**23.0 LIMITATION OF LIABILITY** - IN ADDITION TO ANY OTHER LIMITATIONS ON BUYER'S LIABILITY SET FORTH HEREIN, IN NO EVENT SHALL BUYER, ITS EMPLOYEES, AGENTS OR REPRESENTATIVES BE LIABLE, BY REASON OF BUYER'S BREACH OR TERMINATION OF THIS ORDER OR BY REASON OF ANY ACTS OR OMISSIONS IN CONNECTION WITH THIS ORDER, FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, HOWEVER CAUSED, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE, LOSS OF DATA, SERVICE INTERRUPTION, INCREASED COST OF SERVICES, OR ANY CLAIMS OR DEMANDS AGAINST SELLER BY ANY OTHER ENTITY, WHETHER SUCH REMEDY IS SOUGHT IN ORDER, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. IN NO EVENT SHALL BUYER'S LIABILITY FOR DIRECT DAMAGES IN ANY CIRCUMSTANCES SET FORTH IN THIS CLAUSE EXCEED THE PRICE PAYABLE FOR THE DELIVERABLE TO BE PROVIDED BY SELLER UNDER THIS ORDER. THIS ORDER SHALL NOT CREATE FOR NOR GIVE TO ANY THIRD PARTY ANY CLAIM OR RIGHT OF ACTION AGAINST BUYER WHICH WOULD NOT ARISE WITHOUT THIS ORDER.

## **24.0 FURNISHED PROPERTY**

24.1 Buyer may furnish Seller property owned by Buyer and required by Seller for the performance of the Service under this Order, or have Seller acquire property for Buyer's account (hereafter referred to as "Furnished Property"). This may include, without limitation, tools, equipment or material of every description, and any replacement thereof or any material affixed or attached thereto.

24.2 Title to Furnished Property shall not vest in Seller. Title thereto shall not be affected by the incorporation or attachment thereto of any property not owned by Buyer; nor shall any Furnished Property or any part thereof, be or become a fixture or lose its identity because it is affixed to any realty. Seller shall maintain property control records of Furnished Property consistent with good business practice and as may be prescribed by Buyer. Seller shall issue such reports as Buyer may require. Seller shall cause all Furnished Property to be clearly marked (if not so marked) to show that it is property of Buyer.



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24.3 Except as may be authorized by Buyer in writing, Furnished Property shall be used only for the performance of this Order.

24.4 Seller shall, in accordance with sound industrial practice, maintain in operating condition, repair, protect, and preserve Furnished Property until disposed of by Seller in accordance with this clause.

24.5 Seller assumes the risk of, and shall be responsible for any loss of or damage to Furnished Property in Seller's possession except for reasonable wear and tear resulting from performance of this Order.

24.6 Buyer shall at all times have access to the premises wherein any Furnished Property is located.

24.7 Upon the completion of this Order, Seller shall submit, in a form acceptable to Buyer, inventory schedules covering all items of Furnished Property not consumed in the performance of this Order (including any scrap). Seller shall hold the same at no charge for sixty (60) days. After this, Seller shall dismantle, prepare for shipment and, at Buyer's direction, store or deliver said property (at Buyer's expense), or make such other disposal of Furnished Property as directed by Buyer. The net proceeds of any such disposal shall be credited to the price of the Order or shall be paid over as Buyer may direct.

24.8 Seller shall cooperate with Buyer in executing such documents as Buyer deems appropriate to protect the security interests of Buyer in such Furnished Property.

**25.0 SECURITY AND ACCESS TO BUYER'S FACILITIES WHILE VISITING OR WORKING AT BUYER'S FACILITIES.**

25.1 SELLER agrees that, while visiting or working at BUYER's facilities, SELLER and its personnel shall comply with all facility rules and regulations of which they have notice, including, but not limited to, the security and safety requirements and shall take all precautions required by any of these or otherwise necessary to prevent the occurrence of any injury to person or property during the term of this Order.

**25.2 Facility Access**

25.2.1 SELLER and SELLER's personnel shall be granted access to BUYER facilities only during BUYER's normally scheduled business hours or as otherwise specifically agreed in writing between the Parties.

25.2.2 SELLER shall be required to provide information concerning citizenship or immigrant status of SELLER's personnel entering the premises of BUYER. SELLER agrees to furnish this information before commencement of work and at any time thereafter before substituting or adding new personnel to work on BUYER's premises. Information submitted by SELLER shall be certified by an authorized representative of SELLER as being true and correct. SELLER shall comply with all the rules and regulations established by BUYER for access to and activities in and around premises controlled by BUYER or BUYER's customer.

25.3 Safety SELLER agrees to comply with the federal Occupational Safety and Health Act (OSHA), all applicable OSHA regulations or standards, and all BUYER's safety rules of which SELLER has notice, regarding the performance of Services under this Order.

**25.4 Hazardous Substances**

25.4.1 BUYER uses a number of "hazardous substances", as defined in 29 C.F.R. 1910.1200, and some of these substances are used in work areas where SELLER may perform Services. The Material Safety Data Sheet ("MSDSs") kept on file by BUYER for any hazardous substances which are present in such work areas shall be made available for review by SELLER upon request.

25.4.2 SELLER agrees not to deliver or transport any hazardous substances or materials, as defined in 29 C.F.R. Section 1910.1200, onto BUYER's property without having first obtained prior written approval from the BUYER's

**GENERAL DYNAMICS**  
Mission Systems

Environmental, Health and Safety Department, and SELLER agrees to comply with any instructions from such Department regarding such substances and materials.

25.4.3 SELLER agrees to immediately report any known spill of hazardous materials, hazardous substances, or hazardous wastes on BUYER's property whether caused or not by SELLER. In addition, for spills of hazardous materials, hazardous substances, or hazardous wastes which are owned or controlled by SELLER, SELLER agrees that containment and cleanup shall be at the sole expense of SELLER and shall be performed to the satisfaction of BUYER's Environmental, Health and Safety Department.

25.5 Emergency Medical Aid SELLER authorizes BUYER to administer minor first aid to SELLER or SELLER's agents or employees for injuries incurred on BUYER's property. In the event of a serious injury or if immediate emergency care is believed necessary for an illness, SELLER authorizes BUYER to arrange for emergency response services at SELLER's expense.

**26.0 PAYMENT**

26.1 Allowable Costs. Buyer shall pay Seller as follows upon the submission of invoices or vouchers approved by BUYER's Supply Chain Team Member:

(a) Hourly rate.

(1) The amounts shall be computed by multiplying the appropriate hourly rates described in the Schedule by the number of direct labor hours performed. The rates shall include wages, indirect costs, general and administrative expense, and profit. Fractional parts of an hour shall be p a y a b l e on a prorated basis. Vouchers may be submitted once each month to BUYER. Seller shall substantiate vouchers by evidence of actual payment and by individual daily job timecards, or other substantiation approved by BUYER's Supply Chain Team Member.

(2) BUYER may withhold five percent (5%) of the amounts due under this paragraph (a) until completion of work by Seller.

(3) Unless the Schedule prescribes otherwise, the hourly rates in the Schedule shall not be varied by virtue of the Contractor having performed work on an overtime basis. If the Schedule provides rates for overtime, the premium portion of those rates will be reimbursable only to the extent that the overtime is approved in advance by BUYER's Supply Chain Team Member.

(b) Materials and subcontracts

(1) Reasonable and allocable costs of direct materials and (to the extent that they are clearly excluded from the hourly rate) material handling costs comprising, where appropriate, general and administrative expenses allocated by direct materials in accordance with Seller's usual accounting practices; provided, however, Seller regularly sells such materials to members of the general public in the normal course of its business, Seller shall invoice BUYER at no higher than its established catalog price, less discounts to its most favored customer.

(2) The cost of subcontracts that are authorized under the subcontracts clause hereof shall be reimbursable costs under this clause.

(3) To the extent able, Seller shall:

- (i) obtain materials at the most advantageous prices available with due regard to securing prompt delivery of satisfactory materials, and
- (ii) take all cash and trade discounts, rebates, allowances, credits, salvage, commission, and other benefits.

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**26.2** Total Cost and Ceiling Price.

(a) If at any time Seller has reason to believe that the Allowable Costs that will accrue in performing this subcontract/PO in the next succeeding 30 days, if added to all other payments and costs previously accrued, will exceed 85 percent of the ceiling price in the Schedule, Seller shall notify BUYER's Buyer giving a revised estimate of the total price to BUYER for performing the contract with supporting reasons and documentation.

(b) BUYER shall not be obligated to pay Seller any amount in excess of the ceiling price in the Schedule, and Seller shall not be obligated to continue performance, if to do so would exceed such ceiling price, unless and until BUYER's Supply Chain Team Member shall have specified in writing a revised ceiling price.

**26.3** Audit. At any time before final payment, BUYER's Supply Chain Team Member may conduct either directly or have an agents audit the invoices or vouchers and substantiating material.

**27.0** Withholding In addition to all other remedies provided by law and stated in this Order, BUYER may withhold payment of an invoice if SELLER has not complied with any of its obligations under this Order and BUYER shall not be required to make any payment until SELLER completely satisfies the obligation(s) at issue. SELLER is not entitled to interest on any withheld payments.

**28.0** Headings The headings used in this Order are inserted for the convenience of the Parties and shall not define, limit, or describe the scope or the intent of the provisions of this Order.