

**Sikorsky Aircraft Corporation**  
**Supplemental Terms and Conditions – Rev. 17APR2008 (“SA 908S”)**  
**to UTC Standard Terms and Conditions of Purchase (“SA 908”)**

These are Sikorsky Aircraft Corporation’s supplemental terms and conditions (“SA 908S”) to the UTC Standard Terms and Conditions of Purchase form (“SA 908”) available at the Suppliers and Licensing > Supplier Resource > Forms link located on [www.sikorsky.com](http://www.sikorsky.com), and are incorporated therein, and made a part thereof, by reference hereto as if fully set forth. If any ambiguity or conflict arises between the terms of the SA 908S and the SA 908, this SA 908S shall control.

Article I.	Definitions, Additional and Substitute Provisions .....	1
Article II.	Delivery, Substitute Provision .....	2
Article III.	Warranty, Additional and Substitute Provisions .....	3
Article IV.	Changes, Additional Provisions .....	5
Article V.	Product Support Obligation, Additional Provisions .....	6
Article VI.	Aviation Unique Requirements, Additional Provisions .....	6
Article VII.	Premises and Computer Access, Additional Provisions .....	7
Article VIII.	Orders Under U.S. Government Contracts, Additional Provisions .....	13
Article IX.	Quality, Additional Provisions.....	19

**Article I. Definitions, Substitute/Additional Provisions –**

**Add the following Definitions, and make the following substitutions, to the Definitions section of the SA 908:**

"Aircraft" or "aircraft" means the helicopter on which Supplier's Goods and Services are used.

Substitute the following definition for "Buyer" for the existing definition of "Buyer" in the SA 908 - "Buyer" means Sikorsky Aircraft Corporation, a corporation organized and existing under the laws of the State of Delaware, and having a principal place of business in Stratford, Connecticut, United States of America.

"Contracting Officer" means any officer or civilian employee of the U.S. Government who is properly designated and duly authorized to enter into, administer, or make any determinations or findings with respect to the Prime Contract, including the authorized representative of the Contracting Officer acting within the limits of his/her authority.

"Day" or "Days" means a calendar day(s).

"DFARS" means the Defense Federal Acquisition Regulation Supplement.

"Drawings" means technical drawings provided, or referenced by, Buyer in this Order.

"EASA" means the European Aviation Safety Agency.

"FAA" means the Federal Aviation Administration.

"FAR" means the Federal Acquisition Regulations.

“Delivery Date” means the date specified by Buyer’s Delivery System (as defined in the “Delivery” Article), if an Order is not placed on the Delivery System it shall mean the date specified on the face sheet of the Order.

“Government” means the United States Government, unless otherwise indicated.

“Government Property” means all property to which the Government has title pursuant to FAR Part 45, including property acquired by Supplier under Purchase Order line items designated with a Government Contract Number.

“Non-Recurring Expense” means an expense Buyer agrees to pay which relates to matters ancillary to the actual production of Goods, such as, without limitation, design, engineering and tooling work

“Prime Contract” shall mean the contract between Buyer and its Customer, if any, under which this Order is issued.

Substitute the following definition for “Purchase Order”, “Release” or “Order” for the existing definition for “Release” or “Order” in the 908, - “Purchase Order”, “Release” or “Order” means this contractual instrument, including written change notices, supplements, amendments, or other written modifications thereto.

“Specification(s)” means any and all requirements with which Goods or Services must comply including, without limitation, standards set forth in this Order but excluding Drawings.

## **Article II. Delivery, Substitute Provision –**

**Substitute in place of Article 2, Delivery, in the SA 908, the following:**

2. Delivery
  - a. Supplier shall install and use Buyer’s computer based, web enabled delivery scheduling and advanced shipping notice process/shipping opportunity system (“Delivery System”), unless excused in advance in writing by Buyer.
  - b. Time is of the essence in Supplier’s performance of an Order, and Supplier shall deliver Goods by the Delivery Date. A failure by Sikorsky to enforce a right with respect to Supplier’s failure to complete an obligation on time will not result in a waiver of that right, as specified in this Article. In addition, failure by the Supplier to complete an obligation on time shall not exempt or in any way reduce the Supplier’s obligation to perform all other obligations on time
  - c. Delivery shall be to the location directed by Buyer. Delivery by Supplier, at Buyer’s direction, to a third party warehouse shall not be considered delivery to Buyer for the purposes of this Order unless otherwise agreed to by the Parties.
  - d. Buyer shall place all Goods on the Delivery System; the delivery information and the rules governing the system shall establish the Delivery Date for the Goods.
    - (i) Unless otherwise agreed to by the Parties, Delivery Dates which do not allow sufficient Lead Times (which Lead Times shall be established in advance by the Parties) shall be considered Need Dates and shall not be binding on Supplier, provided however, Supplier shall use all commercially reasonable efforts to meet Need Dates. Buyer shall use Need Dates in measuring Supplier’s performance for resource planning, quality and reliability rating purposes.

- (ii) If Supplier's Lead Times prevent delivery by the Need Date, Buyer may purchase the quantity of the Goods ordered with insufficient Lead Time from another Supplier without regard to the existence of any requirements provisions in any contract between Buyer and Supplier.
  - (iii) Buyer may cancel Orders, in whole or in part, for Goods without liability to Supplier any time prior to commencement of Supplier's Lead Time.
- e. Supplier shall not, without first obtaining Buyer's written consent, deliver any Goods or Services to Buyer more than ten (10) days before the Delivery Date. If Supplier tenders Goods for delivery to Buyer earlier than ten (10) days before the Delivery Date, Buyer may, in its absolute discretion, either: (i) refuse delivery and require re-delivery at Supplier's expense on the Delivery Date; or (ii) retain such Goods and make payment in accordance with the original payment schedule in this Order regardless of the actual date of delivery.
  - (i) Once Supplier adopts the Shipping System, Supplier shall only ship in accordance with the rules established by the Shipping System, and shall make use of the bar codes and other documentation generated by the Shipping System.
  - (ii) If Supplier tenders Goods under the Shipping System which do not comply with its rules, Buyer may, in its absolute discretion, either: (i) refuse delivery and require re-delivery at Supplier's expense in compliance with the rules; or (ii) retain such Goods and charge Supplier any commercially reasonable costs incurred as a result of Supplier's failure.
- f. Supplier acknowledges that Buyer's complex manufacturing environment requires flexibility in delivery scheduling. Buyer may reschedule Delivery Dates as it, in its sole discretion, deems appropriate, without liability to Supplier. Prices shall not be adjusted for any deviation between delivery and quantity information originally provided with an Order and actual Delivery Dates, or forecasts of delivery and quantity requirements and actual Delivery Dates.
- g. In addition to any other rights or remedies provided in this Order, at law or in equity, Buyer may terminate an Order immediately without further liability if Supplier fails to comply with the Delivery Dates. Supplier shall reimburse Buyer for any and all damages incurred by Buyer as a result of Supplier's failure to comply with the Delivery Dates.

**Article III. Warranty, Substitute/Additional Provisions –  
Substitute in place of Article 5, Warranty, of the SA 908 the following:**

- (a) Supplier warrants to Buyer, and Buyer's successors, assigns, 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 hereunder shall be:
  - (i) merchantable and fit for the purpose intended;
  - (ii) new;
  - (iii) free from defects in material and workmanship;
  - (iv) with regard to Goods designed by Supplier, free from defects in design;
  - (v) in compliance with all applicable Specifications, Drawings, and performance requirements;
  - (vi) free from liens or encumbrances on title; and

- (vii) if the Goods are, or contain, hardware, software and 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, and if the Order requires specific products to perform as a system, the foregoing warranty shall apply to those products as a system (collectively, for this Article “Warranty”).

This representation and Warranty is in addition to any other representations and warranties in this Order.

- (b) Services: Supplier warrants to Buyer that any Services or technical data provided by Supplier under this Order (i) have been performed or prepared in a professional and workmanlike manner by personnel who are adequately, trained, supervised and experienced and according to best industry standards and practices, (ii) are suitable for the purposes intended whether expressed or implied, and (iii) are in compliance with all applicable specifications and performance requirements.
- (c) Delivery, inspection, test, acceptance or use of or payment for the Goods and Services furnished hereunder shall not affect Supplier’s obligation under this warranty, and such warranties, and all other warranties, express or implied, shall survive delivery, inspection, test, acceptance, payment and use.
- (d) Buyer shall notify Supplier in a commercially reasonable time of a breach of Warranty (“Notice”), and may return ship the Goods on the fastest available commercial carrier and Supplier shall bear the risk of loss and pay all freight costs.
- (e) Buyer retains all its rights at law and in equity for Supplier’s breach of warranty. In addition to any other available remedies, Buyer may require Supplier to promptly repair, or replace, any goods which breach the Warranty. Deliveries of corrected or replaced Goods or Services shall be accomplished promptly and shall be accompanied by written notice specifying that such goods or Services are corrected, repaired or replaced. Buyer’s remedies with respect to this warranty shall not be limited, restricted or disclaimed in whole or part by any other provision of this Order.
- (f) Warranty services shall, to the greatest extent possible, be performed at the locations directed by Buyer. If Goods must be shipped to Supplier for warranty services, Buyer may return ship the Goods on the fastest available commercial carrier and Supplier shall bear the risk of loss and pay all freight costs.
- (g) While Buyer may have available to it contractual or other limitations with respect to its own customers, Buyer may in some instances decide, in its reasonable judgment, to provide corrective Goods and/or Services, and/or reimburse such customers for quality issues, losses and for damages beyond Buyer’s strict contractual or legal obligations. Where such corrective action payments and/or expenses by Buyer result from or are related to defects or failures by Supplier in Supplier’s Goods and/or Services, Buyer may recover for such corrective action, payment and/or expenses from Supplier.
- (h) Supplier, in support of both its warranty claims in support of Buyer’s production, and those involving fielded Aircraft if repairs are possible at Buyer’s premises, shall complete repairs within seventy-two (72) hours of Notice. If repair must be done off Buyer’s premises, Supplier shall complete repairs, and deliver the Goods as directed by Buyer, at Supplier’s expense, within seventy-two (72) hours of receipt of Notice. If replacement is required, Supplier shall deliver, at its own expense, new replacement Goods within seventy-two (72) hours. If necessary to meet the seventy-two (72) hour delivery requirement, Supplier, at no additional cost to Buyer, shall maintain, for as long as Goods

are under Warranty, a pool of Goods (“Pool”). Title to, and risk of loss of, all Goods in the Pool shall remain with Supplier until such time as Goods are accepted by Buyer.

- i. In Aircraft on Ground (“AOG”) situations, Supplier shall respond to any Notice within four (4) hours and have spare parts on site within twenty-four (24) hours.
- (i) Without limiting any other rights or remedies Buyer may have, Supplier, at its own expense, shall provide upon Buyer’s request, product support for Goods as part of its Warranty service, which shall include: field service support (including travel), engineering support, repair/overhaul support, training, technical publications (including all updates, ILS support, technical data, source data (in accordance with formats identified by Buyer), recommended maintenance and test equipment, ground support equipment and spare/repaired/replaced parts (collectively “Product Support”).
- (j) Goods provided under Warranty, whether repaired or replaced, shall be accompanied by notice stating whether the Goods are new replacements or repaired, and conform to the original Specifications and Drawings. Such Goods shall be covered by the Warranty for a period of twelve (12) months or the balance of the original Warranty period, whichever is longer.
- (k) Supplier acknowledges, warrants and represents that: (i) its goods are being sold for possible use in rotor-wing aircraft; (ii) it is an expert and fully competent in all phases of the work under this Order; (iii) Buyer has relied on Supplier’s expertise; and (iv) Buyer is entitled to rely on Supplier’s expertise.
- (l) The Warranty shall never extend beyond forty-eight (48) months after Buyer’s receipt of the Goods.
- (m) In the event that the Parties enter into a separate Product Support Agreement (“PSA”) and the PSA contains language addressing Seller’s Warranty obligations addressed herein, or any other warranty obligations, any conflict between this Article III and the PSA shall be governed by the terms of the PSA.

#### **Article IV. Changes, Additional Provisions**

**Add the following provisions to Article 10, Changes, of the SA908:**

- (e) Changes to Goods
  - (i) Supplier shall not make any changes to Goods, including without limitation, in form, fit, function, or classification, or to any component or software, (collectively, “Engineering Changes”) without: (i) submitting an Engineering Change Submission Questionnaire (“Questionnaire”, which is available at the Suppliers and Licensing > Supplier Resource > Engineering Change Proposal link on [www.sikorsky.com](http://www.sikorsky.com), and which is incorporated by reference herein), which shall be delivered at the earliest practicable time and in all cases at least 90 days prior to the Delivery Date; (ii) submitting either an SA Form 1359 or 1360 as directed by Buyer; (iii) receiving from Buyer an acceptance of the Engineering Change; and (iv) submitting final Engineering Change data , which data shall be delivered at the earliest practicable time and in all cases at least 30 days prior to the Delivery Date.
  - (ii) For Goods requiring completion of test, evaluation and approval procedures before an Engineering Change can be accepted, a Supplier

shall comply with the procedures which are available at the Suppliers and Licensing > Supplier Resource > Supplier Portal link on [www.sikorsky.com](http://www.sikorsky.com).

- (iii) SAC shall have absolute discretion in determining the classification of Goods. SAC may reject any Goods which fail to comply with applicable change procedures.

## **Article V. Product Support Obligation, Additional Provisions.**

**Add the following provision to Article 43, Product Support Obligation, of the SA 908:**

- (i) Supplier shall deliver to Buyer Goods returned by Buyer to Supplier for non-warranty repairs, or overhaul and repair, within forty-five (45) days from Supplier's receipt of Goods.
- (ii) In Aircraft on Ground ("AOG") situations, Supplier shall respond within four (4) hours and have spare parts on site within twenty-four (24) hours.
- (iii) In the event that the Parties enter into a separate Product Support Agreement ("PSA") and the PSA contains language addressing Seller's Product Support obligations addressed herein, or any other product support obligations, any conflict between Article 43 of the SA 908 and/or this Article V and the PSA shall be governed by the terms of the PSA.

## **Article VI. Aviation Unique Requirements**

**Add the following as an additional Article to the SA 908:**

Aviation Unique Requirements –

- (a) Supplier shall immediately notify Buyer upon receipt of any GIDEP Alert related to Goods. Supplier shall provide Buyer a list of all effected Goods by Purchase Order, Part Number, Invoice Number, Serial Number, and any other identifying number as applicable. Supplier shall immediately replace all effected Goods at its sole expense including any installation and removal costs for Supplier's supplies so affected. Supplier shall also reimburse Buyer for any damages and commercially reasonable expenses incurred by Buyer as a result of the GIDEP Alert which are caused by Supplier. If Buyer receives a GIDEP Alert for Goods, Buyer shall immediately notify Supplier and Supplier shall proceed with its obligations as stated herein.
- (b) If the FAA issues Airworthiness Directives (ADs), or if the CAA or JAA issue the equivalent of Airworthiness Directives, related to Goods, Supplier shall, at its sole expense, immediately remove the cause(s) of the ADs or AD equivalents in all Goods delivered and to be delivered to Buyer including but not limited to Goods utilized in the field. Supplier shall also reimburse Buyer for any damages and commercially reasonable expenses incurred by Buyer as a result of such ADs or CAA and JAA equivalent of ADs which are caused by Supplier.
- (c) Supplier shall provide all Service Bulletins, Safety Bulletins and Administrative Directives (collectively in this subsection "Bulletins") to Buyer immediately upon issuance. Supplier shall implement Supplier's recommendations regarding Bulletins on all Goods delivered or to be delivered. Supplier shall pay all costs and expenses of all corrective actions including, but not limited to, reimbursing

Buyer for field service costs including, without limitation, removal and reinstallation costs.

- (d) If Goods are intended for use or installation on a commercial aircraft, Supplier shall, without any cost to Buyer, obtain CAA or JAA certification of the Goods when requested by Buyer, and only deliver Goods that have been certified by the FAA. Supplier at all times at its sole expense shall maintain FAA certification of Goods delivered, and to be delivered. If it is necessary for Buyer to obtain CAA or JAA certification of commercial aircraft on which Goods will be installed, Supplier shall, without any cost to Buyer, as required by Buyer from time to time, cooperate with Buyer to obtain such certification.
- (i) Supplier shall comply with Buyer's ASQR Manual in performing work pursuant to this Order.
  - (ii) Supplier, at no cost to Buyer, shall cooperate and assist Buyer in accident reporting and investigation.
  - (iii) In addition to any other product support duties set out in this Order, Supplier to the extent necessary to support the Goods Supplier supplies hereunder, shall maintain, at its own expense, FAA Part 145 repair station approval.
  - (iv) Technical Publications:
    - 1. Supplier, at its own expense, shall provide Buyer, and Buyer's Customers, all required publications, in Supplier's normal commercial formats. These publications shall be updated as necessary.
    - 2. Supplier, at its own expense, shall provide Buyer source data in a suitable form for integration into Aircraft manuals (camera ready copies or magnetic tapes).

## **Article VII. Premises and Computer Access**

**Add the following as an additional Article to the SA 908:**

Premises and Computer Access -

- (a) Supplier shall comply with the provisions of this Article if the Goods to be provided, or Services to be performed, under the Order require access to any Buyer facility or Buyer system ("Supplier Services") including, without limitation, constructive access through computer networks, access to required data in whatever media, and dedicated ISP hosted web-sites (collectively "Buyer Premises"). Access connections to Buyer's Premises shall comply with then applicable Untied Technologies Corporation policies for Supplier connectivity. If the Supplier Services are for the United States government, or of a character which Buyer, in its absolute discretion, determines require them, the Enhanced Requirements set forth below shall apply. For all other Supplier Services, the Minimum Requirements set forth below shall apply unless Buyer, in its absolute discretion, determines that the Enhanced Requirements shall apply to the particular job assignment or Supplier Employee.

1. Minimum Requirements

- i. Supplier shall only provide, employees, agents, representatives, subcontractors, subcontractor employees or any other individual acting on Supplier's behalf, or under its control (collectively "Supplier Employee"), to perform Supplier Services who:
  - (1) Are citizens, permanent resident aliens or have a visa or other documentation authorizing employment (of the type, and for the period, required under this Order) in the United States as set forth below;
  - (2) Have not been convicted of any violation of law (including military law), which is a felony; and
  - (3) Comply with any other criteria Buyer, in its absolute discretion, shall establish for access to Buyer's Premises (collectively "Minimum Requirements").
- ii. Supplier shall certify to Buyer in writing that all Supplier Employees comply with the Minimum Requirements.

2. Enhanced Requirements

- i. Supplier shall only provide Supplier Employees to perform Supplier Services who:
  - (1) Are a "US person" as such term is defined by 22 CFR 120.15,
  - (2) Provide ChoicePoint (a third party background investigation service) with a Release signed by the Supplier Employee authorizing and allowing ChoicePoint to conduct a background investigation into such matters as ChoicePoint, in its absolute discretion, determines are required to verify compliance with this Article and Buyer's Security Rules whether set forth herein or elsewhere ("Buyer's Security Rules"),
  - (3) Receive a certificate of satisfactory completion of a background investigation from ChoicePoint,
  - (4) Have completed Buyer's security questionnaire to Buyer's satisfaction,
  - (5) Comply with any other lawful criteria Buyer, in its absolute discretion, shall establish for access to Buyer's Premises, and
  - (6) Have neither a conviction for any violation of law (including military law), nor charges pending adjudication for any violation of ordinance, regulation or law (including military law), which is a felony (collectively "Enhanced Requirements").
- ii. Supplier, or Supplier's Employee as applicable, regardless of whether a Supplier Employee is seeking a Sikorsky Contractor Access Photo Badge and, in addition to any other documentation required in this Article or by Buyer's Security Rules, shall, at the time they present themselves at Buyer's Premises, provide:



- (1) a certificate from ChoicePoint of satisfactory completion of a background investigation, or
  - (2) a current US government personal security clearance.
- (b) A Supplier Employee who is otherwise required under Buyer's Security Rules to have a Contractor Access Photo Badge, and his respective Supplier, shall also comply with the requirements set forth in Buyer's then applicable "Procedure for the Issuance of a Sikorsky Aircraft Contractor Access Photo Badge" the terms of which are incorporated by reference herein, and are available on Supplier's Resource Center at [www.sikorsky.com](http://www.sikorsky.com)
- (c) All Supplier Employees seeking access to Buyer's Premises shall present proof of United States citizenship or permanent lawful residency status in the United States and governmental authorization to perform the services required of the Supplier Employee under the Order (collectively "US Authorized Employee"), such proof may, depending on the services required under the Order, be: a United States passport, certificate of United States citizenship (N-560 or N-561), certificate of naturalization (N-550 or N-570), alien registration receipt card with photograph (I-151 or I-151), unexpired foreign passport with I-551 stamp, unexpired temporary resident card (I-688A), unexpired re-entry permit (I327), unexpired refugee travel document (I-571), certificate of birth abroad (FS-545 or DS-1350), report of birth abroad (FS-240) or original or certified copy of a birth certificate issued by a state, county, municipal authority or outlying possession of the United States which bears an official seal. For Supplier Employees who are not US Authorized Employees, Buyer's rules and regulations for foreign nationals shall apply.
- (d) Supplier Employees shall:
1. complete and submit to Buyer any and all administrative forms necessary on a premises by premises basis,
  2. at all times while on Buyer's Premises possess and display a valid Sikorsky access badge, and
  3. register their vehicles with the applicable security office at Buyer's Premises and comply with all parking restrictions
- (e) In addition to any Buyer Security Rules applicable to a Supplier Employee while on Buyer's Premises or Buyer's customer's premises, Supplier Employees shall not: (i) conduct any personal or business activities unrelated to this Order, including without limitation, interviews, hirings, dismissals or personal solicitations; (ii) conduct Supplier's personnel training, except for on-the-job training; (iii) attempt to participate in Buyer benefit plans or activities; (iv) send or receive mail or electronic messages through Buyer's mail or computer systems unrelated to this Order; (v) sell, advertise or market any products or distribute printed, written or graphic materials; (vi) possess weapons of any kind; (vii) manufacture, sell, distribute, possess, use or be under the influence of controlled substances (for non-medical reasons) or alcoholic beverages; (viii) possess hazardous materials of any kind unless the Services provided under the this Order so require or Buyer otherwise authorizes them; (ix) leave authorized areas (limited to the work locations, cafeterias, rest rooms and, in the event of a medical emergency, the Buyer's medical facilities) without an escort as provided in Buyer's Security Rules.
- (f) Supplier Employees while performing Supplier's Services shall remain compliant with the provisions of this Article, throughout the term of this Order. A Supplier Employee, and the Supplier, shall inform Buyer's responsible Purchasing personnel ("Buyer's Buyer") immediately of any matter which could effect Supplier Employee's continued compliance with the provisions of this Article. Buyer may thereafter order

Supplier to remove the personnel, require re-certification or further certification under this Article, or take such others actions as it, in its absolute discretion, deems appropriate.

- (g) If Supplier Employees have access to information, information assets, supplies or other property, including property owned by third parties but provided to Supplier personnel by Buyer (collectively “Buyer Assets”), Supplier Employees shall: (I) not remove Buyer Assets from Buyer’s Premises; (ii) only use Buyer Assets for purposes of this Order and reimburse Buyer for any unauthorized use; (iii) only connect with, interact with or use programs, tools or routines that Buyer agrees are needed to provide Supplier’s Services; (iv) not share or disclose user identifiers, passwords, cipher keys or computer dial port telephone numbers; and (v) if Buyer Assets are confidential, will not copy, disclose or leave such assets unsecured or unattended.
- (h) Buyer shall have the right, in its absolute discretion, to: (i) require each Supplier Employee to complete a security questionnaire, (ii) audit the methodology, process and results used by Supplier in conducting its background investigations, or otherwise to confirm that Supplier and Supplier Employees are complying with the provisions of this Article, (iii) deny access to Buyer’s Premises to any Supplier Employee at any time for any reason, and (iv) require a Supplier Employee to comply with the provisions of this Article.
- (i) Supplier Employees their persons, property, and vehicles entering or leaving any Buyer’s Premises shall be subject to search; and both Supplier, and Supplier Employee, shall promptly notify Buyer of any accident or security incidents involving loss of, or misuse or damage to, Buyer’s intellectual or physical assets; physical altercations; assaults; or harassment and provide Buyer with a copy of any accident or incident report related thereto.
- (j) Supplier shall
  1. Deliver to Buyer, and keep current, a complete list of the names and social security numbers of Supplier Employees on Buyer’s Premises,
  2. Deliver to each Supplier Employee prior to his/her arriving at Buyer’s Premises the following notice on sexual harassment: *“Sikorsky is committed to providing a work environment free from sexual harassment. Sexual harassment is unwelcome sexual conduct which has the purpose or effect of unreasonably interfering with an individuals work performance or which creates an offensive or hostile work environment. If you believe that you have been the victim of sexual harassment while working on Sikorsky facilities, you are encouraged to report such incidents directly to your employer and directly to Sikorsky.”*
  3. Maintain a signed acknowledgment that each person will comply with Buyer’s Security Rules including search guidelines,
  4. Not assign a Supplier Employee to perform services under this Order who is a former Buyer employee, or who has committed unethical or unlawful acts against a former employer, including without limitation, acts of industrial espionage, defalcation, misappropriation of Proprietary Information or any other theft offense or act of moral turpitude, whether criminal or civil and regardless of whether the act or omission was prosecuted criminally or civilly.
  5. At Buyer's request, at any time and for any reason or no reason at all, Supplier shall remove a Supplier Employee from Buyer’s Premises and not reassign such person to work on Buyer’s Premises.

6. Upon Buyer's request, provide documentation to verify compliance with this Article.
  - (k) If Supplier desires to use a non-compliant Supplier Employee, or otherwise desires to deviate from the provisions of this Article (e.g., for a Supplier Employee whose denial for a reason provided in this Article would be a violation of applicable state Law) Supplier shall submit a written request to Buyer's Buyer for a waiver. The request shall set forth, as applicable, the criminal record, citizenship status, or other deviation of the effected Supplier Employee, along with the reason the waiver is required. Buyer has absolute discretion in determining whether to grant a waiver, and its determination shall be final and non-reviewable
  - (l) Any expenses Supplier incurs to comply with this Article, including without limitation, any costs for ChoicePoint background investigations and certificates, and any costs for re-certifications or further certifications, shall be borne by Supplier
  - (m) To the fullest extent allowed by law, and notwithstanding any provision of this Order to the contrary, Supplier shall defend, indemnify, and hold Buyer harmless from and against any and all costs, expenses, liabilities, fines, penalties, sanctions, or damages associated with Supplier's failure to comply with the provisions of this Article. Supplier's obligations under this indemnity shall survive the termination of this Order.
  - (n) Supplier acknowledges that failure to comply with the provisions of this Article may be a violation of federal or state law for which Supplier and/or Supplier's Employee may face prosecution. Notwithstanding any provision of this Order to the contrary, a breach of any provision of this Article shall constitute a material breach of this Order and Buyer may exercise its rights set out in Buyer's Remedies for Default. If Supplier elects not to terminate the Order, Supplier shall have an ongoing obligation to fulfill this Order and to substitute Supplier Employees who comply with the provisions of this Article. Supplier's inability of to comply with the provisions of this Article shall not excuse the Supplier from non-performance.
  - (o) Notwithstanding anything in this Article to the contrary, Buyer has absolute discretion, at will, for any lawful reason or no reason at all to: (i) deny any Supplier, or Supplier Employee access to Buyer's Premises, (ii) to limit freedom of movement within Buyer's Premises, (iii) limit the period of time access is allowed or (iv) make any other changes to Buyer's Security Rules it deems appropriate.
  - (p) Buyer, upon reasonable notice, may make such reasonable security inspections and audits of Supplier's plant and security procedures as may be requested by, and on the behalf of, Buyer's Customer including the United States Government or other foreign government to ensure adequate security for the Aircraft delivered to such Customer.
  - (q) Computer/Information Technology Security Procedures.
1. If this Order requires that Supplier have access to information owned, managed or protected by Buyer (whether belonging to Buyer or a third party and whether residing on Buyer's own network or on a network of a Buyer participating site - by way of example, a third party Internet Service Provider, disaster recovery facility or remote data storage facility), including without limitation personally-identifiable information of Buyer employees, and other information protected by domestic or foreign privacy laws as then applicable, Supplier shall at all times maintain effective security for information used, stored and created by Supplier - in whatever media - in performing services under this Order (collectively "Buyer Information").

2. Supplier, to secure and protect Buyer Information, shall install and maintain sufficient security procedures, including, without limitation, security hardware, software, firewalls, filters and other security tools, and implement procedures and policies (collectively “Computer Security Procedures”). Supplier shall continuously update its Computer Security Procedures as required to maintain the level of security necessary to secure Buyer Information and comply with the provisions of this Article (Supplier’s Computer Security Procedures shall be sufficient under this section if they comply with the *Statement on Auditing Standards (SAS) No. 70, Service Organizations*, type II, issued by the American Institute of Certified Public Accountants). Supplier shall:
  - i. Deliver to Buyer, and keep current, its Computer Security Procedures and continuous improvement plans, including, without limitation, a schedule for implementation of its continuous improvement plans.
  - ii. Store Buyer’s Information in its possession in a dedicated secure environment owned and maintained by Supplier. Supplier may submit a written request in advance for a waiver of this provision to allow storage of Buyer Information in a shared environment. Buyer has absolute discretion in determining whether to grant a waiver, and its determination shall be final and non-reviewable.
  - iii. At commercially reasonable intervals not less than once pre year, permit Buyer, or its agent, to audit for compliance with this Article: at its facilities on one days notice, and by remote network at any time. The audits shall include any facilities with Buyer Information including, without limitation, remote sites and backup storage facilities. If Supplier stores Buyer Information in a shared environment, Buyer may use a third party to conduct such audits.
  - iv. Segregate all Buyer Information into a separate database only accessible by Buyer and its agents and those employees of Supplier for whom it is necessary to work with or maintain the equipment and the program on which it runs, unless otherwise agreed by Buyer. Supplier shall enforce its Computer Security Procedures to the utmost against unauthorized persons, including without limitation, Supplier’s own unauthorized employees from accessing Buyer Information.
  - v. Back up all Buyer Information and applicable software and have a reliable, effective and adequately tested disaster recovery plan, which shall be reasonably acceptable to Buyer.
  - vi. Avoid, to the greatest extent commercially reasonable, the transfer of Buyer Information across public networks, and encrypt any transfers. Encryption algorithms shall be of sufficient strength to equate to 128-bit RC-4 or better. All cryptography technologies used, must be published and approved by the general cryptographic community.
  - vii. In addition to any background investigations it must conduct on Supplier Employees to comply with this Article, conduct appropriate background checks on all non-Buyer personnel and non-Supplier Employees who will have access to Buyer’s Information - regardless of the environment – to ensure those individuals comply with the Enhanced Requirements set forth in this Article, and other applicable provisions of this Article.
  - viii. At the time of signing this Order, provide to Buyer a termination plan stating: (i) the method for returning Buyer Information - including backup and archival information, (ii) time frames for completing the termination plan and the

return of Buyer Information, and (iii) the method for permanently removing Buyer Information from Supplier's networks, equipment and facilities including, without limitation, third party facilities wherein Buyer Information resides. The termination plan shall include a provision for supplying the data to Buyer in an industry recognized non-proprietary database and, if not, a license to use the proprietary data base software to access the data and audit compliance of the termination plan with this Article.

- ix. At the time of signing of this Order, provide to Buyer the procedures and method Supplier shall use to comply with Buyer's requirement: for high risk/high sensitivity data applications, of two (2) factor authentication access, and for medium risk applications, of "Strong Password" data control.
- x. Provide information and cooperation to Buyer: a. in response to any governmental information request including, without limitation, a subpoena, an investigative request or other judicial, administrative or legislative inquiry seeking Buyer Information, b. to clarify and provide documentation relative to Buyer's Information including information in the possession of Supplier. Supplier shall promptly notify Buyer upon its receipt of a request requiring Supplier to provide Buyer Information to a third party, and
- xi. Comply, within a commercially reasonable time, with Buyer Information security policies as amended from time to time.

3. Supplier shall be in breach of its obligations under this paragraph (q) of this Article if:

- i. its Computer Security Procedures fail to meet Buyer's then current standards, and it fails to: (a) provide Buyer with a remediation plan within thirty (30) days or, (b) if requested by Buyer, take certain applications off line until the inadequacies are resolved, or (c) remedy the inadequacies within the time frame specified by Buyer, or (d) remedy the inadequacies to Buyer's satisfaction, which determination shall be within Buyer's absolute discretion, or
- ii. it fails to pass Buyer's compliance audits under this Article, or
- iii. otherwise fails to comply with the provisions of this Article, which determination shall be within Buyer's absolute discretion

Notwithstanding any provision of this Order to the contrary, a breach of any provision of this paragraph (q) of this Article shall constitute a material breach of this Order and Buyer may exercise its rights set out in Buyer's Remedies for Default. If Supplier elects not to terminate the Order, Supplier shall have an ongoing obligation to fulfill this Order and to comply with the provisions of this Article. Supplier's inability of to comply with the provisions of this Article shall not excuse the Supplier from non-performance.

- (r) Suppliers shall provide the following notice to Supplier Employees who perform Supplier Services, "You acknowledge, You are entering a manufacturing facility, and many activities undertaken here present inherent risks (including serious injury and death) that no amount of care can completely eliminate and those risks may increase during Your visit. You assume those risks and enter Our premises voluntarily. By Your voluntary entry, You, for Yourself and Your personal representatives, assigns, heirs and next of kin or any of them (collectively "You(r)") hereby Covenant Not to Sue Sikorsky Aircraft Corporation and its parent United Technology Corporation and each of its officers, employees and agents (collectively "Us/Our/We") and Release

and Discharge Us from, and Waive claims against Us for, all existing and future liability for death, injury to You or damage to Your property (collectively “Your Damage”), and any cause of action You may have for Your Damage, which results from Your visit to Our premises however Your Damage is caused. Further, You shall Indemnify and Defend Us, and Save and Hold Us Harmless from any liability, damage or cost We may incur (“Our Damage”): (1) due to Your presence, or any of Your actions, on Our premises and/or (2) due to Your performance of services on Our premises, whether for Us or others, however Our Damage is caused. You acknowledge that the foregoing Covenant, Discharge, Release, Waiver, Hold Harmless and Indemnity are intended to be as broad as permitted by Connecticut law. You consent to whatever medical care might be provided on the premises and shall comply with all of Our rules and regulations (which are posted on Our website [www.sikorsky.com](http://www.sikorsky.com)) applicable to facilities contractors who are under contract with Us.

***YOU HAVE READ, UNDERSTOOD AND BY YOUR ENTRY VOLUNTARILY AGREE TO THE TERMS OF THIS NOTICE.”***

**Article VIII. Orders Under U.S Government Contracts**

**In addition to Article 47, U.S. Government Provisions and Clauses for Orders under U.S. Government Contracts, in the SA 908, add the following:**

If this Order is a subcontract under a Prime Contract awarded by the U.S. Government, the following additional provisions in effect on the Order date shall apply.

(a) CLAUSES INCORPORATED BY REFERENCE:

This contract incorporates the following Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) clauses by reference, with the same force and effect as if they were given full text. The full text of these clauses is available on the internet at [www.arnet.gov/far](http://www.arnet.gov/far) and [www.acq.osd.mil/dp/dars/dfars.html](http://www.acq.osd.mil/dp/dars/dfars.html). All clauses apply to non-commercial items unless otherwise required by Buyer or Buyer’s Customer.

<u>FAR Reference</u>	<u>Title</u>
52.203-6	Restrictions on Subcontractor Sales to the Government – Alternate I
52.203-7	Anti-Kickback Procedures
52.203-13	Contractor Code of Business Ethics and Conduct
52.204-2	Security Requirements
52.204-9	Personal Identity Verification of Contractor Personnel
52.204-10	Reporting Subcontract Awards
52.209-1	Qualification Requirements
52.215-14	Integrity of Unit Prices
52.215-19	Notification of Ownership Changes
52.217-2	Cancellation Under Multi-Year Contracts
52.219-28	Post-Award Small Business Program Rerepresentation
52.222-19	Child Labor – Cooperation With Authorities and Remedies
52.222-50	Combating Trafficking in Persons
52.227-3	Patent Indemnity
52.232-1	Payments
52.232-11	Extras
52.233-3	Protest After Award <sup>1</sup>

<sup>1</sup> In the event Buyer’s customer has directed Buyer to stop performance of the work under the prime contract under which this Order is issued pursuant to FAR 33.1, Buyer may, by written order to Supplier, direct Supplier to stop performance of

52.237-2	Protection of Government Buildings, Equipment and Vegetation
52.243-1	Changes – Fixed-Price
52.243-6	Change Order Accounting
52.246-4	Inspection of Services – Fixed-Price
52.247-68	Report of Shipment (REPSHIP)

**DFARS Reference**

**Title**

252.204-7003	Control of Government Personnel Work Product
252.205-7000	Provision of Information to Cooperative Agreement Holders
252.215-7003	Excessive Pass-Through Charges – Identification of Subcontract Effort
252.215-7004	Excessive Pass-Through Charges
252.217-7000	Exercise of Option to Fulfill Foreign Military Sales Commitments – Alt. I
252.225-7014	Preference for Domestic Specialty Metals – Alternate I
252.225-7016	Restriction on Acquisition of Ball & Roller Bearings
252.232-7002	Progress Payments for Foreign Military Sales Acquisitions
252.232-7010	Levies on Contract Payments
252.235-7010	Acknowledgment of Support and Disclaimer
252.235-7011	Final Scientific or Technical Report
252.239-7016	Telecommunications Security Equipment, Devices, Techniques and Services
252.243-7002	Requests for Equitable Adjustment
252.246-7000	Material Inspection and Receiving Report
252.246-7001	Warranty of Data
252.246-7003	Notification of Potential Safety Issues
252.251-7000	Ordering from Government Supply Sources

Whenever necessary to make the context of the FAR and DFARS clauses applicable to this Order, the term “Contractor” shall mean Supplier, the term “Contract” shall mean this Order, and the term “Government”, “Contracting Officer” and equivalent phrases shall mean Buyer and/or Buyer’s purchasing representative, except the terms “Government” and “Contracting Officer” do not change: (1) in the phrases, “Government Property”, “Government-Furnished Property”, and “Government-Owned Property”, (2) in the patent clauses incorporated herein, (3) when a right, act, authorization or obligation can be granted or performed only by the Government or the Prime Contract Contracting Officer or his duly authorized representative, (4) when title to property is to be transferred directly to the Government, (5) when access to proprietary financial information or other proprietary data is required except as specifically otherwise provided herein, and (6) where specifically modified herein. If there is a conflict or addition to a clause in effect on the effective date of this Order and a clause of the Prime Contract, the Prime Contract clause shall govern. All references to the clause entitled “Disputes” and all references to the “Disputes Clause” in any other FAR clauses referenced herein are deleted.

- (b) Price Reduction for Defective Cost or Pricing Data: 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 and/or the formal assertion of a claim by a Non-Governmental Customer of Buyer and/or the withholding of money from Buyer by a customer based on an alleged failure of Supplier or its subcontractors to comply with the Act and/or the agreement by Buyer to a reduction in any cost, price, or fee of its contract(s) as the result of an alleged failure to comply with the Act.

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the work under this Order. “30 days” means “20 days” in (b)(2); substitute “Buyer” for “Government” throughout the clause, except for the first time that “Government” appears in (f); in (f) add after 33.104(h)(1) the following: “and recovers those costs from “Buyer”.

- (i) Supplier shall reimburse Buyer for any loss or damage to Buyer in the event that Buyer's customer (including the Government) 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, that any cost, price or fee in Buyer's contract should or will be reduced because:
  - a. Supplier or a subcontractor or prospective subcontractor of Supplier failed to furnish any cost or pricing data, including any requested data, that were required under the Act or its implementing regulations; or
  - b. Supplier or subcontractor of Supplier furnished cost or pricing data that were 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.
- (ii) At any time following such determination, the sums paid or payable to Supplier under this Order may, at Buyer's sole option, be reduced in the amount by which the sums received or receivable by Buyer from its Customer (including, but not limited to, the allocable share of Buyer's indirect costs and profit or fee) are reduced based upon such determination, and this Order shall be modified in writing as may be necessary to reflect such reduction. At Buyer's election, Buyer may set off against any amounts due or to become due to Supplier from Buyer, whether or not under this Order, all amounts by which this Order has been reduced as set forth above.
- (iii) If an appealable decision is made by a Contracting Officer of the United States relating to cost or pricing data required to be submitted or actually submitted by Supplier or a subcontractor of Supplier, such decision (or portions thereof as relate to Supplier) shall be conclusive upon Supplier, unless Buyer, in its sole discretion, gives Supplier the opportunity to appeal such decision in the name of Buyer. In the event Supplier fails to do so, such decision shall be binding upon the Supplier. Any such appeal brought by Supplier in the name of Buyer shall be at the sole expense of Supplier. Supplier shall be solely responsible for the production of such appeal, including, but not limited to, the presentation of all pleadings, documents, evidence, facts, data and testimony in connection therewith. Further, Supplier shall be responsible for providing any and all information requested by Buyer to verify, support, or provide any and all certifications required by the Contract Disputes Act of 1978, 41 U.S.C. Section 601 et seq., to perfect any such appeal. 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. The term "appeal" shall include any and all proceedings taken by Supplier under this Subparagraph before a Board of Contract Appeals and any Federal Court. Supplier shall be conclusively bound by any



decision of any such Board of Contract Appeal or Federal Court.

(c) Inspection of Books and Records

- (i) Supplier agrees that its books, records and its plant, or such parts of its plant as may be engaged in the performance of this Order, shall at all reasonable times be subject to inspection and audit by any authorized representatives of any Department of the United States Government. Additionally, if this Order is a time and material or construction Order or provides for the payment of any amounts prior to the completion hereof, including, without limitation, progress payments, Supplier agrees that its books, records and its plant, or such parts of its plant as may be engaged in the performance of this Order, shall at all reasonable times be subject to inspection and audit by any authorized representative of Buyer notwithstanding any other provision herein to the contrary.
- (ii) 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 (including without limitation claims/proposals submitted pursuant to the Changes clause and Termination for Convenience clause) to be able to properly negotiate the most favorable price and to verify compliance with the provisions of this Order.

(d) Orders Involving Government Property

- (i) Title to each item of 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. Tooling is not subject to the provisions of this clause but is subject to the provisions of the Special Tooling Clause. The Government shall retain title to GFP.
- (ii) 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:
  - (1) Issuance of the material for use in Order performance;
  - (2) Commencement of processing of the material or its use in Order performance; or
  - (3) Reimbursement of the cost of the material by Buyer, whichever occurs first.
- (iii) 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.

- (e) Indemnification: In addition to any other remedies that Buyer may have, Supplier shall indemnify and hold harmless Buyer from and against any loss or damage, including Buyer's costs and attorney's fees, resulting from any and all determinations by the Government and/or Buyer's Customer(s) from any misinformation or misrepresentations provided by Supplier in completing form SA 1048 (Supplier Annual Certifications and Representations), or from Supplier's failure otherwise to comply with the clauses incorporated by reference in this Order.
  
- (f) Commercial Items: In the event that Supplier asserts that Goods or Services meet the definition of "commercial items" under FAR 2.101, Supplier shall provide relevant documentation to support Supplier's assertion and a signed certification detailing the basis for Supplier's assertion (Buyer's form SA6064). Unless Supplier provides such documentation and certification, or Buyer waives the requirement in writing, all FAR and DFARS clauses listed herein shall apply to this Order. To the extent that Buyer's Customer disagrees with Buyer's determination of Supplier's commercial assertion, all FAR and DFARS clauses listed herein shall apply to this Order.
  
- (g) Contractor Manpower Reporting Requirements: The Office of the Assistant Secretary of the Army (Manpower & Research Affairs) operates and maintains a secure Army data collection site where the contractor will report ALL contractor manpower (including subcontractor manpower) required for performance of this contract. The Supplier is required to completely fill in all the information in the format using the following web address: <https://contractormanpower.army.pentagon.mil>. The required information includes: (1) Contracting Office, Contracting Officer, Contracting Officer's Technical Representative; (2) Contract number, including task and delivery order number; (3) Beginning and ending dates covered by reporting period; (4) Contractor name, address, phone, e-mail address, identify of contractor employee entering data; (5) Estimated direct labor hours (including subcontractors); (6) Estimated direct labor dollars paid this reporting period (including subcontractors); (7) Total payments (including subcontractors); (8) Predominant Federal Service Code (FSC) reflecting services provided by contractor (and separate predominate FSC for each subcontractor if different); (9) Estimated data collection cost; (10) Organizational title associated with the Unit Identification Code (UIC) for the Army requiring Activity (the Army requiring Activity is responsible for providing the contractor with the UIC for the purposes of reporting this information); (11) Locations where contractor and subcontractors perform the work (specified by zip code in the United States and nearest city, country, when in an overseas location, using standardized nomenclature provided on website); (12) Presence of deployment or contingency contract language; and (13) Number of contractor and subcontractor employees deployed in theater this reporting period (by country). As part of its submission, the contractor will provide the estimate total cost (if any) incurred to comply with this reporting requirement. Reporting period will be the period of performance not to exceed 12 months ending 30 September of each government fiscal year and must be reported by 31 October of each calendar year. Contractors may use a direct Extensible Markup Language (XML) data transfer to the database server or fill in the fields on the website. The XML direct transfer is a format for transferring files from a contractor's systems to the secure website without the need for separate data entries for each required data element at the website. The specific formats for the XML direct transfer may be downloaded from the website.

(h) DD FORM 254 REQUIREMENT:

Concurrence of the Government's Contracting Officer and PEO Aviation Security Office/Foreign Disclosure Officer must be obtained prior to issue of a Limited Access Authorization to a non-U.S. Citizen in compliance with the NISPOM. Controlled Unclassified Information as defined in DoD 5200.1.R., Appendix C, may be disclosed to U.S. persons who are employed by the Supplier, or to such employees who are foreign persons when requirements of export control and other laws are met. The Supplier is responsible for compliance with all applicable laws and regulations governing access to Classified Military Information or Controlled Unclassified Information. The Supplier is not authorized to release any data to foreign nationals or foreign representatives without an approved export license.

If Supplier subcontracts with foreign entities in connection with this Order that require access to US Classified Military Information or Controlled Unclassified Information, then the Supplier shall provide Buyer with a listing of those foreign entities. The list, which will be provided to the Government, will also include the country of origin, work being performed, export license number and by name and citizenship of any third party national citizens performing on Supplier's subcontract.

NSA Industrial COMSEC Manual, NSA/CSS Policy Manual 3-16, August 2005, applies to this contract.

Supplier's access to DTIC information is restricted to contractual subject matter and SOW performance requirements. The Government will verify Supplier's need-to-know via submission of DD forms 1540 and 1541 to DTIC.

All classified processing will be prepared on a computer accredited at the appropriate classified level.

(i) UID: The Supplier is required to comply with the UID marking requirement per DOD FAR Supplement (DFARS) 252.211-7003 – Item Identification and Valuation and MIL-STD-130 (latest revision).

(j) SPECIALTY METALS REQUIREMENTS:

Supplier acknowledges that it has read the information contained on Buyer's Supplier Portal regarding Specialty Metals (as defined in the Defense Federal Acquisition Regulations Supplement, said regulations are incorporated herein as listed above under this Article VIII). 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, to its suppliers with instructions that Supplier's suppliers must flow DFARS 252.225-7014, ALT I, to their suppliers. To ensure compliance, Buyer, in addition to paragraph (k) below, may require the following information from Supplier:

Methods the Supplier uses to verify whether or not it's Goods contain specialty metals;

Supplier's methods of validating that it has received compliant hardware quotes from its suppliers;

Methods of flowing down specialty metals requirements to Supplier's suppliers;

Supplier's record management practices regarding specialty metals compliance;

Supplier's inventory process for identifying and handling compliant hardware; and

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, 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, 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.dcmamil/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.

- (k) Supplier shall complete Buyer's Supplier Annual Certifications and Representations Form (SA1048) on an annual basis and at any such time as Supplier's status, or information as reported on said form, changes. Said form is incorporated herein by reference.

## **Article IX. Quality**

**Add the following as additional Sections to the SA 908:**

### **Section II QUALITY ASSURANCE PROVISIONS**

The following provisions apply to this Order if noted on the face sheet of the Order.

1. Supplier shall create two original copies of Certificate of Compliance Form SA 876 ("Compliance Form") certifying that Goods meet all applicable Specification and Drawing requirements. The Compliance Form shall be signed by a duly authorized representative of Supplier. Buyer may, at any time examine the Compliance Form and the supporting documentation, and audit Supplier's procedures related thereto. If at any time Buyer requests a copy of the Compliance Form for any particular shipment under this Order, Supplier shall within three (3) days of receipt of such request deliver to Buyer a certified copy of the Compliance Form. Supplier shall retain the Compliance Form and all supporting documentation pursuant to the record retention requirements in Paragraph 2 below. Additionally, all inspection records, including but not limited to: test results,

material certification, and supplier inspection checklists, which are representative of the Goods and establish they are in compliance with requirements of this Order, shall be all-inclusive and presented to Buyer upon presentation of the Goods for Buyer's inspection at Supplier's facility.

2. Supplier shall maintain supporting evidence and documentation related to Goods for the period required by the Aerospace Supplier Quality Requirements ("ASQR") record retention requirement 40/10/8/4. The supporting evidence and documentation shall be made available to Buyer for inspection upon Buyer's request.
3. Supplier shall create a Material Certificate ("Certificate") showing compliance with the requirements listed on the applicable Specifications for each Order including chemical, physical and other related requirements. The Certificate shall be signed by an authorized representative of Supplier. For Goods or other items undergoing inspection by Buyer at Supplier's facility, the Certificate shall affirm, compliance with the chemical, physical and other requirements, and passage of any applicable tests listed on the applicable Specifications for each Purchase Order; the Certificate shall be retained on file at Supplier's facility in accordance with the applicable record retention requirements of Paragraph 2 above. The Certificate shall be made available to Buyer for inspection upon Buyer's request. For Goods or other items undergoing Buyer's inspection at Buyer's facility, the Certificate and or test reports shall be attached to the packing slip accompanying each shipment.
4. If Supplier is manufacturing Goods for which Supplier retains design responsibility, minor non-conformances may be processed by the Supplier using Supplier's documented Non-conforming Material Control System. Notwithstanding the generality of the foregoing, Buyer retains design responsibility for the design and interface requirements on all Specification and Source Control Drawings. Whenever required by Buyer, Supplier shall submit a Non-conforming Material Rejection Report SA342-series form per ASQR-01 Sikorsky Unique Supporting Documentation Appendix A ("NMRR") at the earliest practicable time and always in sufficient time prior to the Delivery Date for dispositioning any design specification or interface non-conformances ("Disposition(ing/ed)"). Supplier shall always submit documentation to Buyer describing any non-conformances which affect or involve: (i), safety, performance, reliability, interchangeability, service life, weight or appearance (if appearance is applicable) of a Good relative to Supplier's design responsibility drawings, and (ii) any aspect of a Good which is, or has components which are, classified as critical parts by Buyer. Supplier shall submit a Request for Waiver or Deviation (DD Form 1694 or letter in a format acceptable to Buyer "Request") to Buyer's cognizant buyer in the Material Department, Purchasing Section, unless otherwise directed by the technical data specification cited in the Purchase Order. The Request shall be submitted to Buyer at the earliest practicable time and always prior to Delivery Date with sufficient time for Buyer's Program Management Team to analyze the non-conformity and formulate an action plan and/or appropriate Dispositioning.
5. The provisions of Paragraph 6 set forth below are applicable.
  - (a) Purposely Omitted
  - (b) Supplier shall execute a certification stating that all Goods supplied under this Order have been inspected and are in full compliance with all applicable Drawings and Specifications. Supplier shall retain the certification on file at Suppliers facility pursuant to the record retention requirements in Paragraph 2 above. Supplier upon Buyer's request shall deliver the certification to Buyer.
6. The Goods under this Order are subject to the requirements of ASQR-01 (UTC Common and Sikorsky Unique)/AS9100. Supplier shall flow down the applicable requirements of

this Order to its lower tier suppliers. No changes shall be made to a lower tier supplier process, or operations by Supplier or its lower tier supplier(s) without submittal of qualification samples or initial deliveries. Any change permitted by Buyer shall be controlled in accordance with Buyer's policies and procedures. Supplier shall deliver to Buyer prior to delivery of any Goods that have been changed an independent certification that the changes conform to the requirements of this Order including but not limited to safety, performance, reliability, interchangeability, service life, weight or appearance (if appearance is applicable).

7. All Flight Safety Parts and or assembly(s) containing Flight Safety Parts shall be in strict accordance with Flight Safety Parts requirements of the Purchase Order and the Flight Safety Parts requirements set forth in Section III below.
8. Buyer may require that certain hidden dimensions/characteristics of Goods ("Reportable Characteristics") be individually inspected by Supplier at Supplier's location. The Reportable Characteristics which Supplier shall inspect shall be listed by Buyer on the Order, which Order shall contain the note "Supplier's Inspection Record for Reportable Characteristics, SA Form 5182 Required". For Orders with multiple shipments, the Form 5182 shall be completed by Supplier for, and delivered with, each shipment of Goods. The actual value or actual range of values for each Reportable Characteristic shall be recorded for each lot as specified on Form 5182. All Form 5182s shall be maintained on file by the Supplier in accordance with the record retention requirements in Paragraph 2 above and shall be made available to the Buyer upon request. If the Form 5182 requires recording of Method of Manufacture and Control, the Form 5182 shall be submitted to Buyer with each shipment, unless Buyer's inspection is performed at Supplier's facility. If Buyer's inspection is performed at Supplier's facility, Supplier shall maintain the Form SA5182 at Suppliers facility in accordance with the record retention requirements in Paragraph 2 above.
9. If Buyer Dispositions a Good(s) in accordance with Buyer's Material Review Board procedures, and Buyer determines: (i) that the Goods are amenable to re-delivery to Buyer after Supplier's re-work/repair, (ii) an adequate inspection of the Goods, and/or materials, components, sub-assemblies, or other aspects thereof, cannot be conducted at the Buyer's facility, and (iii) that an inspection must occur at the Supplier's facility prior to re-shipment to Buyer, Supplier shall not re-ship the Goods to Buyer without: (i) permitting Buyer the opportunity to perform an inspection verification of the Goods, and/or materials, components, sub-assemblies, or other aspects thereof, and (ii) notifying Buyer seven (7) working days in advance of the date on which the Goods and/or materials, components, sub-assemblies, or other aspects thereof, will be ready for Buyer's inspection. All Goods which have been Dispositioned to the Supplier for re-work/repair shall immediately upon Supplier's receipt, at all times while in the possession of Supplier and at the time of re-shipment to Buyer, be:(i) clearly identified as Dispositioned and (ii) segregated from conforming Goods..
- 10-13. Purposely Omitted
14. Buyer may require that Goods be manufactured using sources for special processes and laboratory procedures approved by Buyer ("Approved Sources"). Approved Sources shall be set forth on Buyer's, Buyer Approved Source List for Special Processes and Laboratories ("Approved Source List"). Supplier shall conform to the most current Approved Source List. Buyer shall post the current edition of the Approved Source List at <https://myutc.utc.com/sikorskysupplier>. Buyer may, in its absolute discretion, issue a new superseding edition of the Approved Source List at any time. If a new superseding edition of the Approved Source List is issued, which affects the Goods, Supplier shall:

- (a) If Goods are work in process, a process is contracted for, or there is a cost impact on this Order, Supplier shall promptly give written notice to the responsible Buyer, Purchasing Department representative, which notice shall specify the effected process and an estimate of the cost impact, and may request an adjustment in the cost; or
- (b) If Goods are not affected by the circumstances set forth in Paragraph (a), proceed in accordance with the superseding edition of the Approved Source List.
- (c) Supplier shall maintain an original of the Special Process Certification (herein in this paragraph "Certification") from the Approved Source used by Supplier for the Goods. Supplier shall be maintain all Certifications on file in accordance with the record retention requirements set forth in Paragraph 2 above, and shall submit copies to Buyer upon request. The Certification shall state that Buyer's inspection is to be conducted at Supplier's facility. Supplier shall present the Certification to Buyer during source inspection.

#### 15-19. Purposely Omitted

20. Buyer may require that Goods conform to an Acceptance Test Procedure(s) ("ATP"). If an ATP is required, Supplier shall deliver with the Goods a copy of a certificate ("ATP Certificate") certifying that the Goods have passed the ATP. The ATP Certificate shall also list the applicable Part Number of the Good(s), and the applicable ATP Number and the revision thereto. The original of the ATP Certificate shall be maintained at the Supplier's facility in accordance with the record retention requirements set forth in Paragraph 2 above. Buyer may, at any time, witness an ATP, and review ATP results.

### **SECTION III SUPPLEMENTAL QUALITY ASSURANCE PROVISIONS**

These supplemental quality assurance provisions shall apply to all Goods.

#### 1. Flight Safety Parts

- (a) Buyer, in its absolute discretion, may designate a part as a flight safety part ("Flight Safety Part(s)") on the Order. The provisions of this Section shall apply to all Flight Safety Parts.
- (b) If this Order is for Goods, which are, or contain, a Flight Safety Part(s), Supplier, at its own cost and expense (except as otherwise explicitly noted), shall:
  - (i) maintain, at all times, a Buyer approved Quality system. In addition to any requirements identified in Section II above, Supplier shall comply with the requirements of Buyer's Aerospace Supplier Quality Requirements ("ASQR") as set forth on the Order;
  - (ii) as requested, deliver to Buyer for approval, which approval shall be within the sole and absolute discretion of Buyer, all records and documentation related to the manufacture, testing, storage, handling and all other matters related to the integrity and quality of the Goods, including operation sheets, training records, routing guides, parts traceability procedures, planning and processing documentation, and quality assurance and inspection processes and procedures (hereinafter collectively referred to as "Flight Safety Parts Documentation") relating to, or arising out of, Supplier's proposed performance of processes and/or characteristics of the Goods, which Buyer, in its sole and absolute discretion, identifies on the Order as critical ("Critical Characteristics or

Processes"); upon Buyer's approval of Flight Safety Parts Documentation, including those operations identified as Critical Characteristics or Processes, they shall be deemed "frozen";

- (iii) make such changes, including to Goods, Flight Safety Parts Documentation and/or Critical Characteristics or Processes as may be required to obtain and maintain Buyer's approval of the Flight Safety Parts Documentation;
  - (iv) not make changes to its Flight Safety Parts Documentation, Critical Characteristics or Processes, or other aspects of the processes or characteristics of Goods frozen by the Buyer, or use any alternate material, without the prior written approval of Buyer, provided however, Supplier may make such minor changes as are expressly reserved to Supplier's discretion in the Flight Safety Parts Documentation;
  - (v) develop and maintain as part of its Flight Safety Parts Documentation, a process for verification and certification of compliance with all the requirements of the Flight Safety Parts Documentation, which shall include a system to certify and verify that each Critical Characteristic or Process is strictly complied with, and that the Goods were manufactured/processed in compliance with the Flight Safety Parts Documentation; and
  - (vi) maintain all Flight Safety Parts Documentation for a period of forty (40) years after delivery of the Goods; Buyer may from time to time inspect Supplier's books and records and audit them for compliance with the requirements of this Section.
- (c) Supplier hereby, acknowledges, represents and warrants that it retains complete and sole responsibility for compliance with the provisions of this Section, and that any actions of Buyer related to any aspect of the matters issues addressed in this Section, including, approval of any documentation prepared by Supplier, or providing to Supplier recommendations, assistance, modifications or alternatives for documentation, characteristics or processes, shall not in any way limit, diminish, amend, modify or alter any duties of Supplier under this Section or the Order.
- (d) Supplier shall not use, or seek approval for the use of, Non-Conforming Material, for which a NMRR has been filed, in connection with a Critical Characteristic or Process.
- (e) From time to time, Buyer may add or delete Critical Characteristics or Processes at no additional cost or liability. For those Critical Characteristics or Processes that are added, Supplier, at its own expense, shall comply with all the provisions of this Section.
2. Quality Assurance - All physical and functional configuration of Goods shall comply with the requirements of the Order. Supplier shall, at Buyer's request and at no expense to Buyer, perform physical and functional configuration audits of Goods. Supplier shall retain the results of the audit in accordance with the record retention requirements set for in the ASQR and make them available to Buyer upon request. Supplier shall at its own expense correct all physical and functional configuration discrepancies immediately upon discovery.



3. First Article/Qualification Testing

- (a) If required by Buyer, Supplier, at its own expense, shall test Goods, processes, procedures and facilities in conformance with the requirements of this Order including the performance of a first article inspection/qualification testing (“FAI”). Supplier’s duty(ies), and obligation to perform a duty at its own expense, under this Paragraph shall be applicable to all FAI’s including those required at the commencement of a Supplier relationship, introduction of a new part number or Good, or as a result of Supplier’s action such as moving manufacture of Goods to another location.
- (b) At least thirty (30) calendar days before commencing a FAI, Supplier shall deliver written notice to Buyer of the time and location of the FAI. Buyer may witness the FAI, and Supplier, if requested by Buyer and at Supplier’s own expense, shall make all commercially reasonable accommodations including making available suitable temporary office space for Buyer.
- (c) Upon Supplier’s completion of the FAI, Supplier shall deliver the FAI test report in accordance with the delivery schedule in this Order. Supplier shall mark the FAI test report "FIRST ARTICLE TEST REPORT: Order No.\_\_\_\_, Lot/Item No.\_\_\_\_". Within sixty (60) calendar days after Buyer’s receipt of the FAI test report, Buyer shall notify the Supplier, in writing, of its approval, conditional approval, or disapproval. Approval or conditional approval shall not relieve Supplier from complying with all requirements of the Specifications and all terms and conditions of this Order. If Buyer disapproves a FAI, Buyer shall set forth its basis for the disapproval.
- (d) If Buyer disapproves of a FAI, Supplier, upon Buyer’s request and at its own expense, shall repeat the FAI and make any necessary changes, modifications and/or repairs to Goods, processes, procedures and/or facilities to complete successfully the FAI. If Buyer is performing the FAI, Supplier shall as requested by Buyer and at Supplier’s cost and expense, make changes to Goods, processes, procedures and/or facilities in order for Buyer to complete successfully the FAI. All costs relating to additional tests or re-test whether performed by Buyer or Supplier shall be borne by Supplier.
- (e) Prior to Supplier’s receipt of Buyer’s approval of a FAI, Supplier’s performance of any preparatory steps toward, or actual, performance of any portion of an Order including acquisition of sub-assemblies, materials or components, or the commencement, or completion, of production of Goods, and any risks associated with such efforts, (collectively “Speculative Steps”) shall be at Supplier’s sole risk. Without limiting the generality of the foregoing, the costs of Speculative Steps shall not be allocable to this Order for any reason including: (1) progress payments, or (2) if the Order is terminated for the convenience of Buyer, termination settlements.

Notwithstanding the generality of the expense allocation provisions of paragraph (d) above, if prior to Supplier’s receipt of Buyer’s approval of an FAI, Supplier is permitted or required by Buyer, on terms mutually agreeable to the Parties, to perform Speculative Steps to the extent essential to meet the Order’s Delivery Dates, Buyer’s granting of permission to undertake Speculative Steps is not a waiver of any of Buyer’s rights and does not relieve Supplier from any of the requirements of this Order. Notwithstanding Buyer’s permission or requirement to commence Speculative Steps, if a FAI when finally conducted reveals deviations or differences from Order requirements, the Supplier shall make the required changes and/or replace all the effected Goods at no cost to Buyer

including without limitation, retrofit, removal and reinstallation costs for items in Aircraft, and shall, at no cost to Buyer, make all modifications necessary to assure that Goods in production comply with the requirements of this Order.

- (f) The Goods delivered for FAI and those delivered as production quantities shall be manufactured/produced at the same facility. If Supplier wishes to change the location of manufacture of such Goods, it shall submit to a new FAI in accordance with the procedures set forth in this Section. Supplier shall bear all costs of the new FAI, including Buyers' quality and engineering costs to support the FAI.
4. Configuration Control - Supplier shall comply with the requirements set forth in this Order for controlling the configuration of Goods, supplies or items required under this Order.
5. Buyer Approved Parts - Supplier represents and warrants that if required to use specific sub-assemblies, parts and materials in Goods from a specific list including, the Qualified Parts List, Qualified Manufacturers List, Buyer's Specification/standard approved source of supply, Engineering Source Control drawing, Specification control drawing, Qualified Process List, Material and Process List or any applicable qualified products/processes list ("Approved Part(s)", and the lists singularly or collectively as the context requires "Approved List(s)") it has only used, and shall only use the specific Approved Part and that the Approved Part has been manufactured by, or procured from, source(s) on the specific Approved List(s).
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 Standard's Department.
7. Wire and Cable Use and Handling - If Supplier uses silver plated copper wire in any application in Goods, it shall comply with the following requirements:
- (a) At no time during handling shall the wire/cable (collectively "Wire") ends be exposed to moisture or water. A controlled environment shall be maintained throughout the harness/assembly (collectively "Harness") process to eliminate the necessity of end sealing the Wire. No Wire ends shall be terminated that show any signs or other visual evidence of "Red Plague". Once the packaging has been removed in an uncontrolled environment, all manufacturers, distributors, sub-contractors and partners shall follow the end-seals requirements. Any Wire that has been processed and not terminated for modification, re-work or replacement, that is susceptible to an uncontrolled environment shall be put into a sealed bag with a desiccant. Any Wire that is in an uncontrolled environment and not terminated shall be inspected for evidence of Red Plague. The Wire bending radius shall not be violated at anytime during spooling, manufacturing, modification or re-work. The removal/stripping of Wire shall only be accomplished with approved tools, calibrated to assure that the center conductors and plating are not nicked or damaged.
- (b) Storage of Wire shall be in a controlled environment, which is defined as: Temperature not to exceed 84 degrees F, Humidity not to exceed 70%.
- (c) Packaging for Wire shall be as follows:
- i. AWG sizes 10 and smaller
    1. Cut and splice all lengths together (i.e., WECO splice)
    2. Seal unplaced ends with heat-shrinkable end caps

3. Use plastic spools only
  4. Bag each spool in clear plastic with desiccant, then individually box
  5. All spools and box labels to include the following statement: “WARNING: MOISTURE DAMAGE WIRE (CABLE) – KEEP ENDS SEALED”
- ii. AWG sizes 8 and larger
1. Cut and splice all lengths together (i.e., WECO splice); then cover all splices with heat-shrinkable tubing
  2. Seal un-spliced ends with heat-shrinkable end caps
  3. Use 24” wood reels, with plastic wrap extending beyond the flanges and covering the spooled wire with a desiccant
  4. All reels labeled to include the following statement: “WARNING: MOISTURE DAMAGE WIRE (CABLE) – KEEP ENDS SEALED”
- (d) The acceptance standards shall be per the SS 7505.
8. NMRR Charges - Notwithstanding any provision of this Order to the contrary and without limiting any of Buyer’s other rights or remedies, Supplier shall pay to Buyer all damages, costs and expenses incurred by Buyer as a result of its failure to perform its duties under Section II (if applicable) and Section III. In addition, if Buyer processes an NMRR, the Parties acknowledge that the costs and expenses associated with the NMRR process are not subject to exact calculation and that a charge of \$1000 may be assessed by Buyer as liquidated damages for processing each NMRR. The NMRR liquidated damages shall be in addition to, and shall neither be a waiver of, nor otherwise limit, Buyer’s ability to pursue, claims for other damage against Supplier resulting from its failure to perform its duties under Sections II or III.

**[END OF DOCUMENT]**