

PARKER HANNIFIN CORPORATION CONTRACT SPECIFIC TERMS & CONDITIONS OF PURCHASE ORDER

If this Order shows on its face that it is placed in support of a U.S. Government funded prime contract or subcontract, or if the Buyer otherwise notifies the Seller that this Order is placed under a U.S. Government prime contract or subcontract, the following clauses of the Federal Acquisition Regulations (FAR), and the Department of Defense Federal Acquisition Regulation Supplement (DFARS) apply and are incorporated herein by reference with the same force and effect as if set forth below in full text. These clauses apply to all firm-fixed price (FP), cost reimbursable (CR), and time & material/labor hour (TM/LH) purchase orders, as appropriate.

Full text versions of these clauses can be made available upon Seller's request to the Buyer's authorized representative. Additionally, full text versions of these clauses are available from the U.S. Government in searchable form on the World Wide Web (WWW) portion of the Internet. The sites to be contacted are: (1) For the [FAR-http://www.acquisition.gov/comp/far/index.html](http://www.acquisition.gov/comp/far/index.html); and (2) For the DFARS- <http://www.acq.osd.mil/dpap/dars/dfars/index.htm>.

Except as noted below, the following changes to the FAR and DFARS clauses are made for incorporation of these clauses into this Order:

“Contractor” or “prime contractor” shall mean “Seller.”

“Government” shall mean “Buyer.”

“Contracting Officer” shall mean “Buyer's Purchasing Representative.”

“Contract” or “Schedule” shall mean this “Order.”

Seller agrees to flow-down, as required, all applicable FAR and DFARS clauses to its lower-tier suppliers. Seller further agrees that all notifications and other communications required by these clauses shall be made through the Buyer's Purchasing Representative, unless this Order specifically provides otherwise.

CONDITIONS OF PURCHASE ORDER

1. ENGLISH LANGUAGE. All communications and submittals shall be in English.
2. DEFINITIONS. SEE DEFINITIONS LISTED ON PAGE 1
3. ACCEPTANCE AND AMENDMENTS: This purchase order constitutes an offer by Parker Hannifin Corporation ("Buyer") to purchase from Seller the goods and/or services referenced in this purchase order exclusively under these terms and conditions. Acceptance of this purchase order is expressly limited to these terms and conditions. No amendment, modification or waiver of any of these terms and conditions shall be effective against Buyer except as shall be set forth in writing signed by Buyer's authorized representative. Terms and/or conditions proposed by Seller in its acceptance or otherwise which are additional to or different from these terms and conditions are objected to without further notification from Buyer and shall not become a part of this purchase order. All specifications, drawings and other data referred to in this purchase order or submitted by Seller to Buyer prior to the date of this purchase order concerning goods or services purchased are hereby made a part of the purchase order as if fully set forth herein. If this order shows on its face that it is placed under a Government contract or a subcontract thereunder or if Buyer otherwise notifies Seller that this order is placed under a Government contract or a subcontract thereunder, certain clauses of the Federal Acquisition Regulation (FAR) (48 CFR Chapter 2) and the Department of Defense FAR Supplement (DFARS) apply. These clauses are incorporated herein by reference, and they are contained in Buyer's current form TCP-GS, entitled "Terms and Conditions of Purchase - Government Supplement" which is also incorporated by this reference.

This purchase order shall be deemed accepted by Seller and shall constitute the entire agreement between the parties with respect to the subject matter hereof upon any of the following: (a) Seller's acknowledgement of the purchase order; (b) Seller's commencement of performance; (c) Seller's acceptance of any payment under this purchase order; or (d) Seller's failure to deliver written notice of rejection to Buyer within ten (10) days of receipt of this purchase order.

4. PRICES INCLUDE TAXES AND PACKAGING: Except as Buyer has otherwise provided in this order, the prices stated in the purchase order include (i) all applicable federal, state and local taxes, and duties; and (ii) the cost of packaging the goods purchased in a manner suitable for shipment by the method specified by Buyer.
5. CHANGES: Buyer reserves the right at any time prior to the delivery date of this order by written notice to Seller to make changes to the drawings, designs or specifications of the goods ordered, the method of packing and shipping, the time, place or method of delivery, the quantity of goods ordered or the work covered hereby. If any such changes affect Seller's cost and/or delivery schedule, Seller shall notify Buyer immediately, and, in the case of an increase in Seller's cost, within twenty (20) days of such notice Seller shall submit a detailed cost break-down comparing original requirements and costs to the changed requirements and costs. The parties will then discuss an equitable adjustment in purchase order price, delivery schedule or both; however, no adjustment will be binding on Buyer unless evidenced by a purchase order, change notice or revision to this purchase order signed by an authorized representative of Buyer's Purchasing Staff. Nothing in this clause shall excuse Seller from proceeding with this purchase order as changed.
6. PACKING, MARKING AND SHIPPING, PACKING SLIPS: Seller shall pack, mark and ship all goods in accordance with the requirements of this purchase order and good commercial practices, and in a manner which will permit the securing of the best transportation rates. Damage to any article resulting from improper packaging will be charged to the Seller. No additional charges will be allowed for containers, crating, boxing, bundling, dunnage, drayage, storage or transportation thereof, unless stated in this purchase order. Packing slips must accompany all shipments. The Buyer's count will be accepted as final and conclusive on all shipments not accompanied by packing slips. The Buyer's purchase order number and Seller's packing slip number, description and count must appear on all invoices, packages, and bills of lading.

7. **FORCE MAJEURE:** Neither party shall be liable for delays or defaults due to causes beyond its control and without its fault or negligence, provided that Seller delivers written notice setting forth the cause of the anticipated delay immediately to Buyer whenever Seller has reason to believe that performance will not be made as scheduled. If Seller's delay or default is caused by a delay or default of a subcontractor or supplier, such delay or default shall be excused only if it arose out of causes beyond the control of both Seller and the subcontractor or supplier and without the fault or negligence of either of them, and the goods or services were not obtainable from other sources in sufficient time to meet the required delivery or performance schedule.

8. **REJECTION/REVOCAION:** Payment for any goods under this purchase order shall not constitute acceptance thereof and Buyer reserves the right to inspect all goods purchased hereunder at Buyer's discretion and at Buyer's option and to reject nonconforming goods or services or revoke acceptance of non-conforming goods or services. At Buyer's option and at Seller's risk and expense, Buyer may return non-conforming goods to Seller, require Seller to grant a full refund or credit to Buyer for non-conforming goods, hold nonconforming goods for disposition by Seller or rework nonconforming goods to detect and correct nonconformities.

In the event of multiple nonconforming goods or services, Seller shall, within 20 days from notice thereof by Buyer, submit a written corrective action report to Buyer. Such report shall identify the root cause of the nonconformance, identity of affected goods and services, and a corrective action plan, for Buyer's review and approval.

Buyer shall not be liable for failure to accept any part of the goods or services purchased hereunder if such failure is the result of any cause beyond the control of Buyer including without limitation, fires, floods, acts of God, strikes, differences with employees, casualties, delays in transportation, inability to obtain necessary materials, utility services for machinery, or total or partial shutdown of Buyer's facilities for any cause. Acceptance of any part of the goods ordered

hereunder shall not bind Buyer to accept future shipments or waive its right to revoke acceptance of goods previously delivered

9. **ACCESS TO FACILITIES, AUDIT AND INSPECTION:** If this purchase order (a) includes specifications, or (b) is for the procurement of either (i) goods to be incorporated into Buyer's products or (ii) services to be used in the production of Buyer's products, then Seller's (and Seller's subtier suppliers who provide goods or services) plant, books and records pertinent to this or any related order (to the extent consistent with applicable laws and regulations) shall at all practical times be subject to review, inspection and audit by Buyer, its authorized representative and any authorized representative of Buyer's customer to the extent necessary to verify compliance with Buyer's specifications or to enable Buyer to comply with its obligations to its customer(s).

10. **BUYER'S REMEDIES:** Buyer's remedies described herein shall be cumulative and in addition to any remedies allowed by law or in equity.

11. **INDEMNITY FOR INFRINGEMENT:** Seller agrees upon receipt of notification, to promptly assume full responsibility for defending any claim, suit, action, or proceeding which may be brought against the Buyer Entities which alleges that any goods or services provided by Seller pursuant to this purchase order infringe any patent, trademark, copyright, trade secret or other.

proprietary right owned by a third party. Seller further agrees to indemnify Buyer against any and all expenses, losses, royalties, lost profits and damages, including court cost and attorneys fees, resulting from such claim, suit, action or proceeding, including any settlement, decree or judgment entered therein.

Buyer may at its option, be represented and actively participate through its own counsel in any such claim, suit or proceeding, including any settlement, decree or judgement entered therein. Seller's obligations pursuant to this Section 15 shall survive the completion of performance and expiration or termination of this purchase order. Notwithstanding the foregoing, Seller shall have no obligation to defend or indemnify Buyer with respect to any claim which is directed to items delivered pursuant to this purchase order, the designs for which were specified entirely by Buyer.

12. **TERMINATION FOR CONVENIENCE:** In addition to any other rights, Buyer further reserves the right to terminate Seller's performance under this purchase order in whole or in part at any time without cause by giving written notice of termination, whereupon Seller will cease performance on the date and to the extent specified in the notice and will take such actions as are reasonably necessary to protect property in Seller's possession in which Buyer has an interest until disposition instructions from Buyer have been received. Seller will promptly advise Buyer of any items acquired in anticipation of completion of its performance and the most favorable disposition that Seller can make thereof. Seller will comply with Buyer's instructions regarding the disposition of such items. Seller will submit all claims resulting from such termination within sixty (60) days of its receipt of such notice. Buyer shall have the right to inspect Seller's records, facilities, work and materials relating to its performance or anticipated performance of the purchase order for the purpose of establishing the value of Seller's claims upon reasonable advance notice. Buyer will pay Seller, without duplication, the purchase order price for finished work accepted by Buyer and the cost to Seller of work in progress and raw materials allocable to the terminated work based on Buyer's audit of Seller's records, using generally accepted accounting principles; however, the amount due Seller shall be reduced by the following:

- a. The market value or cost (whichever is higher) of any items used or disposed of by Seller without Buyer's consent;
- b. The agreed value of any items used or disposed of by Seller with the Buyer's consent; and
- c. The cost of any defective or destroyed materials.

Buyer will make no payments for finished work, raw material or other items fabricated or procured by Seller in excess of the lesser of (i) that ordered; (ii) that for which Buyer has issued shipment releases as of the date of the notice of termination released; or (iii) thirty days supply. Notwithstanding the foregoing, payments under this Section 16 shall not exceed the price for the entire performance specified in this purchase order less payments that would otherwise be made to complete performance hereunder. Payment under this Section 16 will constitute Buyer's sole and exclusive liability in the event Buyer elects to terminate this purchase order without cause by notice. This Section 16 shall not apply to cancellation by Buyer hereunder.

13. **CANCELLATION:** Buyer may cancel this purchase order and Seller's performance hereunder immediately without incurring liability to Seller (A) immediately upon (i) Seller's insolvency; (ii) filing of a voluntary petition in bankruptcy by Seller; (iii) filing of an involuntary petition in bankruptcy against Seller; (iv) appointment of a receiver or trustee for Seller; (v) execution or assignment for the benefit of creditors by Seller; or (vi) any comparable event, and (B) upon thirty days written notice to Seller in the event of Seller's breach of contract or failure to perform.

14. COMPLIANCE WITH LAWS, EXECUTIVE ORDERS, AND REGULATIONS: Seller warrants that the goods and services supplied hereunder will have been produced or provided in compliance with, and Seller will comply with, all applicable laws, orders, rules, regulations, ordinances and conventions, including without limitation, those that relate to equal employment opportunity, wages, hours and conditions of employment, discrimination, occupational health/safety motor vehicle safety, and environmental matters. At Buyer's request, Seller shall certify in writing its compliance with the foregoing. Seller shall indemnify and hold Buyer harmless from and against any loss, cost, damage, expense or liability claim (including attorneys fees and other costs of defense) arising from or relating to Seller's violation of this clause.

15. NO GIFTS: Seller agrees not to provide or offer to provide to any director, officer or employee of Buyer, or any member of such person's family, any favors, gifts, loans or other benefits (including services and discounts as well as material goods), except casual entertainment or gifts (other than money) of nominal value which are customarily offered to others having a similar relationship with Seller, provided that the foregoing exception shall not apply if this order shows on its face that it is placed under a U.S. Government contract or a subcontract thereunder, or if Buyer otherwise notifies Seller that this order is placed under a U.S. Government contract or a subcontract thereunder.

16. GOVERNING LAW/JURISDICTION/ARBITRATION: This purchase order shall be governed and construed in accordance with the laws of the State of Ohio without regard to provisions concerning conflict of laws. The provisions of the United Nations Convention on Contracts for the International Sale of Goods are hereby excluded. Either Buyer or Seller may demand that any disagreement, controversy or claim arising from or in any way related to this purchase order or the goods or services procured hereunder ("Claim") be submitted to final binding arbitration by giving written notice of such demand to the other party. In the event of a demand for arbitration, Buyer and Seller shall each select one arbitrator from the American Arbitration Association's ("AAA") panel of arbitrators within ten (10) business days after the date of such demand. If either Buyer or Seller shall fail to select an arbitrator as provided in the previous sentence, the other party may select the second arbitrator and such selection shall be binding on the parties. A third arbitrator from the AAA's panel of arbitrators shall be jointly selected by the two arbitrators within twenty (20) business days of the appointment of the second arbitrator and the selection shall be binding on the parties. If the third arbitrator is not selected as provided in the previous sentence, either Buyer or Seller may apply to the AAA for the appointment of the third arbitrator by the AAA. The arbitration shall take place in Cleveland, Ohio in accordance with the rules of the AAA and, notwithstanding any other choice of law clause to the contrary in this contract, the arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. § 1-16. The arbitrators shall have the power to determine the merits of the Claim or Claims, the scope and limits of discovery and to enforce the rights, remedies, procedures, duties, liabilities and obligations of discovery by the imposition of the same terms and conditions, consequences, liabilities, sanctions and penalties as may be imposed on the like circumstances in a civil action by a Common Pleas Court of the State of Ohio under the provisions of the Ohio Rules of Civil Procedure. Each party shall absorb its own costs of arbitration, including attorneys' fees, except that the non-prevailing party shall pay 100% of any arbitrator's fees. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Notwithstanding anything in this Section 22, the parties shall have recourse to the courts of Ohio for the purpose of obtaining any provisional or equitable remedy as permitted by the laws of the State of Ohio.

17. ORDER OF PRECEDENCE. Any inconsistencies in this Purchase Order shall be resolved in the following order: (i) Purchase Order exclusive of appendices, drawings, specifications and other plans or documents, (ii) appendices, (iii) drawings and specifications, (iv) other plans or documents referenced in the Purchase Order. Seller shall immediately bring any inconsistencies to the attention of the Purchaser in writing.

18. SPECIAL REQUIREMENTS: The following restrictions shall apply to Seller and Seller's subcontractors. Accordingly, Seller shall insert the following clauses in all subcontracts awarded by

Seller under this Purchase Order:

- (i) MERCURY EXCLUSION. Mercury or mercury containing compounds shall not be intentionally added or come in direct contact with hardware or supplies furnished under this Purchase Order.
- (ii) POLYCHLORINATED BIPHENYLS PROHIBITION. Seller shall not employ equipment or use material that is known or suspected of containing polychlorinated biphenyls.
- (iii) PROHIBITION OF YELLOW WRAPPINGS OR PROTECTION DEVICES. SELLER SHALL NOT USE YELLOW WRAPPING MATERIAL OR ATTACHED YELLOW PROTECTION DEVICES SUCH AS CAPS OR PLUGS.
- (iv) BRASS AND COPPER BLACK OXIDE COATED THREADED FASTENER PROHIBITION. Seller shall not use brass or copper black oxide coated threaded fasteners when installing or replacing threaded fasteners in the accomplishment of any work required by this Purchase Order. In lieu of flowing down these requirements, Seller may put in place a system or process acceptable to Purchaser which insures that the goods and services Seller delivers meet these requirements, e.g. testing components for mercury contamination. Violations of any of the requirements of this paragraph will be cause for rejection of the goods. In addition to the requirements of this paragraph 7, Seller shall flow down such other clauses of this Purchase Order when required by the specific terms of the clause, e.g. DFARS 252.225-7014, Preference for Domestic Specialty Metals and Alt I, and such other clauses necessary to satisfy Seller's contractual obligations even when not identified as a mandatory flow down.

19. TOXIC SUBSTANCES/HAZARDOUS MATERIAL. Purchaser will not accept, store or dispose of any toxic substances or hazardous material except as and to the extent, if at all, expressly provided for in this Purchase Order. In particular, paints or primers on products required by this Purchase Order which contain the following components shall not be shipped without prior written approval by the Purchaser: arsenic, mercury, lead, chromates, or organo-metallic material. Materials containing asbestos shall not be provided without Purchaser's prior written permission. If invoked specifications and standards permit other materials, they shall be used in lieu of asbestos.

20. LIENS. All hardware, software and services furnished under this Purchase Order shall be free of all liens, claims, charges and encumbrances of any kind. Upon request, Seller shall furnish Purchaser with formal releases from Seller's subcontractors. Purchaser may discharge any lien, claim, charge or encumbrance if Seller, at Purchaser's request, fails to do so and Seller shall reimburse Purchaser for the reasonable costs thereof.

21. DELIVERY: Unless otherwise specified in this purchase order, all deliveries shall be made F.O.B. at the "ship to" address specified therein. Seller shall deliver in accordance with the delivery date(s) specified in this purchase order or, if a delivery date or dates are not specified, then only as authorized in shipment releases issued by Buyer to Seller. If delivery by lots is specified, the designated quantity within each lot and the number of lots to be delivered shall not deviate from the purchase order schedule unless written authorization is received by Seller from an authorized representative of Buyer's Purchasing Staff. If Seller's delivery of the purchased goods or services is not made in the quantities and at the times specified herein, Buyer reserves the right without liability and in addition to any other rights and remedies, to cancel this purchase order and to procure substitute goods or services and charge Seller with any loss incurred including lost profits and special damages. Buyer shall have the right to reject any goods or services which are tendered by Seller in advance of the date scheduled for delivery, to accept early delivery of goods or services and defer payment until after the scheduled delivery date or to accept early delivery of goods and place such goods in storage at Seller's expense until the scheduled delivery date. Buyer may return any overshipments to Seller at Seller's risk and expense.

22. DELIVERY OF REQUIRED DRAWINGS, TEST REPORTS, SOFTWARE AND OTHER DATA. All drawings, procedures, manuals, forms, test reports, software (including software documentation) and

other Seller provided data ("Seller Data") shall comply with the requirements of this Purchase Order and shall be delivered to Purchaser on or before the time specified in this Purchase Order, or if no time is specified, 45 days after receipt of this Purchase Order. Seller shall submit Seller Data to the address specified in the Purchase Order's coded notes. If no address is specified or Seller is unsure of where to send the Seller Data, Seller shall contact Purchaser's contact person identified on the face of this Purchase Order for further instructions. Purchaser may withhold payment if Seller fails to deliver any Seller Data in accordance with the requirements of this paragraph. When furnished with the shipment, Seller shall enclose all required documents and data in the first box of the shipment and mark, *CERTIFICATES AND/OR TEST REPORTS ENCLOSED*.

23. **ASSIGNMENT AND SUBCONTRACTING:** The obligations of Seller under this purchase order may not be assigned or subcontracted in whole or in part nor may any assignment of any money due or to become due hereunder be made by Seller without the prior written consent of Buyer and any prohibited assignment shall be null and void for all purposes.

24. **SUBCONTRACTING.** Seller shall provide Purchaser with notice of all significant subcontracts placed by Seller under this Purchase Order (applies to Purchase Orders over \$500,000).

25. **INDEMNIFICATION:** Seller agrees to indemnify, defend and hold Buyer Entities harmless from and against any and all losses, liabilities, damages, claims, demands, suits, actions, proceedings, subrogation, costs and expenses including court costs and attorneys fees, incurred by Buyer Entities arising from or relating to goods delivered or to services or labor performed pursuant to this purchase order, or breach of any of Seller's representations or obligations under this purchase order (hereinafter collectively referred to as "Claims") including Claims which are made by any third party including employees, workers, servants or agents of Seller or its subcontractors. Seller further agrees upon receipt of notification, to promptly assume full responsibility for the defense of any and all Claims which may be brought against the Buyer Entities, and in such event, Seller shall not consummate any settlement without Buyer's prior written consent. If Seller performs any work on the premises of any Buyer Entity or utilizes any of the Buyer's Property, whether on or off the premises of any Buyer Entity, Seller shall indemnify and hold harmless Buyer Entities from and against any liabilities, claims, demands or expenses (including court costs and attorneys fees) for damages to the property or for injuries (including death) to any person, including without limitation any employees of Buyer Entities, or any other person arising from or in connection with Seller's performance of work or use of Buyer's property. In the event "Buyer's Property", as defined in Section 9 hereof, is used by Seller in the performance of this purchase order, Buyer's Property shall be considered to be in the full custody and control of Seller during the period of use by Seller. Seller's obligations pursuant to this Section 11 shall survive the completion of performance and the expiration or termination of this purchase order

26. **INSURANCE:** Seller represents that it has and will maintain the following types and amounts of insurance coverage and agrees to furnish certificates of insurance showing that Seller has insurance coverage in the following minimum amounts:

Workers Compensation - Statutory limits for the state(s) in which the work will be performed

General/Products Liability - \$1,000,000 per occurrence/\$2,000,000 in the aggregate

Automobile Public Liability - \$1,000,000 (per any one accident)

Said certificates of insurance shall set forth the amount of coverage, the number of the policy and the date of expiration. Upon Buyer's request, Seller shall name Buyer or the Buyer Entities as an additional insured on its policies. If Seller is a self-insurer for workers compensation purposes, Seller shall provide Buyer with a copy

of the self-insured certificate issued by the state(s) where work will be performed. Compliance by Seller with the insurance requirements stated in this Section 10 shall not in any way affect Seller's duty to indemnify Buyer under Section 11 herein.

If this purchase order includes a sale of goods manufactured in whole or in part to Seller's designs or specifications, Seller agrees to provide Buyer, upon request, with a current certificate of product liability insurance and a supplier's endorsement naming Buyer as an additional insured on Seller's policy.

27. **INDEPENDENT CONTRACTING PARTIES:** The relationship between Buyer and Seller shall be that of independent contracting parties. Nothing contained in this Agreement shall be construed as providing for the sharing of any costs, expenses, risks, or liabilities arising out of the other party's activities related to this Agreement. Seller shall not in any manner represent that it or its employees or agents are employees or agents of Buyer, and nothing contained in this Agreement shall be construed as authorizing Seller to create or assume any obligation or liability in the name of Buyer or subject Buyer to any obligation or liability. This Agreement shall not constitute, create, give effect to or otherwise imply a joint venture, pooling arrangement, partnership or formal business organization of any kind. Nothing herein shall be construed as providing for the sharing of profit or losses arising out of the efforts of either or both parties.

28. **SELLER'S WARRANTIES:** Seller warrants that all goods and services provided hereunder will conform to Buyer's instructions, specifications, drawings and data current as of date of this purchase order (unless otherwise specified in writing by Buyer), will be merchantable, free from defective materials or workmanship and will be fit for Buyer's purposes. Seller further warrants that the goods and services furnished under this purchase order shall conform to all representations, affirmations, promises, descriptions, samples or models which are a part of this purchase order. Seller agrees that these warranties shall survive acceptance of the goods and services. Seller further warrants that all services performed for or on behalf of Buyer will be performed in a competent, workmanlike manner, and shall be free from faults and defects. The warranties stated in this Section 8 are hereby extended to, and shall inure to the benefit of, Buyer and Buyer's affiliates, subsidiaries, successors, assigns and direct and indirect customers to whom the goods and services provided hereunder may be sold or transferred (jointly and severally "Buyer Entities").

29. **PROPRIETARY RIGHTS:** All information (including materials that contain information) relating to this purchase order or to the goods or services to be provided hereunder which has been disclosed to Seller by or on behalf of Buyer (whether such information is owned by Buyer or by any other entity with whom Buyer is doing business) or which will be developed in the course of Seller's performance under this purchase order specifically for Buyer (collectively referred to as "Information"), has been and will be received and held by Seller in confidence. Such Information includes, but is not limited to, trade secrets, drawings, plans, designs, specifications, manufacturing, research and development data, inventions, know-how, processes, procedures, costs, suppliers, methods, sales, customer information and lists, financial data and business plans. Seller will not disclose the Information to others and will not use the Information for any purpose other than for the direct benefit of Buyer. Seller will acquire no right in or to such Information, and Seller will promptly return the Information to Buyer and discontinue all use of the Information upon expiration or termination of this purchase order or at Buyer's written request. Seller will not disclose to Buyer or use in the course and scope of Seller's performance hereunder any information of other entities that Seller does not have a lawful right to use or disclose. Seller will limit access to the Information to only those employees of Seller having a need to know such Information, and all such employees of Seller having access to Information shall be made aware of and agree to the obligations under this Section 14.

Any invention or development or copyrightable subject matter conceived, first reduced to writing first reduced to practice or made by Seller, either solely or with others, in the course of Seller's performance under this purchase order is hereby assigned to Buyer if such invention or development or copyrightable subject matter (i) results from services for Buyer, or (ii) is made using Buyer's time, materials, facilities or

Information. All such copyrightable subject matter will be a work made for hire. Seller will disclose such inventions, developments or copyrightable subject matter promptly to Buyer and will cooperate with Buyer during and after the term of this purchase order in filing and prosecuting any patent or copyright applications thereon and in evidencing ownership thereof by Buyer. Seller agrees that the payments pursuant to this purchase order are full and complete compensation for all obligations assumed by Seller hereunder, and the assignment of inventions or developments or copyrightable subject matter does not entitle Seller to any additional compensation.

The obligations of this Section 29 shall survive the completion of performance and expiration or termination of this purchase order.

30. **SUBCONTRACTING RESTRICTIONS (COST-REIMBURSEMENT ORDERS).** No subcontract at any tier placed under this Purchase Order shall provide for payment on a cost-plus-a-percentage-of-cost basis, and any fee payable under cost-reimbursement type subcontracts shall not exceed the fee limitations in paragraph 15.404-4(c) (4) (i) of the Federal Acquisition Regulation (FAR).

31. **BUYER'S PROPERTY:** Unless otherwise expressly provided in this purchase order, all Special Property, and all tangible and intangible property furnished to Seller by Buyer, or based on or derived from Seller's confidential or otherwise proprietary information, or produced or purchased by Seller at Buyer's expense, for use in Seller's performance hereunder, and any replacement thereof, is and shall remain the exclusive property of Buyer. For purposes of this purchase order, "Special Property" includes without limitation, dies, fixtures, molds, patterns, gauges, test equipment, information or similar items used in Seller's performance of this purchase order that are especially acquired for Seller's performance hereunder or of such specialized nature that absent substantial alteration, their use is limited to the production of the goods or the rendering of the services referenced in this purchase order. Absent express agreement to the contrary, the amounts charged by Seller pursuant to this purchase order shall include payment for all Special Property. Hereinafter Special Property and all property furnished to Seller by Buyer are collectively referred to as "Buyer's Property."

Seller shall not sell, encumber, transfer, assign, dispose of or modify Buyer's Property and shall not use Buyer's Property for any purpose other than in the performance of this purchase order without Buyer's prior written consent.

At all times while Buyer's Property is in Seller's custody or control, Buyer's Property shall be held at Seller's risk and fully insured at Seller's expense at replacement cost with less payable to Buyer, and Seller shall provide routine maintenance at its expense.

Seller agrees that Buyer's Property shall remain personalty and shall not become a fixture attached to realty. Seller shall allow Buyer's representative to inspect Buyer's Property upon Seller's premises at any time upon reasonable notice. Seller hereby authorizes Buyer to file a

form UCC-1 financing statement or its equivalent to enable Buyer to make its ownership rights in Buyer's Property of public record.

At any time upon the request of Buyer and in accordance with Buyer's instructions, Seller shall prepare for shipment, package and deliver Buyer's Property in good condition and at Seller's cost F.O.B. Seller's business location.

32. **TRANSMISSION ABROAD OF NAVAL NUCLEAR PROPULSION INFORMATION.** In addition to the requirements of this paragraph, the Seller shall comply with all other requirements relative to Naval Nuclear Propulsion Information wherever located in this Purchase Order. Seller shall not disclose to foreign nationals Naval Nuclear Propulsion Information (NNPI) as defined in NAVSEAINST 5511 .32C. Seller

agrees to insert in all subcontracts issued under this Purchase Order, a contract provision substantially the same as this paragraph to include this sentence.

33. **ADDITIONAL SECURITY REQUIREMENTS.** In addition to complying with any other security requirements contained in this Purchase Order, Seller shall not disclose "Restricted Data" as defined in the Atomic Energy Act of 1954 as amended, relating to Navy Nuclear Propulsion Program to employees who have been granted Limited (interim) Clearances under the provisions of DoD 5220.22M, National Industrial Security Program Operating Manual (NISPOM).

34. **FOREIGN OWNERSHIP.** Seller shall provide Purchaser prompt written notice when: (i) a foreign interest acquires the power, direct or indirect, whether or not exercised, and whether or not exercisable through the ownership of Seller's securities, by contractual arrangements or other means, to direct or decide matters affecting the management or operations of Seller; or (ii) Seller relocates the place of performance outside the United States.

35. **ACCEPTANCE.** Purchaser will accept services performed and goods delivered under this Purchase Order, or give Seller notice of rejection, within a reasonable time after completion of all required performance and deliveries, notwithstanding any prior payments made or prior tests or inspections performed. Determination of a reasonable time shall take into consideration the nature and complexity of the services performed or goods delivered, but in no event shall such time be less than forty-five (45) days. Notice of rejection may be given in any reasonable form, including but not limited to Quality Notifications, Discrepancy Reports, Inspection Reports, Engineering review sheets, annotations on Shipping Instructions (NN Form 298), or communications via telephone, e-mail, facsimile, or other correspondence. No inspection, test, delay, failure to inspect or test, or failure to discover any defect or other nonconformance shall relieve Seller of any of its obligations under this Purchase Order or impair any rights or remedies of Purchaser or Purchaser's customers. Acceptance shall be conclusive, except for latent defects, fraud, gross mistakes amounting to fraud, or as otherwise provided in the contract.

36. **DEFAULT.** Purchaser may terminate this Purchase Order without liability if Seller: (i) fails to diligently perform the work; or (ii) fails to meet the delivery schedule or any other requirements specified in this Purchase Order; or (iii) ceases operations. At the time of termination under this provision, Seller shall immediately: (i) refund to the Purchaser the total amount that has been paid to Seller, except for deliveries previously received by Purchaser in full compliance with all requirements of this Purchase Order; and (ii) at no cost to Purchaser, return all the materials supplied by Purchaser. The rights and remedies of the Purchaser provided for in this paragraph are in addition to any other rights and remedies provided by law.

37. **WAIVER/SEVERABILITY:** Buyer's failure to insist upon the performance of any term or condition of this purchase order or to exercise any right hereunder on one or more occasions shall not constitute waiver or relinquishment of Buyer's right to demand future performance of such term or condition or to exercise such right in the future. If any term or portion of this purchase order is held to be invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, such term or portion shall be deemed reformed or deleted as the case may be, but only to the extent necessary to comply with such statute, regulation, ordinance, order or rule and the remaining provisions of this contract shall remain in full force and effect.

38. **EXPORT RELATED REQUIREMENTS:** (i) Export Compliance. Seller is advised that its performance of this Purchase Order may involve the use of or access to articles, technical data or software that is subject to export controls under 22 United States Code 2751 – 2796 (Arms Export Control Act) and 22 Code of Federal Regulations 120-130 (International Traffic in Arms Regulations) or 50 United States Code 2401 – 2420 (Export Administration Act) and 15 Code of Federal Regulations 768 – 799 (Export Administration Regulations) and their successor and supplemental laws and regulations (collectively hereinafter referred to

as the "Export Laws and Regulations"). Seller represents and warrants that it is either 1) a U.S. Person as that term is defined in the Export Laws and Regulations, or 2) that it has disclosed to Purchaser's Representative in writing the country in which it is incorporated or otherwise organized to do business, or if a natural person, all citizenships and U.S. immigration status. Seller shall comply with any and all Export Laws and Regulations, and any license(s) issued thereunder. (ii) Foreign Personnel. Seller shall not give any Foreign Person access to Technical Data, software or Defense Articles, or provide an unauthorized Defense Service as those terms are defined in the applicable Export Laws and Regulations without the prior written consent of Purchaser. Any request for such consent must state the intended recipient's citizenship(s), and status under 8 U.S.C. 1101 and 8 U.S.C. 1324 (the "Immigration and Naturalization Act"), and such other information as Purchaser may reasonably request. No consent granted by Purchaser in response to Seller's request hereunder shall relieve Seller of its obligations to comply with the provisions of (i) above or the Export Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of (i) above, nor constitute consent for Seller to violate any provision of the Export Laws and Regulations. (iii) Indemnification. Seller shall indemnify and save harmless Purchaser from and against any and all damages, liabilities, penalties, fines, costs, and expenses, including attorneys fees, arising out of claims, suit, allegations or charges of Seller's failure to comply with the provisions of this paragraph and breach of the warranty set forth in (i) above. Any failure of Seller to comply with the requirements or any breach of the warranty contained in this paragraph shall be a material breach of this Purchase Order. (iv) Marking Requirements. Seller shall place the following statement on documents containing defense technical data that is controlled by the Arms Export Control Act: "WARNING – This document contains technical data whose export is restricted by the Arms Export Control Act (Title 22, U.S.C. Sec. 2751, et seq.) or the Export Administration Act of 1979, as amended, Title 50, U.S.C., App 2401, et seq. Violations of these export laws can result in severe criminal penalties. Disseminate in accordance with provisions of OPNAVINST 55 10.161. (v) Subcontracts. The substance of this paragraph shall be incorporated into any subcontract entered into by the Seller for the performance of any part of the work under this Purchase Order

FAR Clauses

FAR Reference	Title/Applicability
52.203-3	Gratuities (Apr 1984)
52.203-5	Covenant Against Contingent Fees (Apr 1984)
52.203-6	Restrictions on Subcontractor Sales to The Government (Sep 2006) For Orders exceeding the simplified acquisition threshold at FAR 2.101.
52.203-7	Anti-Kickback Procedures (Jul 1995) This clause applies if this Order exceeds \$100,000, except that paragraph (c)(1) of FAR 52.203-7 is not included in this Order. Paragraph (c)(4) is revised by deleting "The Contracting Officer may" and inserting "To the extent the Contracting Officer has effected an offset at the prime contract level or has directed Buyer to withhold any sum from the Seller, Buyer may..."
52.203-8	Cancellation, Rescission, And Recovery Of Funds For Illegal Or Improper Activity
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity (Jan 1997) For Orders exceeding the simplified acquisition threshold at FAR 2.101.
52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (Sep 2007) For Orders exceeding the simplified acquisition threshold at FAR 2.101.
52.203-12	Limitation on Payments to Influence Certain Federal Transactions (Sep 2007) For Orders exceeding the simplified acquisition threshold at FAR 2.101.

52.203-13	<p>Contractor Code of Business Ethics and Conduct (Dec 2008)</p> <p>For orders exceeding \$5,000,000 and a period of performance greater than 120 days. The seller agrees to grant Parker Hannifin (PH) the right to conduct a reasonable audit or investigation at the premises of the seller, with full access to appropriate books and records of the subcontractor, for the purpose of implementing the requirements of FAR provision 52.203-13.</p> <p>Notwithstanding the above threshold, for purchase orders or subcontracts (including all long term agreements) with a cumulative value of \$1 Million or more the seller shall distribute PH GPM Policy GB 01-04, entitled "U.S. Government Contract Compliance – Mandatory Disclosure of Violation of Law to the Government" and the PH "Policy on Contracting with the United States Government" to all personnel most directly involved in the performance of the purchase order or subcontract, including those having primary management or supervisory responsibilities. The seller shall insure that all such individuals have both read and understood the contents of these documents. Any questions shall be forwarded to the cognizant PH Buyer. The above documents are available electronically within the Supplier Section of the PH web site (www.parker.com) or from the assigned PH Buyer.</p>
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Reference	Title/Applicability
52.204-4	<p>Printing/Copying Double Sided on Recycled Paper (Aug 2000)</p> <p>For Orders exceeding the simplified acquisition threshold at FAR 2.101.</p>
52.204-9	<p>Personal Identity Verification of Contractor Personnel (Sep 2007)</p>
52.209-6	<p>Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Sep 2006)</p> <p>For Orders with a value over \$30,000.</p>
52.211-5	<p>Material Requirements (Aug 2000)</p>
52.211-15	<p>Defense Priority and Allocation Requirement (Apr 2008)</p>
52.214-26	<p>Audit and Records -- Sealed Bidding (Mar 2009)</p> <p>This clause applies if the prime contract was awarded by sealed bidding. The clause is mandatory if the Order is expected to exceed the threshold in FAR 1 5.403-4(a)(1) for submission of cost or pricing data. In paragraph (b) of the clause, the term "Contracting Officer" does not change.</p>
52.214-27	<p>Price Reduction for Defective Cost or Pricing Data - Modifications - Sealed Bidding (Oct 1997)</p> <p>This clause applies if the prime contract was awarded by sealed bidding. In paragraph (d), the term "Contracting Officer" does not change. As required by applicable law or regulation, Seller shall provide cost or pricing data and execute a Certificate of Current Cost or Pricing Data in the form prescribed in FAR 15.406-2. In addition to any remedies provided by law, if Buyer is subjected to any liability as a result of Seller's failure to comply with this requirement, then Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage or expense (excluding Buyer's profit) resulting from such failure.</p>
52.214-28	<p>Subcontract Cost or Pricing Data - Modifications - Sealed Bidding (Oct 1997)</p> <p>This clause applies if the prime contract was awarded by sealed bidding. This clause applies if at the time the Order was entered into, it exceeded the threshold for submission of cost or pricing data at FAR 15.403-4(a)(1).</p>
52.215-2	<p>Audit and Records -- Negotiations (Mar 2009)</p> <p>This clause applies if this Order exceeds the simplified acquisition threshold in FAR Part 13 and this Order is one for which cost or pricing data is required. This clause, however, does not authorize the Buyer to examine or audit the Seller's cost records. Accordingly, "Contracting Officer" in paragraphs (b), (c) and (e) is not changed to "Buyer's Purchasing Representative."</p>

FAR Reference	Title/Applicability
52.215-10	<p>Price Reduction for Defective Cost or Pricing Data (Oct 1997)</p> <p>In paragraph (c) the term "Contracting Officer" does not change. As required by applicable law or regulation, Seller shall provide cost or pricing data and execute a Certificate of Current Cost or Pricing Data in the form prescribed in FAR 15.406-2. In addition to any remedies provided by law, if Buyer is subjected to any liability as a result of Seller's failure to comply with this requirement, then Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage or expense (excluding Buyer's profit) resulting from such failure.</p>
52.215-11	<p>Price Reduction for Defective Cost or Pricing Data -- Modifications (Oct 1997)</p> <p>As required by applicable law or regulation, Seller shall provide cost or pricing data and execute a Certificate of Current Cost or Pricing Data in the form prescribed in FAR 15.406-2. In addition to any remedies provided bylaw, if Buyer is subjected to any liability as a result of Seller's failure to comply with this requirement, then Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage or expense (excluding Buyer's profit) resulting from such failure.</p>
52.215-12	<p>Subcontractor Cost or Pricing Data (Oct 1997)</p> <p>This clause applies if the Order, when entered into, exceeds the threshold for submission of cost or pricing data at FAR 15.403-4), and cost or pricing data is required to be submitted in connection with the award of this Order.</p>
52.215-13	<p>Subcontractor Cost or Pricing Data - Modifications (Oct 1997)</p> <p>This clause applies if the Order, when entered into, exceeds the threshold for submission of cost or pricing data at FAR 15.403-4, and cost or pricing data is required to be submitted in connection with the award of this Order.</p>
52.215-14	<p>Integrity of Unit Prices (Oct 1997)</p> <p>Paragraph (b) of FAR 52.215-14 is not included in this Order.</p>
52.215-15	<p>Pension Adjustments and Asset Reversions (Oct 2004)</p> <p>This clause applies if certified cost or pricing data is furnished by the Seller.</p>
52.215-18	<p>Reversion of Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions (Jul 2005)</p> <p>This clause applies to Orders where it is anticipated that cost or pricing data will be required or for which any preaward or postaward cost determination will be subject to Part 31 of the FAR.</p>
52.215-19	<p>Notification of Ownership Changes (Oct 1997)</p> <p>This clause applies to Orders where it is anticipated that cost or pricing data will be required or for which any preaward or postaward cost determination will be subject to Part 31 of the FAR.</p>

FAR Reference	Title/Applicability
52.215-21	Requirements For Cost Or Pricing Data Or Information Other Than Cost Or Pricing Data - Modifications & Alt II (Oct 1997)
52.215-22	<p>Limitation of Pass-Through Charges – Identification of Subcontract Effort (Oct 2009)</p> <p>This clause applies if the Order, when entered into, exceeds the threshold for submission of cost or pricing data at FAR 15.403-4, and cost or pricing data is required to be submitted in connection with the award of this Order.</p>
52.215-23	<p>Limitation of Pass-Through Charges (Oct 2009)</p> <p>This clause applies if the Order, when entered into, exceeds the threshold for submission of cost or pricing data at FAR 15.403-4, and cost or pricing data is required to be submitted in connection with the award of this Order.</p>
52.216-7	<p>Allowable Cost and Payment (Dec 2002)</p> <p>This clause applies only to CR or TM/LH type Orders.</p>
52.216-8	<p>Fixed Fee (Mar 1997)</p> <p>This clause applies only to CR or TM/LH type Orders to the extent the parties have agreed to a fixed fee in the Order.</p>
52.216-24	<p>Limitation of Government Liability (Apr 1984)</p> <p>This clause applies only to undefinitized (letter subcontracts) Orders.</p>
52.216-25 & Alt. I	<p>Contract Definitization (Including Alternate I) (Oct 1997)</p> <p>This clause applies only to undefinitized (letter subcontracts) Orders.</p>
52.216-26	<p>Payments of Allowable Costs Before Definitization (Dec 2002)</p> <p>This clause applies to those actions where a CR definitive Order is contemplated.</p>
52.219-8	<p>Utilization of Small Business Concerns (Latest Revision)</p> <p>For Orders exceeding the simplified acquisition threshold at FAR 2.101.</p>
52.219-9	<p>Small Business Subcontracting Plan (Latest Revision)</p> <p>This clause applies to Orders that exceed \$550,000. This clause does not apply to small business concerns.</p>
52.219-16	<p>Liquidated Damages -- Subcontracting Plan (Jan 1999)</p> <p>This clause applies only when FAR 52.219-9 applies.</p>
52.222-1	Notice to Government of Labor Disputes (Feb 1997)
52.222-2	Payment for Overtime Premiums (Jul 1990)

FAR Reference	Title/Applicability
52.222-4	<p>Contract Work Hours and Safety Standards Act - Overtime Compensation (Jul 2005)</p> <p>For Orders exceeding the simplified acquisition threshold at FAR 2.101. In addition, Buyer may withhold or recover from Seller any sums the Contracting Officer withholds from Buyer because of a violation of a provision of this clause by</p>
52.222-19	Child Labor - Cooperation With Authorities And Remedies
52.222-20	<p>Walsh-Healey Public Contracts Act (Dec 1996)</p> <p>This clause applies if this Order exceeds \$10,000.</p>
52.222-21	<p>Prohibition of Segregated Facilities (Feb 1999)</p> <p>This clause applies if this Order exceeds \$10,000.</p>
52.222-24	Preaward On-Site Equal Opportunity Compliance Evaluation (applies to first-tier orders over \$10 million)
52.222-26	<p>Equal Opportunity (Mar 2007)</p> <p>This clause applies if this Order exceeds \$10,000.</p>
52.222-35	<p>Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sep 2006)</p> <p>This clause applies if the Order is for \$100,000 or more.</p>
52.222-36	<p>Affirmative Action for Workers with Disabilities (Jun 1998)</p> <p>This clause applies if the Order exceeds \$10,000. Paragraph (b)(2) is revised to delete "and provided by or through the Contracting Officer" and insert "and provided upon request by the Contracting Officer through the Buyer's Purchasing Representative"</p>
52.222-37	<p>Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sep 2006)</p> <p>This clause applies if this Order exceeds \$100,000.</p>
52.222-39	Notification Of Employee Rights Concerning Payment Of Union Dues Or Fees
52.222-50	Combating Trafficking in Persons (Feb 2009)
52.222-54	<p>Employment Eligibility Verification (Jan 2009)</p> <p>Applies to Orders for Construction or Services exceeding \$3,000</p>
52.223-3	Hazardous Material Identification and Material Safety Data (Jan 1997)
52.223-05	Pollution Prevention And Right-To-Know Information (<i>applies only when work will be performed on a Government installation</i>)
52.223-07	Notice Of Radioactive Materials
52.223-11	Ozone Depleting Substances (May 2001)

FAR Reference	Title/Applicability
52.223-14	<p>Toxic Chemical Release Reporting (Aug 2003)</p> <p>This clause applies if this Order is for non-commercial items and exceeds \$100,000 (including any options). Delete paragraph (e) in its entirety.</p>
52.225-1	Buy American Act - Supplies (Feb 2009)
52.225-3	Buy American Act -- Free Trade Agreements -- Israeli Trade Act (Jun 2009)
52.225-5	Trade Agreements (Aug 2009)
52.225-7	Waiver of Buy American Act for Civil Aircraft and Related Articles (Feb 2000)
52.225-8	<p>Duty-Free Entry (Feb 2000)</p> <p>This clause applies if supplies identified in the Order as supplies to be accorded duty free entry are to be imported or if other foreign supplies in excess of \$10,000 may be imported into a custom territory of the United States. In paragraph (c)(1), "20 days" is changed to "30 days." In paragraph (c)(2) "10 days" is changed to "20 days." The terms "Government" and "Contracting Officer" in paragraph (e) do not change.</p>
52.225-13	Restrictions on Certain Foreign Purchases (Jun 2008)
52.227-1	Authorization and Consent (Dec 2007)
52.227-2	<p>Notice and Assistance Regarding Patent and Copyright Infringement (Dec 2007)</p> <p>For Orders exceeding the simplified acquisition threshold at FAR 2.101.</p>
52.227-9	<p>Refund of Royalties (Apr 1984)</p> <p>This clause applies if the amount of royalties reported during negotiations of the Order Exceeds \$250.</p>
52.227-10	<p>Filing of Patent Applications -- Classified Subject Matter (Dec 2007)</p> <p>This clause applies if the Order covers or is likely to cover classified subject matter.</p>
52.227-14	<p>Rights in Data - General (Dec 2007)</p> <p>In paragraph (b) Allocation of Rights, the term "Government" does not change and the term "Contractor" changes to "Seller" rather than "Buyer." The term "Contracting Officer" does not change in the first sentence of paragraph (c)(1) and in paragraph (e).</p>
52.229-3	<p>Federal, State, and Local Taxes (Apr 2003)</p> <p>In this clause, "Order date," means the effective date of this Order or modification thereto.</p>

FAR Reference	Title/Applicability
52.230-2	<p>Cost Accounting Standards (Oct 2008)</p> <p>This clause applies if the Order, when entered into, exceeds the threshold for submission of cost or pricing data at FAR 15.403-4, and cost or pricing data is required to be submitted in connection with the award of this order. This clause</p>
52-230-3	<p>Disclosure and Consistency of Cost Accounting Practices (Oct 2008)</p> <p>This clause applies if the Order, when entered into, exceeds the threshold for submission of cost or pricing data at FAR 15.403-4, and cost or pricing data is required to be submitted in connection with the award of this order. This clause</p>
52.230-6	<p>Administration of Cost Accounting Standards (Mar 2008)</p> <p>This clause applies if the Order, when entered into, exceeds the threshold for submission of cost or pricing data at FAR 15.403-4, and cost or pricing data is required to be submitted in connection with the award of this order. This clause</p>
52.232-16	<p>Progress Payments (Jul 2009)</p> <p>This clause applies only when progress payments based upon cost are delineated specifically in the Order.</p>
52.232-17	<p>Interest (Oct 2008)</p>
52.232-20	<p>Limitation of Costs (Apr 1984)</p> <p>This clause applies only to CR Orders.</p>
52.232-22	<p>Limitation of Funds (Apr 1984)</p> <p>This clause applies only to CR Orders.</p>
52.233-3	<p>Protest After Award (Aug 1996)</p> <p>Under paragraph (f) of this clause, the Buyer may withhold or recover from Seller any sums that the Contracting Officer withholds from Buyer because of a misstatement, misrepresentation or miscertification of the Seller, which results in bid protest being sustained.</p>
52.234-01	<p>Industrial Resources Developed Under Defense Production Act Title III</p>
52.234-04	<p>Earned Value Management System <i>(all cost reimbursement orders over \$20M and 12 months in duration for Purchase Order items with end-use D0662)</i></p>
52.237-02	<p>Protection Of Government Building, Equipment And Vegetation <i>(this clause shall apply to both Purchaser's and its customer's property)</i></p>
52.239-01	<p>Privacy Or Security Safeguards</p>
52.242-1	<p>Notice of Intent to Disallow Costs (Apr 1984)</p> <p>This clause applies only to CR or TM/LH type Orders, or any Order where</p>
52.242-03	<p>Penalties For Unallowable Costs <i>(cost reimbursement orders only)</i></p>
52.242-04	<p>Certificate Of Final Indirect Costs <i>(cost reimbursement orders only)</i></p>

FAR Reference	Title/Applicability
52.242-15	Stop Work Order (Aug 1989)
52.242-17	Government Delay of Work (Apr 1984)
52.243-1	Changes - Fixed-Price (Aug 1987) Refer to paragraph (c) of this clause and note that the period for assertion of the equitable adjustment is changed from "30 days" to "20 days".
52.243-2	Changes -- Cost Reimbursement (Aug 1987) This clause applies only to CR
52.243-3	Changes -- Time & Materials or Labor-Hours (Sep 2000) This clause applies only to TM/LH Orders.
52.243-06	Change Order Accounting
52.243-07	Notification Of Changes (<i>insert "five (5)" in paragraph (b)</i>)
52.244-2	Subcontracts (Jun 2007) This clause applies only to CR or letter (undefinitized) type Orders.
52.244-5	Competition in Subcontracting (Dec1996) For Orders exceeding the simplified acquisition threshold at FAR 2.101.
52.244-6	Subcontracts for Commercial Items (Dec 2009)
52.245-1	Government Property (Jun 2007)
52.246-2	Inspection of Supplies - Fixed Price (Aug 1996)
52.246-3	Inspection of Supplies - Cost Reimbursement (May 2001) This clause applies to CR Orders only.
52.246-6	Inspection - Time & Material and Labor-Hour (May 2001) This clause applies to TM/LH Orders only.
52.246-16	Responsibility For Supplies (Apr 1984)
52.247-63	Preference for U.S. Flag Air Carriers (Jun 2003)

FAR Reference	Title/Applicability
52.247-64	Preference for Privately Owned U.S. Flag Commercial Vessels (Feb 2006)
52.248-1	<p>Value Engineering (Feb 2000)</p> <p>This clause is required if this Order is valued at \$100,000 or more, and is discretionary (if identified by the Buyer within the Purchase Order schedule) if this Order is valued at less than \$100,000.</p>
52.249-1	<p>Termination for Convenience of the Government (Fixed-Price) (Short Form) (Apr 1984)</p> <p>This clause applies if this Order is under \$100,000.</p>
52.249-2	<p>Termination for Convenience of the Government (Fixed-Price) (May 2004)</p> <p>This clause is revised as follows: (1) Paragraph (c): Change 120 days to 30 days. (2) Paragraph (d): Plant clearance procedures are omitted. (3) Paragraph (e): The time for submission of the final termination settlement proposal is changed from "1 year" to "3 months" from the effective date of the termination. (4) Paragraph (k): The time for submission of a proposal for an equitable adjustment after a partial termination is changed from "90 days" to "30 days" from the effective date of the termination.</p>
52.249-6 & Alt IV	<p>Termination (Cost-Reimbursement) & Alternate IV (May 2004)</p> <p>This clause and the alternate version, apply to CR and TM/LH Orders respectively.</p>
52.249-8	<p>Default (Fixed-Price Supply and Services) (Apr 1984)</p> <p>This clause is revised as follows: (1) Paragraph (a)- Change the cure period from "10 days" to "7 days."</p>
52.249-14	<p>Excusable Delays (Apr 1984)</p> <p>This clause applies only to CR and TM/LH type Orders.</p>

DFARS Clauses

DFARS Reference	Title/Applicability
252.203-7001	<p>Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies (Dec 2008)</p> <p>This clause applies to first tier subcontractors only if the Order exceeds the Simplified Acquisition Threshold. "Government" is not changed in this clause. Additionally, the following changes to this clause apply: (1) A new paragraph (f) has been added as follows "Seller shall not employ or allow to serve, as a director or consultant of Seller, any person in contravention of paragraph (b)." (2) Existing paragraph (f) is changed to (g), and the flowdown provision at 252.203-7001(g) has been deleted.</p>
252.203-7002	Requirement to Inform Employees of Whistleblower Rights (Jan 2009)
252.204-7000	Disclosure of Information (Dec 1991)
252.204-7008	<p>Requirements for Contracts Involving Export-Controlled Items (Jul 2008)</p> <p>This clause applies to subcontracts that are expected to involve access to or generation of export-controlled items.</p>
252.208-7000	Intent To Furnish Precious Metals as Government-Furnished Material
252.209-7000	Acquisition From Subcontractors Subject To On-Site Inspection Under The Intermediate-Range Nuclear Forces (INF) Treaty (<i>orders over \$100,000</i>)
252.211-7000	<p>Acquisition Streamlining (Dec 1991)</p> <p>This clause is applicable to all subcontracts in excess of \$1 million under systems acquisition Prime Contracts. Government is not changed in this clause.</p>
252.211-7003	<p>Item Identification and Evaluation (Aug 2008)</p> <p>This clause is applicable if subassemblies, components or parts embedded within subcontract deliverables are identified as requiring DoD unique item identification, as specified, within this Order, its exhibits or SDRL item number.</p>
252.215-7002	<p>Cost Estimating System Requirements (Dec 2006)</p> <p>This clause applies to Orders awarded on the basis of certified cost or pricing data.</p>
252.215-7004	<p>Excessive Pass –Through Charges (May 2008)</p> <p>This clause applies to Orders awarded on the basis of certified cost or pricing data.</p>

252.217-7005	Inspection and Manner of Doing Work
252.219-7003	Small, Small Disadvantaged and Woman-Owned Small Business Subcontracting Plan (Apr 2007) This clause is applicable when FAR 52.219-9 applies.
252.223-7001	Hazard Warning Labels (Dec 1991)
252.223-7004	Drug -Free Work Force (Sep 1988)
252.223-7006 & Alt. I	Prohibition on Storage and Disposal of Toxic and Hazardous Materials (Apr 1993) & Alt. I (Nov 1995)
DFARS Reference	Title/Applicability
252.225-7001	Buy American Act and Balance of Payments Program (Jan 2009) "Government" is not changed in this clause.
252.225-7004	Reporting of Intended Contract Performance Outside the United States and Canada (May 2007) This clause applies to first tier subcontracts over \$550,000.
252.225-7006	Quarterly Reporting of Actual Contract Performance Outside the United States (May 2007) This clause applies to first tier subcontracts over \$550,000. Paragraph (f) is deleted
252.225-7012	Preference For Certain Domestic Commodities
252.225-7013	Duty-Free Entry-- (Dec 2009) This clause applies to subcontracts involving supplies to be accorded duty-free entry under the prime contract. It applies to Department of Defense contracts in lieu of FAR 52.225-8. Paragraph (d) is modified to read, "The Buyer will obtain from the Government duty-free entry certificates and afford such assistance as appropriate to obtain the duty-free entry of supplies for which the shipping documents bear the notation specified in paragraph (e) of this clause." No change to "Contracting Officer," "Government," "contractor," or "prime contract: in paragraphs (b), (c), (e) or (h).
252.225-7014 Alt. I &	Preference for Domestic Specialty Metals (Jun 2005) (Including Alternate I (Apr 2003))

252.225-7015	Preference For Domestic Hand Or Measuring Tools
252.225-7016	Restriction on Acquisition of Ball and Roller Bearings (Mar 2006)
252.225-7019	Restriction On Acquisition Of Anchor And Mooring Chain
252.225-7021	Trade Agreements (Jul 2009)
252.225-7022	Restriction On Acquisition Of Polyacrylonitrile (PAN) Carbon Fiber
252.225-7025	Restriction on Acquisition of Forgings (Dec 2009)
252.225-7028	Exclusionary Policies And Practices Of Foreign Governments
252.225-7030	Restriction On Acquisition Of Carbon, Alloy, And Armor Steel Plate
252.225-7036	Buy American Act - Free Trade Agreements - Balance of Payments Program (Jul 2009)
252.225-7039	Restriction On Acquisition Of Totally Enclosed Lifeboat Survival Systems
252.225-7043	Antiterrorism Force Protection Policy For Defense Contractors Outside The United States
252.226-7001	Utilization of Indian Organizations, Indian-owned Economic Enterprises, and Native Hawaiian Small Business Concerns (Sep 2004) This clause applies if the Order exceeds \$500,000, and further subcontracting opportunities may exist.
FARS Reference	Title/Applicability
252.227-7010	License to Other Government Agencies
252.227-7013	Rights in Technical Data -- Noncommercial Items (Nov 1995) This clause is applicable when technical data, but not software, will be delivered to the Government by the prime contractor from the subcontractor. "To the Contractor" has been deleted from (b)(1)(vi) and "contract or" and "thereunder" have been deleted from (b)(1)(ix). "Buyer or" is added before "Government" in (c) and (l). The second and third occurrences of "Contracting Officer" are changed to "Government" in (e)(4). "And the Government" is added after "parties" in (h)(1). In (h)(2) "sixty (60)" is changed to "forty (40)" days. No substitutions for "Government" have been made.

252.227-7014	<p>Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (Jun 1995)</p> <p>This clause is applicable when software and software documentation will be delivered to the Government by the prime contractor from the subcontractor. "To the Contractor" has been deleted from (b)(1)(iii) and "contract or" and "thereunder" have been deleted from (b)(1)(vi). "Buyer or" is added before "Government" in (l). The second and third occurrences of "Contracting Officer" are changed to "Government" in (e)(4). "And the Government" is added after "parties" in (h)(1). In (h)(2) "sixty (60)" is changed to "forty (40)" days. No substitutions for "Government" have been made.</p>
252.227-7015	<p>Technical Data -- Commercial items (Nov 1995)</p> <p>This clause is applicable only when commercial item (as defined in the FAR) technical data is deliverable to the Government by the prime from the subcontractor. No substitutions for "Contracting Officer" or "Government" have been made.</p>
252.227-7016	<p>Rights in Bid or Proposal Information (Jun 1995)</p> <p>This clause applies when DFARS 252.227-7013 is used. No substitutions for "Government" or "Contracting Officer" are made.</p>
252.227-7017	<p>Identification and Assertion of Use, Release, or Disclosure of Restrictions (Jun 1995)</p> <p>This clause applies if either DFARS clauses 252.227-7013 or 252.227-7014 is used.</p>

FARS Reference	Title/Applicability
252.227-7010	License to Other Government Agencies
252.227-7013	<p>Rights in Technical Data -- Noncommercial Items (Nov 1995)</p> <p>This clause is applicable when technical data, but not software, will be delivered to the Government by the prime contractor from the subcontractor. "To the Contractor" has been deleted from (b)(1)(vi) and "contract or" and "thereunder" have been deleted from (b)(1)(ix). "Buyer or" is added before "Government" in (c) and (l). The second and third occurrences of "Contracting Officer" are changed to "Government" in (e)(4). "And the Government" is added after "parties" in (h)(1). In (h)(2) "sixty (60)" is changed to "forty (40)" days. No substitutions for "Government" have been made.</p>
252.227-7014	<p>Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (Jun 1995)</p> <p>This clause is applicable when software and software documentation will be delivered to the Government by the prime contractor from the subcontractor. "To the Contractor" has been deleted from (b)(1)(iii) and "contract or" and "thereunder" have been deleted from (b)(1)(vi). "Buyer or" is added before "Government" in (l). The second and third occurrences of "Contracting Officer" are changed to "Government" in (e)(4). "And the Government" is added after "parties" in (h)(1). In (h)(2) "sixty (60)" is changed to "forty (40)" days. No substitutions for "Government" have been made.</p>
252.227-7015	<p>Technical Data -- Commercial items (Nov 1995)</p> <p>This clause is applicable only when commercial item (as defined in the FAR) technical data is deliverable to the Government by the prime from the subcontractor. No substitutions for "Contracting Officer" or "Government" have been made.</p>
252.227-7016	<p>Rights in Bid or Proposal Information (Jun 1995)</p> <p>This clause applies when DFARS 252.227-7013 is used. No substitutions for "Government" or "Contracting Officer" are made.</p>
252.227-7017	<p>Identification and Assertion of Use, Release, or Disclosure of Restrictions (Jun 1995)</p> <p>This clause applies if either DFARS clauses 252.227-7013 or 252.227-7014 is used.</p>

FARS Reference	Title/Applicability
252.227-7019	<p>Validation of Asserted Restrictions -- Computer Software (Jun 1995)</p> <p>The clause applies when DFARS 252.227-7014 is used. "Buyer's Purchasing Representative" is substituted for "Contracting Officer" in paragraph (b); otherwise no substitutions are made for "Contracting Officer" or "Government." In paragraph (f)(5) and (f)(6), the "prime contract" is substituted for "this contract."</p>
252.227-7020	Rights In Special Works
252.227-7025	<p>Limitation on the Use or Disclosure of Government-furnished Information Marked with Restrictive Legends (Jun 1995)</p> <p>This clause applies when either DFARS clauses 252.227-7013 or 252.227-7014 is used. No substitution is made for "Government".</p>
252.227-7027	Deferred Ordering Of Technical Data Or Computer Software
252.227-7028	Technical Data Or Computer Software Previously Delivered To The Government
252.227-7030	<p>Technical Data -- Withholding of Payment (Mar 2000)</p> <p>This clause is applicable when DFAR clause 252.227-7013 is used. "Buyer" is substituted for "Contracting Officer in paragraph (a). In paragraph (b), "or Buyer" is added after "Government."</p>
252.227-7036	Declaration Of Technical Data Conformity
252.227-7037	<p>Validation of Restrictive Markings on Technical Data (Sep 1999)</p> <p>This clause applies when DFARS clauses 252.227-7013, 252.227-7014, or 252.227-7015 are used. In paragraph (b), "Contractor's" remains in the clause with a lower case "c." In paragraph (c) and (d)(1), "hereunder" is inserted after "subcontract." In paragraphs (f) and (g)(2)(i) change "this contract" to "the prime contract." No substitutions for "Government" or "Contracting Officer" are made.</p>
252.227-7039	Patents - Reporting Of Subject Inventions (<i>applies only when FAR 52.227-1 1 applies</i>)
252.231-7000	Supplemental Cost Principles (Dec 1991)
252.235-7003	Frequency Authorization
252.235-7010	Acknowledgment Of Support And Disclaimer (<i>applies only to orders for research & development work</i>)
252.239-7000	Protection Against Compromising Emanations
252.239-7001	Information Assurance Contractor Training and Certification
252.243-7001	Pricing of Contract Modifications (Dec 1991)
252.243-7002	Requests for Equitable Adjustment (Mar 1998)
252.244-7000	Subcontracts for Commercial Items and Commercial Components (DoD Contracts) (Aug 2009)

252.246-7001	Warranty of Data (Dec 1991)
252.246-7001 Alt I	<p>Warranty of Data - Alternate I (Dec 1991)</p> <p>This clause applies when DFARS clause 252.227-7013 is used and technical data is deliverable to the Government. The additional liability provisions at paragraph (d)(3) are appropriate only if the Alternate I or II version of the DFARS clause is in the prime contract. Only Alternate I is reflected here because the subcontract flowdown provisions are identical to Alternate II. In paragraph (b) the parenthetical is deleted. In paragraph (d)(1), including (ii), and (d)(2) "Buyer" has been substituted for "Contracting Officer." Paragraphs (d)(3)(i) through (iii) have been modified and deleted to read, "The limit of the Seller's liability shall be ten percent of the total price." In paragraph (d)(3)(iv)B change second "Government" to "Government or Buyer."</p>

DFARS Reference	Title/Applicability
252.246-7003	Notification of Potential Safety Issues (Jan 2007)
252.247-7023	<p>Transportation of Supplies by Sea (May 2002)</p> <p>This clause is applicable to Orders in excess of the simplified acquisition threshold in Part 13 of the FAR. Paragraph (c), first sentence has been modified as to read "The Seller and its subcontractors may request that the Buyer obtain Government authorization for shipment...". In paragraph (d) "Contracting Officer" is changed to "Buyer" in the second sentence. "45" is changed to "60" days in paragraph (d) and "30" to "25" days in paragraph (e). In paragraph (e) "and the Division of National Cargo, Office of Market Development, Maritime Administration, U.S. Department of Transportation, Washington, D.C. 20590," is deleted. In paragraph (g) "for the purposes of the Prompt Payment clause of this contract" is deleted.</p>
252.247-7024	<p>Notification of Transportation of Supplies by Sea (Mar 2000)</p> <p>This clause applies to subcontracts when the prime's original response to the solicitation stated that no transportation by sea was contemplated.</p>
252.249-7002	<p>Notification of Anticipated Contract Termination or Reduction (Dec 2006)</p> <p>This clause applies to first tier subcontracts of \$550,000 or more and thereafter to lower tier subcontracts of \$100,000 or more. "Buyer" is substituted for "Contracting Officer" throughout. Paragraph (d)(1) is modified to read "Provide notice of the proposed termination or reduction to each subcontractor with a subcontract of \$100,000 or more under the program...."</p>