



## STANDARD TERMS AND CONDITIONS FOR PURCHASE

1. **DEFINITIONS:** "Order", "purchase order" or "contract" means any agreement between CU AEROSPACE, L.L.C. (hereafter referred to as "CUA") and the Seller for the supply of goods and services; the "goods" means the subject matter of the orders and includes services; "Seller" or "Supplier" means the contracting party with whom the order is placed; "Government" means the United States Government or any department or agency thereof.
2. **SCOPE OF WORK/ACCEPTANCE.**
3. Scope of Work. The Supplier is required to perform only the requirements listed in the body of the purchase order and documents or communications referenced therein, as well as that which is covered by these terms and conditions. The Supplier will not be required to perform any processes not specifically mentioned. If a Supplier is not able to meet the contractual obligations of this purchase order, it has **3 days** to notify CUA from its issuance; otherwise CUA will consider the purchase order accepted by the Supplier per Paragraph 4 below.
4. Acceptance of CUA's Offer. Any purchase order issued by CUA to any Supplier is an offer by CUA, which becomes binding on the terms contained therein and herein when it is accepted by Supplier. Supplier will be deemed to have accepted such offer on CUA's terms if Supplier commences working on the goods or providing the services, or ships the goods, which are the subject of the purchase order, if Supplier issues a written order acknowledgement or if the Supplier has not notified CUA within time specified of any conflicts. Any acceptance by Supplier of a purchase order is limited to acceptance of the express terms of the purchase order, specified CUA Purchase Order Requirements or other documents incorporated in the purchase order by reference, and these Terms and Conditions and Schedules A and B attached hereto.
5. Attempts to Alter Terms Rejected. Any attempt by Supplier to alter the terms offered by CUA, or to propose additional terms, will be considered invalid and rejected by CUA unless CUA specifically accepts in writing such alterations.
6. Prior Offer by Supplier. If any purchase order issued by CUA to Supplier is deemed to be an acceptance of a prior offer by Supplier, CUA's acceptance of such prior offer will be deemed limited to the Terms and Conditions contained herein and in the purchase orders issued by CUA. In such cases, any other terms deemed to be part of Supplier's offer will be deemed material and rejected by CUA; but such rejection by CUA will not be deemed to operate as a rejection of Supplier's offer unless the rejected terms are those of price or quantity.
7. **PACKING, MARKING AND SHIPPING.** The Supplier shall follow all applicable transportation regulations and good commercial practice for protection to preserve, package and contain shipments in order to prevent deterioration and damage during shipping. For hazardous materials, the Supplier shall follow applicable Federal, state and local laws and regulations for the packaging, labeling, transportation and shipping of such items. CUA specific instructions for packaging and shipping shall be flowed down in the purchase order as needed. The use of newsprint for packaging is prohibited. Supplier will be responsible for damage to shipments directly attributable to improper packing or shipment.
8. **INVOICING, PAYMENT TERMS.**
9. Invoicing. All invoices are to be transmitted to CUA electronically "e-mail" or delivered to the address stated in the purchase order. In order to be considered for payment, each invoice must show the relevant CUA purchase order number, itemize any taxes to be paid by CUA (if taxes are included in the purchase order), contain line item numbers from the CUA purchase order, description, unit price, quantity and extended price, if any; and contain the name of the person requesting the material or service, if requested by CUA. If requested by CUA, the written notification contain Supplier's certification that all goods and services reflected therein were produced and supplied in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended, and of regulations and orders of the U.S. Department of Labor issued there under.
10. Delays for Non-Compliance. Failure to comply with invoice requirements outlined herein may result in a delay in payment by CUA and a postponement of the due date until such a time that Supplier has remedied such non-compliance. Any delay in payment resulting from such non-compliance will not be considered a breach of payment terms on the part of CUA.
11. Offset, Withholdings. CUA may offset against any amounts due under Supplier's invoices: (a) any direct damages resulting from Supplier's default under or breach of any contract (including any purchase order and these Terms and Conditions); (b) any amount owing from Supplier to CUA; or (c) any adjustment for shortage or rejection. In the event that CUA becomes aware of violation of any governmental law, regulation or order or contractual obligation by Supplier in relation to its performance hereunder, CUA may withhold, without liability or interest, any payment due hereunder associated with matters relating to such violation, pending investigation and resolution of such violation.
12. Payment Terms. Unless otherwise provided under the applicable purchase order or written agreement between CUA and Supplier, payment terms shall be net thirty (30) calendar days. The term of any payment provided for in the purchase order, and all discounts related thereto, shall be calculated from the date an acceptable invoice is received.
13. Payment Date, Discounts. If, in its discretion, CUA accepts any shipment ahead of schedule, CUA may make payments on the basis of the scheduled delivery date. The date for the calculation of CUA's entitlement to take a discount under any Supplier invoice will be the date an acceptable invoice is received.
14. Taxes. All prices indicated in purchase orders include all applicable taxes, impositions including but not limited to import and export duties and other similar charges, unless specifically indicated otherwise in such purchase order.
15. **DELIVERY.** Delivery shall be at CUA's designated place of delivery stated on the purchase order.
- 15.1. Supplier will deliver acceptable goods and services in strict conformity with any delivery schedule set forth in any purchase order, subject to any delays as a result of any force majeure, or other circumstance or event beyond the reasonable control of Supplier. Supplier will bear the cost of any normal (except to the extent explicitly specified otherwise under the relevant purchase order) or extraordinary (in any case) shipping charges necessary to meet the delivery schedule specified in any purchase order.



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- 15.2. The purchase order delivery schedule and quantities are to be strictly adhered to. Unless otherwise mutually agreed to in writing between the Parties, any delivery containing less than the scheduled delivery quantity may have payment withheld until the balance of the parts are delivered.
- 15.3. At CUA's option and sole discretion, should Supplier fail to deliver any goods ordered under an Order by CUA within two (2) weeks of the delivery date for reasons other than those set forth in Section 36 (Force Majeure), in consideration of the difficulties in calculating the damages which any such delay would cause to CUA, Supplier shall pay to CUA, as liquidated damages, a sum equal to one-half (1/2) percent of the price of the delayed goods for each working day of delay. The total amount to be paid by the Supplier to CUA as liquidated damages shall not exceed twenty percent of the price of the delayed good(s).
16. **MOST FAVORED CUSTOMER.** Supplier warrants that it will not charge CUA more for any goods or services, or any item thereof, than it charges any other customer for such goods or services in like quantities and under like conditions. Supplier will adjust prices upon discovery of any amounts paid by CUA, which reflect a breach by Supplier of the immediately preceding sentence and refund any excess payments made by CUA.
17. **INSPECTIONS**
- 17.1. Right to Inspect. All goods and services ordered by CUA pursuant to any purchase order are subject to inspection before or after receipt by CUA, notwithstanding the earlier passing of title to CUA, or any prior payment by CUA, or any prior inspection of any type. CUA's inspection may, in its sole discretion, include physical, visual and/or mechanical review, as well as any documentation necessary to substantiate the meeting of quality requirements or specific requirements set forth in the purchase order.
- 17.2. Correction, Rejection. If any goods and services are not in conformity with the drawings, specifications, samples or other requirements of the relevant purchase order, CUA shall notify Supplier. If Supplier fails to correct the defect or non-conformity within a mutually agreed timeframe or is unable to correct the defect or nonconformity, CUA may, in addition to any other rights under the purchase order, these Terms and Conditions, correct or have corrected the defect or nonconformity at Supplier's expense. Rejected goods may be returned by CUA to Supplier at Supplier's risk and expense.
- 17.3. Right of Recovery. In addition to any other rights it may have under the relevant purchase order or these Terms and Conditions, CUA may recover its direct costs incurred as a result of or relating to replacing or correcting defective or nonconforming goods or services to the extent that such costs resulted solely from Supplier's action or inaction. CUA may, at its discretion, invoice or debit the Supplier's account in the amount of all such costs incurred.
- 17.4. On-site Inspection. Work performed under any CUA purchase order is subject to inspection at Supplier's plant by authorized representatives of CUA, CUA's customers or their customers or any governmental entity asserting authority or jurisdiction, or, in the case of a government contract, the government, during normal business hours upon reasonable prior notice to conduct inspections and tests of any finished or unfinished products subject to any CUA purchase order. Supplier will make available its facilities to accommodate the safety and reasonable convenience of such representatives. When reasonably requested upon reasonable prior notice, representatives of Supplier will accompany CUA, its customers or their customers or the government to Supplier's subcontractor's facilities for such inspection and testing.
- 17.5. Right of Entry. With reasonably sufficient notice, CUA and its customers, subcontractors and regulatory agencies shall be allowed entry and are hereby authorized to enter into the premises of the Supplier to inspect and otherwise verify the quality of work, relevant manufacturing records and material at the Supplier's manufacturing facilities. Supplier must coordinate any such entry with CUA personnel listed on the purchase order.
- 17.6. No Waiver. The inspection, review or approval by CUA of any work, or of any drawing, design or other document, will not be deemed to relieve Supplier of any of its obligations under any purchase order or constitute a waiver of any defects or nonconformities. The acceptance by CUA of any goods or services under any purchase order will not be deemed to limit or affect any warranty or right of indemnity granted by Supplier under such purchase order, these Terms and Conditions.
- 17.7. Acceptance. Notwithstanding the above, final acceptance or rejection of the Work shall be made as promptly as practical after delivery to CUA; however, unless earlier rejected, the Work shall be deemed by the Parties to be accepted within 30 days after delivery to CUA. Upon acceptance of each unit of Work, CUA waives any right to revoke such acceptance for any reason, whether known or unknown to CUA at the time of acceptance. Any defect or nonconformance becoming apparent in the Work after such acceptance shall be corrected under, and subject to, the conditions of Clause 19 (Warranty) below.
18. **CHANGES**
- 18.1. Changes and Adjustments. CUA may at any time, by written order (and without notice to sureties), make changes within the general scope of any purchase order in any one or more of the following: (i) drawings, designs, specifications or other technical documents; (ii) quantity, (iii) time and place of delivery; and (iv) delivery schedules. Without limiting the foregoing, CUA may at any time and from time to time modify its Shipping, Packing, and Marking Instructions or the Invoicing Instructions contained above by delivery of a revised version thereof to Supplier. Supplier will implement any such changes; provided, that if any such change causes an increase or decrease in the cost of or time required for performance of any work under a purchase order, an appropriate adjustment in the price and/or delivery schedule will be agreed to by CUA and Supplier. Notwithstanding the foregoing, no adjustment to the benefit of Supplier will be made: (a) for any change made necessary by reason of defects or nonconformities for which Supplier would be rightly liable under the terms of the order and these Terms and Conditions. Any claim by Supplier for adjustment will be made in writing within twenty (20) days from the date the change was ordered by CUA, and will set forth the amount claimed and the reasons. Upon prior written request and subject to CUA maintaining the confidentiality thereof, Supplier will provide support to verify any claim for adjustment by Supplier. If CUA and Supplier are unable to agree upon an adjustment in the event of any change directed by CUA, the matter will be resolved in accordance with the dispute resolution procedures set forth in the Paragraph of these Terms and Conditions entitled "Dispute Resolution." Pending resolution of any such adjustment, Supplier will diligently pursue the performance of the order as changed up to the point of shipment.
- 18.2. Authority to Order Changes. Changes may be ordered by CUA only in writing issued by an authorized representative of CUA, which expressly states that it constitutes a change to a specified purchase order. If Supplier believes that any other conduct has constituted a change under an order, it will notify CUA immediately in writing as to the nature of such conduct and its effect upon Supplier, but will take no steps to implement a change absent written direction from an authorized representative of CUA consistent with the preceding sentence.



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19. **WARRANTIES.** Seller represents and warrants that (a) all goods and services are free of any claim of any nature by any third person and that Seller will convey clear title to CUA, (b) all services are performed in a manner acceptable in the industry and in accordance with generally accepted standards, are free from all defects, are fit for the particular purposes for which they are acquired, and are provided in strict accordance with the specifications or other requirements (including performance specifications) approved or adopted by CUA, (c) all goods sold will be of merchantable quality, free from all defects in design, workmanship and materials, and fit for the particular purposes for which they are purchased and that the goods and services are provided in strict accordance with the specifications, samples, drawings, designs or other requirements (including performance specifications) approved or adopted by CUA, (d) Seller shall not act in any fashion or take any action that will render CUA liable for a violation of any applicable anti-bribery legislation (including without limitation, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010), which prohibits the offering, giving, or promising to offer or give or receiving, directly or indirectly, money or anything of value to any third party to assist it, them or CUA in retaining or obtaining business or in procuring the goods or services. CUA inspection, test, acceptance, or use of the goods shall not affect Seller's obligations under these warranties. Seller shall replace or correct, at CUA's option and at Seller's cost, defects of any goods not conforming to these warranties. If Seller fails to correct defects in or replace nonconforming goods within ten (10) days from the date the CUA notifies Seller of the defect or defects, CUA may, on ten (10) days prior written notice to Seller, either (i) make such corrections or replace such goods and charge Seller for all costs incurred by CUA, or (ii) revoke its acceptance of the goods in which event Seller shall be obligated to refund the purchase price and make all necessary arrangements, at Seller's cost, for the return of the goods to Seller. All warranties of Seller herein or that are implied by law shall survive any inspection, delivery, acceptance, or payment by CUA. Any attempt by Seller to limit, disclaim, or restrict these warranties or any remedies of CUA, by acknowledgment or otherwise, in accepting or performing this Order, will be null, void, and ineffective without CUA's written consent.
20. **PROGRESS REPORTING.** If required by the purchase order, Supplier will submit progress reports and other contracted deliverables to provide visibility of planned program tasks and progress against such tasks, in any format or schedule mutually agreed by the Parties.
21. **PROPRIETARY INFORMATION.** Supplier will maintain the confidentiality of all information furnished by CUA as confidential and will not disclose any such information to any other person, or use such information for any purpose other than performance of related purchase order. The preceding sentence applies, without limitation, to designs, inventions, software programs, source codes, materials, models, processes, drawings, specifications, data, reports and other technical or business information and the features of all parts, equipment, tools, gauges, patterns and processes disclosed to Supplier by CUA; and, to information supplied by CUA in electronic form, including CAD/CAM and computer aided engineering data. Supplier will not sell any such information and will deface or otherwise render unsuitable for use any such information of which Supplier disposes. Upon fulfillment or termination of any purchase order, and as otherwise directed by CUA, Supplier will, subject to the specific instructions of CUA, either dispose of all information supplied by CUA or return such information to CUA. CUA or its representatives may at any time, and with reasonable notice, review all pertinent books, records and files of Supplier in order to verify compliance with this paragraph. Notwithstanding the foregoing, the term "Confidential Information" shall not include any information that is: (a) in the public domain through no fault of Supplier; or (b) independently developed by Supplier without breaching this Contract or by parties who have not had, either directly or indirectly, access to or knowledge of the Confidential Information. The foregoing obligations are in addition to and not as a replacement for any obligations under any nondisclosure agreements in place between the parties.
22. **PATENT INFRINGEMENT INDEMNITY.** Supplier will defend CUA, subcontractors of CUA, and any subsequent customers, owners, suppliers, users or operators of the goods or services delivered in accordance with CUA's specifications (herein the indemnified parties) against all claims and in all proceedings alleging infringement of any United States patent or copyright in the manufacture or sale of any goods or services (without modification or further combination) delivered to CUA, and Supplier will indemnify and hold the indemnified parties harmless from any resulting liabilities.
23. **NON-DISCLOSURE OF TRANSACTIONS.** Supplier will not advertise or publish the fact that CUA has ordered goods or services from Supplier, or the terms or nature of such order. Supplier will not, and will cause its employees and other representatives to not, disclose such information in company periodicals, press releases, public lectures, theses, sale or other promotional literature, or otherwise, unless such disclosure has been approved by CUA in writing.
24. **INTELLECTUAL PROPERTY RIGHTS.** CUA agrees that Supplier has designed the Goods being supplied under this purchase order or contract and shall own all intellectual property rights associated with such Goods and such designs. CUA agrees that all information provided by Supplier related to such designs is proprietary and confidential and CUA shall assert no right in such designs by reason of use by CUA or disclosure to CUA of such designs. In no event will CUA copy, reproduce, reverse engineer or attempt to reverse engineer, or cause or request others to reverse engineer or attempt to reverse engineer any drawings, designs or Goods provided by Supplier. Nor will CUA and CUA's customer use any data or documentation provided by Supplier under this Subcontract in any manner or for any reason that is detrimental to the best interests of Supplier.
25. **TOOLS AND MATERIALS.** Title to and the right of immediate possession of all tools, dies, patterns, software, numerically controlled media and programs, manufacturing programs, replacements and materials provided to the Supplier and used in manufacturing goods under a purchase order ("special tooling and materials") will be and remain CUA (or CUA's customer if applicable). All special tooling and materials will not be used in the production of larger quantities than those specified by CUA in a purchase order. Upon completion of any relevant purchase order, all special tooling and materials will be delivered to CUA or disposed of by Supplier as CUA shall direct. All special tooling and materials will be segregated by Supplier at Supplier's plant and clearly marked as belonging to CUA and will be used solely in the performance of work ordered by CUA, will be insured against loss by the Supplier, and will not be copied, and will be delivered by the Supplier to CUA upon demand and at CUA's cost. Supplier assumes complete liability for all special tooling and materials while in Supplier's possession. Supplier will reimburse CUA for damage to CUA's special tooling beyond normal wear and tear while in Supplier's possession. CUA reserves the right to use at any time all special tooling and materials. Supplier will be responsible to CUA for any and all consigned materials. Supplier will communicate to CUA, in such manner and such times as CUA directs, any and all instances wherein Supplier fails to yield prescribed requirements from CUA's material. Upon completion of specific purchase order requirements, Supplier will furnish to CUA any and all residual materials and an accounting of any and all deviations from the prescribed order requirements. At CUA's direction, Supplier will at CUA's cost return to CUA any "off fall" material. If any item fabricated by Supplier from material furnished by CUA is defective, or any furnished material is damaged while in Supplier's possession, Supplier will reimburse CUA to the reasonable cost of the defective or damaged item.
26. **INDEMNIFICATION.** Supplier will defend, indemnify and hold harmless CUA and its affiliates, and their officers, agents, employees, successors and assigns, against any claims, loss, damage or expense, including, without limitation, payment of direct, special, incidental and consequential damages, and expenses of defending claims including attorneys' fees, arising out of or relating to Supplier's breach of obligations or gross negligence or willful misconduct with respect to the order. This duty to defend, indemnify and hold harmless extends only to any suit, claims, judgment or demand which arises



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out of or in connection with Supplier's performance or nonperformance of any purchase order placed by CUA, out of or in connection with Supplier's breach of warranty, out of any defect in the goods or services whenever discovered, out of any patent infringement or misappropriation of trade secrets by Supplier other than pursuant to specifications or instructions provided by CUA, or failure of Supplier to pay royalties, or any other breach of Supplier's obligations hereunder whether such claim or suit is based upon contract, warranty, strict liability in tort, negligence, or other legal theory, and also extends not only to "third party claims" but also to any loss suffered by CUA.

27. **INSURANCE.** Supplier will, at all times, maintain with reputable insurance companies, comprehensive general liability insurance in the minimum amount of \$1 million and aviation/aerospace products liability insurance in the minimum amount of \$50 million (both to include coverage for any liability under any CUA purchase order and these Terms and Conditions). At CUA's reasonable request, Supplier will name CUA as an additional insured under such policies and will provide to CUA a certificate of such insurance and shall endeavor to provide 30 days prior written notice to CUA of cancellation or material change. Supplier will maintain workers' compensation insurance sufficient to cover all of its general and special employees engaged in work pursuant to any CUA purchase order and insurance against liability for personal injury or death or destruction of or damage to property arising out of work in fulfillment of any CUA purchase order and will provide evidence to CUA of such coverage upon CUA's reasonable request.
28. **DEFAULT**
- 28.1. **"Default".** Time is of the essence in the purchase order. It is a default under any purchase order and these Terms and Conditions if Supplier: (i) refuses or fails to deliver any goods or perform any services within the time specified in such purchase order except as provided herein; (ii) fails to comply with any other provision of such purchase order or Terms and Conditions; (iii) fails to make progress so as to endanger performance of such purchase order in accordance with its terms and these Terms and Conditions, or repudiates such purchase order; or (iv) the filing of a petition to have Supplier liquidated or for the winding up of its affairs. In all cases, Supplier shall be given due written notice of CUA's intent to terminate for default and shall be afforded thirty (30) calendar days to take steps satisfactory to CUA to provide adequate assurance of future performance.
- 28.2. **Termination for Default.** In the event of any default by Supplier under any purchase order or these Terms and Conditions, CUA may terminate such purchase order, with no liability owed to Supplier whatsoever. If CUA terminates any purchase order for default in whole or in part, it may acquire, under commercially reasonable terms supplies or services similar to those terminated, in which case Supplier will be liable for any excess costs for those goods or services. Upon a termination in part, Supplier will continue any work not terminated. If, after termination, it is determined that the Supplier was not in default, or that the default was excusable, the rights and obligations of the parties will be the same as if the termination had been issued for CUA's convenience under the Paragraph below entitled "Termination for Convenience." The rights and remedies of CUA in this paragraph are in addition to any other rights and remedies provided by law or under this contract.
- 28.3. **Remedies.** The rights and remedies herein reserved to CUA shall be cumulative and additional to any other rights and remedies provided in law or equity, including without limitation the right to reclaim goods delivered if payment is not made when due.
29. **TERMINATION FOR CONVENIENCE.** Whether or not a purchase order relates to a government contract, CUA may terminate any purchase order in whole or in part for any reason in accordance with the procedures established in the termination clause set forth in the United States Federal Acquisition Regulation (FAR 52.249-2) and the policies and principles set forth in Part 49 of the FAR, all of which are hereby incorporated by reference, except that in FAR 52.249-2: (i) the term "Contractor" shall be deemed to mean Supplier; (ii) the terms "Contracting Officer" and "Government" shall be deemed to mean CUA; (iii) the one year period in paragraph (d) for submitting a final termination settlement proposal is reduced to sixty (60) days; and (iv) the 90-day period in paragraph (k) for submission of a proposal for an equitable adjustment of the price in the event of a partial termination is reduced to thirty (30) days. documentation. The failure of Supplier to file a claim within the applicable period in accordance with the FAR and this paragraph 29 will constitute a waiver and be the basis for a complete denial of any such claim.
- 29.1. The Supplier shall use its best efforts to mitigate the costs arising from such termination. In no case shall the amount payable by CUA for the terminated work exceed the price which would have been payable by CUA had the work been completed. Supplier shall, however, be entitled to all associated costs of cancellation including but not limited to; work in process, items shipped but not yet paid for, completed items not yet shipped, unusable nonstandard materials on hand at Sellers facility or on order but not yet received from Sellers suppliers plus a reasonable profit on such costs, which together may not exceed the contract price of the work canceled.
- 29.2. CUA reserves the right to take possession of and title to any partly completed work, including but not limited to any relevant tools, fixtures, jigs or by a purchase order for a period of 90 days after the order is delivered to Supplier, or for any further period to which the parties may agree upon in writing. Upon receipt of the stop-work order, Supplier will immediately take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop-work order during the period of work stoppage. Within the indicated 90 day or other longer period, CUA will either (i) cancel the stop-work order, or (ii) let such stop-work order expire, or (iii) terminate the work covered by the stop-work order either for default if CUA has given notice of such default to Supplier and Supplier has had a reasonable period of time to correct such default or for convenience as set forth in the Paragraph below entitled "Termination For Convenience", in accordance with these Terms and Conditions and the relevant purchase order. Upon cancellation or expiration of a stop-work order, the Supplier shall immediately resume work under the affected Purchase Order. If a stop-work order is cancelled or allowed to expire, and the suspension effected thereby has an effect on the Supplier's costs or ability to meet the purchase order's delivery schedule, CUA will negotiate with the Supplier in good faith and make an adjustment in the delivery schedule or purchase price (but with no increase in profit allowed), or both, and the purchase order will be modified accordingly, but only if requested by Supplier in writing within thirty (30) days after the suspension ends.
- 29.3. The provisions of this Paragraph shall not be deemed to limit or affect the rights or remedies of CUA provided elsewhere in any purchase order, these Terms and Conditions, or provided by law in the event of default or breach by the Supplier.
30. **COMPLIANCE.** Supplier represents and warrants that all of the goods and services provided by Supplier will comply and will be manufactured and furnished by Supplier in compliance with, all applicable federal, state and local laws, regulations, orders and ordinances, including the Export Regulations (defined below) and including those applying to goods sold to the U.S. Government or for shipment in interstate commerce, and upon reasonable request Supplier will provide evidence of such compliance.
31. **CERTIFICATIONS.** Supplier hereby certifies that the goods called for by the purchase order have been or will be produced in compliance with the Fair Labor Standards Act of 1938 (29 U.S. Code 201-219) and, insofar as applicable to the purchase order, the Walsh-Healey Public Contracts Act (41 U.S. Code 35-45) and the Work Hours Act of 1962 (40 U.S. Code 327-332), and any amendments thereof. Supplier further certifies that it has and will comply with Executive Order 13201 issued February 17, 2001, and any successor executive order and all laws and regulations concerning the export and import of goods and technical data. Supplier agrees upon request to supply all certifications and information reasonably requested by CUA.
32. **EXPORT COMPLIANCE, RELEASE OF TECHNICAL INFORMATION.** Technical information or data, whether classified or otherwise, shall not be



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disclosed by Supplier to any person or entity in violation of the Export Administration Regulations (EAR) of the United States Department of Commerce, 15 C.F.R. Subtitle B, Chapter 7, Subchapter C; the International Traffic in Arms Regulations (ITAR) of the United States Department of State, 22 C.F.R. Chapter 1, Subchapter M; OFAC Sanctions of the Department of Treasury, 31 C.F.R. Subtitle B, Chapter 5; or any other applicable laws or regulations of the United States ("Export Regulations"). Supplier shall require each person to whom they wish to disclose EAR-controlled and/or ITAR-controlled information to certify agreement to EAR and/or ITAR non-disclosure requirements. Supplier will provide verification of the individual certifications upon request from CUA. Supplier will also provide citizenship verification information, evidence of completed denied parties checks and description of applicable export authorizations obtained upon request from CUA for each person or entity to whom they wish to disclose EAR and/or ITAR controlled information or for whom they wish to request badge access to any CUA site. Supplier will complete these compliance activities prior to disclosure of controlled information. In performing under any purchase order, Supplier shall further perform all of its obligations in compliance with the Export Regulations.

33. **HAZARDOUS SUBSTANCES, MSDS AND REACH.** Supplier is required to provide a Material Safety Data Sheet (MSDS) if a product is hazardous as defined in OSHA 29 CFR 1910.1200. All MSDS will be provided to the appropriate CUA site as stated in the Purchase Order. This provision applies to all orders for chemical products and raw stocks/substrates. Although this provision includes orders for hazardous materials and chemical substances, it is not restricted to such products and may include materials such as raw stocks, substrates, resins, and broad goods.
- 33.1. The Supplier represents, warrants and undertakes that the supply of products to CUA is in compliance with the European Union Regulation Number 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH") (as may be amended and supplemented from time to time); and
- 33.2. The Supplier where applicable (i) guarantees that all supplied chemicals to CUA (whether such chemicals are supplied on their own, as part of a preparation (as defined in REACH) or within any supplied article (as defined in REACH)) have been registered with, authorized by or notified to the European Chemicals Agency and appropriately labeled as required by REACH whether that be by the Supplier, by the Supplier's supplier (or in the case of a non-European Community supplier by the supplier's "only representative" pursuant to Article 8 of REACH); (ii) undertakes to cooperate with CUA and the European Chemicals Agency to ensure that any registration, authorization or notification is made to the European Chemicals Agency in accordance with REACH and to keep CUA fully informed with requisite documentation to comply with REACH; (iii) guarantees that for all chemicals supplied by the Supplier to CUA (whether such chemicals are supplied on their own, as part of a preparation (as defined in REACH) or within any supplied article (as defined in REACH)), CUA's usage of such chemical substances is covered by any REACH registration or REACH authorization and is included in any safety data sheets or exposure scenarios for such chemical substances; (iv) has notified and shall notify CUA from time to time of any and all chemical substances listed in Annex XIV of REACH (as may be amended or supplemented from time to time) (Substances of Very High Concern (SVHC)) in any products to be supplied or supplied by the Supplier to CUA; and (v) shall procure that its suppliers are in compliance with this paragraph in respect of any chemical substances which the Supplier subsequently supplies (whether such chemicals are supplied on their own, in preparations (as defined in REACH) or within any supplied article (as defined in REACH)) to CUA.
- 33.3. Supplier shall bear all costs, charges and expenses related to pre-registration, registration, evaluation and authorization under the REACH regulation of the chemical substances that are the subject of the Order.
34. **SECURITY FOR CUA INFORMATION STORED BY SUPPLIER**
- 34.1. This section shall apply if Supplier receives and holds CUA Information on its information systems. CUA wishes to ensure that Supplier has effective information security to ensure the secure storage and/or processing of CUA Information (as defined below) at Supplier's facility and to facilitate the exchange of information between CUA and Supplier. As used in this provision, "CUA Information" means (i) Proprietary Information owned by CUA or a CUA Affiliate (each such entity, a "CUA Entity"); (ii) information managed by CUA or a CUA Entity; (iii) information that CUA or a CUA Entity is obligated to manage and protect on behalf of others; and (iv) personally identifiable information relating to an identified or identifiable employee of CUA or a CUA Entity or others that is protected by various privacy laws (current or future) as applicable throughout the world including, without limitation, Social Security Number, address, telephone number, gender, birth date, medical records, trade union membership, driver's license number, financial account number, credit or debit card number (all subsection (iv)) defined as "PII").
- 34.2. Supplier agrees to install and implement security hardware, software, procedures and policies that will provide reasonable and effective information security. Supplier agrees to update such hardware, software, procedures and policies as may be needed from time to time to utilize improved technology and to respond to more sophisticated security threats in order to maintain a level of security protection appropriate for the information involved and the current state of security solutions.
- 34.3. Supplier shall use commercially reasonable efforts, as measured by the available technology at the time, to prevent anyone other than its authorized employees from accessing the CUA Information and assure that all CUA Information and applicable software is appropriately backed up and recoverable in the event of a disaster.
- 34.4. When Supplier is transmitting CUA Information, Supplier shall use encryption algorithms 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.
- 34.5. Supplier shall not store PII on any Supplier mobile computing devices (e.g. laptop computers, PDAs (personal digital assistants), etc.)
- 34.6. Supplier shall conduct appropriate background checks on all non-CUA personnel who will have access to the environment and/or CUA Information and approve those personnel based on the results of those checks. Supplier must disclose to CUA the procedures used for those employees having access to the CUA Information.
- 34.7. Supplier shall provide information and cooperation to CUA in response to any subpoena, investigation or the like seeking CUA Information and provide information and assistance for CUA to seek certification and the like relative to its information including information in the possession of Supplier. Supplier shall promptly notify CUA upon the receipt of any request requiring that CUA Information be supplied to a third party.
- 34.8. The foregoing provisions do not otherwise diminish or limit Supplier's obligations regarding the receipt, use, protection and/or disclosure of CUA Proprietary Information otherwise set forth hereunder.
35. **ORDER OF PRECEDENCE.** In the event of any conflict between these general terms and conditions and the terms of any purchase order or other applicable materials, except as otherwise explicitly agreed in writing by Supplier and CUA, the order of precedence will be: (i) in the case of any purchase order ultimately relating to a U.S. government contract, the FAR; (ii) the terms of any signed long term contract between the parties; (iii) these Terms and Conditions; (iv) the terms of any purchase order to the extent they are other than those set forth in these Terms and Conditions; (v) project specifications; and (vi) project drawings.
36. **FORCE MAJEURE.** Deliveries or acceptance will be subject to extension of time made necessary by reason of delays or disabilities directly affecting Supplier or CUA, respectively, occasioned by fires, floods or other catastrophes, wars, riots or embargo delays, government allocations or priorities, unforeseeable government restrictions or controls, or unusually severe weather conditions, to the extent such delays and disabilities are beyond their reasonable control in spite of prudent precautions. Performance may be delayed only to the extent reasonably caused by such event, and upon prompt written



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notice of the event. If such delay continues for more than 180 days, CUA may terminate in accordance with paragraph 29 above.

37. **GOVERNMENT CONTRACTS.** With respect to any purchase order ultimately relating to a U.S. government contract, the accompanying Schedule A and all Sections thereof forms an integral part of these Terms and Conditions. By notice to Supplier, CUA may supplement Schedule A with additional sections when Federal Acquisition Regulations are modified to provide for additional mandatory flow-down requirements.
38. **ASSIGNMENT AND SUBCONTRACTING.** Neither a purchase order nor any interest in a purchase order may be assigned, in whole or in part, by the Supplier without prior written approval by CUA which shall not be unreasonably withheld; a change of control of the Supplier shall be considered an assignment requiring prior written approval hereunder. Any such attempted assignment without consent shall be void and shall have no effect. Neither the entirety nor any part of any purchase order may be further subcontracted by the Supplier without the prior written approval by CUA.
39. **WAIVER AND SEVERABILITY.** The failure or delay of either party to insist on performance of any provision of these Terms and Conditions or any purchase order, or to exercise any right or remedy available under these Terms and Conditions or any purchase order, will not be construed as a waiver of that provision, right, or remedy in any later instance. Further, if any provision of these Terms and Conditions or any purchase order is or becomes void or unenforceable by operation of law, the remaining provisions shall be valid and enforceable.
40. **DISPUTE RESOLUTION.** Any dispute that arises under or is related to a purchase order and that relates to a matter that gives CUA recourse against the Federal Government under the prime contract or applicable law shall be resolved as follows:
- 40.1. Supplier will give CUA a fully supported written claim concerning any such dispute within one year after the claim accrues, but in no event later than final payment under the purchase order, or Supplier shall be barred from any remedy for such claim.
- 40.2. For any such claim of more than \$100,000, Supplier shall submit with the claim a certification to CUA and to the contracting officer for the prime contract that: (i) the claim is made in good faith, (ii) the supporting data are accurate and complete to the best of Supplier's knowledge and belief, and (iii) the amount requested accurately reflects the contract adjustment for which Supplier believes the Government is liable; furthermore, such certification shall be executed by a person duly authorized to bind Supplier, and Supplier shall indemnify and hold CUA harmless from damages, judgments, costs (including reasonable attorney's fees), and other liabilities arising from any breach of such certification or any violation of Section 5 of the Contract Disputes Act of 1978 (41 U.S.C. 604) or any violation of common law or statutory prohibitions against misrepresentations, fraud or false statements.
- 40.3. Supplier and CUA will cooperate fully in prosecuting any such claim and will be bound by the outcome.
- 40.4. Supplier and CUA will each bear their own costs of prosecuting any such claim.
- 40.5. Nothing in this contract or a purchase order grants Supplier a direct right of action under the Disputes clause of the prime contract.
- 40.6. In case of any dispute, claim or controversy arising in any way, directly or indirectly, from or relating to any purchase order or any performance or work thereunder, the parties shall use all reasonable efforts to resolve the dispute in the ordinary course of business and by discussion and meeting prior to commencement of any litigation or other proceeding.
- 40.7. Waiver of Jury. The parties agree that any dispute, claim or controversy shall (if a trial occurs) be tried to the court sitting without a jury, notwithstanding any constitutional or statutory rights or provisions.
- 40.8. Venue and Jurisdiction. With respect to any dispute involving a purchase order, the parties consent to jurisdiction and venue in any state or federal court in the State of the CUA location issuing the purchase order.
- 40.9. Continue performance during disputes. Pending final resolution of any dispute arising under or relating to a purchase order, the parties will proceed with performance of the purchase order up to but not including shipment, and Supplier's performance will be in accordance with CUA's written instructions, notwithstanding any rights to suspend or stop performance which might otherwise apply.
41. **CHOICE OF LAW.** These terms and conditions and any purchase order shall be governed by the laws of the State of the CUA location issuing the purchase order, except that any provision in the contract or purchase order that is (i) incorporated in full text or by reference from the Federal Acquisition Regulation ("FAR"), or (ii) incorporated in full text or by reference from any agency regulation that implements or supplements any FAR provision, shall be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, Board of Contract Appeals, and quasi-judicial agencies of the Federal Government.
42. **INTEGRATION AND MERGER.** These terms and conditions together with any long-term agreement referencing these Terms and Conditions, any nondisclosure agreement executed by the parties, and any purchase orders issued to Supplier, including attachments and documents incorporated herein or therein by reference, constitute the entire agreement between CUA and Supplier, and supersede all prior representations, agreements, understandings, and communications between CUA and Supplier. No amendment or modification of this contract or a purchase order will be binding upon either party unless it is set forth in a written instrument signed by authorized representatives of both CUA and Supplier. The rights and remedies afforded to either party pursuant to any part or provision of these Terms and Conditions, any long term agreement or any CUA purchase order are in addition to any other rights and remedies afforded by any other parts or provisions of these Terms and Conditions, any long term agreement, purchase order, by law, or otherwise.



## SCHEDULE A

### CLAUSES INCORPORATED BY REFERENCE FOR ORDERS UNDER U.S. GOVERNMENT CONTRACTS

As required by law, the following clauses from the Federal Acquisition Regulation ("FAR") and the Department of Defense FAR Supplement ("DFARS") are applicable to and incorporated by reference into all purchase orders ("Order") issued by CUA for non-commercial items, see FAR 2.101, in which the ultimate purchaser or end user is the United States Government or any instrumentality thereof. The following clauses shall have the same force and effect as if set forth below in full text. The dates of these clauses are the dates in effect as of the date of the Order issued by CUA. Supplier agrees to flow-down, as required, all applicable FAR and DFARS clauses as such are in effect as of the date of the Order. Supplier further agrees that all notifications and other communications required by these clauses shall be made through CUA's Purchasing Representative, unless the Order specifically provides otherwise.

Except as noted below, the following changes to the FAR and DFARS clauses are made for incorporation of these clauses into the Order in order to make the context of these clauses reflect the contractual relationship between CUA and Supplier: "Contractor" or "prime contractor" or "Offeror" shall mean "Supplier." "Government" shall mean "CUA." "Contracting Officer" shall mean "CUA's Purchasing Representative." "Contract" or "Schedule" shall mean the Order(s) issued by CUA to Supplier. Provided, however, that the terms "Government", and "Contracting Officer", do not change (1) when a right, act, authorization or obligation can be granted or performed only by the Government or its duly authorized representative; (2) when title to property is to be transferred directly to the Government; (3) with regard to FAR 52.203-6, 52.227-1, 52.227-2; and (4) where specifically modified as noted below:

NOTES: Clauses with "(NOTE 1)" following the clause citation shall not apply to Commercial Items meeting the following criteria: (a) the Supplier's proposal identifies and represents its Work to be a Commercial Item as defined in FAR 2.101 and provides supporting rationale and documentation to Buyer, and (b) Buyer agrees and documents in this PO that Supplier's Work is a Commercial Item.

FAR	TITLE
52.202-1	<b>Definitions</b>
52.203-3	<b>Gratuities</b>
52.203-5	<b>Covenant Against Contingent Fees</b>
52.203-6	<b>Restrictions on Subcontractor Sales to the Government</b> (applicable if Order exceeds simplified acquisition threshold)
52.203-7	<b>Anti-Kickback Procedures</b> (applicable if Order exceeds simplified acquisition threshold; omit (c)(1))
52.203-8	<b>Cancellation, Rescission and Recovery of Funds for Illegal or Improper Activity</b> (Applicable if Order Exceeds simplified acquisition threshold)
52.203-10	<b>Price or Fee Adjustment for Illegal or Improper Activity</b> (in (c) "prime contractor" means Supplier) (Applicable if Order Exceeds simplified acquisition threshold)
52.203-11	<b>Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions</b>
52.203-12	<b>Limitation on Payments to Influence Certain Federal Transactions</b> (applicable if Order exceeds simplified acquisition threshold; Supplier shall submit referenced certification to CUA as reasonably requested)
52.203-13	<b>Code of Business Ethics and Conduct</b> (applicable if Order exceeds \$5 million and performance period exceeds 120 days)
52.203-14	<b>Display of Hotline Poster(s)</b> (applicable if Order exceeds \$5 million and performance period exceeds 120 days)
52.203-15	<b>Whistleblower Protections Under American Recovery and Reinvestment Act</b>
52.203-17	<b>Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights</b>
52.204-2	<b>Security Requirements</b> (omit (c))
52.204-9	<b>Personal identity verification of contractor personnel</b>
52.204-10	<b>Reporting executive compensation and first tier subcontract awards</b> (This clause as modified herein applies if FAR 52.204-10 is included in Buyer's contract with its customer and this Order exceeds \$25,000. Replace the FAR clause with the following: "Seller shall support Buyer's compliance to FAR 52.204-10 as follows: (a) Seller is notified and agrees that information about the Seller will be reported in accordance with this clause, (b) Seller agrees to provide information to Buyer as necessary to ensure Buyer's compliance to this clause, and (c) Seller agrees to input information to www.CCR.gov and update it annually to provide the information as required by FAR 52.204-10(c)(3) related to executive compensation.")
52.204-11	<b>American Recovery and Reinvestment Act – Reporting Requirements</b>
52.204-21	<b>Basic Safeguarding of Covered Contractor Information Systems</b>
52.207-4	<b>Economic Purchase Quality - Supplies</b>
52.209-5	<b>Certification regarding debarment, suspension, proposed debarment, and other responsibility matters</b>
52.209-6	<b>Protecting the government's interest when subcontracting with contractors debarred, suspended, or proposed for debarment</b>
52.211-5	<b>Material Requirements</b>
52.211-15	<b>Defense Priority and Allocation Requirements</b> (applicable if Order exceeds the threshold in FAR 15.403-4(a)(1))
52.212-5	<b>Contract Terms and Conditions Required to Implement Statutes or Executive Orders – Commercial Items</b>
52.214-26	<b>Audit and Records--Sealed Bidding</b> (applicable if Order exceeds the threshold in FAR 15.403-4(a)(1))
52.214-27	<b>Price Reduction for Defective Cost or Pricing Data--Modifications--Sealed Bidding</b> (applicable if Order exceeds the threshold in FAR 15.403-4(a)(1); in (e) "United States" means CUA; Supplier shall submit certification to CUA as reasonably requested, and indemnify and hold CUA harmless for all loss, damage and expense resulting from Supplier's failure to comply ("Supplier certification and indemnification"))
52.214-28	<b>Subcontractor Cost or Pricing Data – Modifications – Sealed Bidding</b> (applicable if Order exceeds the threshold in FAR 15.403-4(a)(1); Supplier certification and indemnification applies)
52.215-2	<b>Audit and Records--Negotiation</b> (applicable if Order exceeds simplified acquisition threshold; the term "Contracting Officer" in (b), (c) and (e) means the Government's Contracting Officer)
52.215-10	<b>Price Reduction for Defective Cost or Pricing Data</b> (applicable if Order exceeds the threshold in FAR 15.403-4(a)(1); in (d) "United States" means CUA; Supplier certification and indemnification applies)
52.215-11	<b>Price Reduction for Defective Cost or Pricing Data – Modifications</b> (applicable if Order exceeds the threshold in FAR 15.403-4(a)(1); (e) "United States" means CUA; Supplier certification and indemnification applies)
52.215-12	<b>Subcontractor Cost or Pricing Data</b> (applicable if Order exceeds the threshold in FAR 15.403-4(a)(1); Supplier certification and indemnification applies)
52.215-13	<b>Subcontractor Cost or Pricing Data--Modifications</b> (applicable if Order exceeds the threshold in FAR 15.403-4(a)(1); Supplier certification and indemnification applies)
52.215-14	<b>Integrity of Unit Prices</b> (applicable if Order exceeds simplified acquisition threshold; omit (b))



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FAR	TITLE
52.215-15	<b>Pension Adjustments and Asset Reversions</b> (applicable if cost or pricing data required, or preaward/postaward cost determination subject to FAR Part 31)
52.215-16	<b>Facilities Capital Cost of Money</b>
52.215-17	<b>Waiver of Facilities Capital Cost of Money</b>
52.215-18	<b>Reversion or Adjustment of Plans for Post Retirement Benefits (PRB) Other Than Pensions</b> (applicable if cost or pricing data required, or preaward or postaward cost determination subject to FAR Part 31)
52.215-19	<b>Notification of Ownership Changes</b> (applicable if cost or pricing data required, or preaward or postaward cost determination subject to FAR Subpart 31.2)
52.215-20	<b>Requirements for cost or pricing data or information other than cost or pricing data</b> (Applicable for Commercial Items)
52.215-21	<b>Requirements for cost or pricing data or information other than cost or pricing data - MODS</b> (Applicable for Commercial Items)
52.215-22	<b>Limitations on pass-through charges – identification of subcontractor effort</b> (Applicable when 52.215-23 applies) (NOTE 1)
52.215-23	<b>Limitations on pass-through charges</b> (Applicable as specified in FAR 15.408 (n)(1)) (NOTE 1)
52.216-7	<b>Allowable Cost and Payment</b>
52.217-6	<b>Option for Increased Quantity</b> (“Schedule” means Order; written notice within reasonable time determined by CUA)
52.217-7	<b>Option for Increased Quantity--Separately Priced Line Item</b> (“Schedule” means Order; written notice within reasonable time determined by CUA)
52.219-8	<b>Utilization of Small Business Concerns</b> (Applicable if Order Exceeds simplified acquisition threshold)
52.219-9	<b>Small Business Subcontracting Plan</b> (applicable if Supplier is other than a small business or Order is more than \$550,000) (Applicable if Order Exceeds \$650,000)
52.219-16	<b>Liquidated damages – subcontracting plan (NOTE 1)</b> (Applicable if Order Exceeds the threshold in FAR 15.403-4(a)(1))
52.219-25	<b>Small disadvantaged business participation program — disadvantaged status and</b>
52.222-1	<b>Notice to the Government of Labor Disputes</b>
52.222-3	<b>Convict labor</b>
52.222-4	<b>Contract Work Hours and Safety Standards Act--Overtime Compensation</b> (applicable if Order exceeds simplified acquisition threshold and is for noncommercial items; GKN may withhold or recover from Supplier amounts withheld from CUA because of a violation by Supplier or any of its subcontractors)
52.222-11	<b>Subcontracts (labor Standards)</b>
52.222-20	<b>Walsh-Healey Public Contracts Act</b> (Applicable if Order Exceeds \$15,000)
52.222-21	<b>Certification of Nonsegregated Facilities</b>
52.222-22	<b>Previous contracts and compliance reports</b>
52.222-24	<b>Pre-award On-Site Equal Opportunity Compliance Evaluation</b>
52.222-25	<b>Affirmative Action Compliance</b>
52.222-26	<b>Equal Opportunity</b> (omit (a) and (d))
52.222-27	<b>Affirmative Action Compliance Requirements for Construction</b>
52.222-34	<b>Project Labor Agreement</b>
52.222-35	<b>Affirmative Action for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans</b> (Applicable if Order Exceeds \$100,000)
52.222-36	<b>Affirmative Action for Workers with Disabilities</b> (Applicable if Order Exceeds \$15,000)
52.222-37	<b>Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans</b> (Applicable if Order Exceeds \$100,000)
52.222-39	<b>Notification of Employee Rights concerning Payment of Union Dues or Fees</b> (applicable if Order exceeds simplified acquisition threshold)
52.222-40	<b>Notification of Employee Rights Under the National Labor Relations Act</b>
52.222-41	<b>Service Contract Act of 1965, as amended</b>
52.222-50	<b>Combating trafficking in persons</b>
52.222-51	<b>Exemption from Application of the Services Contract Act to Contracts Maintenance, Calibration, or Repair of Certain Equipment Requirements</b>
52.222-53	<b>Exemptions from Application of the Services Contract Act to Contracts for Certain Services Requirements</b>
52.222-54	<b>Employment Eligibility Verification</b> (applicable if CUA contract with its customer flows down this provision to CUA)
52.223-3	<b>Hazardous Material Identification and Material Safety Data</b>
52.223-7	<b>Notice of Radioactive Materials</b> (insert 90 days)
52.223-11	<b>Ozone-Depleting Substances</b>
52.223-13	<b>Certification of toxic chemical release reporting</b> (Applicable to competitive solicitations /contracts which exceed the simplified acquisition threshold)
52.223-14	<b>Toxic Chemical Release Reporting</b> (applicable if Order exceeds \$100,000; omit (e))
52.223-18	<b>Contractor policy to ban text messaging while driving</b>
52.223-15	<b>Energy Efficiency in Energy Consuming Products</b>
52.225-1	<b>Buy American Act—Supplies</b> (“domestic end products” to include items ordered hereunder, whether or not end products themselves)
52.225-2	<b>Buy American Act--Balance of Payments Program Certificate</b> (Supplier shall submit certification to CUA as reasonably requested)
52.225-3	<b>Buy American Act--Free Trade Agreement--Israeli Trade Act</b>
52.225-4	<b>Buy American Act—Free Trade Agreements – Israeli Trade Act Certificate</b> (Supplier shall submit certification to CUA as reasonably requested)
52.225-5	<b>Trade Agreements</b>
52.225-6	<b>Trade Agreements Certificate</b> (Supplier shall submit certification to CUA as reasonably requested)
52.225-8	<b>Duty-Free Entry</b> (in (c)(1) change “20 calendar days” to “30 calendar days”; in (c)(2) change “10 calendar days” to “20 calendar days;” in (f) “Government” means the U.S. Government)
52.225-13	<b>Restrictions on Certain Foreign Purchases</b>
52.225-21	<b>Required Use of American Iron, Steel, and Manufactured Goods - Buy American Act – Construction Materials Under Trade Agreements</b>
52.227-1	<b>Authorization and Consent</b> (applicable if Order exceeds simplified acquisition threshold)



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52.227-2	<b>Notice and Assistance Regarding Patent and Copyright Infringement</b> (applicable if Order exceeds simplified acquisition threshold)
52.227-3	<b>Patent Indemnity</b>
52.227-6	<b>Royalty information</b> (NOTE 1)
52.227-9	<b>Refund of Royalties</b>
52.227-10	<b>Filing of Patent Applications--Classified Subject Matter</b>
52.227-11	<b>Patent Rights--Ownership by the Contractor</b>
52.227-13	<b>Patent Rights--Ownership by the Government</b>
52.227-14	<b>Rights in Data--General</b> (in (b) "Government" means the U.S. Government; in (c)(1) and (e) "contracting officer" means the Government's Contracting Officer)
52.227-16	<b>Additional Data Requirements</b>
52.228-5.1	<b>Insurance – work on a government installation</b>
52.229-3	<b>Federal, State, and Local Taxes</b>
52.229-6	<b>Taxes – Foreign Fixed-Price Contracts</b>
52.229-10	<b>State of New Mexico Gross Receipts and Compensating Tax</b>
52.230-2	<b>Cost Accounting Standards</b> (applicable if Order exceeds the threshold in FAR 15.403-4(a)(1) and Supplier not exempt from CAS under 48 CFR 9903.201-1; omit (b))
52.230-3	<b>Disclosure and Consistency of Cost Accounting Practices</b> (applicable if Order exceeds the threshold in FAR 15.403-4(a)(1) and Supplier not exempt from CAS under 48 CFR 9903.201-1; omit (b))
52.230-4	<b>Disclosure and Consistency of Cost Accounting Practices – Foreign Concerns</b>
52.230-6	<b>Administration of Cost Accounting Standards</b> (applicable if Order exceeds the threshold in FAR 15.403-4(a)(1) and Supplier not exempt from CAS under 48 CFR 9903.201-1; CFAO means CUA's buyer)
52.232-7	<b>Payments Under time and material and Labor Hour Contracts</b> (this clause applies only when the face of the Order designates that it is a Time and Material and Labor Hour PO).
52.232-17	<b>Interest</b>
52.232-27	<b>Prompt Payment for Construction Contracts</b>
52.232-40	<b>Providing Accelerated Payments to Small Business Subcontractors</b>
52.233-3	<b>Protest after Award</b> (in (f) omit the phrase "and pursuant to the requirements of Subpart 32.6") <b>Industrial</b>
52.234-1	<b>Resources Developed under Defense Production Act Title III</b>
52.236-13	<b>Accident Prevention</b>
52.237-3	<b>Continuity of services</b>
52.242-13	<b>Bankruptcy</b>
52.242-15	<b>Stop Work Order</b>
52.242-17	<b>Government Delay of Work</b>
52.243-6	<b>Change order accounting</b>
52.244-2	<b>Subcontracts (Including Alternate I) (NOTE 1) Competition in subcontracting</b> (NOTE 1)
52.244-5	<b>Subcontracts for Commercial Items</b>
52.245-1	<b>Government Property</b>
52.245-2	<b>Government property installation operation services</b> (Unless specifically stated elsewhere in the Order, all Government and Buyer Property furnished shall be "AS IS")
52.245-9	<b>Use and Charges</b>
52.245-9.1	<b>Use and Charges</b>
52.246-1	<b>Contractor Inspection Requirements</b>
52.246-2	<b>Inspection of Supplies--Fixed Price</b>
52.246-3	<b>Inspection of Supplies – Cost - Reimbursement</b>
52.246-16	<b>Responsibility for Supplies</b>
52.246-17	<b>Warranty of Supplies of a Noncomplex Nature</b>
52.246-18	<b>Warranty of Supplies of a Complex Nature</b>
52.247-63	<b>Preference for U.S. Flag Air Carriers</b>
52.247-64	<b>Preference for Privately Owned U.S.-Flag Commercial Vessels</b> (in (c)(1) "subcontractor" means Supplier)
52.248-1	<b>Value Engineering</b> (applicable if Order exceeds \$100,000; in (c)(5) and (m) "Government" means the U.S. Government) <b>Termination for Convenience of the Government (Fixed-Price)</b>
52.249-2	<b>Default (Fixed-Price Supply and Service)</b>
52.249-8	<b>Default (Fixed-Price Supply and Service)</b>

DFAR	TITLE
252.203-7001	<b>Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies</b> (applicable if Order exceeds simplified acquisition threshold and GKN is prime contractor to the Government)
252.204-7000	<b>Disclosure of Information</b> (change "45 days" to "60 days")
252.204-7008	<b>Requirements for contracts involving export-controlled items</b>
252.204-7012	<b>Safeguarding Covered Defense Information and Cyber Incident Reporting</b>
252.208-7000	<b>Intent to furnish precious metals as government furnished material</b>
252.209-7004	<b>Subcontracting with firms owned or controlled by the government of a terrorist country</b> (NOTE 1) <b>Acquisition</b>
252.211-7000	<b>Streamlining</b> (applicable if Order exceeds \$1 million)
252.211-7003	<b>Item Identification and Valuation</b>
252.211-7007	<b>Reporting of government furnished equipment in the dod item unique identification (IUID) Registry Pricing</b>
252-215-7000	<b>Adjustments</b> (NOTE 1)
252.215-7002	<b>Cost estimating system requirements</b> (Applies if cost or pricing data is required) (NOTE 1) <b>Small</b>
252.219-7003	<b>Business Subcontracting Plan</b> (DOD Contracts)
252.219-7004	<b>Small Business Subcontracting Plan</b> (Test Program) <b>Restrictions on employment of personnel</b>
252.222-7000	(NOTE 1)
252.222-7006	<b>Restrictions on the use of mandatory arbitration agreements</b> (Applies if this Order exceeds \$1 million) (NOTE 1)



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252.223-7001	<b>Hazard Warning Labels</b>
252.223-7006	<b>Prohibition on storage and disposal of toxic and hazardous materials</b>
252.225-7000	<b>Buy American Act Balance of Payments Program--Certificate</b> (in (b) "Government" means the U.S. Government; "end products" all include the items delivered hereunder; Supplier shall submit certification to CUA as reasonably requested)
252.225-7001	<b>Buy American Act and Balance of Payments Program</b> ("domestic end products" to include items ordered hereunder, whether or not end products themselves; Supplier shall submit certification to CUA as reasonably requested) <b>Qualifying country sources as subcontractors</b>
252.225-7002	<b>Quarterly reporting of contract performance outside the U.S.</b> (Applies if this Order exceeds the threshold in FAR 15.403-4(a)(1))
252.225-7006	(NOTE 1) <b>Prohibition on acquisition of United States munitions list items from communist Chinese military companies</b>
252.225-7007	<b>Restriction on acquisition of specialty metals</b>
252.225-7008	<b>Restrictions on acquisition of certain articles containing specialty metals</b> (Applies if delivered items contain specialty metals. Paragraph (d) is deleted)
252.225-7009	<b>Preference for Certain Domestic Commodities</b>
252.225-7012	<b>Duty Free Entry</b>
252.225-7013	<b>Restriction on Acquisition of Ball and Roller Bearings</b>
252.225-7016	<b>Trade Agreements Certificate</b> (Supplier shall submit certification to CUA as reasonably requested)
252.225-7020	<b>Trade Agreements</b> ("end products" shall include the items ordered hereunder)
252.225-7021	<b>Restriction on acquisition of forgings</b>
252.225-7025	<b>Exclusionary policies and practices of foreign governments</b>
252.225-7028	<b>Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate</b>
252.225-7030	<b>Waiver of United Kingdom levies</b> (Applies if Order exceeds \$1 Million with a United Kingdom firm)
252.225-7033	<b>Buy American Act – Free Trade Agreements – Balance of Payments Program Certificate</b> (Alternate I applies if in prime contract; Supplier shall submit certification to CUA as reasonably requested)
252.225-7035	<b>Buy American Act – Free Trade Agreements – Balance of Payments Program</b> (Alternate I applies if in prime contract)
252.225-7036	<b>Antiterrorism/force protection policy for defense contractors outside the United States</b> (Applies if Supplier will be performing or traveling outside the United States under this Order)
252.225-7043	<b>Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns</b> (applicable if Order exceeds \$500,000)
252.226.7001	<b>Rights in technical data - noncommercial items</b> (NOTE 1)
252.227-7013	<b>Rights in noncommercial comp. software &amp; noncommercial comp. software documentation</b> (NOTE 1) <b>Technical data - commercial items</b>
252.227-7014	<b>Rights in bid or proposal information</b>
252.227-7015	<b>Identification and assertion of use, release, or disclosure restrictions</b> (NOTE 1)
252.227-7016	<b>Rights in noncommercial technical data and computer software – Small business innovative research (SBIR) Program</b>
252.227-7017	(NOTE 1)
252.227-7018	<b>Validation of asserted restrictions—comp. software</b> (NOTE 1)
252.227-7019	<b>limitations on use or disclosure of government-furnished information marked with restrictive legends</b> (NOTE 1)
252.227-7025	<b>Deferred delivery of tech. data or comp. software</b> (NOTE 1)
252.227-7026	<b>Deferred ordering of tech. data or comp. software</b> (NOTE 1)
252.227-7027	<b>Technical data or computer software previously delivered to the government</b> (NOTE 1)
252.227-7028	<b>Technical data - withholding of payment</b> (NOTE 1)
252.227-7030	<b>Validation of restrictive markings on technical data</b> (NOTE 1)
252.227-7037	<b>Patent rights – ownership by the contractor</b> (LARGE BUSINESS) (NOTE 1)
252.227-7038	<b>Patents - reporting of subject inventions</b> (NOTE 1)
252.227-7039	<b>Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles</b>
252.228-7005	<b>Supplemental cost principles</b> (NOTE 1)
252.231-7000	<b>Frequency authorization</b> (NOTE 1)
252.235-7003	<b>Modification proposals - price breakdown</b>
252.236-7000	<b>Pricing of Contract Modifications</b>
252.243-7001	<b>Requests for equitable adjustment</b>
252.243-7002	<b>Subcontracts for Commercial Items and Commercial Components (DOD Contracts)</b>
252.244-7000	<b>Warranty of data</b> (AND ALTERNATE II) (NOTE 1)
252.246-7001	<b>Notification of Potential Safety Issues</b>
252.246-7003	<b>Contractor Counterfeit Electronic Part Detection and Avoidance System</b>
252.246-7007	<b>Removal of contractor's employees</b>
252.247-7006	<b>Representation of extent of transportation by sea</b> (NOTE 1)
252.247-7022	<b>Transportation of Supplies by Sea</b> (applicable if Order exceeds simplified acquisition threshold)
252.247-7023	<b>Notification of Transportation of Supplies by Sea</b>
252.247-7024	<b>Notification of Anticipated Contract Termination or Reduction</b> (applicable if Order exceeds \$100,000; omit (d)(1) and the first five words of (d)(2))
252.249-7002	



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## SCHEDULE B

### QUALITY CLAUSES SPECIFICALLY CALLED OUT ON THE PURCHASE ORDER

#### 7. PACKING, MARKING, AND SHIPPING

PQR301 Part Identification Requirements. The Supplier shall identify all parts with the appropriate part number and revision level as noted on the part drawing and in accordance with MIL-STD-130 (latest revision applies). Parts and/or materials that are not suitable for marking due to size and/or configuration may be identified using the bag and tag methods outlined in MIL-STD-130.

#### 17. INSPECTIONS

PQR701 First Article Inspection Report. The Supplier shall furnish a complete AS9102 First Article Inspection Report (FAIR) for one part, listing actual inspection results for all applicable drawing dimensions and notes. First Article acceptance by CUA shall not constitute final acceptance of the lot nor relieve the Supplier of the obligation to furnish all parts that meet all drawing, specification and/or Purchase Order requirements.

PQR702 Dimensional Inspection Report. The Supplier shall furnish an inspection report for each lot of parts submitted, based on a sample inspection. All sample plans must meet the requirements of ANSI/ASQC Z1.4 (formerly MIL-STD-105).

PQR703 Secondary Operation Inspection. The Supplier shall furnish an inspection report for all secondary operations performed on parts supplied by CUA (metal forming, machining, welding, etc.). All sampling inspection must be done in accordance with ANSI/ASQC Z1.4 (formerly MIL-STD-105).

PQR704 Nonconformance. The Supplier will STOP WORK immediately and notify CUA of any nonconformance or rejection. CUA will review the nonconformance and provide the Supplier with direction in dispositioning the nonconformance. Disposition will depend on the sale customer's requirements

PQR705 Source Inspection. This order requires CUA Source Inspection prior to shipment. Please notify the CUA Purchasing Agent, 24 hours in advance of the date source inspection will be required at your facility. CUA Source Inspection does not preclude subsequent inspection nor does it relieve the supplier of the responsibility of providing acceptable product.

PQR706 SPC Requirements. The Supplier is required to use SPC methods to chart the appropriate attribute or variable characteristic(s) to verify process control. Pareto and/or Histogram Analysis may be used in conjunction with X bar R charts (for subgroup average and range) to represent the statistical data for each shipment of hardware. A minimum 1.33 Cpk index is required for all SPC characteristics flowed down to the supplier, unless otherwise stated on the Purchase Order.

#### 25. TOOLS AND MATERIALS

PQR1601 Measuring and Test Equipment. The Supplier's measuring and test equipment shall be maintained and calibrated in accordance with ANSI Z540-1 (formerly MIL-STD-45662) or ISO 10012-1.

PQR1602 Tooling Inspection Requirements. The Supplier shall provide an inspection report for all critical dimensions that affect the part produced by the tooling in accordance with the CUA Purchase Order and/or the Statement of Work. When required by the CUA Purchase Order and/or Statement of Work, the supplier must provide a copy of either a CMM Report and/or Theodolite Data for critical tool features. A tool proof may be required as part of the tooling inspection package when specified in the Purchase Order and/or the Statement of Work.

#### 30. COMPLIANCE

PQR2101 Quality Management System. For all products and services, the Supplier shall maintain a Quality System that meets or exceeds the latest revision of ISO9001 and/or AS9100. The system must address Product Safety, Ethical Behavior, FOD, Counterfeit Material and Human Factors as stated in AS9100, Revision D.

PQR2102 Counterfeit Material Plan. The Supplier shall have a documented counterfeit material protection plan in accordance with SAE AS6174 and AS5553 as applicable.

PQR2103 Traceability of Materials. All parts or raw materials furnished by CUA shall maintain the "as furnished" identification. Do not substitute materials without written authorization from the CUA Purchasing Agent. All documents for Vendor supplied parts and/or materials must be traceable to their origin i.e. heat lot numbers (metals), lot/batch numbers and/or serial numbers. Traceability of parts must be maintained during outside processing per the provided CUA batch lot numbers. All test data, inspection records and material certification must be maintained for a minimum of ten (10) years unless otherwise specified by the CUA Purchase Order.

PQR2104 Qualified Product List (QPL). Supplier furnished materials listed on this Purchase Order are applicable to a Government, Customer and/or CUA Qualified Products List. Only those manufacturers listed on the QPL may be used as the source of supply, and the material certifications must reflect the sources used. All material testing must be performed and certified by the manufacturer listed on the QPL.

#### 31. CERTIFICATIONS

PQR2201 Certificate of Conformance. The Supplier shall provide a Certificate of Conformance document that certifies all materials supplied and processes performed are in accordance with the CUA Purchase Order and is signed and dated by the Supplier's authorized representative. The certificate of conformance must also list the CUA part number as written on the original purchase order. If the certificate is being supplied for special process, the CUA batch lot shall also be listed as written on the original purchase order.

PQR2202 Material Certification. The Supplier shall furnish material certifications traceable to the lot, batch, block number or heat lot (metals) supplied in accordance with the applicable specification, (latest revision applies) engineering drawing and/or CUA Purchase Order. If one certification is issued for multiple items on a purchase order, the lot quantity must also be indicated next to the batch.



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- PQR2203 Material Test Report. The Supplier shall furnish material certifications listing actual test results traceable to the lot, batch, block, or heat lot number in accordance with the applicable specification, engineering drawing and/or CUA Purchase Order. All test data and certifications traceable to the materials supplied must be kept on file for a minimum of ten (10) years unless otherwise specified by the CUA Purchase Order. Note: When specified on the Purchase Order, raw material such as titanium must have the appropriate heat lot stamped on each piece for heat lot traceability.
- PQR2204 Process Certification. The Supplier shall furnish Certifications of Conformance for all special processes in accordance with applicable specifications and/or engineering drawing as required by the CUA Purchase Order. Special process certifications for serialized parts and/or assemblies must reference the applicable serial number(s) for traceability. Certifications for materials used in special processes (i.e. primer, paint, etc.) must also be included showing suppliers listed on the latest revision of the associated QPL(s).
- PQR2207 Shelf Life Items. The Supplier shall provide certifications for age sensitive materials, i.e. epoxies, paints, adhesives, lubricants, etc., which reflect date of manufacture, date of test, shelf life, and expiration date as it applies to each lot/batch. Container label(s) must also reflect applicable lot/batch number(s), storage temperature and expiration date. MSDS/SDS must be included in the shipping package with the product. Do not ship materials having less than 80% shelf life remaining without the written approval from CUA Procurement.

37. **GOVERNMENT CONTRACTS**

- PQR3201 Right of Inspection. The Government reserves the right of surveillance inspection for any or all of the requirements of this Purchase Order.
- PQR3202 Inspection Prior to Shipment. Government inspection is required prior to shipment from your plant. Upon receipt of this Purchase Order, promptly notify the Government Representative who normally services your plant so that appropriate planning for Government inspection can be accomplished.
- PQR3203 Notification to Government Representative. On receipt of this Purchase Order, promptly furnish a copy to the Government Representative who normally services your plant, or if none, send to the nearest Army, Navy, Air force, or Defense Logistics Agency Inspection Office. In the event the representative or office cannot be located, the CUA Purchasing Agent must be notified immediately.
- PQR3204 Mandatory Inspection. The Government has imposed mandatory inspection requirements on this Purchase Order and a letter of delegation will be sent to the Government Representative who normally services your plant.
- PQR3205 Nonconformance. The Supplier shall report to the Government Representative any nonconformance found on Government source-inspected supplies and shall require their supplier(s) to coordinate with their Government Representative on corrective action.

Change History

Version	Date	Issuing Authority	Description of Change
1.0	10/22/2021	Management Rep.	Initial release of document to QMS