

## **GSI CORPORATION**

### **GENERAL PROVISIONS FOR COMMERCIAL SUBCONTRACTS/PURCHASE ORDERS**

### **GENERAL PROVISIONS FOR SUBCONTRACTS/PURCHASE ORDERS FOR NON-COMMERCIAL ITEMS UNDER A U.S. GOVERNMENT PRIME CONTRACT (ALL AGENCIES)**

#### **01. NEW MATERIALS**

The Work to be delivered hereunder shall consist of new materials, not used, or reconditioned, remanufactured, or of such age as to impair its usefulness or safety.

#### **02. QUALITY CONTROL SYSTEM**

(a) SELLER shall provide and maintain a quality control system to an industry recognized Quality Standard and in compliance with any other specific quality requirements identified in this Contract.

(b) Records of all quality control inspection work by SELLER shall be kept complete and available to GSI CORPORATION and its customers.

#### **03. PACKING AND SHIPMENT**

(a) Unless otherwise specified, all Work is to be packed in accordance with good commercial practice.

(b) A complete packing list shall be enclosed with all shipments. SELLER shall mark containers or packages with necessary lifting, loading, and shipping information, including the GSI CORPORATION Contract/P.O. number, item number, dates of shipment, and the names and addresses of consignor and consignee. Bills of lading shall include this Contract number.

(c) Unless otherwise specified, delivery shall be FOB Place of Shipment.

(d) Over shipment quantities must have prior approval.

#### **04. COUNTERFEIT WORK**

(a) For purposes of this clause, Work consists of those parts delivered under this Contract that are the lowest level of separately identifiable items (e.g., articles, components, goods, and assemblies).

"Counterfeit Work" means Work that is or contains items misrepresented as having been designed and/or produced under an approved system or other acceptable method. The term also includes approved Work that has reached a design life limit or has been damaged beyond possible repair, but is altered and misrepresented as acceptable.

(b) SELLER shall not deliver Counterfeit Work to GSI CORPORATION under this Contract.

(c) SELLER shall only purchase products to be delivered or incorporated as Work to GSI CORPORATION directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Work shall not be acquired from independent distributors or brokers unless approved in advance in writing by GSI CORPORATION.

(d) SELLER shall immediately notify GSI CORPORATION with the pertinent facts if SELLER becomes aware or suspects that it has delivered Counterfeit Work. When requested by GSI CORPORATION, SELLER shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.

(e) This clause applies in addition to any quality provision, specification, statement of work or other provision included in this Contract addressing the authenticity of Work. To the extent such provisions conflict with this clause, this clause prevails.

(f) In the event that Work delivered under this Contract constitutes or includes Counterfeit Work, SELLER shall, at its expense, promptly replace such Counterfeit Work with genuine Work conforming to the requirements of this Contract. Notwithstanding any other provision in this Contract, SELLER shall be liable for all costs relating to the removal and replacement of Counterfeit Work, including without limitation GSI CORPORATION's costs of removing Counterfeit Work, of installing replacement Work and of any testing necessitated by the reinstallation of Work after Counterfeit Work has been exchanged. The remedies contained in this paragraph are in addition to any remedies GSI CORPORATION may have at law, equity or under other provisions of this Contract.

(g) SELLER shall include paragraphs (a) through (e) and this paragraph (g) of this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Work to GSI CORPORATION.

## **05. ELECTRONIC CONTRACTING**

The parties agree that if this Contract is transmitted electronically neither party shall contest the validity of this Contract, or any acknowledgement thereof, on the basis that this Contract or acknowledgement contains an electronic signature.

## **06. EXPORT CONTROL**

(a) SELLER shall comply with all applicable U.S. export control laws and economic sanctions laws and regulations, specifically including but not limited to the International Traffic in Arms Regulations (ITAR), 22 C.F.R. 120 et seq.; the Export Administration Regulations, 15 C.F.R. 730-774; and the Foreign Assets Control Regulations, 31 C.F.R. 500-598 (collectively, "Trade Control Laws"). Without limiting the foregoing, SELLER shall not transfer any export controlled item, technical data, technology, or service, including transfers to foreign persons employed by or associated with, or under contract to SELLER or SELLER's lower tier suppliers, unless authorized in advance by an export license (such as Technical Assistance Agreement (TAA) or Manufacturing License Agreement (MLA), license exception or license exemption, collectively, "Export Authorization"), as required.

(b) SELLER shall notify GSI CORPORATION if any deliverable under this Contract is restricted applicable Trade Control Laws. Before providing GSI CORPORATION any item or data controlled under any of the Trade Control Laws, SELLER shall provide in writing to the GSI CORPORATION Procurement Representative the export classification of any such item or controlled data (i.e. the export classification under the EAR, ITAR, EU List of Dual Use Items and Technology, Wassenaar Agreement's List of Dual-Use Goods and Technologies or other applicable export control list) and shall notify the GSI CORPORATION Procurement Representative in writing of any changes to the export classification information of the item or controlled data. SELLER represents that an official authorized to bind the SELLER has determined that the SELLER or the designer, manufacturer, supplier or other source of the Work has properly determined their export classification.

(c) SELLER hereby represents that neither SELLER nor any parent, subsidiary or affiliate of SELLER is included on any of the restricted party lists maintained by the U.S. Government, including the Specially

Designated Nationals List administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), Denied Parties List, Unverified List or Entity List maintained by the U.S. Commerce Department's Bureau of Industry and Security ("BIS"), or the List of Statutorily Debarred Parties maintained by the U.S. State Department's Directorate of Defense Trade Controls, or the consolidated list of asset freeze targets designated by the United Nations, European Union, and United Kingdom (collectively, "Restricted Party Lists"). SELLER shall immediately notify the GSI CORPORATION Procurement Representative if SELLER, or any parent, subsidiary or affiliate of SELLER becomes listed on any Restricted Party List or if SELLER's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. or non-U.S. government entity or agency.

(d) If SELLER is engaged in the business of exporting manufacturing (whether exporting or not) or brokering defense articles or furnishing defense services, SELLER represents that it is and will continue to be registered with the Directorate of Defense Trade Controls, as required by the ITAR, and it maintains an effective export/import compliance program in accordance with the ITAR.

(e) Where SELLER is a party to or signatory under a GSI CORPORATION Export Authorization, SELLER shall provide prompt notification to the GSI CORPORATION Procurement Representative in the event of (1) changed circumstances including, but not limited to, ineligibility, a violation or potential violation of the ITAR or other applicable governmental restrictions, and the initiation or existence of a U.S. Government investigation, that could affect SELLER's performance under this Contract, or (2) any change by SELLER that might require GSI CORPORATION to submit an amendment to an existing Export Authorization or request a new or replacement Export Authorization. SELLER shall provide to GSI CORPORATION all information and documentation as may reasonably be required for GSI CORPORATION to prepare and submit any required export license applications. Delays on SELLER's part to submit the relevant information for export licenses shall not constitute an excusable delay under this Contract.

(f) SELLER shall include paragraphs (a) through (d) and this paragraph (f) of this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or delivered as Work to GSI CORPORATION. SELLER shall immediately notify GSI CORPORATION upon learning that any lower tier subcontractor with which it engages has become listed on the Restricted Parties List.

**(g) SELLER shall be responsible for all losses, costs, claims, causes of action, damages, liabilities and expense, including attorneys' fees, all expense of litigation and/or settlement, and court costs, arising from any act or omission of SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this clause.**

## **07. DEFINITIONS**

The following terms shall have the meanings set forth below:

(a) "Contract" means the instrument of contracting, such as "Purchase Order", "PO", "Subcontract", or other such type designation, including these General Provisions, all referenced documents, exhibits, and attachments. If these terms and conditions are incorporated into a "master" agreement that provides for releases, (in the form of a Purchase Order or other such document) the term "Contract" shall also mean the release document for the Work to be performed.

(b) "GSI CORPORATION" means GSI CORPORATION, acting through its companies or business units, as identified on the face of this Contract. If a subsidiary or affiliate of GSI CORPORATION is identified on the face of this Contract, then "GSI CORPORATION" means that subsidiary or affiliate.

- (c) "GSI CORPORATION Procurement Representative" means a person authorized by GSI CORPORATION's cognizant procurement organization to administer and/or execute this Contract.
- (d) "SELLER" means the party identified on the face of this Contract with whom GSI CORPORATION is contracting.
- (e) "Work" means all required labor, articles, materials, supplies, goods, and services constituting the subject matter of this Contract.

#### **08. DISPUTES**

- (a) All disputes under this Contract that are not disposed of by mutual agreement may be decided by recourse to an action at law or in equity. **Each party hereby irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect to any litigation directly or indirectly arising out of under or in connection with this Contract.**
- (b) Until final resolution of any dispute hereunder, SELLER shall diligently proceed with the performance of this Contract as directed by GSI CORPORATION.