



**SIKORSKY AIRCRAFT CORPORATION**  
**STANDARD TERMS AND CONDITIONS OF PURCHASE (NON-PRODUCT)**  
**SA-908NP Rev. 02-15-2016**

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## **DEFINITIONS**

**Buyer:** shall mean Sikorsky Aircraft Corporation, a Delaware corporation with a place of business in Stratford, Connecticut, which may include its affiliates, subsidiaries, agents, suppliers, and assigns where specifically provided herein or in the Order.

**Deliverables:** shall mean Goods and/or Services depending on the context.

**Delivery Date:** shall mean the date identified in the Order and/or through Buyer's electronic delivery system upon which Seller must deliver the Goods and/or provide the Services to Buyer.

**Goods:** shall mean the materials, products, or items provided by Seller and identified for purchase in the Order.

**Intellectual Property:** shall mean all inventions, patents, software, copyrights, mask works, industrial property rights, trademarks, trade secrets, know-how, proprietary information and rights and information of a similar nature. Such information includes, without limitation, designs, processes, drawings, prints, specifications, reports, data, technical information, and instructions.

**Order:** shall mean a purchase order, scheduling agreement, or release, whether in electronic format or hard copy, issued by Buyer to Seller for the purpose of purchasing Goods and/or Services.

**Party or Parties:** shall mean Buyer or Seller, individually or jointly, as the context permits.

**Seller:** shall mean the entity identified in the Order contracting to furnish Goods and/or Services pursuant to the Order.

**Services:** shall mean services provided by Seller and identified for purchase in the Order.

**Supplier Portal:** shall mean Buyer's web-based, supplier information delivery system.

**Terms and Conditions:** shall mean these Standard Terms and Conditions of Purchase, the SA-908NP, including any Appendices and Attachments hereto.

### **1. ACCEPTANCE OF THE ORDER**

1.1. The furnishing or commencement of any Services called for hereunder, (including preparation for manufacture of Goods), the shipment by Seller of any Goods (or lots thereof) ordered hereby, the acceptance of any

payment by Seller hereunder, or any other conduct by Seller that recognizes the existence of a contract pertaining to the subject matter hereof, may, at Buyer's election, be treated as an unqualified acceptance by Seller of the Order and all the terms and conditions hereof.

- 1.2. Any terms or conditions proposed in Seller's acceptance or in any acknowledgment, proposal, bid, invoice, or other form of Seller that adds to, varies from, or conflicts with the terms of the Order, including these Terms and Conditions, are hereby rejected. Any such proposed terms shall be void and the terms of the Order, including the SA-908NP, shall constitute the complete and exclusive statement of the terms and conditions of the contract between the Parties and shall apply to each Deliverable received by Buyer from Seller hereunder, and such Order may hereafter be modified only by written instrument executed by an authorized representative of Buyer's Purchasing Department and an authorized representative of Seller.

## **2. PRICE AND PAYMENT**

- 2.1. **Payment terms:** Payment terms will be net ninety (90) calendar days following (i) satisfaction of the invoicing requirements (electronic or otherwise) set forth herein or within the Supplier Portal, and (ii) Buyer's receipt of conforming Deliverables.
- 2.2. **Invoices:** All invoices must contain the following information: Order number, item number, description of Deliverables, quantities, unit prices, and taxes. Buyer's payment of invoices shall not constitute acceptance of Deliverables. Invoices shall be subject to adjustment for shortages, defects and other failures of Seller to meet the Order requirements. Buyer may withhold or deduct, and set off any amount owed by Seller to Buyer against any amount owed by Buyer to Seller hereunder.

## **3. TAXES**

- 3.1. **Tax Liability:** Seller shall properly impose upon, collect and remit from Buyer any and all sales, use, excise, transaction and value added taxes, customs, duties, contributions, or similar levies by taxing jurisdictions as required by law, and which are the legal obligation of the Buyer. All taxes shall be separately stated on all applicable Seller invoices.
- 3.2. **Tax Exceptions:** No interest, penalties, or other additions to taxes shall be collected by Seller if, pursuant to this Order or applicable law, (a) the transaction is not subject to taxes; (b) Buyer has been authorized to pay taxes directly to the appropriate tax authority; or (c) Seller is obligated to pay the taxes.
- 3.3. **Tax Assessment Notification:** Seller shall, upon receipt from any tax authority of any levy, notice, assessment, or withholding of any taxes for

which Buyer may be obligated, notify Buyer in writing directed to: Manager, Tax Compliance, Sikorsky Aircraft Corporation, 6900 Main Street, Stratford, CT 06615-9129.

- 3.4. **Tax Disputes:** Seller shall cooperate in the equitable resolution of disputes pertaining to any taxes arising from the Order. If Buyer may directly contest any taxes in its own name, then it may do so and, to the extent permitted by law, withhold payment during contest pendency. If Buyer is not so permitted, Seller shall in good faith, as requested by Buyer, contest the taxes. Seller shall supply Buyer with information and documents as Buyer may reasonably request to control or participate in any proceeding to the extent permitted herein.
- 3.5. **Tax Refund and Indemnification:** If Seller receives a refund of any taxes attributable to Buyer; Seller shall pay such amount to Buyer within thirty (30) days of receipt. Seller shall indemnify Buyer against any and all losses, costs, and expenses (including reasonable attorneys' fees) which result from Seller's violation of its obligations under this section.
- 3.6. **Delivery of Software:** Seller shall deliver electronically via the internet all software Deliverables of any type (including manuals) that are the subject of, rather than are ancillary to, this Order. Seller shall separately itemize the costs of electronically delivered software, licenses, fees and all Services on all invoices. Invoices shall clearly indicate the manner of software delivery by inclusion of the phrase, "software delivered electronically to the customer via the internet." License locations should clearly be stipulated in the Order to allow for proper allocation of any taxes owed.
- 3.7. **Property Taxes:** Buyer shall report and remit any property-related taxes relating to property for which Buyer retains title pursuant to this Order, accruing prior to and after the commencement of performance under this Order. Where Seller possesses Buyer-owned property, Seller shall notify Buyer of any disposal or movement of such property. Seller shall report and remit any property-related taxes relating to property for which Seller retains title pursuant to this Order, accruing prior to and after the commencement of performance under this Order.

#### 4. **DELIVERY**

- 4.1. Time is of the essence in Seller's performance of the Order, and Seller shall deliver Goods and/or perform Services by the Delivery Date. Buyer may from time-to-time adjust its delivery schedules, and unless otherwise agreed in writing, such changes in schedule shall not affect the prices of the Deliverables ordered. Buyer may defer payment, or return at Seller's expense, any Deliverables delivered in advance of the scheduled Delivery Date or in excess of the quantity specified in the Order.

- 4.2. Unless otherwise expressly set forth in the Order, the delivery terms for Goods shall be DDP Buyer's facility (Incoterms 2000) provided that Seller shall be responsible for unloading of the Goods in accordance with Buyer's instructions and the risk of unloading will be that of Seller. Additional standard delivery instructions may be obtained through Buyer's authorized Purchasing representative or through the Supplier Portal. Title shall pass to Buyer on delivery of Goods as provided in this section. If delivery is required to be made to a third party consignee (drop shipment), title and risk of loss shall pass to Buyer when delivered at the consignee's facility.
- 4.3. **Notice Of Delay:** Whenever an actual or potential event or occurrence delays or threatens to delay the timely performance of the Order, Seller agrees to immediately notify Buyer in writing of all relevant information and, subject to the Force Majeure provision set forth herein, make and pay for all necessary changes to fulfill its obligations under the Order and mitigate the potential impact of any such delay. Buyer may cancel any Deliverables affected by the delay in performance without further liability to Seller.
- 4.4. **Cessation of Production:** Seller shall give Buyer at least one hundred eighty (180) days prior written notice of the permanent discontinuance of production or provision of Deliverables, provided however that compliance with this provision shall in no way relieve Seller from any outstanding obligations under any Order.
- 4.5. **Marking:** Unless otherwise agreed in writing, exterior containers shall be marked with the following: (i) Address of Buyer site and Seller; (ii) Order number; (iii) Part number; (iv) Special markings called for on the Order; (v) Quantity; and (vi) (where applicable) Vendor Code or other vendor identification number. In accordance with CBP Regulations 19 CFR 134, unless excepted, every article of foreign origin (or its container) imported into the U.S. shall be marked in a conspicuous place as legibly, indelibly and permanently as the nature of the article or its container will permit, in such a manner as to indicate to the ultimate purchaser in the U.S. the English name of the country of origin of the article.
- 4.6. **Bills of Lading:** Bills of Lading shall reference the Order and Buyer's receiving address and purchase point of contact. When Buyer will be the importer of record, Seller will follow the instructions of Buyer's designated representative regarding completion of documentation used in the importation process and proper declaration of value. The original copy of the bill of lading with Seller's invoice shall be mailed to the location specified by Buyer's procurement contact, or if no location is specified by Buyer, to Buyer's applicable Accounts Payable Department or Accounts Payable service provider.

- 4.7. **Packing Slip:** Seller shall include an itemized packing slip with all shipments that will adequately identify the Goods shipped, including Buyer part number.
- 4.8. **Shipping and Approved Carriers:** On Orders where Buyer either pays for or reimburses Seller directly for shipping costs, Goods shall be shipped in accordance with routing instructions furnished by Buyer. If such instructions are not received, Goods shall be shipped via least expensive method sufficient to meet delivery requirements, but always through Buyer approved carriers.

## 5. **PRIME CONTRACT REQUIREMENTS**

For Orders issued under Prime Contracts with the U.S. Government or subcontracts at any tier under U.S. Government contracts, the provisions of the version of “**U.S. Government Provisions and Clauses for Orders Under U.S. Government Contracts**” in effect on the date of the particular Order shall apply. These provisions are made available on the Internet at the following URL and will be provided to Supplier in hard copy upon written request.

<http://www.sikorsky.com/Pages/SuppliersAndLicensing/Supplierresources/TermsandConditions.aspx>

The Parties recognize that the URL may change from time to time and agree that any such change will not affect the applicability of the material referenced. Buyer agrees to provide the new URL upon Supplier’s request in the event of a change.

## 6. **INSPECTION/ACCEPTANCE/REJECTION**

- 6.1. All Deliverables shall comply with Buyer’s specifications and may be inspected and tested by Buyer or its designee at all reasonable times and places, including during manufacture. Seller shall provide, without additional charge, all reasonable facilities and assistance for such inspections and tests.
- 6.2. Seller shall maintain all inspection records relating to Goods, which shall be made available to Buyer upon Buyer’s request.
- 6.3. If any Goods are defective or otherwise not in conformity with the requirements of the Order, Buyer may, (i) accept conforming Goods and rescind any portion of the Order pertaining to such non-conforming Goods; (ii) accept non-conforming Goods at an equitable reduction in price; or (iii) reject non-conforming Goods and require the delivery of replacements (“Replacement Goods”).
- 6.4. If Seller fails to promptly deliver required Replacement Goods, Buyer may (i) replace, obtain or correct such Goods and charge Seller the cost

occasioned Buyer thereby, and/or (ii) terminate the Order for Seller's default.

- 6.5. Rejected non-conforming Goods shall be returned to Seller at Seller's expense and risk of loss.

## **7. CHANGES**

- 7.1 Buyer shall have the right to make changes to the Order, including but not limited to drawings, designs, specifications, packaging, place of delivery, nature and duration of Services, and/or method of transportation. If any changes cause an increase or decrease in the cost or the time required for the performance, Buyer shall make an equitable adjustment and the Order shall be modified in writing accordingly. Seller's claims for adjustment under this section shall be deemed waived unless asserted in writing and delivered to Buyer within thirty (30) days from the date Seller receives the change.

## **8. WARRANTIES AND REPRESENTATIONS**

- 8.1. Seller expressly covenants and warrants to Buyer, and its successors, assigns, and customers, that, from the date of Buyer's acceptance of the Goods, all Goods (i) shall conform to the specifications, drawings, samples or other description upon which the Order is based, (ii) shall be merchantable and fit for the purpose intended, (iii) shall be free from defects in material and workmanship, (iv) shall be free from liens or encumbrances of title, (v) shall, with respect to Services, be performed in a professional manner in accordance with the highest industry standards, and (vi) shall be free from defect in design (if Seller's design).
- 8.2. Inspection, test, acceptance or use of Goods furnished hereunder shall not affect Seller's obligation under this warranty. Seller shall, at its own expense, promptly upon receipt of notice from Buyer, replace or correct defects of any Goods not conforming to the warranty. If Seller fails or refuses to promptly correct defects in, or replace, nonconforming Goods, Buyer, after reasonable notice to Seller, may make such correction or replace such Goods and charge Seller for the cost incurred by Buyer.

## **9. ENVIRONMENTAL, HEALTH & SAFETY REQUIREMENTS**

- 9.1. **Test Reports:** Any Seller test reports or other test results related to the Deliverables shall be provided to Buyer as set forth in the terms of the Order, or if not specified in the Order terms, upon Buyer's request.
- 9.2. **Compliance with Standards:** Seller agrees to comply with Buyer's environmental, health and safety standards during Seller's performance hereunder and when on Buyer's premises or job sites, including without limitation, Buyer's safety rules. Specifically, and without limitation, Seller

agrees to: (a) Comply with the applicable national, state, provincial or local environmental, occupational health and/or safety legislation or regulations, (b) supply to employees and require that all employees wear specified safety equipment, including but not limited to eye protection and foot protection, and (c) adhere to all Buyer's safety requirements and instructions including without limitation, if Seller will be performing Services within Buyer's facilities or on Buyer's premises, the compliance requirements and restrictions applicable thereto (attached hereto as Appendix 1 and incorporated herein by reference).

- 9.3. **Use Of Hazardous Substances:** Seller agrees to provide, as requested by Buyer to satisfy any applicable regulatory or customer requirements restricting the use of any hazardous substances, all reasonably necessary documentation to verify the material composition, on a substance by substance basis including quantity used of each substance, of any Goods ordered by Buyer and/or of any process used to make, assemble, use, maintain or repair any Goods ordered by Buyer. Separately and/or alternatively, Seller agrees to provide, upon and as requested by Buyer to satisfy any applicable regulatory or customer requirements restricting the use of any hazardous substances, all reasonably necessary documentation to verify that any Goods ordered by Buyer and/or any process used to make, assemble, use, maintain or repair any Goods ordered by Buyer, do not contain particular hazardous substances specified by Buyer.

## **10. SECURITY FOR ACCESS TO BUYER PREMISES**

- 10.1. If unescorted/unsupervised access to Buyer's facilities or computer systems ("Buyer Premises") is required for Seller personnel for more than thirty (30) consecutive days or for irregular access over the course of one (1) year, each person requiring such access shall meet the following minimum requirements:
- 10.1.1 Be a citizen, permanent resident alien, or otherwise authorized to work in the country in which the person will be providing services; and
  - 10.1.2 Not be convicted of any criminal offense resulting in a sentence of more than one year of prison (even if such sentence is deferred or suspended).
- 10.2. Seller shall obtain and complete Buyer's "Instructions for the Issuance of a Sikorsky Contractor Access Photo Badge", which includes the following attachments and forms: Contractor Information Form, Contractor's Authorization to Release Information, and Independent Contractor Certification, which are located at [www.sikorsky.com](http://www.sikorsky.com) > Suppliers &

Licensing > Supplier Resource > Suppliers Visitors, and incorporated by reference herein.

- 10.3. Seller shall provide to Buyer in advance of Buyer's granting unescorted access to Seller personnel, fully completed copies of the forms referenced in Article 10.2, or, those forms which, in Buyer's sole discretion, are applicable to Seller's work.

**11. C-TPAT PROGRAM**

(Applicable only to Orders in which Goods will be shipped into the U.S.)

- 11.1. Seller agrees that during the period in which it ships Goods to Buyer, it and its subcontractors who either ship directly or package Goods for shipment will either (i) be certified under the Customs Trade Partnership Against Terrorism ("C-TPAT") program by the U.S. Bureau of Customs and Border Protection or (ii) demonstrate to Buyer's satisfaction that it meets the security requirements of C-TPAT. Accordingly, Seller must either provide Buyer with documentation that it and such subcontractors are certified (e.g. C-TPAT certification or Status Verification Interface (SVI) number) or provide documentation and evidence satisfactory to Buyer to demonstrate compliance with C-TPAT security requirements. C-TPAT requirements can be found at [www.cbp.gov](http://www.cbp.gov).
- 11.2. Any delay in delivery due to Seller's failure to comply with this provision shall not relieve Seller of its obligations and shall not constitute a force majeure or give rise to an excusable delay.

**12. INTELLECTUAL PROPERTY RIGHTS (for non-U.S. Government Orders)**

- 12.1 Background Intellectual Property shall mean all Intellectual Property other than Foreground Intellectual Property.
- 12.2 Foreground Intellectual Property shall mean all Intellectual Property and tangible work product conceived, created, acquired, or first reduced to practice in connection with the Order.
- 12.3 Each Party retains its existing rights in Background Intellectual Property.
- 12.4 Buyer shall own all Foreground Intellectual Property. Seller shall disclose to Buyer all Foreground Intellectual Property. If not expressly required to be delivered in the Order, Supplier shall deliver to Buyer all Foreground Intellectual Property upon written request from Buyer. Seller hereby irrevocably assigns and promises to assign to Buyer all right, title and interest to all Foreground Intellectual Property. Seller agrees to do all things reasonably necessary to enable Buyer to secure and perfect Buyer's Foreground Intellectual Property rights, including, without

- limitation, executing specific assignments of title in Foreground Intellectual Property by Seller to Buyer and cooperating with Buyer at Buyer's expense to defend and enforce Buyer's rights in any such Foreground Intellectual Property. All Foreground Intellectual Property shall be considered Buyer's Proprietary Information (defined hereinafter). Seller agrees that, for any works of authorship created by Seller or any employees or any others used by Seller in the course of the Order, those works that come under one of the categories of "Works Made for Hire" in 17 U.S.C. §101 shall be considered "Works Made for Hire". For any works of authorship that do not come under such categories, Seller, warranting that it has the right to do so, hereby assigns all right, title, and interest to any copyright in such works to Buyer and will execute, or cause to be executed at Buyer's expense, any documents required to establish Buyer's ownership of such copyright.
- 12.5 Seller represents and warrants that Seller has sufficient rights in all Goods, Services, and Intellectual Property and other items that Seller uses or transfers to Buyer in connection with the Order to allow Seller to lawfully comply with the Order.
- 12.6 Seller hereby grants to Buyer and Buyer's Affiliates a worldwide, non-exclusive, perpetual, fully-paid, irrevocable, transferable license to Background Intellectual Property (i) to use, sell, offer for sale, import, export, copy, adapt, embed, modify, make derivative works, make and have made Goods and Services, and (ii) to enable Buyer to practice the Foreground Intellectual Property.
- 12.7 Seller hereby irrevocably waives all moral rights to the extent permissible by law, all rights of privacy and publicity, and the like, in all Goods provided to Buyer and in all activities in connection with the Order.
- 12.8 Seller represents and warrants that Seller shall not provide, in the performance of the Order, any software, (including without limitation source code, compiled code, embedded software, firmware, free software, open source software, freeware, general public license-governed software, or any electronic hardware including without limitation free hardware designs, or open source hardware designs) in any form that is subject to any obligations or conditions that may provide a legal right to any third party to access such software, and/or electronic hardware, or that could otherwise impose any limitation or condition on Buyer's use, reproduction, modifications distribution or conveyance of such software or electronic hardware.
- 12.9 Except as expressly authorized herein, nothing in the Order shall be construed as Buyer granting Seller a license in or any right to use any of Buyer's Intellectual Property other than in the performance of work under the Order.

**13. BUYER'S PROPERTY**

- 13.1 All tools, equipment dies, gauges, models, drawings or other materials furnished by Buyer to Seller or made by Seller for the purpose of this Order and paid for by Buyer, and all replacements thereof and materials attached thereto, shall be and remain the property of Buyer. All Buyer's property and, whenever applicable, each individual item thereof, will be plainly marked and otherwise adequately identified by Seller as being Buyer's property, will at Seller's expense be safely stored (separate and apart from Seller's property whenever practicable) and maintained, and will be kept free of all liens, claims, encumbrances and interests of third parties. Seller shall be responsible for loss of and damage to Buyer's property. Seller will not substitute any property for Buyer's property, will not deliver or make available to any third party any of Buyer's property or any property or goods developed, manufactured or created with the aid of any of Buyer's property, and will not use any of Buyer's property or any property or goods manufactured, developed or created with the aid of Buyer's property, except in fulfilling the Buyer's Orders.
- 13.2 Upon Seller's completion of performance under the Order, or upon the written request of Buyer at any time, Seller will prepare all Buyer's property for shipment and deliver such property to Buyer in the same condition as originally received by Seller, reasonable wear and tear excepted. Buyer shall have the right, at all reasonable times, and upon prior notice, to enter Seller's premises to inspect any and all Buyer's property and any property or goods manufactured, developed or created with the aid of any Buyer's property. Should Seller be unable to deliver Goods pursuant to this Order, Buyer, by written notice, may vest in itself title to finished parts, raw materials or work in process associated with this Order, and Seller shall deliver all such material and other Buyer property to such location or locations outside its facility as may be designated by Buyer.

**14. PROPRIETARY INFORMATION**

- 14.1 In order to deliver the most effective and efficient Goods and Services possible and meet Buyer's requirements for those Goods and/or Services, Buyer and Supplier anticipate the need to exchange Proprietary Information (as defined below) for the design, development, testing, manufacture and/or repair of Goods and/or Services, as applicable, in connection with such Order and/or the Agreement. In recognition of the value of that Proprietary Information, as well as to protect Buyer's goodwill and reputation in its products, Supplier agrees to the terms and conditions of this Section 14.
- 14.2 "Proprietary Information" shall mean all information, knowledge or data (including without limitation financial, business, and product strategy

- information; product specifications; product designs; procedures; studies; tests; and reports) in written, electronic, tangible, oral, visual or other form, (i) disclosed by, or obtained from, Buyer or (ii) conceived, created, acquired, or first reduced to practice in connection with the Order. If Buyer furnishes sample products, equipment, or other objects or material to Supplier, the items so received shall be used and the information obtained from said items shall be treated as if they were Proprietary Information disclosed in connection with the Order.
- 14.3 Unless the Supplier has received Buyer's express written consent to the contrary, Supplier shall (i) use the Proprietary Information solely for the purposes of the Order, and not for any other purpose (including, without limitation, designing, manufacturing, selling, servicing or repairing equipment for entities other than Buyer; providing services to entities other than Buyer; or obtaining any government or third party approvals to do any of the foregoing); (ii) safeguard the Proprietary Information to prevent its disclosure to or use by third parties; (iii) not disclose the Proprietary Information to any third party; and (iv) not reverse engineer, disassemble, or decompile the Proprietary Information.
- 14.4 Seller may disclose the Proprietary Information to employees, officers, directors, or labor personnel of the Supplier who have a need to know such Proprietary Information for the purposes of performing the Order and who have executed a written agreement with the Supplier obligating such person to treat such information in a manner consistent with the terms of this Section.
- 14.5 The Order shall not restrict the Supplier from using or disclosing any information that, as proven by written contemporaneous records kept in the ordinary course of business: (i) is or may hereafter be in the public domain through no improper act or omission of the Supplier or a third party; (ii) is received by the Supplier without restriction as to disclosure by the Supplier from a third party having a right to disclose it; (iii) was known to Supplier on a non-confidential basis prior to the disclosure by the Buyer; or (iv) was independently developed by employees of the Supplier who did not have access to any of Buyer's Proprietary Information.
- 14.6 If Proprietary Information is required to be disclosed pursuant to judicial process, Supplier shall promptly provide notice of such process to Buyer and, upon request, shall fully cooperate with Buyer in seeking a protective order or otherwise contesting such a disclosure. Disclosure of such requested Proprietary Information shall not be deemed a breach of the Order provided that the obligations of this Section are fulfilled by Supplier.
- 14.7 Buyer shall have the right to audit all pertinent documentation of the Supplier, and to make reasonable inspection of the Seller's premises, in order to verify compliance with this Section.

- 14.8 Obligations in this Section regarding Proprietary Information shall continue until such time as all Proprietary Information is publicly known and generally available through no improper act or omission of the Supplier or any third party.
- 14.9 Unless required otherwise by law or the Order, the Supplier shall promptly return, or otherwise dispose of Proprietary Information as the Buyer may direct. Absent contrary instructions, Supplier shall destroy all Proprietary Information one (1) year after termination or completion of the Order and provide written acknowledgement to Buyer of such destruction.
- 14.10 Supplier agrees to cause all information regardless of form (including, for example, electronic, magnetic and optical media, software, and compilations), containing or derived in whole or in part from Proprietary Information to bear the following legend:

**This document contains the property of United Technologies Corporation and/or a United Technologies Corporation affiliate. You may not possess, use, copy or disclose this document or any information in it for any purpose, including without limitation to design, manufacture, or repair parts, or obtain FAA , Transport Canada Civil Aviation (TCCA) or other government approval to do so, without express written permission. Neither receipt, from any source, nor possession of this document, constitutes such permission. Possession, use, copying or disclosure by anyone without express written permission of United Technologies Corporation and/or the United Technologies Corporation affiliate issuing the Order is not authorized and may result in criminal and/or civil liability.**

- 14.11 Notwithstanding any proprietary or confidential labels or markings, all information of Supplier disclosed to Buyer relating to the Order will be deemed non-confidential and the content of the Order may be disclosed by Buyer to any of Buyer's Affiliates or to Buyer's Customer or buyer's subcontractors and potential subcontractors provided that Buyer's Customer of subcontractors have a need to access or know such information. Moreover, Buyer may disclose all Supplier information, in accordance with applicable governmental regulations, to the FAA, the European Aviation Safety Agency (EASA), TCCA, any other governing international airworthiness certifying authority, and/or any other department or agency of the U.S. Government, including, without limitation, for the purpose of obtaining necessary government approvals.
- 14.12 Supplier agrees that it will not accept from any third party, or use, any information that appears to be similar to Proprietary Information without first obtaining Buyer's express written consent, except that Supplier may receive solicitations or purchase orders issued by a partner or higher-tier supplier of Buyer that expressly reference a Buyer Purchase Order and

contain obligations no less stringent than this Section. Supplier shall promptly notify Buyer if Proprietary Information is offered to Supplier by a third party or of the suspected possession of Proprietary Information by a third party.

- 14.13 Supplier acknowledges that exposure to Buyer's Proprietary Information and other Intellectual Property will make it easier for Supplier manufacture or repair, or to apply for or assist another entity in obtaining FAA or other government approval for, parts that are the same parts or that have the same form, fit and function, as parts Supplier supplies to Buyer pursuant to an Order hereunder. Supplier also acknowledges that Buyer's goodwill and reputation which become associated with parts supplied by Supplier pursuant to an Order hereunder once approved for use in Buyer's products make it easier for Supplier to manufacture or repair, or to apply for or assist another entity in obtaining FAA or other government approval for those parts, or parts that have the same form, fit and function for use in Buyer's products. Supplier agrees that it shall not manufacture or repair parts that Supplier supplies to Buyer pursuant to an Order hereunder, or manufacturer or repair parts having the same form, fit and function, for use in Buyer's products, or apply for or assist another entity in obtaining FAA or other government approval for any such parts without Buyer's written consent. If Supplier manufactures or repairs any such parts (or applies for or assists another entity in obtaining FAA or other government approval for an such parts, for use in Buyer's products without obtaining Buyer's written consent, then it shall be considered a breach of the Order and Buyer shall be entitled to injunctive relief and such other remedies as a court may order.
- 14.14 Supplier acknowledges that exposure to Buyer's Proprietary Information and other Intellectual Property will make it easier for Supplier to manufacture or repair parts, or to apply for or assist another entity in obtaining FAA or other government approval for, parts that are the same or that have the same form, fit and functions, as parts Supplier supplies to Buyer pursuant to an Order hereunder. Supplier agrees to notify Buyer in writing and to obtain Buyer's written consent prior to manufacturing or repairing any parts, or applying for or assisting another entity in obtaining FAA or other government approval for any parts, for itself or another entity, that have the same form, fit and function as any parts Supplier supplies to Buyer pursuant to an Order hereunder. Supplier's notification shall (a) describe the parts to be manufactured or repaired, or for which application for or assistance to another entity in obtaining FAA or other government approval for such parts is to be provided (b) identify the corresponding parts Supplier supplies to Buyer and (c) provide Buyer with sufficient information to demonstrate that Supplier will manufacture or repair, or apply for or assist another entity in obtaining FAA or other government approval for such parts (as the case may be) without reference to or use of Buyer Proprietary Information or other Buyer

Intellectual Property. If Supplier manufactures or repairs any such parts without obtaining Buyer's written consent (or applies for or assists another entity in obtaining FAA or other government approval for such parts), then it shall be considered a breach of the Order and Buyer shall be entitled to injunctive relief and such other remedies as a court may order.

- 14.15 Supplier shall not make accessible or sell completed or partially completed or defective Goods manufactured using or containing Proprietary Information to any unauthorized third parties. Goods not provided to Buyer shall be disposed of in a manner that prevents disclosure of Proprietary Information (including by reverse engineering).
- 14.15 For Proprietary Information exchanged in connection with the Order, the terms of this Section 14 shall supersede any provisions regarding the protection of proprietary information in any other agreements between the Parties.

## **15. GENERAL INDEMNIFICATION**

- 15.1 Seller shall indemnify, protect, defend (at Buyer's option), and hold Buyer and its officers and directors, and Buyer's affiliates or subsidiaries and its officers and directors, harmless for and from all suits, claims, losses, damages, injuries, costs or expenses (including attorneys' fees) arising out of, caused by, or related to Seller's presence on Buyer's facilities and premises pursuant to the Agreement, Seller's performance or failure to perform hereunder.

## **16. INTELLECTUAL PROPERTY INDEMNIFICATION**

- 16.1 Supplier shall indemnify and hold harmless Buyer, Buyer's customers, Affiliates, and subsidiaries, their agents, directors, officers, and employees, and each subsequent purchaser or user, from any losses, costs, damages, and liabilities, including, without limitation, any attorney's fees, court costs and fines, arising from any potential or actual claim, suit, injunction, action, proceeding, or investigation alleging infringement or violation of any Intellectual Property rights or license, related to the manufacture, use, sale, offer for sale, import, or other exploitation of any Goods or Services delivered or performed in connection with the Order ("Claim").
- 16.2 Supplier shall not be liable for any Claim based on Supplier's compliance with any Specification created by Buyer, unless: (is) Supplier could have complied with Buyer's Specification using a solution that was non-infringing; (ii) the relevant portion of the Specification was derived from, recommended by, or provided by, Supplier; or (iii) Supplier knew or should have known of a Claim or potential Claim and did not promptly notify Buyer in writing.

- 16.3 Supplier shall, upon written notice from Buyer of a Claim, promptly assume and diligently conduct the entire defense of a Claim at its own expense. Insofar as Buyer's interests are affected, Buyer shall have the right, at its own expense and without releasing any obligation of the Supplier, to participate and intervene in a Claim. Buyer shall have the right to reasonably reject counsel selected by Supplier. Supplier shall not enter into any settlement without Buyer's prior written consent, which shall not be unreasonably withheld.
- 16.4 Buyer may supersede Supplier in the defense of any Claim, and assume and conduct the defense at Buyer's sole discretion. In such an event, Seller shall be released from any obligation to pay for attorneys' fees and court costs, but not settlement or damages, and any such release is expressly conditioned on Supplier's complete cooperation with Buyer in Buyer's defense of such Claim at Buyer's expense. Buyer shall not enter into any settlement without Supplier's prior written consent, which shall not be unreasonably withheld.
- 16.5 If the manufacture, use, sale, offer for sale, import, export, or other exploitation of any Goods or Services is enjoined by a court, if delivery is precluded by a government entity, or should Supplier refuse to supply Goods to avoid a potential third party claim, Supplier shall avoid any disruption to Buyer and shall (is) secure for Buyer the right to use or sell such Goods; (ii) modify or replace such Goods with equivalent non-infringing Goods; or (iii) provide such other solution acceptable to Buyer. Seller shall reimburse Buyer for Buyer's costs incurred in obtaining all internal, external and Buyer Customer approvals, qualifications, certifications, and the like, necessary for making, using and selling alternate non-infringing Goods. Supplier shall refund to Buyer the purchase price of any such Goods that Buyer is prohibited from providing, using or selling, offering for sale, importing, exporting or other exploiting.

## **17. SECURITY FOR BUYER INFORMATION STORED BY SUPPLIER**

- 17.1. Buyer wishes to ensure that Supplier has effective information security to ensure the secure storage and/or processing of BUYER Information (as defined below) at Supplier's facility and to facilitate the exchange of information between Buyer and Supplier. As used in this provision, "BUYER Information" means (is) Proprietary Information owned by BUYER or a BUYER Affiliate (each such entity, a "BUYER Entity"); (ii) information managed by BUYER or a BUYER Entity; (iii) information that BUYER or a BUYER Entity is obligated to manage and protect on behalf of others; and (iv) personally-identifiable information relating to an identified or identifiable employee of BUYER or a BUYER 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").

- 17.2. 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.
- 17.3. Supplier further agrees to:
- 17.3.1 Provide to Buyer a copy of its current information security policy, including its policy regarding physical security for access to devices that may access BUYER Information. Supplier shall annually provide Buyer with its then current policy and indicate any plans, including a timetable for implementation, of planned upgrades to comply with the policy. Supplier shall implement those reasonable requests for modification of such policy requested by Buyer.
- 17.3.2 Allow Buyer or its designee at any time to conduct (or have conducted) a remote network audit. If the BUYER Information is stored in a shared environment per the agreement of Buyer, then Buyer shall use a third party to conduct such audits. The audits shall include any facilities with BUYER Information including backup storage facilities.
- 17.3.3 Segregate all BUYER Information into a separate database only accessible by Buyer, its agents and those employees of Supplier necessary to maintain the equipment and the program on which it runs, unless otherwise agreed by Buyer. Logical segregation of data, if approved by Buyer, may be an acceptable alternative to this requirement. Except for Buyer and its agents, Supplier shall use reasonable efforts, as measured by the available technology at the time, to prevent anyone other than its authorized employees from accessing the BUYER Information.
- 17.3.4 Assure that all BUYER Information and applicable software is appropriately backed up and recoverable in the event of a disaster.
- 17.3.5 Encryption Requirements. The following requirements apply when Supplier has possession of BUYER Information. Encryption algorithms used must be of sufficient strength to equate to 128-bit RC-4 or better. All cryptography technologies used must be published and approved by the general cryptographic community.
- 17.3.5.1 Encrypt all BUYER Information stored on Supplier computer systems and backup media.

- 17.3.5.2 Encrypt all BUYER Information transferred across public networks.
- 17.3.5.3 Encrypt all BUYER Information stored on Supplier mobile computing devices (e.g. laptop computers, PDAs (personal digital assistants), etc.)
- 17.3.6 Not to store PII on any Supplier mobile computing devices (e.g. laptop computers, PDAs (personal digital assistants), etc.)
- 17.3.7 Conduct appropriate background checks on all non-Buyer personnel who will have access to the environment and/or BUYER Information and approve those personnel based on the results of those checks. Supplier must disclose to Buyer the procedures used for those employees having access to the BUYER Information.
- 17.3.8 Provide Buyer at the time of signing the Agreement with a termination plan that addresses how BUYER Information will be returned to Buyer at the termination or expiration of the Agreement, including backup and archival information, and how all BUYER Information will be permanently removed from Supplier's equipment and facilities. This plan should include supplying the data to Buyer in an industry recognized non-proprietary database and, if not, a free-of-charge license to use the proprietary data base software to access the data.
- 17.3.9 Describe at the time of signing of the Agreement how Supplier will meet Buyer's requirement for a secure authentication process for access to BUYER Information or, for less sensitive information, where "Strong Password" data control is sufficient, describe how this requirement will be met.
- 17.3.10 Provide information and cooperation to Buyer in response to any subpoena. Investigation or the like seeking BUYER Information and provide information and assistance for Buyer to seek certification and the like relative to its information including information in the possession of Supplier. Supplier shall promptly notify Buyer upon the receipt of any request requiring that BUYER Information be supplied to a third party.
- 17.3.11 Comply, within a reasonable period of time, with BUYER Information security policies as amended from time to time.
- 17.4 Supplier shall not provide BUYER Information to any other entity without the prior written approval of Buyer, except to the extent expressly permitted under Section 14 hereof. A request for Buyer approval shall include agreement by Supplier and such other entity that all of the requirements of this provision are applicable to their performance and that Buyer shall have the right to perform the audits described above.
- 17.5 Should Supplier fail to meet the then current standards for information security, or should Supplier fail to pass a Buyer audit on information protection, then Buyer may immediately terminate the Agreement and/or

any Order in accordance with Section 18 without prejudice to any other rights or remedies and shall have no further obligation to Supplier.

- 17.6 The foregoing provisions do not otherwise diminish or limit Supplier's obligations regarding the receipt, use, protection and/or disclosure of Buyer Proprietary Information otherwise set forth hereunder.

## **18. TERMINATION**

- 18.1. **Termination for Buyer's Convenience:** Buyer may terminate, for its convenience, all or any part of this Order at any time by written notice to Seller. Buyer's sole obligation will be to pay the Order price for completed Deliverables that are delivered or provided to Buyer.

- 18.2. **Termination for Seller's Default:** If (is) Seller fails to make any delivery of Goods or perform Services in accordance with Delivery Dates; (ii) Seller fails to comply with any other requirement of the Order and does not remedy such failure within a reasonable time after receipt of written notice thereof; (iii) Seller fails to make progress to such an extent that performance of the Order is endangered; or (iv) any proceeding is filed by or against Seller in bankruptcy or insolvency, or for appointment for the benefit of creditors; then Buyer may, in addition to any other right or remedy provided herein or by law, by written notice to Seller, terminate for Seller's default all or any part of this Order without further liability and may purchase substitute goods and services elsewhere. Seller shall be liable to Buyer for all costs, expenses and damages incurred by Buyer as a result of Seller's default and termination. Buyer also may require Seller to transfer title and deliver to Buyer any Goods, whether complete or incomplete, materials, supplies, parts, tools, dies, jigs, fixtures, plans, drawings, information, data, and contract rights as Seller has specifically produced or specifically acquired for the performance of this Order and any technology or information necessary for production of Goods by an alternate source.

- 18.2.1 If a court of competent jurisdiction finds Buyer wrongfully terminated Seller for default, then such termination shall be automatically converted to a termination for convenience and the rights and obligations of the Parties will be as set forth in Article 18.1 herein.

- 18.2.2 The provisions of this Article 18.2 shall not apply to failures or delays in delivery or performance of Deliverables when such failure or delay is due to any cause beyond the control, and without the fault or negligence of Seller, as provided in Article 26, Force Majeure, herein; provided, however, that Buyer may cancel all or part of any Order affected by such delay without further liability to Seller.

**19. ASSIGNMENT**

- 19.1. Neither this Order nor any interest hereunder shall be assignable by either Party unless such assignment is mutually agreed to in writing by the Parties hereto; provided, however, that Buyer may freely assign this Order to any entity with which Buyer may merge or consolidate, or to which Buyer may assign substantially all of its assets or that portion of its business to which this Agreement pertains. Seller shall not subcontract any work called for by this Agreement without Buyer's prior written approval.
- 19.2. Claims for money due or to become due to Seller from Buyer arising out of this Order may not be assigned, unless such assignment is made to one assignee only and covers all amounts payable under this Order and not already paid. Buyer shall be under no obligation to pay such assignee unless and until Buyer has received written notice of the assignment from Seller, a certified copy of the instrument of assignment, and suitable documentary evidence of Seller's authority to so assign. However, any payments made to a third party subsequent to Buyer's receipt of notice that any claims for money due or to become due hereunder have been assigned or should be paid thereto shall fulfill Buyer's requirements to make any such payments hereunder.

**20. OFFSET**

- 20.1. Buyer and its affiliated companies may be required by their customers to fulfill offset and other industrial cooperation obligations in specific countries. These obligations may take the form of technology transfer, purchase of components or services, technical and export assistance or other business transactions.
- 20.2. Seller acknowledges Buyer's exclusive rights in and to any offset credit that is generated as a result of this Order and any subsequent subcontracting by Seller to fulfill this Order. Buyer may use all or any part of the value of this Agreement, including the value of subcontracts placed by Seller for this Agreement, for satisfying offset obligations of Buyer, Buyer's affiliates or any entity that Buyer transfers such value to. Seller may use the offset credit generated by this Agreement or the subcontracting of this Agreement only upon the receipt of written approval from Buyer.
- 20.3. Seller shall also support Buyer, in any manner reasonably requested by Buyer, and at no additional cost to Buyer, in meeting Buyer's offset requirements in the amounts and in the countries specified by Buyer. Seller shall furnish upon request any certificates or other documents reasonably required by Buyer in fulfillment of Buyer's offset obligations, including, any documents transferring title to the offset credits to Buyer,

any documents perfecting any rights granted to Buyer in this section, and take other action as Buyer deems appropriate in order to protect Buyer's interests in offset credits.

## **21. COMPLIANCE WITH LAWS**

21.1. In addition to the specific requirements of Article 27, Export Control, Seller shall comply with all applicable national, state, provincial, and local laws, ordinances, rules, and regulations applicable to the performance of the Order including (is) the manufacture or provisioning of Deliverables, (ii) the shipping of Goods and (iii) the configuration or content of Goods for the use intended by Buyer.

21.2. Seller shall at the earliest practicable time notify in writing Buyer if Seller is (is) suspended, debarred, or proposed for suspension or debarment from doing business with the U.S. Government, or (ii) listed or is proposed to be listed by the U.S. Government in any "denial orders," as a "blocked person," as a "specially designated national," or as a "specially designated terrorist" for U.S. export administration purposes (collectively, "Debarment"). Any such suspension or debarment shall act as a cause for the Buyer to terminate the Order under the Termination for Default clause.

### **21.3. Toxic, Hazardous or Carcinogenic Substances**

21.3.1 Seller represents and warrants that the Goods and any substances contained therein are not prohibited or restricted by, and are supplied in compliance with, any laws or regulations of the United States and the European Union ("EU"), and that no current requirement in those laws or regulations prevents the sale or transport of the Goods or substances in Goods in those jurisdictions and that all such Goods and substances are appropriately labeled, if labeling is required, and have been pre-registered and/or registered and/or authorized under the EU REACH regulation [Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), establishing a European Chemicals Agency], if pre-registration, registration and/or authorization is required.

21.3.2 In addition to complying with REACH, the EU's regulation of chemical substances (as is required under the article hereto entitled "Compliance with Laws"), Seller shall timely respond to a request from Buyer with all relevant information on the Goods so that the intent of REACH is met for communicating with downstream users as defined in article 3(13) of REACH (any person established in the EU who uses a chemical substance in the course of his industrial or professional activities; the definition does not include the manufacturer, importer, distributor, or

consumer), and in any case, Seller shall provide all information necessary for the Buyer and/or any downstream user to timely and accurately fulfill their obligations under REACH.

#### 21.3.2

21.3.3 Seller 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.

21.4. **Permits and Licenses:** Except for permits and/or licenses required by statute or regulation to be obtained by Buyer, Seller agrees to obtain and maintain, at its own expense, all permits, licenses and other forms of documentation required by Seller in order to comply with all existing national, state, provincial or local laws, ordinances, and regulations, or of other governmental agency, which may be applicable to Seller's performance of work hereunder. Buyer reserves the right to review and approve all applications, permits, and licenses prior to the commencement of any work hereunder.

## **22. STANDARDS OF BUSINESS CONDUCT AND ETHICS/COVENANT AGAINST KICKBACKS/POLITICAL CONTRIBUTIONS**

- 22.1. Seller shall adopt and comply with a policy statement or code of conduct regarding business ethics ("Code"). This Code will be suitable for Seller's business and as a minimum will require compliance with all applicable laws and regulations. The Code shall assure a safe and healthy work environment, prohibit the use of child or forced labor, provide for the protection of the environment and minimization of waste, emissions, energy consumption and the use of materials of concern and prohibit engagement in corrupt practices (e.g. facilitating, offering or paying any bribe). This provision creates no additional duties for Buyer with respect to Seller and confers no rights on third-parties.
- 22.2. Supplier has not offered or given and shall not offer or give anything of value (in the form of entertainment, meals, travel, gifts, hospitality or otherwise) to Buyer's employees, agents, or representatives for the purpose of obtaining this Agreement or Order or favorable treatment under this Agreement or Orders placed pursuant to this Agreement or any other unfair or improper advantage.
- 22.3. Supplier represents and warrants that it has not made, nor will it make, or offer to make any political contributions, or pay, or offer to pay any fees or commissions in connection with this Agreement or any Order placed pursuant to this Agreement.

22.4. Supplier represents and warrants, that its employees, agents and representatives, have conducted and will conduct their business in compliance with all applicable laws, rules, regulations and policies of the United States including, but not limited to, the Foreign Corrupt Practices Act, all applicable U. S. export control, trade sanction, anti-terrorism and non-proliferation laws, rules, regulations and policies.

**23. PUBLICITY**

23.1. Seller shall not make or authorize any news release, advertisement, or other disclosure which shall deny or confirm the existence of this Agreement or which shall make use of Buyer's name or logo without the prior written consent of Buyer.

**24. INSURANCE**

24.1. Without limiting Seller's duty to defend, hold harmless and indemnify hereunder, Seller agrees to secure and carry as a minimum during the entire term of this Order, the following insurance:

24.1.1 Workers' Compensation Insurance, inclusive of an alternate employer endorsement, in an amount sufficient by virtue of the laws of the U.S., foreign country, state, or other governmental subdivision in which the work or any portion of the work is performed and Employer's Liability Insurance in the amount of \$1,000,000 for any one occurrence.

24.1.2 General Liability Insurance including Premises and Contractual Liability, in which the limit of liability for property damage and bodily injuries, including accidental death, shall be at a minimum, a combined single limit of \$5,000,000 for any one occurrence, unless some other amount is agreed to in writing;

24.1.3 If Seller vehicles are used on Buyer's premises and/or used to accomplish work under this Agreement or an Order or otherwise on behalf of Buyer, Automobile Liability Insurance in which the limit of liability for property damage and bodily injuries, including accidental death, shall be a combined single limit of \$2,000,000 for any one occurrence;

24.1.4 If Seller or its subcontractors have Buyer's materials or equipment in its care, custody or control, Seller shall maintain All Risk Property Insurance in an amount sufficient to meet or exceed the replacement value of such material; and

24.1.5 If Seller is performing professional services on behalf of Buyer, Seller shall maintain Professional Liability Insurance with a limit of not less than \$5,000,000, unless some other amount is agreed to in writing.

- 24.2. All such insurance shall be issued by companies authorized to do business under the laws of the jurisdiction in which all or part of the Services are to be performed and must have an AM Best financial rating of A- or better or an equivalent rating by another rating agency acceptable to Buyer.
- 24.3. The insurance coverage described above shall be in a form satisfactory to Buyer, and shall contain a provision prohibiting cancellation except upon at least ten (10) days' prior notice to Buyer. All such insurance policies will be primary in the event of a loss arising out of Seller's performance of work and shall provide that where there is more than one insured the policy will operate, except for the limits of liability, as if there were a separate policy covering each insured and shall operate without right of contribution from any other insurance carrier by Buyer. Certified copies of said policies or certificates evidencing such insurance and endorsements naming Buyer as an additional insured or, in the case of All Risk Property Insurance, naming Seller and Buyer as loss payees, shall be filed with Buyer before commencement of any work hereunder, and within a reasonable time after any renewals or changes to such policies are issued. To the extent permitted by law, Seller and its insurer(s) agree that subrogation rights against Buyer are hereby waived. Seller shall reflect such waiver in any policy(ies) required under this Agreement and shall advise the amount of available policy limits as of execution of this Agreement and shall identify the amounts of any self-insured retention.
- 24.4. The certificate of insurance shall identify the contract number or work to be performed and shall acknowledge that such coverage applies to liabilities incurred by Seller, its employees, invitees or agents under the Order and that such insurance shall not be invalidated by any act or neglect of Seller whether or not such act or neglect is a breach or violation of any warranty, declarations or conditions of the policies.
- 24.5. Seller agrees to insert the applicable substance of this provision in all major subcontracts entered into by Seller to support work performed under the Order.

## **25. AUDIT RIGHTS**

- 25.1. Upon reasonable prior written notice, Buyer, or its designee, may audit all pertinent books and records of Seller and its subcontractors, and make reasonable inspection of Seller's and its subcontractor's premises, in order to verify compliance with the requirements of the Order.

## **26. FORCE MAJEURE / DISASTER RECOVERY**

- 26.1. Neither Party shall be liable for damages for any failure or delay in the performance of any Order resulting from causes beyond its reasonable

control including, but not limited to, unforeseeable events such as acts of God, acts of Government, war, court order, riots, natural disasters, and labor strikes. Notwithstanding the foregoing, Buyer may, without any liability whatsoever, cancel any Order affected by Seller's failure or delay in performance. The Party incurring the delay shall give timely notice to the other of any such event and shall use all reasonable efforts to avoid or remove the cause and resume performance with minimum delay.

- 26.2. When Seller is: (i) a sole source of supply; or (ii) providing Deliverables whose lead-time exceeds one hundred twenty (120) days, shall develop and maintain a Disaster Recovery Plan. The Disaster Recovery Plan must include strategy and actions for recovery and continuation of business, related to production of Seller's Deliverables furnished under this Agreement, in the event of a disaster or emergency in order to prevent or limit interruption of supply of Deliverables. Seller shall furnish a copy of Disaster Recovery Plan to Buyer upon request.

## **27. DISPUTE RESOLUTION / GOVERNING LAW**

- 27.1. Both Parties agree that they will endeavor to resolve any disputes arising from or related to this Order amicably through discussions with each other; and that prior to either Party filing legal action against the other (except for equitable actions that may be necessary to protect a Party's rights), they will enter into informal settlement discussions between management personnel of each Party. The settlement discussions will commence following receipt of written notice by one Party to the other and will conclude within a 60-day period, unless the Parties agree to a different time period. Such settlement discussions will include attempts that are at least two-tiered; meaning that if one level of management from each side cannot resolve the dispute, then each Party will appoint a higher level of management to review the dispute and endeavor to reach resolution. The purpose of this section is to prevent costly litigation where early frank and pragmatic discussions between the Parties could avert such litigation.
- 27.2. Any Order shall be interpreted in accordance with the plain English meaning of its terms and the construction thereof shall be governed by the laws of the State of Connecticut, USA, without regard to conflicts of law principles. Buyer may, but is not obligated to, bring any action or claim relating to or arising out of any Order in the appropriate court in the jurisdiction described above, and Seller hereby irrevocably consents to personal jurisdiction and venue in any such court, hereby appointing the pertinent Secretary of State or other applicable government authority as agent for receiving service of process. Notwithstanding the foregoing, if Buyer in good faith determines that enforcement of a judgment granted by a Connecticut court would not be given full faith and credit by a court in a jurisdiction where enforcement may be sought, Buyer may bring the action in that jurisdiction under Connecticut law.

- 27.3. Any action or claim by Seller with respect hereto shall also be brought in the appropriate court in the jurisdiction described above, if Buyer so elects. Accordingly, Seller shall give written notice to Buyer of any such intended action or claim, including the intended venue thereof, and shall not commence such action or claim outside of such jurisdiction if Buyer, within thirty (30) days from receipt thereof, makes its election as aforesaid. If Buyer and Seller mutually agree to participate in alternative dispute resolution, Seller agrees that all alternative dispute resolution proceedings shall take place in Connecticut.
- 27.4. The Parties specifically disclaim application to this Agreement of the United Nations Convention on Contracts for the International Sale of Goods.

## **28. EXPORT CONTROL**

- 28.1. In addition to the provisions of Article 20, Supplier shall comply with the most current export control and sanctions laws, regulations, and orders applicable at the time of the export, re-export, transfer, disclosure or provision of Goods, Software, Technology or Services including, without limitation, the (i) Export Administration Regulations ("EAR") administered by the Bureau of Industry and Security, U.S. Department of Commerce, 15 C.F.R. parts 730-774; (ii) International Traffic in Arms Regulations ("ITAR") administered by the Directorate of Defense Trade Controls, U.S. Department of State, 22 C.F.R. parts 120-130; (iii) Foreign Assets Control Regulations and associated Executive Orders administered by the Office of Foreign Assets Control, U.S. Department of the Treasury, 31 C.F.R. parts 500-598; and (iv) laws and regulations of other countries (collectively, "Export Control Laws").
- 28.2. Supplier shall, upon request, provide Buyer with a copy of any governmental export authorization ("Authorization") related to the Goods, software, technology or Services and of all provisions or conditions relating to that Authorization, including but not limited to, any restriction on sublicensing, retransfer, resale or re-export, any requirement for non-disclosure agreements and any limitation on individuals having access to Supplier's Goods, software, technology or Services. Supplier shall, without delay, provide any information requested by Buyer in support of any Authorization related to the Goods, software, technology or Services in support of Buyer's compliance activities, including Buyer's internal licensing processes.
- 28.3. Supplier shall provide Buyer with either (i) the applicable Harmonized Tariff Schedule Number and (ii) any one of (a) the United States Munitions List ("USML") category of such Goods, software, technology or Services that are controlled by the ITAR, or (b) the Export Control Classification Number ("ECCN") of such Goods, software or technology that are

controlled by the EAR, to include the ECCN of parts and components if such classification differs from the ECCN of the Goods or software or (c) any analogous classification under any other applicable law. If Supplier is in the business of manufacturing, exporting or brokering USML items, Supplier shall maintain registration with the Directorate of Defense Trade Controls (“DDTC”) as may be required by 22 C.F.R. §§ 122.1 and/or 129.3 of the ITAR and provide Buyer annually with its DDTC registration expiration date.

- 28.4. Supplier shall not export, re-export, transfer, disclose or otherwise provide Buyer’s technical data controlled by Export Control Laws (“Technical Data”) to any Non U. S. persons or foreign commercial entities or modify or divert such Technical Data to any military applications unless Supplier receives advance, written authorization from Buyer. Any subcontracts between Non U. S. persons in the approved country for manufacture of Goods or provision of Services shall contain all the limitations of this paragraph and shall comply with all applicable export licenses or authorizations. Upon Buyer’s request, Supplier shall demonstrate to Buyer, to Buyer’s reasonable satisfaction, Supplier’s and Supplier’s subcontractors’ compliance with this Section and all Export Control Laws. To the extent Supplier’s Services provided under this Order include packing, labeling, processing, and/or handling exports for Buyer, then Supplier shall maintain an auditable process that assures accurate packing, labeling, processing, and handling of such exports. Supplier shall also promptly notify Buyer if it becomes aware of any failure by Supplier or Supplier’s subcontractor’s to comply with this Section and shall cooperate with Buyer in any investigation of such failure to comply. Upon completion of its performance under the Order, Supplier and its subcontractors shall destroy or return to Buyer all Technical Data.

Without limiting the foregoing, Supplier must control access to Technical Data, technologies, tooling or materials, including, without limitation, the Goods subject to the ITAR or the EAR until such point as (a) the technologies, tooling, materials or Goods are rendered mutilated or scrapped in accordance with Section 13 or reverted to a base alloy, and (b) the Technical Data and derived Technical Data has been cross-cut, shredded, burned or chemically reverted to pulp in accordance with the requirements of Section 13, all of the foregoing in accordance with applicable Export Control Laws.

## **29. MISCELLANEOUS**

- 29.1. **Duty To Proceed:** Seller shall, at all times and under all circumstances, proceed diligently with the performance of this Order. Except as expressly authorized in writing by Buyer, no failure of Seller and Buyer to reach any agreement regarding a dispute related to any Order shall excuse Seller from proceeding. During the pendency of any dispute, Buyer shall

continue to pay in the ordinary course for Seller's performance related to matters not in dispute.

- 29.2. **Independent Contractor:** Seller shall perform the services required under this Agreement as an independent contractor and shall have exclusive control and direction of the persons engaged by Seller to perform such services, including, but not limited to, employees of Seller working at Buyer facilities. Seller assumes full responsibility for the acts and omissions of such persons. Seller shall have exclusive liability for the payment of and compliance with regulations pertaining to local, state, and federal or other governmental entity payroll taxes or contributions, and taxes for unemployment insurance, workers' compensation, social security and/or similar or related protection for such persons, as required by applicable law. Unless otherwise specifically granted in writing, Seller shall have no power to legally bind, or act on behalf of, Buyer and shall not hold itself out as an agent of Buyer.
- 29.3. **Survival:** All obligations and duties under any provisions, which by their nature or their express terms extend beyond the expiration or termination of this Order, including but not limited to warranties, indemnifications, intellectual property (including protection of proprietary information) shall survive the expiration or other termination of any Order of which these provisions are made a part.
- 29.4. **Waiver:** Buyer's failure to seek a remedy for any breach by Seller or Buyer's failure to insist on performance of any of the terms or conditions herein or to exercise any right or privilege hereunder shall not thereafter be deemed a waiver for any such terms, conditions, rights or privileges or any other terms, conditions, or privileges whether of the same or similar type. Acceptance of any Deliverables or payment therefore shall not waive any breach.
- 29.5. **Remedies:** Seller shall be liable for any damages incurred by Buyer as a result of Seller's acts or omissions under any Order. The rights and remedies herein reserved to Buyer shall be cumulative and additional to any other or further rights and remedies provided in law or equity.
- 29.6. **Partial Invalidity:** If in any instance any provision of this Agreement shall be determined to be invalid or unenforceable under any applicable law, such provision shall not apply in such instance, but the remaining provisions shall be given effect in accordance with their terms unless the purposes of the Order can no longer be preserved by doing so.
- 29.7. **Interpretation:** All Orders shall be construed as if drafted jointly by the Parties and no provision in any Order shall be interpreted for or against any Party because that Party or that Party's legal representative drafted the provision.

- 29.8. **Captions:** The captions, headings, section numbers, and table of contents appearing in any Order have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of the Order or any provision hereof.
- 29.9. **Order of Precedence:** If there are any inconsistencies or conflicts in the provisions applicable to the Order, precedence shall be given in the following order: (i) the face sheets of the Order including the price, price adjustment terms, specifications, shipping, drawings, work statements and specific modifications to these Terms and Conditions that specifically reference the portion being modified; (ii) the terms of any agreement specifically referenced and incorporated into an Order; and (iii) these Terms and Conditions, including appendices and/or attachments hereto.
- 29.10. **Modification of Terms and Conditions:** Any modification of these Terms and Conditions shall require (i) a clear and conspicuous marking of the document to notify the reader of negotiated and agreed upon modifications, in substantially the following format: SA 908NP, [*insert current revision date*], as modified and agreed to by Buyer and Seller on [*insert final agreement date*]; and (ii) signatures of duly authorized representatives of Buyer and Seller on the final page of the Terms and Conditions. Buyer and Seller agree that any Terms and Conditions not bearing the requirements identified in (i) and (ii) above shall be treated as unmodified from the SA 908NP revision in effect on the date of the Order.

**THESE TERMS AND CONDITIONS CONSTITUTE THE STANDARD TERMS AND CONDITIONS OF PURCHASE (NON-PRODUCT) FOR SIKORSKY AIRCRAFT CORPORATION, AND ARE INCORPORATED IN THEIR UNMODIFIED ENTIRETY BY REFERENCE INTO ALL SIKORSKY AIRCRAFT CORPORATION PURCHASE ORDERS ISSUED TO SELLER UNLESS OTHERWISE SPECIFIED THEREON. ANY MODIFICATION OF THESE TERMS AND CONDITIONS SHALL REQUIRE THE SIGNATURE OF AN AUTHORIZED REPRESENTATIVE OF EACH PARTY IN THE SPACE BELOW. THESE TERMS AND CONDITIONS SHALL NOT BE BINDING UPON THE PARTIES UNTIL THE ISSUANCE OF AN ORDER FROM BUYER TO SUPPLIER.**

**APPENDIX 1 TO SA-908NP – Rev. 12 1-2013**

**SIKORSKY FACILITIES AND ENVIRONMENTAL HEALTH & SAFETY**

**GENERAL TERMS AND CONDITIONS**

**1. DEFINITIONS and RULES of CONSTRUCTION**

In the event of any conflict between this Appendix and the SA 908NP with respect to Seller's performance of Work on Buyer's facilities or premises,

this Appendix shall govern. In addition to any defined terms within the SA 908NP, the following meanings shall be given to the terms herein defined:

- 1.1. "Local Government" means the political body governing the geographical jurisdiction within which the Project Area is located.
- 1.2. "Project Area" means the site within which the Work under the Order is to be performed in whole or part.
- 1.3. "Specification(s)" means any and all requirements to which Deliverables must comply including, without limitation, standards set forth in this Order and drawings.
- 1.4. "Subcontractor" means any person or entity supplying services and/or goods for the Work under a separate contract with the Seller and for which Seller is fully responsible. Any reference to Seller herein shall be construed to include Subcontractor where Subcontractor is the party performing the action under Seller's direction and control, and as the actual circumstances dictate.
- 1.5. "Work" means the Goods and/or Services provided by the Seller, including Seller's Subcontractors, under this Order.

## **2. SUBCONTRACTS**

- 2.1. Unless otherwise waived by Buyer, the Seller shall not contract with any Subcontractor or permit any Subcontractor to perform any Work until Seller has received written approval of such Subcontractor from the Buyer.
- 2.2. Upon request, and at any time during performance, the Seller shall provide Buyer with a list of each Subcontractor performing the Work.
- 2.3. Nothing contained in the Order shall create any contractual relationship between Buyer and any Subcontractor.
- 2.4. Seller shall distribute to its Subcontractors, and require compliance with, all applicable terms and conditions of this Appendix 1.
- 2.5. Seller and Subcontractors shall be registered with PICS (Pacific Industrial Contractor Screening). Subcontractors registered in PICS for more than 60 days shall have attained green flag status and maintain green flag status while performing work under contract with Buyer.

## **3. SHOP DRAWINGS**

- 3.1. Seller shall supply, at its own expense, all required shop drawings, machinery details, layout drawings, working drawings, material and equipment descriptions (“Shop Drawings”). Seller shall promptly submit four (4) copies of Shop Drawings to Buyer for review to afford ample time for checking, including time for correcting, resubmitting and rechecking if necessary. Seller, with Buyer’s approval, may submit manufacturer’s literature as substitute for, or supplement to, the Shop Drawings. All Shop Drawings, and/or printed matter submitted shall be properly identified by Project and specific application with reference to drawing number and Specification items. Unless otherwise waived by Buyer, Seller shall not proceed with performance of the Work without Buyer’s prior approval of the Shop Drawings.
- 3.2. Shop Drawings shall give all dimensions, sizes, and such other information required to determine suitability of the construction, installation, material or layout for the purposes intended. If needed for clarity, Shop Drawings shall include outline, sectional views, and detailed working dimensions and designations of the kind of material, machine work, finish, etc., required. Seller shall coordinate the submittal of Shop Drawings with any other drawings previously reviewed, with the design and function of any equipment or structure, and the final Order drawings.
- 3.3. Any Shop Drawings submitted without the Seller’s stamp of approval shall not be considered and will be returned to the Seller for proper resubmission. Seller, by approving and submitting Shop Drawings, thereby represents that Seller has determined and verified all field measurements, filed construction criteria, materials, catalog numbers and similar data, or will do so prior to commencement of the Work, and that Seller has checked and coordinated Shop Drawings with the Specifications.

#### **4. SAMPLES, CERTIFICATES AND TESTS**

- 4.1. Seller shall submit all samples, materials, certified test reports, material certificates, certificates of compliance, and affidavits (collectively “Samples”), as identified in the Order. No such Samples shall be manufactured or delivered to the site, except at the Seller’s own risk, until the required Samples have been approved in writing by Buyer. Any delay in the Work caused by late or improper submission of Samples for approval shall not be considered just cause for a delay and no extension of time shall be granted by reason of Seller’s failure in this respect.

- 4.2. Samples shall be made in accordance with the latest revision to the standards identified in the Specifications or Buyer's statement of work, unless otherwise specified.
- 4.3. Even if a Sample has been tested and accepted at the source of supply, Buyer reserves the right to re-test all Samples at the time of delivery, and to reject all Samples which do not meet the Specifications.
- 4.4. Buyer's approval of any Samples shall be general only and shall not constitute a waiver of the Buyer's right to demand full compliance with Specifications.

## **5. ACCIDENT PREVENTION**

- 5.1. Seller shall exercise proper precautions and safety measures at all times for the protection of persons and property. Seller shall be responsible for all losses, either in or outside the Project Area which occur as a result of Seller's performance of the Work. The safety provisions of all applicable regulations, ordinances, laws, and building and construction codes shall be observed and the Seller shall take or cause to be taken such additional safety and health measures as the Buyer may determine to be reasonably necessary.
- 5.2. The Seller shall comply with the latest version of the Foreign Object Damage ("FOD") prevention requirements contained in the Sikorsky Contractor's Guide for FOD Prevention Program Compliance. This document can be found on the Sikorsky Homepage under Suppliers & Licensing > Supplier Resource > Terms and Conditions. Manufacturing areas that are designated as Critical (red) or Sensitive (yellow) zones may have additional specific requirements. All Sellers working in Critical or Sensitive areas are required to check with the area manager or the Tool Control Center (Tool Crib) prior to starting work. If Seller fails to comply with these requirements, Buyer may, without liability, stop Seller's Work until the requirements are complied with. Any such stoppage of the Work shall not serve as the basis of any claim for additional costs or an extension of the Order time.

## **6. SELLER'S CONDUCT ON PREMISES**

- 6.1. Seller shall completely familiarize itself with the conditions in and about the Project Area. Seller's failure to thoroughly and reasonably investigate the condition of the Project Area shall not be grounds for an equitable adjustment to the cost or the time of completion of the Work.

- 6.2. Seller shall confine Seller's equipment, storage of materials, and construction operations to the Project Area as shown on the Specifications and as prescribed by ordinances or permits, or, as may be desired by the Buyer, and shall not unreasonably encumber the Project Area or public rights of way with Seller's materials and construction equipment. Seller shall immediately move its equipment and materials if requested by Buyer.
- 6.3. Seller shall properly care for and protect all of Buyer's property, the property of any third parties to which Seller has access, and any and all materials delivered and Work performed until completion and final acceptance, whether or not Buyer has paid Seller in whole or in part for such materials or the Work.
- 6.4. Seller shall provide and maintain in satisfactory condition at all times warning signs, lights, barricades, railings and other safeguards for the protection of persons and property on, or about, the Project Area. Seller shall identify and prominently display in the Project Area(s) the emergency number (1-911) and Fire and Security contact numbers for the facility where the Work is being performed.
- 6.5. Seller shall maintain at all times a route of access for unobstructed through the Project Area.
- 6.6. Seller shall minimize damage to all access routes and areas where the Work will be performed, and restore them to their original condition upon completion of the Work. The Seller shall acquire all necessary permits for working in, on, or from public streets or rights-of-way and for the securing of additional access as it may require at its own cost and expense.
- 6.7. Seller shall not permit intoxicating beverages, narcotics and/or firearms to be carried onto or used on Buyer's property. Smoking of tobacco products is permitted only in designated areas.

## **7. REMOVAL OF DEBRIS & CLEANING**

- 7.1. The Seller shall, periodically or as directed during the progress of the Work, remove and legally dispose of all surplus material and debris, and keep the Project Area and public rights of way reasonably clear. Upon completion of the Work, prior to the final inspection, Seller shall remove all temporary construction facilities, debris and unused material provided for the Work, and restore the Project Area and public's rights of way to a neat and clean condition.

## **8. EXISTING UTILITIES, STRUCTURES AND FIXTURES**

- 8.1. Seller shall support, protect and sustain all sewer, water, gas or service pipes, electric light or power poles, telephone or telegraph poles, manholes, valve boxes, conduits and any and all utilities, structures, or fixtures laid within the Project Area (collectively "Utilities"). Seller shall not tamper with, remove, or relocate any Utilities without Buyer's prior written approval.
- 8.2. Seller shall notify the proper authorities of the Local Government and all Utility owners of any intended modification or disruption to their property prior to the start of construction and shall cooperate with them and Buyer in the scheduling the Work.
- 8.3. As applicable, Seller shall arrange for the electrical service necessary for all temporary light and power required for the performance of the Work, including, without limitation, transmission facilities, poles, wiring, outlets, fixtures, lamps and other appurtenances ("Temporary Power").

**9. CONTROL OF EXISTING FLOWS**

- 9.1. Seller shall maintain the flow of storm drainage, sanitary sewage and natural flows through the Project Area while performing the Work. The Seller is solely responsible for providing Seller's flow control system and there shall be no separate payment for the required Work. The Seller shall be responsible for any loss or damage resulting from Seller's failures under this Article including, without limitation, flooding or sanitary backup harming, without limitation, the Work, Buyer's property or the property of others. The Seller shall make such provisions as may be required by the Local, State, or Federal health officers or any other bodies with jurisdiction over the flow of storm drainage, sanitary seepage and natural flows.

**10. SEWAGE, SURFACE, GROUNDWATER AND FLOOD FLOWS**

- 10.1. The Seller shall furnish all necessary equipment, take all necessary precautions, and assume the entire cost of, and liability for, handling any sewage, seepage, storm, groundwater, surface and flood flows which may be encountered at any time during the Work (collectively "Flows"). The Seller shall prevent the run off of pollution, sedimentation, impurities or other objectionable materials resulting from the Flows.
- 10.2. Water shall only be discharged in accordance with the approvals issued by the authority having jurisdiction thereof. The Seller shall be responsible for any loss or damage resulting from Seller's failures under this Article including, without limitation, the remediation required to return the system to pre-construction conditions. In addition to the above, disposal on private property shall be only with prior written permission of the property owner,

and only if performed in compliance with all Federal, State and local regulations.

**11. PROGRESS PLAN**

11.1. Immediately upon award of the Order, Seller shall prepare and deliver to Buyer a progress plan schedule, subject to Buyer's approval, which shall be in the form of a detailed bar chart with specific milestones for definite areas and tasks ("Progress Plan"). Unless otherwise directed by Buyer, Seller shall update the Progress Plan on a weekly basis and deliver such updates to Buyer.

**12. PROJECT MEETINGS**

12.1. Seller and Seller's Subcontractors shall attend meetings to discuss the Work as scheduled by Buyer. Notwithstanding the scheduling of any such meetings, Seller shall, at any time upon Buyer's request, furnish to Buyer all available information concerning the conditions and progress of the Work.

**13. FIRE PROTECTION**

13.1 During the performance of the Work, Seller shall provide and maintain suitable, approved fire extinguishers in good working order to be located at such points as the Buyer may direct. Fire extinguishers shall be of a rating type suitable for reasonably anticipated hazards of the Work. Buyer's existing fire protection systems shall not be operated by Seller without Buyer's written consent, and are to be maintained operational for as long as possible prior to demolition or alteration.

**14. BONDS**

14.1. If required by Buyer, the Seller shall furnish performance and payment bonds in the form and amount satisfactory to Buyer. Seller represents that the Order price does not include any amount for the cost of performance or payment bonds.

**15. WARRANTY AND WORKMANSHIP**

15.1. Seller warrants the Work to be performed and the equipment and materials to be furnished under this Order against defects in material and workmanship for a period of two (2) years from the date of final acceptance of the completed Work by Buyer. Seller further warrants that the Work will be suitable for the purpose intended.

- 15.2. Seller shall perform the Work in accordance with the directions, drawings and Specifications set forth in the Order, in the best and most workmanlike manner and by qualified, careful and efficient workers. Unless otherwise specified all materials and equipment furnished hereunder shall be new. Within a reasonable time after receipt of written notice thereof, the Seller shall, and shall require its Subcontractors to correct any defects in the Work which may occur during said warranty period, and any consequential or incidental damage or injury caused by such defects or the repairing of the same, at its own expense and without additional cost to Buyer.

**16. INSPECTIONS**

- 16.1. All material, equipment and workmanship shall be subject to inspection, examination, and test by Buyer at any and all times during the performance of this Order. Buyer shall have the right to reject defective material, equipment and workmanship, and rejected material and equipment shall be replaced with acceptable material and equipment to Buyer's satisfaction.

**17. LIENS**

- 17.1. Seller for itself and its Subcontractors, and for all other persons performing any of the Work at Seller's direction, to the fullest extent permitted by law, waives all right to file or maintain any mechanics' liens or other liens or claims for or on account of the Work furnished hereunder. Upon completion and final acceptance by Buyer of the Work, or upon termination of this Order, the amount due Seller will be paid after Seller shall have furnished Buyer with a complete release, if required by Buyer, of all claims against Buyer arising under and by virtue of this Order, and a complete release, if required, of all liens of the Seller and its Subcontractors.
- 17.2. Seller shall include a provision satisfying the requirements of this provision as a part of any and all subcontracts entered into for the Work or any portion thereof.

**18. TITLE**

- 18.1. Title to all completed Work, as between Buyer, Seller or Seller's Subcontractors shall be in Buyer; provided however, that nothing herein shall be construed as affecting Buyer's right to accept or reject the Work in accordance with Article 18 – Inspections, herein. Title to and risk of loss of all other materials, equipment

and tools delivered to the site shall be and remain solely in the Seller or its Subcontractors, as the circumstances may dictate.

## **19. ENVIRONMENTAL PROCEDURES**

Seller shall obey and follow all applicable federal, state and local environmental, health and safety regulations. In addition, the following specific procedures must be followed in performance of the Work.

### **19.1 HAZARD COMMUNICATION**

19.1.1 Prior to bringing any chemicals (which, for the purposes of this Appendix, includes but is not limited to all coatings, oils, paints, adhesives, sealants, roof cement, mastic, and road-paving materials) on-site, the Seller must provide Environmental Health & Engineering, the Safety Department and the Fire Department with the Material Safety Data Sheets and information about how the chemicals are going to be used. All materials must be labeled in accordance with OSHA Hazard Communication Standard 29 CFR 1910.1200. Asbestos-containing materials are not permitted.

19.1.2 Buyer has the right to ban the use of hazardous chemicals by Seller. If Seller intends to use a chemical that is especially toxic its use should be discussed with the Environmental Health & Safety Department prior to commencement of the Work. The use of Asbestos Containing Materials (ACM) is prohibited.

### **19.2 CHEMICAL/GAS STORAGE**

Chemicals must be stored in an appropriate manner. Chemicals may not be stored outside, overnight, without secondary containment. Compressed gas cylinders must be secured so they cannot fall. Chemicals shall not be stored under office trailers, under tarps, or by the sides of roadways.

### **19.3 TRANSPORTATION**

Transportation of chemicals, fuels, oils and other materials shall be in full accordance with all federal Department of Transportation (DOT) regulations, including placards, shipping papers, proper material segregation and weight limit. All vehicles, including equipment brought on site, such as for lifts, utility trucks, and cranes, shall be maintained in good operating condition. Leaks of hydraulic fluids, motor oils, and any chemicals or fluids, shall be

reported immediately as a spill (by calling 1-911 on a Buyer telephone). Leaking or otherwise damaged Seller equipment shall immediately be taken out of service and shall not be put back into service until all repairs are made. Buyer reserves the right to refuse entry or exit of any vehicle that appears improperly loaded, is in poor condition, leaking, improperly placarded, or in violation of any of these requirements. Any cost incurred due to delay related to transportation problems shall be the responsibility of the Seller. Lifts and or equipment intended for use at any of Buyer's Connecticut locations are to be inspected at the Stratford Facility, 6900 Main Street, Stratford, Connecticut, Security Post #4.

#### 19.4 WASTE DISPOSAL

Seller shall be fully responsible for the collection, storage, and removal of normal construction debris and other wastes that are not hazardous or Connecticut-regulated material. Buyer's Environmental Health & Safety Department will arrange for the disposal of hazardous waste and Connecticut-regulated wastes generated during the Work. Buyer's Environmental Health & Safety Department shall provide Seller with containers for hazardous and regulated wastes, including drums, tanks and larger roll-off containers, on an as-needed basis. When Buyer provides the Seller with containers for waste collection, the following procedures must be followed:

19.4.1 Obtain computer-printed labels from Buyer's designee and verify that the label description matches the waste to be collected.

19.4.2 Complete the label where indicated to include date of collection and Seller's information.

19.4.3 Ensure that the container is closed except when adding waste to the container.

19.4.4 Roll-off containers must not be filled beyond half capacity, and must be covered when not in use. If roll-offs are overfilled Seller will be back charged for the labor and equipment used to make over-weight containers fit for safe transportation. Continued overfilling of containers will result in the removal of Seller from future bids.

#### 19.5 SPILL REPORTING

All spills, regardless of size or quantity, and including those that occur inside the building, shall be reported immediately by dialing 1911 on any

internal Buyer telephone. Failure to report a spill shall be grounds for restricting Seller's further access to the premises. Seller shall have spill clean-up materials readily available at all times, and shall be subject to a chargeback for any use of Buyer spill clean-up materials. Large spill clean-ups shall be managed by Buyer's Environmental Health & Safety Department, and the Seller will be charged accordingly for the material and any third-party labor expenses incurred.

## 19.6 EXCAVATIONS AND SOIL REMOVAL

- 19.6.1 Planning for any Work requiring the removal of soil, concrete, asphalt and other materials must be thoroughly reviewed at least one (1) week in advance with Buyer's Environmental Health & Safety Department.
- 19.6.2 Excavations in areas of known contamination may require Seller to have specialized training per 29 CFR 1910.120 and require the development and following of a health and safety plan specific to the Work.
- 19.6.3 Seller shall obey all state and federal storm water pollution control regulations as they pertain to construction sites. This shall include erosion control at all sites, and permits, if required at larger excavations.
- 19.6.4 Buyer's Environmental Health & Safety Department must approve the dewatering of all excavations. Under no circumstance is groundwater or run-on to be pumped out of an excavation without the advance approval of Buyer's Environmental Health & Safety Department. This is necessary to ensure compliance with local, state and federal regulations. Special arrangements and/or permits may have to be made to dewater an excavation.
- 19.6.5 Excavated materials must be protected from loss or precipitation by means of heavy duty plastic sheeting, both under and on top of the excavated material while it awaits final disposition. Excavated materials must be tested for contaminants before the material leaves the Buyer property, either before the excavation is started or after the material is placed in the containers. The purpose of this testing is to ensure compliance with state and federal waste handling regulations. The decision on when to perform the tests depends on the project schedule and logistics.

## 19.7 BACKFILL MATERIALS

19.7.1 Seller is responsible for supplying clean, uncontaminated fill material and for submitting written receipts to Buyer's Environmental Health & Safety Department documenting the source of the material. The backfill must be virgin material from a quarry or other location that has not been contaminated.

## 19.8 CLEANING OF EQUIPMENT

19.8.1 The rinsing of concrete and asphalt trucks and handling equipment shall be done only under the direction of Buyer's project coordinator or other designated representative. The cleaning of this equipment shall be done in special areas designated by Buyer prior to the commencement of concrete and/or asphalt work. No other vehicle or machinery cleaning is permitted on Buyer property.

## 19.9 FINAL CONSIDERATIONS

19.9.1 If you don't know, ask. Most problem situations arise out of lack of communication. If you are unsure of something contact Buyer's project coordinator. EH&S questions can be directed to the Sikorsky Aircraft Fire Department or Buyer's Environmental, Health & Safety Department.

## **20 EQUIPMENT DISPOSAL & DEMOLITION**

### 20.1 APPLICABILITY

20.1.1 This procedure applies to the removal of all capital equipment, which includes, but is not limited to process tanks, underground tanks, paint booths, ductwork, motor vehicles, material handling equipment and machinery such as grinders or presses.

### 20.2 PRE-INSPECTION

20.2.1 Buyer's Environmental Health & Safety Department may inspect the Project Area and review the job to determine if special waste handling procedures are required, and if standard demolition procedures are appropriate.

### 20.3 EQUIPMENT DEMOLITION LOCATION

20.3.1 Equipment demolition must occur at either the existing equipment location or at a pre-determined and Buyer-approved alternate site.

## 20.4 WORK SITE PREPARATION

20.4.1 If liquids are present, absorbent pads or socks must be used to absorb all liquids. No free standing liquids will be permitted in outdoor work areas. All absorbent materials will be collected and properly managed as waste. All sites are to be roped with yellow caution tape for protection. When demolition is being done indoors, Buyer's Environmental, Health & Safety Department, or Buyer's Fire Department, may require that the entire work area be contained with fire retardant plastic curtains from floor to ceiling. The installation of these curtains must be inspected and approved by the Buyer's Fire Department.

## 20.5 EQUIPMENT TRANSPORTATION PREPARATION

20.5.1 Remove all liquids from any equipment prior to moving it. Buyer's Environmental, Health & Safety Department may specify some additional decontamination measures to remove hazardous or regulated constituents which must be followed. Place liquid in appropriate hazardous waste drums, bulk transports or tank trucks. Seller shall obtain appropriate labels from Buyer's Environmental Health & Safety Department. All containers must be labeled at the time they are being filled. If the equipment has loose or flaking material, it shall be fully wrapped with plastic sheeting (or some other containment as specified by Buyer's Environmental, Health & Safety Department) to avoid dust or contaminated material from falling onto the floor or ground during transport.

## 20.6 REMOVAL OF EQUIPMENT

20.6.1 All demolition work, including placement of dumpsters, is to take place in the previously prepared work area.

20.6.2 Loose or flaking material will be collected using a high efficiency vacuum/dust collector. The particles/dust will be collected with related waste articles. Combustible dusts (e.g. aluminum, magnesium, titanium) may not be vacuumed.

20.6.3 All contaminated equipment shall be disassembled and placed in properly labeled watertight dumpsters. Seller shall obtain appropriate labels, prior to filling the dumpsters, from Environmental Health & Safety Department. Non-contaminated materials may be placed in separate non-hazardous dumpster. If there is a question as to the degree

of contamination, the material shall be placed in the hazardous material dumpster.

20.6.4 All Seller equipment being removed for storage and/or scrap must be decontaminated prior to removal.

## 20.7 PROTECTION OF WORK SITE

20.7.1 When not in use, contaminated equipment and dumpsters shall be covered with heavy waterproof covers.

20.7.2 No outdoor work shall be performed during periods of rain/snow or high winds unless specifically directed to do so by Buyer's project representative.

## 20.8 DEMOBILIZATION

20.8.1 All plastic sheeting, plywood, disposable suits, absorbent materials and gloves shall be placed in the labeled hazardous material dumpster.

20.8.2 The Project Area may be thoroughly inspected by Buyer's Environmental Health & Safety Department for signs of contamination. If found, all contamination created during the performance of the Work shall be removed by the Seller at its sole expense.

## 20.9 DISPOSAL OF MATERIAL

20.9.1 In general, Buyer's Facilities and Environmental, Health & Safety Departments will manage the disposal arrangements for structural equipment projects such as spray booths and ductwork, as well as process tanks. Sellers may be asked to include waste management in their bid, including decontamination in such projects as underground tanks or building decontamination. When the Seller agrees to provide services, Buyer's Environmental Health & Safety Department must approve the choices of transporters and ultimate disposal locations prior to bid approval. Before materials are removed from Buyer's premises, Seller shall provide Buyer's Environmental, Health & Safety Department with lab data or other data supporting the statement and description of the manifest.

## **21 CONSTRUCTION SAFETY PROCEDURES**

### 21.1 APPLICABILITY

21.1.1 This procedure applies to all on-site construction or construction-related activities, including facility and/or equipment installation, repair, and/or maintenance, whether performed by Seller or its Subcontractors.

21.1.2 Seller shall ensure that all onsite activities, equipment and facilities of Seller conform fully with standards contained and referenced herein. Seller shall not require any employee engaged in the performance of the Work to perform under conditions which are unsanitary, hazardous, or dangerous to an employee's health or safety, regardless of whether such conditions are addressed herein or referenced codes, standards, or statutes.

## 21.2 APPLICABLE LAW

21.2.1 In addition to the standards and requirements set forth herein, Sellers shall comply with applicable federal, state, and municipal safety, health, and sanitation statutes and codes. In the event of a conflict between the provisions of this document and the Safety and Health Regulations for Construction, U.S. Department of Labor in Title 29 CFR 1926, Occupational Safety and Health Act of 1970 (OSHA), or approved state or municipal plans, the more stringent provisions shall prevail.

## 21.3 PRE-CONSTRUCTION SAFETY MEETING

21.3.1 Seller shall meet with the Buyer prior to the start of construction for the purpose of reviewing the respective safety requirements and discussing implementation of all health, safety and fire protection provisions pertinent to the Work. Seller shall be prepared to discuss, in detail, the measures that Seller intends to take to control the hazards incident to the major phases of the Work and to comply with all contractual obligations, and the manner in which the Seller intends to administer Seller's health and safety program, which shall be substantially in conformity with the requirements herein, subject to Buyer's discretion.

## 21.4 SAFETY PROGRAM

21.4.1 When required by a specific OSHA or comparable state or municipal standard, or requested by Buyer, Seller shall prepare a comprehensive written safety program covering all aspects of on-site construction operations and activities associated with the Work. In no event shall Seller

commence Work on Buyer's premises until the written safety program has been accepted by Buyer.

## 21.5 SAFETY PERSONNEL

21.5.1 If the Work does not require the services of a full-time safety engineer, Seller shall designate a competent and dependable supervisory employee, acceptable to Buyer, to administer Seller's safety program. Should the Seller's safety effort be considered inadequate, Buyer may require Seller to employ a full-time qualified safety engineer in lieu of a safety representative at no additional cost to Buyer.

## 21.6 SAFETY INSPECTION

21.6.1 Seller shall provide for frequent and regular safety inspections of the Project Area, including personnel, materials, and equipment, by competent employees. Detailed written inspection records shall be maintained and available for review upon Buyer's request.

## 21.7 ACCIDENT/ILLNESS INVESTIGATION AND REPORTING

21.7.1 Seller shall maintain workplace safety records as prescribed by the Occupational Safety and Health Administration. Serious accidents/incidents shall be reported immediately to Buyer's project coordinator, and to the Emergency Reporting Center by dialing 1-911 on any hard-line phone on Buyer's premises.

21.7.2 Seller shall assist and cooperate fully with Buyer in conducting the investigations of the accident/incident and assure availability of all information, personnel, and data pertinent to the investigation. Except for rescue and emergency measures, the scene of the accident/incident shall not be disturbed or performance of the Work resumed until authorized by Buyer.

## 21.8 INSTRUCTION AND TRAINING

21.8.1 Seller shall issue to its employees and/or Subcontractors a written notice containing pertinent provisions of the Seller's safety program. The notice shall indicate general safety policy and set forth procedures and regulations applicable to the Work, Project Area, reporting of injuries, and first-aid and medical care. Each employee shall acknowledge receipt of these instructions, and each acknowledgment shall be filed by the Seller and available for Buyer's review upon request.

21.8.2 Seller shall instruct its employees and/or Subcontractors in the safe handling and/or use of poisons, acids, caustic or other harmful materials, and/or flammable liquids, gases, or similar materials, if such materials are to be used during the performance of the Work. Such personnel shall be informed of the potential hazard, personal hygiene, protective equipment and other personal protective measures involved or required, including any such requirements provided in this Appendix. A Material Safety Data Sheet shall be provided to Buyer's Environmental, Health & Safety Department and Fire Department. Storage and use shall be compliant with any applicable NFPA code requirements.

21.8.3 Heavy equipment operators shall be given instruction in the safe operations of the equipment and shall demonstrate their proficiency in the operation of the equipment. Such instructions and testing shall be carried out on Buyer's premises, by a qualified representative of the Seller, prior to permitting the employee to operate the equipment independently.

#### 21.8.4 SAFETY MEETINGS

21.8.5 Seller shall conduct a monthly safety meeting for all levels of job supervision. An outline report containing subject matter and signature of all attendees shall be maintained by the Seller and available for review upon Buyer's request.

21.8.6 Seller shall conduct a weekly safety meeting for all non-supervisory employees or Subcontractor employees. An outline report containing subject matter and signature of all attendees shall be maintained by the Seller and available for review upon Buyer's request.

### 21.9 PHYSICAL QUALIFICATIONS OF EMPLOYEES

21.9.1 Seller employees and/or Subcontractors shall be physically qualified to perform their assigned duties in a safe manner. Employees shall not knowingly be permitted or required to work while their ability or awareness is impaired because of drugs, fatigue, illness, intoxication, or other conditions that may expose either themselves or others to injury.

21.9.2 Operators of vehicles, mobile equipment, hoisting equipment, and hazardous plant equipment shall be able to read and understand signs, signals, and operating instructions. It is recommended that operators of trucks and

heavy construction equipment be given physical examinations in order to determine if they are physically qualified to perform their assigned work without endangering themselves or others. Operators observed to be physically or mentally incompetent or under the influence of drugs or alcohol shall not be allowed to operate the equipment. Gasoline/propane equipment must be inspected and approved by Buyer's Fire Department prior to use.

## 21.10 EMERGENCY PLANS

21.10.1 Seller shall comply with Buyer's Sikorsky Aircraft Evacuation Procedure, which shall be provided to Seller upon request. Seller's safety and training program shall include content on the safe handling of possible emergency situations such as fires, cave-ins, explosions, power outages, windstorms, and similar occurrences. Reference the procedures recommended in NFPA 241 regarding safeguarding construction, alteration and demolition operations.

21.10.2 Seller shall designate and assign on-site responsibility for handling possible emergencies. Training shall be provided for supervisors and personnel designated to handle emergency situations.

21.10.3 The safety of Seller or Buyer employees, Subcontractors, the public, or any personal property shall not be jeopardized due to the urgency to resume operations or to restore service. Emergency situations shall not relieve the Seller or its Subcontractors from the responsibility to comply with the health and safety provisions required by law and this Appendix 1.

21.10.4 Buyer's emergency telephone number (1-911) and contact information and reporting instructions for ambulance, first-aid and medical services, hospital, fire and police shall be conspicuously posted in and around the Project Area. The emergency telephone number within Buyer Aircraft Facilities is 1-911.

## 21.11 NOISE EXPOSURE

21.11.1 Seller shall be responsible for protecting its employees and Subcontractors, and Buyer employees from the effects of harmful noise levels. This responsibility shall include the ability to determine the presence of harmful noise

levels by qualified personnel using sound level meters in accordance with ANSI S1.4 and OSHA requirements.

21.11.2 Protection against the effects of noise exposure shall be provided when the sound levels exceed those levels established by OSHA.

21.11.3 Seller shall conduct periodic noise monitoring and/or measurement when (a) exposures are at or above 85 DBA; (b) Seller has received any complaint from any person of the loudness of the noise; or (c) upon Buyer's request.

#### 21.12 GASES, VAPORS, FUMES, DUSTS, MISTS, AND OXYGEN DEFICIENCY

21.12.1 Seller shall review all operations, materials, and equipment for the purpose of determining if toxic gases, fumes, vapors, dust, or mists may be released onto Buyer's premises. If it is determined that such atmospheric contaminants may be released, the concentrations of the contaminants shall be brought within safe limits by engineering controls, such as ventilation, filtration, or installation of exhaust systems. When contaminants cannot be adequately controlled by these methods, Seller shall, at its sole cost and expense, develop a specific operating procedure providing equivalent protection.

21.12.2 Where required and subject to Buyer's approval, Seller shall provide testing devices for determining concentrations of toxic and flammable gases, vapors, fumes, dusts, mists, and oxygen deficiency. Test shall be performed and collected data shall be analyzed and evaluated. The Project Area environment will be sampled and evaluated during initial start of operation, and during the operation to detect changes, until the hazard has been abated.

21.12.3 The efficiency of the control system, equipment, devices, and methods shall be checked and verified periodically. Control systems shall be operated continually during operations where persons are exposed to airborne contaminants or flammable gases.

21.12.4 Airborne contaminants exceeding acceptable safe limits created by portable equipment, such as saws, drills, and grinding machines, shall be effectively controlled at the source.

21.12.5 Where Seller or Subcontractor personnel are exposed to airborne asbestos fibers, the requirements of 29 CFR Part 1910.1001 shall apply.

21.12.6 Seller or Subcontractor personnel shall not be permitted to enter or work in atmospheres containing less than 19.5 percent oxygen by volume, unless provided with and trained in the use of applicable respiratory protective devices.

### 21.13 NATIONAL ELECTRICAL CODE

21.13.1 All electrical facilities shall be installed in conformance with the latest edition of the National Electrical Code and maintained in code compliance.

### 21.14 ACIDS, CAUSTICS, AND HARMFUL CHEMICALS

21.14.1 Handling, storage, and use of acids, caustics, and harmful chemicals or materials shall be in accordance with the manufacturer's recommendations and under supervision of a qualified person. Storage of these chemicals shall be in areas accessible only to authorized persons, and must follow the procedures as indicated in the Buyer's Environmental Requirements herein.

### 21.15 CONFINED SPACES

21.15.1 A confined space is any enclosure that has adequate size and configuration for employee entry (a) has limited opening for entry or exit; (b) may contain or generate toxic or hazardous air contaminants; (c) contains or could contain high concentrations of inert gases; (d) may have an oxygen deficient atmosphere; (e) is not intended for continuous occupancy; or (f) is not mechanically ventilated ("Confined Space"). Confined spaces include but are not limited to storage or transportation tanks, process vessels, pits, vats, vaults, sewers, tunnels, shafts, manholes, sumps, ducts, wells, unventilated rooms with limited access openings, pipelines, siphons and ventilation system.

21.15.2 Seller or Subcontractor personnel whose scope of work requires entry into Confined Spaces as defined by OSHA or identified by Buyer shall enter only in accordance with 29CFR 1910.146.

21.15.3 No person shall enter a confined space until all of the following measures have been taken:

- (a) A specific operation procedure complete with hazard analysis and permit system compliant with 29CFR 1910.146 that is acceptable to the Buyer's Environmental Health & Safety Department has been developed, discussed with affected personnel and posted at the Confined Space access way.
- (b) Best efforts have been made to mechanically remove from the space all toxic/hazardous liquids or solids not in sealed containers. Spaces where such materials cannot be removed mechanically will be entered only by trained and certified personnel wearing protective clothing and self-contained breathing apparatus. Such entry will not be made until the area has been tested for hazardous toxic or explosive gases, vapors and dust and an acceptable safe method of entry established.
- (c) An effective mechanical ventilation system been installed and is operation where required.
- (d) The Confined Space environment has been tested by a competent person and airborne concentrations of respective substances are within the established OSHA limits.
- (e) Buyer's project coordinator and Fire Department have been notified.
- (f) All process lines or material handling systems servicing the Confined Space have been de-activated or isolated.
- (g) Energy sources, i.e. electrical, mechanical, or hydraulic, presenting a hazard to personnel have been effectively neutralized and secured against contact with each other.
- (h) Two (2) or more adequately trained and similarly equipped employees acting as Confined Space entrant and attendant are in constant contact with each other.
- (i) Welding hoses or leads, light circuits or similar energy supply systems have an emergency shutoff device installed at the confined space entry access.

## 21.16 PERSONAL PROTECTIVE EQUIPMENT

21.16.1 Seller shall ensure availability, proper use and maintenance of Seller and Subcontractor equipment. Anyone refusing or repeatedly failing to use the required equipment and/or comply with respective procedural requirements shall be removed from their associated assignments or areas.

21.16.2 Personal protective equipment in use shall be inspected daily and maintained in serviceable condition. Items of personal issue shall be cleaned, sanitized as appropriate, and repaired prior to being reissued for use by other Seller or Subcontractor personnel.

21.16.3 Hard-hat areas shall include all areas where construction work of any nature, including maintenance or repair, is in progress. The entire Project Area, with the exception of offices and parking areas, shall be considered a HARD-HAT AREA. Signs at least 2x3 feet in size with the following lettering in prominent typeface shall be erected at all entrances to designated hard-hat areas:

21.16.3.1.1 "CONSTRUCTION AREA - HARD HATS REQUIRED BEYOND THIS POINT"

## 21.17 EYE AND FACE PROTECTION

21.17.1 Seller or Subcontractor personnel exposed to potential eye or face injury from physical, chemical, or radiation agents shall be furnished and required to wear eye and/or face protection specifically designed for exposure. Safety glasses are required at all times within Buyer's production areas unless otherwise posted.

## 21.18 RESPIRATORY PROTECTION

21.18.1 Only respiratory devices jointly approved by MSHA / NIOSH shall be approved. Respiratory devices using compressed oxygen, liquid air, liquid oxygen, or mixed gases are prohibited unless approved prior to use by Buyer's Environmental, Health & Safety Department. Air supply for air line respirators, hose masks or self-contained breathing apparatus shall meet at least the ANSI and OSHA requirements.

21.18.2 Areas immediately hazardous to life, due to toxic concentration of airborne contaminants or oxygen deficiency, shall be entered only by a team of two (2) or more persons wearing self-contained breathing apparatus.

## 21.19 PROTECTIVE CLOTHING

21.19.1 All Seller and/or Subcontractor personnel exposed to vehicular traffic, including surveyors, inspectors, spotters, signalman, flagmen and servicemen, shall wear high visibility

fluorescent apparel with a minimum reflective area of 400 square inches.

21.19.2 Suitable impervious gloves shall be furnished by the Seller and worn by Seller and/or Subcontractor personnel handling acids, caustics, solvents and other hazardous materials.

21.19.3 All Seller and/or Subcontractor personnel will wear, as minimum protection, full length pants and short sleeve t-shirts. Cutoffs, tank tops or modified shirts, are not acceptable wearing apparel.

## 21.20 SIGNS AND BARRICADES

21.20.1 Signs shall be visible at all times when work is in progress and shall be promptly removed or covered when the hazard no longer exists.

21.20.2 The design and application of signs shall be in conformance with the latest edition of the Occupational Safety and Health Act Standards.

21.20.3 When signs and barricades do not provide adequate protection, or when directed by Buyer, Seller shall provide flagmen or other appropriate traffic controls.

## 21.21 FIRE PREVENTION

21.21.1 Good housekeeping, with provision for prompt removal and disposal of accumulations of combustible scrap and debris, shall be maintained in the Project Area. Self-closing metal containers shall be used for disposal of waste saturated with flammable liquids.

21.21.2 Seller shall comply with the requirements published in the current revisions of the National Electrical Code, National Electrical Safety code, Occupational Safety and Health Act (OSHA) national Fire Protection Association Standards.

21.21.3 Smoking or other sources of ignition shall not be permitted in areas where flammable or explosive materials are stored or are present. All such areas shall be conspicuously posted: "NO SMOKING OR OPEN FLAMES". Seller shall otherwise obey the Buyer's "No Smoking" policy.

21.21.4 Fires and open flame devices are not permitted unless approved by Buyer's Fire Department.

21.21.5 Gasoline and liquids with flash point below 140 degrees Fahrenheit shall not be used for cleaning and degreasing. All refueling must be done outside. All flammable liquids must be stored in a testing lab approved container under NFPA requirements.

21.21.6 All Seller and/or Subcontractor-provided buildings, shops and plant facilities in which Seller or Subcontractor personnel are required to work shall have at least two well-marked exits. The two exits shall be arranged to minimize the possibility of both exits being rendered inaccessible by one fire or emergency condition.

21.21.7 Distinctly marked fire extinguishers rated 2A40 B:C or greater shall be suitably placed to provide such extinguishers in serviceable conditions. Seller and/or Subcontractor personnel shall be appropriately trained in the use of such fire extinguishers.

21.21.8 A "hot work" permit is required prior to cutting/welding or open flame operations. The permit is required daily, and is obtained from Buyer's Fire Department.

## 21.22 OUTDOOR MATERIAL HANDLING, STORAGE, AND DISPOSAL

21.22.1 Combustible materials shall be stacked securely, and stacks and piles shall not exceed ten (10) feet in height. No combustible material shall be stored within twenty (20) feet of a building or structure.

21.22.2 Driveways between and around combustible storage piles shall be at least fifteen (15) feet wide and shall be maintained free from accumulations of material or rubbish.

21.22.3 Material shall not be stored under overhead power lines without Buyer's prior approval.

21.22.4 Portable fire extinguishing equipment rated 2a50 B:C shall be provided at accessible marked locations in the Project Area. Portable fire extinguishers shall be placed so that maximum travel distance to the nearest unit does not exceed 75 feet. Extinguishers shall be inspected by the Fire Department to insure the correct application and serviceability of the unit.

21.22.5 Bagged material, lumber, bricks, masonry blocks and similar unsecured type material shall not be hoisted by

sliding unless secured against falling straps, sideboards, nets, or other suitable devices that fully secure the load.

- 21.22.6 Taglines shall be used for controlling loads when hoisting materials near personnel, structures or equipment.

## 21.23 INDOOR STORAGE

- 21.23.1 Materials shall be stored in a planned and orderly manner, so as not to endanger the safety of any personnel. Stacks, tiers and piles shall be stable and stacked to facilitate safe handling and loading. Storage of hazardous materials shall be in accordance with the requirements contained in the Material Safety Data Sheet.

- 21.23.2 Materials shall not be placed or stored so as to interfere with accessways, doorways, or hoistways. Accumulations of scrap or materials shall not be permitted to obstruct accessways and exits. Aisle width shall be adequate to accommodate the firefighting equipment.

- 21.23.3 Materials shall be stored, handled and piled with consideration for their fire characteristics. Noncompatible materials which may create a fire hazard shall be separated by a distance of at least 25 feet or isolated by a barrier having at least a 1-hour fire rating, and must be pre-approved by Buyer's Fire Department. Material shall be piled to minimize the spread of fire internally and to provide convenient access for fire fighting.

- 21.23.4 A clearance of 48 inches shall be maintained around the path of travel of fire doors, which shall not be blocked open under any circumstances, and a clearance of at least 18 inches shall be maintained between stored materials and sprinkler heads.

## 21.24 REINFORCING, SHEET AND STRUCTURAL STEEL

- 21.24.1 Steel shall be safely stacked to prevent sliding, rolling, spreading or falling.

- 21.24.2 When steel is handled by a crane or forklift, lagging shall be used to facilitate safe rigging.

## 21.25 PIPE, CONDUIT, AND CYLINDRICAL MATERIAL

21.25.1 Pipe, conduit bar stock, and other cylindrical materials, unless placed in racks, shall be stacked on a firm, level surface and shall be blocked to prevent spreading, rolling or falling.

21.25.2 Unloading from a carrier shall be done in such a manner that no erosion shall be exposed to the unsecured load.

## 21.26 ASPHALT AND TAR PRODUCTS

21.26.1 Asphalt or tar kettles, when in use, shall not be left unattended, and shall be placed on a firm, level base and protected against overturning. Kettles shall have an effective lid or hood. They shall be equipped with an operable temperature indicating and limiting device that ensures the asphalt or tar temperature remains 50 degrees Fahrenheit below the flashpoint. Kettles shall not be used underground, in conduits, in or on enclosed buildings, or structures. Prior to the ignition of the kettle each day, a "hot work" permit must be obtained from the Buyer Aircraft Fire Department.

21.26.2 A fire extinguisher rated no less than 2A40 B:C shall be available at locations where heating devices or melting kettles are in use.

21.26.3 Gasoline or similar highly volatile liquids with extremely low flashpoints shall not be used as thinners.

21.26.4 Distributors, retorts, hoses and related equipment shall be kept reasonably free of accumulations of asphalt and tar.

## 21.27 ELECTRIC WIRING AND APPARATUS

21.27.1 Electrical installations, temporary or permanent, shall comply with the applicable provisions of the National Electrical Safety Code, National Electrical Code, and applicable state codes.

21.27.2 Electrical wire, conduit, apparatus, and equipment shall be approved or listed by the Underwriters Laboratories, Inc., or Factory Mutual Laboratories for the specific application.

21.27.3 Seller shall not permit Seller and/or Subcontractor personnel to work in such close proximity to an electric

circuit that the person(s) may contact it during the course of performance of the work, unless the person is protected against electric shock by de-energizing the circuit and grounding it, or by guarding it by effective insulation or other means.

- 21.27.4 Seller will locate and all underground power lines and facilities within the construction area. Unless otherwise required by the specifications, all underground lines installed by the Seller will be protected by surface signs and a longitudinal warning tape buried 12 inches to 18 inches above the lines.
- 21.27.5 Prior to commencement of the Work in the Project Area, a Seller supervisor shall ascertain by inquiry, direct observation, or by instruments, whether any part of an electric power circuit, exposed or concealed, is so located that the performance of the Work may bring any person, tool or machine into physical contact with the circuit or within prescribed clearance.
- 21.27.6 Work on electrical circuits and equipment shall be performed only by qualified Seller and/or Subcontractor personnel familiar with code requirements and experienced in the type of work assigned.
- 21.27.7 Temporary wiring shall be guarded, buried or isolated by elevation to prevent accidental contact by personnel or equipment. Vertical clearance above walkway shall not be less than 16 feet.
- 21.27.8 Temporary lighting strings shall consist of nonconductive lamp sockets and connections permanently molded to the conductor insulation. Bulbs attached to festoon lighting strips and extension cords shall be protected by lamp guards. Broken or defective bulbs shall be properly replaced.
- 21.27.9 Extension cords shall be 3-wire grounded type listed by the Underwriters Laboratories Inc. The rated load shall not be exceeded. Cords shall be used only in continuous lengths without splice, except suitably molded or vulcanized splices may be used when suitably made with insulation equal to the cord being spliced and soldered or with wire connections or other type of connections to the National Electrical Code

21.27.10 All 115-, 120-, and 220- volt, single phase receptacle outlets used for construction operations shall be protected by a ground fault circuit interrupter. This requirement includes receptacles on stationary and portable systems.

21.27.11 The safe clearance procedure shall include specific provisions for lockout, tagging, disconnecting and grounding circuits and electrical equipment in order to prevent unauthorized operation.

21.27.12 No employee shall be permitted to Work on an electrical circuit(s) or equipment without following the clearance procedure established for the respective circuit(s) or equipment.

## 21.28 SCAFFOLDING

21.28.1 Scaffolds, platforms or temporary floors shall be provided for Seller and/or Subcontractor personnel engaged in work that cannot be performed safely from the ground or from solid construction.

21.28.2 Scaffolding shall be erected, dismantled or altered under the supervision of a competent person and in compliance with requirements of ANSI A10.8 "Safety Requirements for Scaffolding", and OSHA Standards. Ladders or makeshift devices shall not be used to increase height of scaffolding. Scaffolds, platforms and ladders must be securely tied off at all times.

21.28.3 Scaffolds and their components, except for wire or fiber rope suspension shall be capable of supporting at least four (4) times the maximum intended load. Wire or fiber rope used for scaffold suspension shall be capable of supporting at least six (6) times the maximum intended load.

21.28.4 Seller and/or Subcontractor personnel working on suspended or movable scaffolding or scaffolding without standard guardrails, shall be protected by nets, lifelines, lanyards and belts/harnesses. Personnel working above the ground shall wear harness belts and shall be tied off in accordance with applicable OSHA requirements.

21.28.5 Work platforms and scaffolds more than six (6) feet above the ground or floor level shall be provided with standard guardrails, midrails, and toeboards on the open sides and ends. Scaffolds 4 to 6 feet in height, erected above machinery or other hazard, or having a minimum

horizontal dimension in either direction less than 45 inches, shall also be provided with standard guardrails installed on open sides and ends.

## 21.29 USE AND MAINTENANCE OF TOOLS

- 21.29.1 Hand tools, power tools and power-actuated tools shall be maintained in safe operating condition and used only for the purpose for which they were designed. Damaged and/or defective tools shall be repaired or removed from service.
- 21.29.2 Tools designed to accommodate guards shall be operated with such guards in place. Belts, gears, shafts, pulleys, sprockets, spindles, drums and other types of moving drives shall be isolated or guarded as set forth in the current edition of ANSI B15.1 "Safety Code for Mechanical Power Transmission Apparatus or OSHA Standards, whichever is the more stringent.
- 21.29.3 Electric-powered tools shall be double-insulated type or effectively grounded.
- 21.29.4 Pneumatic impact tools shall be operated with safety clips or retainers installed to prevent tools being accidentally discharged from the chuck.
- 21.29.5 The manufacturer's safe operating pressure for hoses, pipes, valves and fittings shall not be exceeded. Defective hoses, valves and fittings shall be removed from service.
- 21.29.6 Air hoses shall not be used for hoisting or lowering tools. hoses shall not be laid on ladders, steps, scaffolds or walkways in a manner creating a tripping hazard.
- 21.29.7 Pneumatically driven nailers, staplers, and similar equipment provided with automatic fastener feed, which may operate at more than 100 lb./in<sup>2</sup>, shall have a safety device on the muzzle to prevent the ejection of the fasteners unless the muzzle is in contact with the work surface. Seller and/or Subcontractor personnel shall inspect the work area prior to starting to insure no one is on other side of surface.
- 21.29.8 The installation, guarding, use, and care of grinding tools shall comply with the standards set forth in the current ANSI B7.1 "Safety Code for the Use, Care and protection of Abrasive Wheels", and/or OSHA Standards pertaining to

this subject. Grinding tools shall not be used without the safety guards, protective flanges, and tool rests installed and maintained in proper adjustments. Spark-producing tools and/or work shall require a "hot work" permit from Buyer's Fire Department.

- 21.29.9 Abrasive wheels and scratch brush wheels shall not be operated in excess of their rated safe speed. Cracked or defective abrasive wheels shall be removed from service immediately.
- 21.29.10 The installation, guarding, use and care of power-operated woodworking tools shall comply with the standards set forth in ANSI 01.1, "Safety Code for Woodworking Machinery", and/or OSHA Standards.
- 21.29.11 Power-actuated tools shall be designed, maintained and used in accordance with the standards set forth in the current edition of ANSI A10.3, "Safety Requirements for Power-Actuated Fastening System", and OSHA Standards.
- 21.29.12 Power-actuated tools shall be operated and serviced only by persons who have been trained and certified in the safe use of such tools, and shall not be operated in explosive or flammable atmospheres. Operators must possess an operator's card issued by a firm or person authorized to issue such cards.
- 21.29.13 Only power charges, studs or fasteners specified by the manufacturer for the specified tool shall be used.
- 21.29.14 Tools shall be designed to operate only when pressed against the work surface with a force at five (5) pounds greater than the weight of the tool. They shall be constructed so the tool cannot fire when dropped or during loading or preparation to fire.
- 21.29.15 Driving into soft or easily penetrated material is prohibited unless the material is backed to prevent complete penetration. Tools shall not be used on very hard or brittle materials such as cast iron, glassed tile, surface hardened steel, glass block, live rock, face brick or hollow tile. Seller and/or Subcontractor personnel shall review the work area prior to starting to insure no one is on the other side of the material.
- 21.29.16 Tools shall not be loaded until just prior to firing. Loaded tools shall not be left unattended. Tools shall not be

pointed at any person, and all parts of the body shall be kept clear of the muzzle.

- 21.29.17 The Seller shall submit a list of all power - actuated tools and names of certified operators to Buyer prior to the use of the tools.

### 21.30 USE OF HOISTING EQUIPMENT

- 21.30.1 Seller shall comply with OSHA and ANSI Standards, and the manufacturer's recommendations, rated load capacity, specifications and limitations applicable to installation, operation, maintenance and inspection and testing of all temporarily installed cranes, derricks and other hoisting equipment. No equipment shall be used or installed on the project until the engineer's and/or manufacturer's data have been accepted by Buyer. The hoisting equipment, including attachments, shall be installed, inspected, tested and/or operated in strict conformance with the manufacturer's or engineer's specifications, ratings, limitations, operation and maintenance requirements and the OSHA and ANSI Standards.

- 21.30.2 Rated load capacities, operating speeds, special warnings and all other information required by the manufacturer and/or professional engineer and applicable OSHA/ANSI Standards shall be posted where clearly visible to the operator(s) of the hoisting equipment. The load capacities and instructions shall be reviewed with and strictly adhered to by the operator of the equipment.

- 21.30.3 Hoisting equipment shall be inspected prior to use at the start of each shift by competent person(s) to determine whether or not it is in safe operating condition. Any damage or deficiencies shall be corrected prior to use. Provision shall be made for routine lubrication and maintenance of all hoisting equipment. Written records of all inspections, deficiencies and repairs shall be available for review by Buyer.

- 21.30.4 Unless barricaded, adequate clearance shall be maintained between moving and rotating parts of a crane and other fixed objects in order to permit safe passage of persons.

### 21.31 USE OF PILEDRIVERS

- 21.31.1 Piledriver hoist drums shall not be equipped with dogs that automatically disengage by relieving the load or by rotating the drum.
- 21.31.2 When Seller and/or Subcontractor personnel are required to work under the hammer, a blocking device capable of supporting the hammer shall be placed in the leads.
- 21.31.3 Adequate guylines, outriggers, thrustboards, counterbalances and/or rail clamps shall be used in stabilize piledrivers during operation.
- 21.31.4 When the piledriver is being moved, the hammer shall be lowered to the bottom of the lead.
- 21.31.5 Piling shall be hoisted by means of closed shackle or similar positive means of attachment of the loadline, and all personnel shall be kept in the clear. Taglines shall be used to control unguided piles
- 21.31.6 Extractors shall be used to pull piling that cannot be pulled without exceeding the safe load rating of the pulling rig. When pulling piling, the crane boom shall not be elevated over 60 degrees from the horizontal.

#### 21.32 23.33 CYLINDER STORAGE

- 21.32.1 Cylinders containing the same gas shall be stored in segregated groups and not mixed with other gas cylinders. Empty gas cylinders shall be stored in the same manner. Safety caps must be attached to all gas cylinders when not in use.
- 21.32.2 Cylinders shall be stored in adequately ventilated spaces. Cylinders containing oxygen, acetylene, or fuel gases shall not be stored or taken into Confined Spaces.
- 21.32.3 Cylinders in storage shall be separated from fuel gas cylinders by at least 20 feet or by a fire-resistant partition of at least one (1) hour fire-resistant rating.
- 21.32.4 Cylinders containing oxygen or oxidizing gases shall be separated from fuel gas cylinders by at least 20 feet or by a fire-resistant partition of at least one (1) hour fire-resistant rating.

- 21.32.5 Smoking or open flame shall not be permitted where cylinders are stored and the area shall be posted with "DANGER - NO SMOKING OR OPEN FLAME" signs.
- 21.32.6 Compressed gas cylinders shall be secured with chains or straps that are snug and above the midpoint of the cylinder in an upright position at all times, except when being hoisted or used in special services or arrangement approved in writing by the manufacturer or gas supplier. Storing or transporting cylinders horizontally is prohibited.
- 21.32.7 Cylinder valves shall be closed and safety caps installed when cylinders are in storage, in transit or not in use.
- 21.32.8 Cylinders shall be handled in a manner which will not weaken or damage the cylinder or valve. They shall not be exposed to extremes of temperature, physical damage or electrical current.

### 21.33 WELDING AND CUTTING

- 21.33.1 All welding and cutting apparatus, equipment and operations shall be in accordance with ANSI OSHA and NFPA Standards 51B (as applicable), and the requirements of this Appendix. Welding and cutting are not allowed without prior inspection and approval of the equipment by Buyer's Fire Department and issuance of a "hot work" permit by same.
- 21.33.2 Welding apparatus and equipment shall be inspected daily prior to use. Defective apparatus and equipment shall be removed from service, replaced or repaired and re-inspected before being used again.
- 21.33.3 Fire extinguishers rated 2A40 B:C units or larger shall be immediately available wherever welding or cutting is being carried out.
- 21.33.4 Welding shall, whenever possible, be confined to areas free of combustible materials, and at least 35 feet away from the welding area. When this is not possible, all combustible material shall be removed or protected from fire, sparks, and slag. No welding/cutting shall take place if the sprinkler protection system is impaired.
- 21.33.5 When welding, cutting or heating is such that normal fire prevention precautions are not considered adequate,

Buyer shall assign personnel from its Fire Department to monitor the operation. They shall be on duty during the operations and for a sufficient period of time following the completion of the Work to ensure that no possibility of fire exists. If the Fire Department chooses not to supervise the operation, the Seller shall provide a fire watch.

- 21.33.6 No welding, cutting or burning shall be done in areas containing flammable and/or combustible liquids, vapors or dusts.
- 21.33.7 Gasoline or propane powered welding units are not permitted on Buyer's premises without Buyer's prior approval.
- 21.33.8 Welders and helpers shall wear protective clothing and eye protection as specified in OSHA Standards. Further, other persons shall be protected from exposure to weld rays, flashes, sparks, molten metal and slag. Welding screens shall be installed in repair shops and other areas where welding is done regularly.
- 21.33.9 Ventilation and protection of personnel welding, cutting or heating in confined spaces shall conform to requirements contained in OSHA Standards and Confined Spaces requirements of this Appendix.

#### 21.34 EXCAVATION OPERATIONS

- 21.34.1 Seller shall comply with all requirements contained in OSHA 1910 and 1926 standards.
- 21.34.2 Prior to excavation, the site shall be thoroughly inspected to determine conditions requiring special safety measures. Seller must contact and coordinate with "Call Before You Dig" prior to commencing any excavation. The location of the underground installations such as sewer, telephone, gas, water, and electric lines, shall be made with the utility company or owner for the protection, removal or relocation of the underground installations. In such circumstances, excavation shall be done in a manner that does not endanger the underground installation or the personnel engaged in the Work. Utilities left in place shall be protected by barricading, shoring, suspension, or other measures as necessary.
- 21.34.3 Safe access shall be provided for employees including installation of walkways, stairs, and ladders. When

operations are conducted during hours of darkness, adequate lighting shall be provided at the excavation site, borrow pits, and waste areas. Barricades and flashing lights will be provided at all points of pedestrian and vehicle access to the site daily at end of shift. No open excavation will be left unbarricaded or unilluminated when unattended.

21.34.4 The sides of excavations over five (5) feet in depth shall be sloped or shored as specified in OSHA Standards. Seller shall inspect the Project Area following rainstorms or other hazard-increasing occurrences. Additional protection against possible slides or cave-ins due to these conditions shall be provided as necessary.

21.34.5 Ground water shall be controlled. Freezing, pumping, drainage and other major control measures shall be planned and directed by a competent professional engineer. Full consideration shall be given to the existing moisture balances in surrounding soils and the effects on foundations and structures if it is disturbed. When continuous operations of ground water control equipment is necessary, an emergency power source shall be provided.

21.34.6 Water shall not be permitted to accumulate in excavations. Diversion ditches, dikes, dewatering sumps or other effective means shall be used to control surface water.