



## **SIKORSKY AIRCRAFT CORPORATION SUPPLEMENTAL CLAUSES FOR SUBCONTRACTS**

**To the extent the terms and conditions contained herein conflict with those in the applicable Lockheed Martin CorpDoc Terms, the terms contained in this Supplement shall control.**

### **1. Aviation Unique Requirements**

- a) Seller shall be registered on the Government-Industry Data Exchange Program (GIDEP) and shall have an active GIDEP Alert screening process. Seller shall immediately notify Buyer and GIDEP of any issues that Seller identifies as a potential GIDEP concern. Seller shall immediately notify Buyer upon receipt of any GIDEP Alert related to Goods, and shall provide Buyer a list of all affected Goods by Order, part number, lot number and lot date, invoice number, serial number, or any other identifying number as applicable. For GIDEP Alerts caused in whole or in part by the Goods, Seller shall immediately replace all affected Goods at its sole expense including any installation and removal costs for the Goods so affected and reimburse Buyer for any damages and commercially reasonable expenses incurred by Buyer.
- b) If the FAA, or other aviation authority, issues Airworthiness Directives (“AD”s), or the equivalent of Airworthiness Directives, related to Goods, Seller shall immediately remove the cause(s) of the ADs or AD equivalents in all Goods delivered and to be delivered to Buyer including but not limited to Goods utilized in the field. Seller shall reimburse Buyer for any costs and damages associated with removal, redelivery and installation of Goods, incurred by Buyer as a result of such ADs or equivalent of ADs which are attributable to the Goods.
- c) Seller shall provide all Service Bulletins, Safety Bulletins and Administrative Directives (collectively in this sub-Section “Bulletins”) using Buyer’s System for Buyer required reviews and approvals prior to issuance. Seller shall implement Seller’s recommendations contained in Bulletins on all Goods delivered and to be delivered.
- d) Seller shall provide at Buyer’s request, Advanced Shipping Notice (ASN) IUID, RFID part marking data including reporting of specialty metals and RoHS requirements.

### **2. Customs Trade Partnership Against Terrorism (C-TPAT) Program**

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 its 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, available at [www.cbp.gov](http://www.cbp.gov).

### 3. **Customs/Import Requirements**

- a) Seller shall comply with Buyer's Import and Shipping Requirements document, as set forth on Buyer's Supplier portal or otherwise provided by Buyer to Seller.
- b) Upon Buyer's request, Seller shall provide, or assist in obtaining, certificates of origin, declarations, and/or affidavits necessary to support Buyer's claims for duty free or preferential duty treatment under international agreements, multi-lateral or bilateral free trade agreements, or other preferential tariff programs (e.g., Generalized System of Preferences, North American Free Trade Agreement (NAFTA), U.S. – Singapore Free Trade Agreements, U.S. Goods Returned, etc.).
- c) Seller shall maintain and make available to Buyer all records supporting any certificates of origin, declarations, and/or affidavits provided to Buyer as support for Buyer's claims for duty free or preferential duty treatment for five years after the date on which the aforementioned document(s) were provided.
- d) Buyer shall have the right, on reasonable notice, to inspect and audit all records relating to the documents set forth herein, including documents establishing the value of all direct and indirect materials and costs used in the production of imported Goods. Where Seller provides a written objection within three (3) days of Buyer's request to inspect and audit, Seller shall provide access to such records to a third party consultant designated by Buyer.

### 4. **Definitions, Supplemental**

**"Buyer"**, **"Sikorsky"**, **"SAC"** or **"Lockheed Martin"** means Sikorsky Aircraft Corporation ("SAC") or the BUYER Affiliate that issues an Order referencing these terms and conditions, and any successor or assignee of Buyer.

**"Buyer's Customer"** means the ultimate owner, lessee, or operator of the Goods and includes the purchaser of an end product incorporating the Goods and/or Services provided by the Seller under the Order.

**"Delivery Date"** means the date of delivery for Goods and Services as specified in an Order and/or by the Delivery System.

**"Delivery System"** means Buyer's computer-based, web-enabled delivery scheduling system.

**"FAA"** means the United States Federal Aviation Administration.

**"Goods"** means goods, parts, supplies, software, drawings, data, reports, manuals, other specified documentation, or items that are required to be delivered pursuant to, or in connection with, an Order. Where the context permits, the use of the term Goods shall include Services.

**"Intellectual Property"** means 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.

**“Lead Time”** means the mutually agreed upon time required for Seller to produce the Goods.

**“Need Date”** means the date Buyer needs delivery of Goods which date is before, or after, the Delivery Date.

**“Party”** or **“Parties”** shall mean Buyer and/or Seller, individually or collectively, as the context requires.

**“Prime Contract”** means the government or commercial sales contract between Buyer and Buyer’s Customer.

**“Order”** means a paper or electronic document sent by Buyer to Seller, or where provided for in a Contract, an entry on a Buyer web site, to initiate the ordering of Goods or Services, such as a purchase order, a scheduling agreement, or other authorization or Order, and including change notices, supplements or modifications thereto. The phrase “in connection with the Order” includes performance of the Order, performance in anticipation of the Order, and preparation of a bid or proposal for the Order. Where the context permits, the term Order includes Contract.

**“Services”** means any effort performed by Seller necessary or incidental to the delivery of Goods, including design, engineering, installation, repair and maintenance. The term “Services” shall also include any effort required by an Order.

**“Specifications”** means all requirements with which Goods and Services and performance hereunder must comply, including, without limitation, SSQR-01 or its then-current successor, drawings, instructions and standards, on a Buyer web site or elsewhere, as such requirements are specified and/or referenced in Orders, as such requirements are modified from time to time by Buyer.

## 5. **Delivery**

- a) Seller shall use the Delivery System and electronic data exchange billing and invoicing systems (collectively, “Buyer Systems”) specified by Buyer. All users who require access to Buyer Systems or applications shall obtain an individual Exostar account and a Lockheed Martin Two-Factor Authentication (2FA) security credential. The Seller shall be responsible for maintaining an active account and the annual fees associated with Exostar account management. Users may contact their Exostar Organization Administrator for access and information on obtaining the Lockheed Martin Two-Factor Authentication (2FA) security credential.
- b) The delivery information in the Buyer Systems shall establish the Delivery Dates for the Goods and/or Services. Seller shall only ship in accordance with the rules established by the Buyer Systems, and shall make use of the bar codes and other documentation generated by the Delivery System.

- c) Delivery Dates which do not allow sufficient Lead Time shall be considered Need Dates and Seller shall use all commercially reasonable efforts to meet Need Dates. If Seller agrees to the Need Date, the Need Date shall be considered the Delivery Date.
- d) If Seller is unable to deliver Goods by the Need Date, Buyer may, without liability: (i) reduce or cancel its requirements for any part of the quantity of the Goods that cannot be delivered by the Need Date, (ii) reallocate to another Order, or reschedule, any portion of the Goods that cannot be delivered by the Need Date, or (iii) waive the Need Date and accept Goods on the Delivery Date. In addition to any other rights and remedies that Buyer may have, in the event of Seller's nonconformance with any of the requirements under this Section or any other delivery obligation, Seller shall be responsible for all shipping costs and expenses incurred with respect to such nonconformance, including the costs of expediting shipment with respect to late deliveries.
- e) Any forecasts of quantity and schedule that are set forth in the Delivery System are estimates and are for planning purposes only.
- f) Without affecting any other rights of Buyer, Buyer may cancel Orders, in whole or in part, without liability to Seller, at any time prior to commencement of Lead Time.

**6. Disaster Recovery**

If Seller is (i) providing Flight Safety Parts in accordance with the current revision of SSQR-01, SS9211, or their then-current successor(s), and/or any documents referenced therein; or (ii) a non-competitive source of supply; or (iii) providing products whose Lead Time exceeds one hundred twenty (120) days; or as otherwise directed by Buyer, Seller shall develop and maintain a Disaster Recovery Plan acceptable to Buyer for the recovery and continuation of business related to the design, development, certification, manufacture, sale, use and/or support of the Goods furnished hereunder. Such plan shall, among other things, prevent or limit the interruption of the supply of Goods in conformity with the requirements set forth herein. Seller shall furnish a copy of Disaster Recovery Plan to Buyer upon request. In the event of a disaster or emergency Seller shall implement its Disaster Recovery Plan.

**7. Export Control**

- a) Seller shall, upon request, deliver to Buyer a summary 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: (i) any restriction on sublicensing, retransfer, resale or re-export, (ii) any requirement for non-disclosure agreements, and (iii) any limitation on individuals having access to Seller's Goods, software, technology or Services. Seller shall, upon request and at the earliest practicable time, deliver 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.
- b) Upon completion of its performance under the Order, the Seller shall return or destroy any technical data provided by Buyer during the solicitation or performance of a Contract. The technical data must be destroyed or returned when the Order is

completed or a license expires. The Seller must also return or destroy any materials created using the exported technical data, such as transparencies, photocopies, and translated drawings. If the technical data is to be destroyed, Seller shall return a Certificate of Destruction of Data, Form [S 286](#) to the Buyer certifying such destruction.

- c) At Buyer's request, Seller shall develop, adopt and comply with a technology control plan ("TCP") satisfactory to Buyer. Such TCP shall ensure that Seller and its subcontractors comply with the terms of the Contract (including the export control provisions of these terms and conditions). Seller's compliance with the TCP shall be reviewed with Buyer at Buyer's request.

## **8. Insurance**

The following shall apply if Seller is providing Work (for the purpose of this paragraph, Work means all required labor, articles, materials, supplies, Goods, and Services constituting the subject matter of this Contract) to be incorporated in aircraft where such Work is classified as, or is a service related to, Flight Safety Parts (FSP) or its equivalent, or having Critical Characteristics (CC) or its equivalent in accordance with the current revision of SSQR-01, SS9211 and/or any documents referenced therein. Seller shall maintain Aviation Products and Completed Operations Liability coverage in a minimum amount of \$50,000,000, per occurrence and, if applicable to such Work, Hangarkeepers Legal Liability coverage, including AVN52 (War Risks) coverage, in a minimum amount to replace any aircraft and related components in its care, custody, and control. Such insurance shall remain in effect for two (2) years after the expiration or termination of this Contract.

## **9. Intellectual Property Indemnification**

- a) Seller shall indemnify and hold harmless Buyer, Buyer's Customers, its 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").
- b) Seller shall not be liable for any Claim based on Seller's compliance with any Specification created by Buyer, unless: (i) Seller could have complied with Buyer's Specification using a solution that was non-infringing; or (ii) the Specification was derived from, recommended by, or provided by, Seller; or (iii) Seller knew or should have known of a Claim or potential Claim and did not promptly notify Buyer in writing.
- c) Seller 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 the Buyer's interests are affected, the Buyer shall have the right, at its own expense and without releasing any obligation of the Seller, to participate and intervene in a Claim. Buyer shall have the right to reasonably reject counsel selected by Seller. Seller shall not

enter into any settlement without Buyer's prior written consent, which shall not be unreasonably withheld.

- d) Buyer may, at Buyer's expense, supersede Seller 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 Seller's complete cooperation with Buyer in Buyer's defense of such Claim. Buyer shall not enter into any settlement without Seller's prior written consent, which shall not be unreasonably withheld.
- e) If the manufacture, use, sale, offer for sale, import, export or other exploitation of any Goods or Services is enjoined by a court, or if delivery is precluded by a government entity, or should Seller refuse to provide or supply Goods or Services to avoid a potential third party claim, Seller shall avoid any disruption to Buyer and shall (i) secure for Buyer the right to use or sell such Goods or Services; (ii) modify or replace such Goods with equivalent non-infringing Goods or Services; 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 or Services. Seller shall refund to Buyer the purchase price of any such Goods or Services that Buyer is prohibited from providing, using, selling, offering for sale, importing, exporting or otherwise exploiting.

**10. Intellectual Property Rights (for non-U.S. Government Orders)**

- a) "Background Intellectual Property" shall mean all Intellectual Property other than Foreground Intellectual Property.
- b) "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.
- c) Each Party retains its existing rights in Background Intellectual Property.
- d) 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, Seller 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 assigned to Buyer pursuant to the Order 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 and promises to assign 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.

- e) 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.
- f) Seller hereby grants and promises to grant 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.
- g) Seller hereby irrevocably waives and promises to waive 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.
- h) 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, any electronic hardware, including without limitation free hardware, designs or open source hardware design), 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, modification, distribution or conveyance of such software or electronic hardware.
- i) 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.

#### **11. Offset**

- a) Buyer may use all or any part of the value of the Order, including the value of any subcontracts placed by the Seller for the Order, for satisfying international offset obligations of Buyer, Buyer's Affiliates, or any entity that Buyer transfers such value to. Seller may use the offset credit generated by the Order or the subcontracting of the Order only upon Buyer's written approval.
- b) Seller shall support Buyer in meeting Buyer's offset requirements in proportion to the value of the Goods supplied by Seller to the value of the end item sold by Buyer into the particular country.
- c) Upon Buyer's request the Seller shall (i) report all subcontract sources outside the United States utilized in the fulfillment of this Order, including the name and location of each such source, amounts paid and committed thereto and identification of the Goods or Services procured, and (ii) require its subcontractors, including those at all lower tiers, to maintain records of the above information.

## 12. Proprietary Information

- a) 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 Seller 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 Contract. In recognition of the value of that Proprietary Information, as well as to protect Buyer's goodwill and reputation in its products, Seller agrees to the terms and conditions of this Section 12.
- b) "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 Seller, 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.
- c) Unless the Seller has received the Buyer's express written consent to the contrary, Seller 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.
- d) Seller may disclose the Proprietary Information to employees, officers, directors, labor personnel of Seller 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 Seller obligating such entity or person to treat such information in a manner consistent with the terms of this Section.
- e) The Order shall not restrict Seller 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 Seller or a third party; (ii) is received by Seller without restriction as to disclosure by Seller from a third party having a right to disclose it; (iii) was known to Seller on a non-confidential basis prior to the disclosure by the Buyer; or (iv) was independently developed by employees of Seller who did not have access to any of Buyer's Proprietary Information.
- f) If Proprietary Information is required to be disclosed pursuant to judicial process, Seller 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 Seller.

- g) Buyer shall have the right to audit all pertinent documentation of the Seller, and to make reasonable inspection of the Seller's premises, in order to verify compliance with this Section.
- h) 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 Seller or any third party.
- i) Unless required otherwise by law or the Order, Seller shall promptly return, or otherwise dispose of Proprietary Information as Buyer may direct. Absent contrary instructions, Seller shall destroy all Proprietary Information one (1) year after termination or completion of the Order and provide written acknowledgement to Buyer of such destruction.
- j) Seller 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:
  - 1) **"This document contains the property of Sikorsky Aircraft Corporation and/or its 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 Goods, 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 Sikorsky Aircraft Corporation and/or its Affiliate issuing the Order is not authorized and may result in criminal and/or civil liability."**
- k) Notwithstanding any proprietary or confidential labels or markings, all information of Seller disclosed to Buyer relating to the Order will be deemed non-confidential and the content of the Order may be disclosed by Buyer to Buyer's Affiliates or to Buyer's Customer or Buyer's subcontractors and potential subcontractors provided that Buyer's Customer or subcontractors have a need to access or know such information. Moreover, Buyer may disclose all Seller 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.
- l) Seller 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 Seller 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. Seller shall promptly notify Buyer if Proprietary Information is offered to Seller by a third party or of the suspected possession of Proprietary Information by a third party.

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

- p) For Proprietary Information exchanged in connection with the Order, the terms of this Section shall supersede any provisions regarding the protection of Proprietary Information in any other agreement between the Parties.

**13. Security for BUYER Information Stored by Seller**

- a) Buyer wishes to ensure that Seller has effective information security to ensure the secure storage and/or processing of Buyer Information (as defined below) at Seller's facility and to facilitate the exchange of information between Buyer and Seller. As used in this provision, "Buyer Information" means (i) 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").
- b) Seller agrees to install and implement security hardware, software, procedures and policies that will provide reasonable and effective information security. Seller 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.
- c) Seller further agrees to:
- 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. Seller 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. Seller shall implement those reasonable requests for modification of such policy requested by Buyer.
  - 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.
  - 3) Segregate all Buyer Information into a separate database only accessible by Buyer, its agents and those employees of Seller 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, Seller 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.

- 4) Assure that all Buyer Information and applicable software is appropriately backed up and recoverable in the event of a disaster.
- 5) Encryption Requirements. The following requirements apply when Seller 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.
  - A. Encrypt all Buyer Information stored on Seller computer systems and backup media
  - B. Encrypt all Buyer Information transferred across public networks.
  - C. Encrypt all Buyer Information stored on Seller mobile computing devices (e.g. laptop computers, cell phones/smartphones PDAs (personal digital assistants), etc.)
- 6) Not to store PII on any Seller mobile computing devices (e.g. laptop computers, PDAs (personal digital assistants), etc.)
- 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. Seller must disclose to Buyer the procedures used for those employees having access to the Buyer Information.
- 8) Provide Buyer at the time of signing the Contract with a termination plan that addresses how Buyer Information will be returned to Buyer at the termination or expiration of the Contract, including backup and archival information, and how all Buyer Information will be permanently removed from Seller'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.
- 9) Describe at the time of signing of the Contract how Seller 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.
- 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 Seller. Seller shall promptly notify Buyer upon the receipt of any request requiring that Buyer Information be supplied to a third party.

- 11) Comply, within a reasonable period of time, with Buyer Information security policies as amended from time to time.
- d) Seller shall not provide Buyer Information to any other entity without the prior written approval of Buyer, except to the extent expressly permitted under Section 12 Proprietary Information hereof. A request for Buyer approval shall include agreement by Seller 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.
- e) Should Seller fail to meet the then current standards for information security, or should Seller fail to pass a Buyer audit on information protection, then Buyer may immediately terminate the Contract and/or any Order in accordance with applicable Termination for Default without prejudice to any other rights or remedies and shall have no further obligation to Seller.
- f) The foregoing provisions do not otherwise diminish or limit Seller's obligations regarding the receipt, use, protection and/or disclosure of Buyer Proprietary Information otherwise set forth hereunder.

#### **14. Sikorsky Specific Seller Quality Clauses**

- a) For all Orders referencing these "Supplemental Clauses for Subcontracting," the provisions of the version of the "Sikorsky Aircraft Corporation Seller Quality Requirements" 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 Seller in hard copy upon written request:  
<https://lockheedmartin.com/content/dam/lockheed/data/ms2/documents/Sikorsky/sikorsky-aircraft-corporation-seller-quality-requirements.pdf>
- b) These "Sikorsky Specific Seller Quality Clauses" are hereby incorporated by reference and expressly constitute part of these "Supplemental Clauses for Subcontracting." 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 Seller's request in the event of a change.

#### **15. Subcontracting**

Seller shall be solely and fully responsible for monitoring Seller's sub-tier suppliers under all provisions of the applicable subcontracts, and for ensuring that each of its suppliers comply with the requirements set forth herein. Seller shall remain fully liable to Buyer for, and shall be Buyer's sole point of contact for, all aspects of proper performance of the Order, regardless of (i) any subcontracting, (ii) Buyer approval of the subcontractors, or (iii) Seller's failure to provide for provisions in the relevant subcontracts that comply in substance with the requirements set forth herein.

#### **16. Warranty**

Seller warrants that all Work furnished pursuant to this Contract shall strictly conform to applicable Specifications, drawings, samples, descriptions, and other requirements of



this Contract and be free from defects in design, material, and workmanship. This warranty shall begin upon final acceptance and extend for a period of two (2) years, ("Warranty Period"). If any nonconforming Goods is identified within the Warranty Period, Seller, at Buyer's option, shall promptly repair, replace, or re-perform the Goods. Transportation of replacement Goods, return of nonconforming Goods, and reperformance of Goods shall be at Seller's expense. If repair, or replacement, or reperformance of Goods is not timely, Buyer may elect to return, reperform, repair, replace, or reprocur the non-conforming Goods at Seller's expense. All warranties shall run to Buyer and its customers.