

**TERMS AND CONDITIONS OF PURCHASE**

**SUPPLEMENT 1**

**U.S. GOVERNMENT CLAUSES FOR ORDERS UNDER U.S. GOVERNMENT CONTRACTS**

**1. SCOPE, APPLICABILITY, AND PRECEDENCE.** For Orders issued under prime contracts with the United States Government (the “Government”) or subcontracts at any tier under U.S. Government contracts, in addition to the Terms and Conditions of Purchase (Regal STCP-US), each of the following Federal Acquisition Regulations (“FAR”) clauses shall apply, as required by the terms of the clause or by operation of law or regulation. The effective version of each FAR clause shall be the version in effective as of the date of this Order unless changed by Buyer. In the event of a conflict between a FAR clause set forth in this Terms and Conditions of Purchase – Supplement 1 (Regal STCP-US; SUPP1) and the Terms and Conditions of Purchase, the FAR clause shall control.

**2. APPLICABLE REVISION; DEFINITIONS.** The following FAR clauses in effect as of the date of the prime contract or subcontract at any tier are incorporated herein by reference. In all clauses listed herein, terms shall be revised to suitably identify the Party to establish Seller’s obligations to Buyer and to the Government, and to enable Buyer to meet its obligations under its Government prime contract or subcontract at any tier. Without limiting the generality of the foregoing, and except where further clarified or modified below, the term “Government” and equivalent phrases shall mean “Buyer.” The term “Contracting Officer” shall mean “Buyer’s Purchasing Representative.” The term “Contractor” or “Offeror” shall mean “Seller.” “Subcontractor” shall mean “Seller’s Subcontractor” under this Order. The term “Contract” shall mean this “Order.” For the avoidance of doubt, the words “Government” and “Contracting Officer” do not change when a right, act, authorization or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or duly authorized representative. The listed FAR clauses are incorporated in the Order as if set forth in full text unless made inapplicable by their corresponding notes, if any. If any of the following FAR clauses do not apply to this Order, such clauses are considered to be self-deleting.

<b>FAR CLAUSE</b>	<b>TITLE</b>	<b>COMMERCIAL ITEMS*</b>	<b>NOTE</b>
52.203-6	Restrictions on Subcontractor Sales to the Government		
52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions		
52.203-13	Contractor Code of Business Ethics and Conduct	<b>X</b>	
52.203-15	Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009	<b>X</b>	
52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards		
52.204-21	Basic Safeguarding of Covered Contractor Information Systems	<b>X</b>	
52.209-2	Prohibition on Contracting with Inverted Domestic Corporations -- Representation		
52.209-5	Certification Regarding Responsibility Matters		
52.209-7	Information Regarding Responsibility Matters		

52.211-15	Defense Priority and Allocation Requirements		
52.212-3	Offeror Representations and Certifications – Commercial Items		
52.219-8	Utilization of Small Business Concerns	X	
52.219-9	Small Business Subcontracting Plan		
52.219-14	Limitations on Subcontracting		
52.219-16	Liquidated Damages - Subcontracting Plan		
52.222-3	Convict Labor		
52.222-19	Child Labor		
52.222-21	Prohibition of Segregated Facilities	X	
52.222-22	Previous Contracts and Compliance Reports		
52.222-25	Affirmative Action Compliance		
52.222-26	Equal Opportunity	X	
52.222-35	Equal Opportunity for Veterans	X	
52.222-36	Affirmative Action for Workers with Disabilities	X	
52.222-37	Employment Reports on Veterans	X	
52.222-40	Notification of Employee Rights Under the NLRA	X	
52.222-41	Service Contract Act		
52.222-50	Combating Trafficking in Persons	X	
52.222-51	Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment- Requirements		
52.222-53	Exemption from Application of the Service Contract Act to Contracts for Certain Services- Requirements		
52.222-54	Employment Eligibility Verification		
52.222-55	Minimum Wages under Executive Order 13658	X	
52.223-18	Encouraging Contractor Policies to Ban Text Messaging while Driving		
52.225-1	Buy American Act- Supplies		
52.225-5	Trade Agreements		
52.225-13	Restrictions on Certain Foreign Purchases		
52.225-26	Contractors Performing Private Security Functions Outside the United States	X	
52.232-29	Terms for Financing Purchases of Commercial Items		
52.232-30	Installment Payments for Commercial Items		
52.232-40	Providing Accelerated Payments to Small Business Subcontractors	X	
52.233-3	Protest After Award		
52.239-1	Privacy or Security Safeguards		
52.244-6	Subcontracts for Commercial Items	X	

52.247-64	Preference for Privately Owned U.S.- Flag Commercial Vessels	X	

\*Clauses marked “X” in this column, per 52.244-6 (Subcontracts for Commercial Items), shall be incorporated in subcontracts for Commercial Items (as defined in Federal Acquisition Regulation 2.101, “Definitions.”).

DFAR CLAUSE	TITLE	NOTE
252.203-7002	Requirement to Inform Employees of Whistleblower Rights-	
252.204-7012	Safeguarding of Unclassified Controlled Technical Information	
252.209-7002	Disclosure of Ownership or Control by a Foreign Government	
252.225-7001	Buy American Act and Balance of Payments Program	
252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals	
252.225-7009-4	Waiver, Restriction on Ball & Roller Bearings	
252.225-7010	Commercial Derivative Military Article- Specialty Metals Compliance Certificate-	
252.225-2016	Restrictions on Acquisition of Ball & Roller Bearings	
252.225-7021	Trade Agreements	
252.225-7036	Buy American Act-Free Trade Agreements-Balance of Payments Program	
252.227-7013	Rights in Technical Data- Noncommercial Items-	
252.227-7015	Technical Data- Commercial Items-	
252.227-7037	Validation of Restrictive Markings on Technical Data-	
252.228-7001	Ground and Flight Risk	applicable if performance under Order includes delivery of component to be incorporated in an aircraft
252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System	applicable if performance under Order includes delivery of electronic parts or assemblies containing electronic parts
252.247-7023	Transportation of Supplies by Sea-	
252.247-7024	Notification of Transportation of Supplies by Sea-	
252.249-7002	Notification of Anticipated Contract Termination or Reduction	

**3. DISPUTES – GOVERNMENT CONTRACTS.** Any reference to “Disputes” in any applicable FAR Clause contained herein shall mean this Section: Disputes -- Government Contracts.

**(a)** Any dispute arising under this Order relating to any decision of the Contracting Officer under the prime contract shall be resolved in accordance with Paragraph (b) below. All other disputes will be resolved by the Dispute Resolution section in the Terms and Conditions of Purchase.

**(b)**

**(1)** Notwithstanding any other provisions in this Order, any decision of the Contracting Officer under the prime contract which binds Buyer shall bind both Buyer and Seller to the extent that it relates to this Order, provided that: (1) Buyer notifies Seller of such decision with reasonable promptness; and (2)(i) Buyer, at its sole discretion, authorizes Seller in writing the Seller to appeal in the name of the Buyer such decision at Seller's own expense, or (ii) if Buyer should appeal such decision, Buyer at its sole discretion offers to the Seller the opportunity at its own expense to join Buyer in such appeal.

**(2)** Any decision upon such appeal, when final, shall be binding upon Seller and Seller shall have no recourse against Buyer for any damages that allegedly resulted from the decision of the Contracting Officer.

**(3)** Seller shall keep Buyer informed of any appeal it makes by providing copies of all pertinent documents to Buyer.

**(4)** Seller shall indemnify and save harmless Buyer from any and all liability of any kind incurred by or imputed to Buyer under Section 5, "Fraudulent Claims," of the Contract Disputes Act of 1978, as amended, (41 U.S.C. 7103 (c)(2), Fraudulent Claims) if Seller is unable to support any part of its claim and it is determined that such inability is attributable to fraud or misrepresentation of fact on the part of Seller.

**(c)** Pending any prosecution, appeal, or final decision or settlement of any dispute arising under this Order, Seller shall proceed diligently, as directed by Buyer, with the performance of this Order.

**(d)** Nothing in this Section nor any authorization or offer that may be made shall be deemed to constitute acceptance or acknowledgment by Buyer of the validity of Seller's claim or any part thereof, nor be deemed to limit or in any way restrict Buyer from taking any actions, including available remedies, it deems appropriate to protect its own interests.

**(e)** As used in this Section, the word "appeal" means an appeal taken under the Contract Disputes Act of 1978, as amended.