

These Terms and Conditions, along with the Purchase Order incorporating or referencing these Terms and Conditions or the Purchase Order which these Terms and Conditions are attached to or accompany, and any exhibits, schedules, and other documents attached hereto, constitute the Purchase Agreement between Buyer and Seller (“this Agreement”), and in addition to the provisions set forth in the Purchase Order. Buyer and Seller agree as provided below. As used herein, the term “Buyer” refers to the Afognak Native Corporation or Alutiiq, LLC wholly owned subsidiary which issued the Purchase Order to which these Terms and Conditions relate, and the term “Owner” shall refer to the end user or customer of the entity.

### **1. Shipping/Acceptance.**

1.1 Shipping shall be F.O.B. as indicated in this Agreement. Seller must ensure that all items are preserved, packaged, packed, and marked in accordance with best commercial practices and in conformity with carrier requirements and all applicable international, federal, state and local laws and regulations. A complete packing list must be enclosed with all shipments. Unless the Prime Contract specifically provides otherwise, all risk of loss or damage to the Supplies shall remain with Seller until delivery F.O.B. destination, provided however that the risk of loss shall remain with Seller as to Supplies which are not accepted or are rejected by Buyer or the Owner.

1.2 Seller’s acknowledgment, acceptance of payment, or commencement of any part of performance, shall constitute Seller’s unqualified acceptance of this Agreement. Acceptance of this Agreement is expressly limited to these Terms and Conditions and this Agreement, and none of Seller’s terms and conditions in acknowledging or accepting this Agreement shall apply unless agreed to in writing by Buyer. Acceptance of the Supplies or Services under the Agreement shall not constitute acceptance of Seller’s terms and conditions.

1.3 Seller shall only tender for acceptance those items that conform to the requirements of the Agreement. Buyer and the Owner may inspect or test any Supplies or Services that have been tendered for acceptance. No such inspection or testing shall relieve Seller of its obligations to furnish and warrant all Supplies and Services in conformance with this Agreement. If Seller delivers non-conforming Supplies or Services, Buyer may, in addition to any other remedies available at law or equity, (i) accept all or part of such Supplies or Services at an equitable price reduction, (ii) reject the Supplies or Services at a full refund in price, or (iii) require that Seller repair or replace non-conforming Supplies or Services at Seller’s sole expense and with no increase in contract price, and Seller shall provide such repaired or replaced Supplies or Services within fifteen (15) days. The return of non-conforming Supplies, re-performance of Supplies and Services, and transportation or provision of replacement Supplies and Services, shall be at Seller’s expense. If repair, replacement, or re-performance by Seller is not timely, Buyer may elect to return, re-perform or repair, replace, or re-procure the Supplies or Services at Seller’s expense. Rejected Supplies shall be

deemed to be the property of Seller. Failure to inspect or reject one shipment shall not constitute a waiver of Buyer’s rights with respect to any other. Payment shall neither be deemed to constitute acceptance nor be a waiver of Buyer’s rights to reject any shipment or performance by Seller. Seller shall be liable for all shipping and storage costs and handling charges for quantities shipped in excess of specified quantities.

### **2. Compensation.**

2.1. Buyer shall pay Seller for the Supplies and/or Services in accordance with the prices specified in this Agreement. Unless Seller is provided a resale or tax exemption certificate, or as otherwise provided herein, such prices include all applicable international, federal, state and local taxes. Payment will only be made for items or services accepted by Buyer that have been delivered to the specified destinations.

2.2. Unless otherwise specified in this Agreement, Seller, not more than once a month, will submit to Buyer an original invoice for any amounts payable hereunder for Supplies and/or Services rendered during the prior month. The invoice will be in form and content acceptable to, and as may be reasonably specified by, Buyer and will include, without limitation, a detailed description of the Supplies and/or Services performed, the time spent by Seller in the performance of the Supplies and/or Services, and an itemization of any reimbursable expenses for such payment period. Seller will also furnish such receipts, documents and information as Buyer may reasonably request to verify any invoice submitted by Seller.

2.3. Within thirty (30) days after Buyer's receipt of each invoice, Buyer will pay Seller the amounts properly payable pursuant to such invoice; however, payments to Seller are expressly conditioned upon the receipt of payment by Buyer from the Owner. All amounts payable under this Agreement and any Task Order are denominated in United States dollars, and Buyer shall pay all such amounts in lawful money of the United States. Buyer reserves the right to withhold payment pending correction of clerical errors that are not adequately supported by documentation, or correction of other mistakes in Seller's invoices. Payment by Buyer of Seller’s invoices shall be without prejudice to Buyer’s right to audit Seller’s records to confirm the correctness of the invoices at any time.

2.4. Buyer will not reimburse Seller for expenses that have not been authorized in advance in writing by Buyer.

**3. Warranty.** The following apply in addition to any other warranties required by the Prime Contract:

3.1. Seller warrants that each item delivered hereunder shall be (a) new unless otherwise specified, (b) free from defects in materials or workmanship, (c) as to Services, performed with the highest degree of professional skill and sound practice and judgment, (d) merchantable and fit for its intended purpose, (e) free from defects in design, unless furnished pursuant to detailed designs provided by Owner or Buyer, (f) in strict compliance with all specifications, requirements or other descriptions upon which this Agreement is based, and (g) provided with clear and good title, free from all liens, chattel mortgages, conditional sales

contracts, and all other encumbrances and claims. Any third-party warranty shall be passed on or assigned as appropriate to Buyer and the Owner without charge.

3.2. Seller guarantees all Supplies and Services for a period for one (1) year from the date of first operation at final acceptance from the Buyer and/or the Owner at final destination or eighteen (18) months from date of shipment, or Seller's standard warranty period, or for a period as proposed by Seller, whichever is longer. Notwithstanding the foregoing, Seller shall comply with all terms and conditions relating to warranties which are applicable to the Seller under the Prime Contract.

3.3. Seller agrees to repair, replace or re-perform all defective or non-conforming items or work and such repair, replacement and re-performance will be made free of charge.

3.4. All warranties, both express and implied, including the above, and all guarantees, shall constitute conditions, shall survive delivery, inspection, test, acceptance, use and payment, and shall inure to Buyer and the Owner.

#### **4. Changes.**

4.1. Buyer may at any time make changes in quantity, drawings and specifications, methods of shipment and packaging, schedules, and the place of delivery as to any Supplies or Services. In such event, an equitable adjustment in price and time of performance mutually satisfactory to Buyer and the Seller will be negotiated. Any claim by Seller for an adjustment must be made in writing within thirty (30) days from date of receipt by Seller of notification of the change or suspension. Seller will not suspend performance of this Agreement while Buyer and Seller are in the process of making such changes and any related adjustments. No substitutions shall be made in the Supplies or Services without the prior written authorizations of Buyer.

#### **5. Confidentiality.**

5.1. Seller acknowledges and agrees that all Confidential Information of Buyer or its affiliates shall be treated as confidential, shall be used only for purposes of this Agreement, and no such Confidential Information shall be disclosed by Seller, its agents or personnel without the prior written consent of Buyer. Seller will deliver any and all such information in Seller's possession and all copies thereof to Buyer, at no charge, within five (5) days of either (i) Buyer's or the Owner's request or (ii) termination of this Agreement for any reason. Except to the extent otherwise required by applicable law or professional standards, Seller's obligations under this Section do not apply to information that (a) is or becomes generally available to the public other than as a result of disclosure by Seller, (b) was known to Seller or had been previously possessed by Seller without restriction against disclosure at the time of receipt thereof by Seller, (c) was independently developed by Seller without violation of this Agreement or (d) Buyer and Seller agree in writing from time to time to disclose.

5.2. If Seller is required by applicable law or regulation, or receives a subpoena or other validly issued administrative or judicial demand, or receives a request necessary for the administration of a U.S. Government Prime Contract from a federal representative authorized to make such request, requiring Seller to disclose Buyer's confidential information, Seller shall provide prompt written notice to Buyer of such demand in order to permit Buyer to seek a protective order or otherwise protest the disclosure. So long as Seller gives notice as provided herein, Seller shall thereafter be entitled to comply with such demand to the extent permitted by law, subject to any protective order or the like that may have been entered in the matter.

5.3. If applicable, this Agreement shall not limit any Seller use of information that the Government owns or has a right to use on the Seller's direct contracts with the Government.

5.4. For the purposes of this Section 5, "Confidential Information" shall mean shall mean all information that may be disclosed to Seller by Buyer whether in written, oral, electronic, website-based, or other form, or whether received visually, including information which is known to be or which in context and due to the nature of the information may be reasonably expected to be (1) originated by or otherwise peculiarly within the knowledge of Buyer or its affiliates, and (2) currently protected by Buyer or its affiliates against unrestricted disclosure to others. Confidential Information shall include, but not be limited to, and whether technical or non-technical and tangible or intangible, and whether relating to Buyer or its affiliates, any and all trade secrets, tax and financial information, product and roadmap information, marketing plans, financial/pricing information, customer and vendor related data, services/support, business and contractual relationships, business forecasts, other business information, staffing information, cost and pricing information, strategies, products, processes, methods, ideas, concepts, discoveries, designs, drawings, plans, notes, works of authorship, specifications, techniques, practices, models, samples, diagrams, source code and other code, software, programs, know-how, technical data, research and development, charts, readings, logs, interpretations, extractions, mappings and integrations, production data, test data, log data, images, plots and formulae, inventions, and patent disclosures. "Affiliates" shall mean associated business concerns or individuals which, directly or indirectly, control, are controlled by, or under common control with Buyer, and specifically includes Afognak Native Corporation and its direct and indirect subsidiaries and their joint ventures and associated business concerns, and Alutiiq, LLC and its direct and indirect subsidiaries and their joint ventures and associated business concerns.

#### **6. Intellectual Property.**

6.1 Intellectual property developed under this Agreement shall remain the property of the originating Party. In the event of joint development, the Parties shall establish their respective rights in the intellectual property by negotiations between the Parties. Each Party shall grant to the other Party the right to use its intellectual property necessary to effect the purposes of this Agreement.

**7. Personnel**

7.1. Personnel will at all times be considered employees or agents of the party providing such personnel and will not for any purpose be considered employees or agents of the other party. Each party shall assume full responsibility for the actions or inactions of the personnel it provides, and shall be solely responsible for the supervision, direction, control, salaries, workers' compensation coverage, disability and other insurance, benefits, and all other obligations required by law relating to its personnel.

7.2. Seller will certify that all personnel and employees performing under this Agreement are U.S. Citizens or are duly authorized to perform on a U.S. Federal Installation, and shall comply with all U.S. Federal Installation access requirements.

7.3. During the term of this Agreement and for one year following termination of this Agreement for any reason, Seller shall not solicit for employment employees of Buyer who have been directly involved in the Supplies and/or Services covered by this Agreement, unless (i) Buyer has given its written consent, (ii) the employee has voluntarily terminated from Buyer more than six (6) months previously or (iii) notice of termination has been given to the employee by Buyer and the termination was not mandated by the Government.

7.4. Seller and its employees, agents, and representatives shall cooperate with Buyer in responding to any actual or threatened governmental proceeding or investigation, including, but not limited, actions relating to health and safety or environmental issues. Seller shall allow Buyer reasonable access to Seller's employees, agents, and representatives for purposes of investigating or defending any actual or threatened governmental proceeding or investigation.

**8. Insurance.** The following shall apply only if Seller's employees, Suppliers, or other person's under Seller's control are to perform services of any nature at the place or jobsite where Supplies or Services described herein are to be used, installed, or performed pursuant to the Agreement, or any place deemed to be under the Owner's control:

8.1 Seller will maintain such insurance policies as may be sufficient to protect Seller against all applicable risks, both generally and specifically with respect to the provision of the Supplies and/or Services pursuant to this Agreement, and at such levels and types of insurance coverage which may be specified by Buyer in the Purchase Order, including but not limited to, when appropriate, Workers Compensation, General Liability, Automobile, and Errors and Omissions Insurance.

8.2 Additional Insured - The following shall be listed as Additional Insured's on each required policy save Workers' Compensation: The Owner, Buyer, Alutiiq, LLC and Afognak Native Corporation, including all agents, assigns, subsidiaries, Suppliers, employees, and volunteers. The Seller shall continue to name the Owner, Buyer, Alutiiq, LLC and Afognak as Additional Insured's on all applicable policies for two years after the completion of "your work" for Personal Injury, Bodily Injury and Property Damage arising out of, or as a result of, "your work."

8.3 Primary and Non-Contributory - Coverage shall be primary to the Additional Insureds, and not contributing with

any other insurance or similar protection available to the Additional Insureds, whether the other available coverage is primary, contributing or excess.

8.4 Cancellation Notice - For all insurance policies, as described above, Seller shall provide at least thirty (30) days advance written Notice of Cancellation or Non-Renewal, sent to: Buyer, Attn: Risk Management, 3909 Arctic Blvd., Suite 500, Anchorage, Alaska 99503, or emailed to riskmanagement@alutiiq.com. All insurance certificates for policies as described above, shall state "should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions."

8.5 Waiver of Subrogation - Seller and Buyer shall have no liability to one another, or to any insurer, by way of subrogation or otherwise, on account of any loss or damage regardless of whether such loss or damage is caused by the negligence of Seller or Buyer, arising out of any of the perils or casualties insured against by the insurance coverage carried, or required to be carried, by the parties pursuant to this Agreement. The insurance coverage obtained by Seller and Buyer pursuant to this Agreement shall permit waivers of subrogation which the insurer may otherwise have against the non-insuring party. In the event the policy or policies do not allow waiver of subrogation prior to loss, either Seller or Buyer shall, at the request of the other party, deliver to the requesting party a waiver of subrogation endorsement in such form and content as may reasonably be required by the requesting party or its insurer.

**8.6 Certificates of Insurance:** Seller shall provide Buyer with two (2) Acord 25 (2010/05) Form Certificates of Insurance for the coverages listed herein no later than 7 days after the issuance of the Purchase Order. The Certificates of Insurance shall be sent to RiskManagement@alutiiq.com. Seller shall provide Buyer with certificates of insurance and other supporting materials as Buyer may reasonably request to verify Seller's continuing compliance with this Agreement.

8.7 **Continuation of Coverage:** If any of the above coverages expire during the term of this Agreement, Seller shall deliver renewal certificate and/or policies to Buyer at least ten (10) days prior to the expiration date.

8.8 **Contractors.** Seller shall bind its permitted agents, third-party service providers, vendors, consultants, contractors and subcontractors at any tier to the same insurance policy limits and coverage which Seller assumes towards Buyer, and shall provide evidence of such coverage to Buyer.

8.9 **Property Damage.** Seller will be liable for all loss or damage, other than ordinary wear and tear, to Buyer's property in Seller's possession or control. In the event of any such loss or damage, Seller will pay Buyer the full current replacement cost of such equipment or property within thirty (30) days after its loss or damage.

**9. Termination.**

9.1 Buyer may terminate or cancel this Agreement, in whole or in part, at any time for its convenience, further performance of all or any separable part of this Agreement by written notice to Seller. On the date of such termination or cancellation stated in said notice, Seller will discontinue all work pertaining to this Agreement, place no additional

orders and preserve and protect materials on and purchased for or committed to this order, work in progress, and completed work both in its own and in its supplier's plants pending Buyer's instructions.

9.2 Either party may terminate this Agreement upon the other party's material breach of this Agreement, provided that (i) the non-breaching party sends written notice to the breaching party describing the breach in reasonable detail, (ii) the breaching party does not cure the breach within three (3) days following its receipt of such notice, and (iii) following the expiration of the 3-day cure period, the non-breaching party sends a second written notice to the breaching party indicating the non-breaching party's desire to terminate this Agreement.

9.3 This Agreement may be terminated immediately upon written notice by either party if the other party (i) becomes insolvent or involved in a liquidation or termination of its business, (ii) is generally not paying its debts as they become due, (iii) commences any proceedings relating to such party under any federal or state law relating to bankruptcy, insolvency, reorganization or similar laws, (iv) applies for the appointment of a trustee, liquidator or receiver of any part of its assets, (v) has a proceeding commenced against it relating to the appointment of a trustee, liquidator or receiver or pursuant to any proceedings under any federal or state law relating to bankruptcy, insolvency, reorganization or similar laws (if not dismissed within 30 days of filing), (vi) becomes involved in an assignment for the benefit of its creditors, (vii) becomes adjudicated bankrupt; or (viii) defaults on payment obligations owed to other business or teaming partners of Buyer.

#### **10. Effect of Termination.**

10.1 If this Agreement is terminated pursuant to and in accordance with Section 9, unless otherwise specifically provided in the applicable Agreement, upon delivery of a notice of termination (a) the parties shall cooperate to effect an orderly, efficient, effective and expeditious termination of their respective activities under this Agreement; (b) Seller shall return to Buyer any and all items delivered by Buyer to Seller; (c) Seller shall reimburse Buyer for any prepaid expenses not incurred prior to delivery of the notice of termination; and (d) the parties' respective rights and obligations under Sections 6, 7, 8, 10, 18, 20, and 28 of this Agreement, as well as any other provision that is necessary for the enforcement or interpretation of this Agreement, or that imposes an obligation following the termination or expiration of this Agreement, shall survive.

10.2 If Seller is not in default hereunder, Seller shall be paid by Buyer for that portion of the Supplies and/or Services actually performed and for documented expenses incurred by Seller and authorized by Buyer prior to delivery of the notice of termination, provided, however, that Buyer shall not be held liable for any other damages, including any loss of anticipated profits.

10.3 If Seller terminates this Agreement for any reason other than a payment default by Buyer hereunder, or if Seller is otherwise in breach or default of this Agreement for any reason, Buyer may withhold payments otherwise due hereunder, procure substitute Supplies and/or Services from third-party vendors, seek damages from the Seller, and/or

proceed against Seller in a court of competent jurisdiction for any and all other remedies available in equity or at law, all of which shall be deemed direct damages recoverable by Buyer.

10.4 In furtherance of and not in limitation of the foregoing, upon termination or expiration of this Agreement, Seller shall return all documents, reports, files, programs, access badges, and any other materials used in the performance of the Supplies and/or Services. This requirement expressly includes Seller's obligation to deliver in electronic format all materials related to the work, including spreadsheets, e-mails, presentations, photos, or other electronic documents or media.

**11. Limitation of Liability.** Except as otherwise expressly allowed to be recovered by Buyer under this Agreement (including but not limited to the damages allowed to be recovered under Section 10.3) in no event shall either Seller or Buyer be liable to the other for any punitive, exemplary, special, indirect, incidental or consequential damages (including, but not limited to, lost profits or lost business opportunities) arising out of or relating to this Agreement, regardless of the legal theory under which such damages are sought, and even if the parties have been advised of the possibility of such damages or loss. However, the prohibition on recovering consequential damages in this Section shall not apply to consequential damages that may be imposed upon Buyer by any Prime Contract to which this Agreement relates, which are attributable to Seller.

**12. Liquidated Damages.** Notwithstanding Section 11 of this agreement (Limitation of Liability) Buyer shall be entitled to recover against Seller any liquidated damages assessed against Buyer that are attributable to any failure of Seller to deliver Supplies and/or provide Services pursuant to this Agreement according to the applicable schedule for delivery of such Supplies and/or performance of such Services. Buyer and Seller recognize that such damages might otherwise be deemed to be consequential.

**13. Compliance with Laws.** Seller will (a) pay for all local, state and federal income tax and other withholding relating to Seller's compensation, (b) pay all social security, unemployment, disability and other taxes as required under local, state and federal laws, (c) provide all worker's compensation and other insurance relating to Seller's performance under this Agreement, (d) obtain and pay for all required permits and licenses, and pay all fees or other required charges, and (e) comply with all local, state and federal laws, ordinances, regulations, directives, authorities, and orders with respect to its performance of the Supplies and/or Services including but not limited to laws pertaining to employment, health and safety and any and all laws applicable to performance of the Supplies and/or Services. Seller will provide Buyer with such documents and other support materials as Buyer may reasonably request to evidence Seller's continuing compliance with the provisions of this Section. Seller's violation of this Section 13 is considered a material breach of this Agreement.

**13.1 Corrupt Practices.**

(i) Buyer and Seller shall comply with the federal Foreign Corrupt Practices Act, 15 U.S.C. §78dd-2, any other applicable anti-bribery and anti-corrupt practices laws and regulations, and Buyer's FCPA Policy in connection with this

Agreement. Notwithstanding any other provision of this Agreement, any violation of the FCPA, Buyer's FCPA Policy, or any applicable law or regulation regarding bribery or corrupt practices by the Seller is a material breach of this Agreement, the Seller shall have no right to cure such breach, and such breach shall (1) provide Buyer with cause to terminate the contractual relationship and (2) cause a forfeiture of any payments still owing under the terms of this Agreement. Seller shall indemnify and defend Buyer for any breach by Seller of the FCPA, Buyer's FCPA Policy, or any applicable law or regulation. Seller will advise Buyer in writing of the retention and identity of any agents, contractors, vendors, consultants, partners, venturers and lower-tier Suppliers, and Seller and all such agents, contractors, vendors, consultants, partners, venturers and lower-tier Suppliers will consent to and cooperate in any due diligence which Buyer believes is appropriate to facilitate Buyer's FCPA Policy. Seller will immediately identify to Buyer any employees, agents, affiliates, contractors, vendors, consultants, partners, venturers and lower-tier Suppliers of Seller that is a foreign official. Seller shall keep accurate records of all contacts, communications and transactions involving foreign officials, and will make available to Buyer such records.

(ii) If this Agreement involves work in or relating to a foreign country or which may result in contact with a foreign official, the following provisions are applicable: (1) Seller must certify annually to Buyer that Seller has not violated the FCPA; (2) Buyer may continue throughout the term of this Agreement to conduct due diligence of Seller regarding compliance with the FCPA; and (3) in any event every three years Buyer will conduct full due diligence in accord with its FCPA Policy to re-qualify Seller as in compliance with the FCPA and the FCPA Policy.

(iii) For the purposes of this Section, "foreign official" means any officer or employee of a foreign government or any department, agency, or instrumentality thereof, or of a public international organization, or any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality, or for or on behalf of any such public international organization. The definition also includes spouses and other immediate family members of foreign officials. In addition, "instrumentality" includes a state-owned or controlled company.

**14. Non-Waiver of Rights.** The failure of either party to insist upon performance of any provision of this Agreement, or to exercise any right, remedy or option provided herein, shall neither be construed as a waiver of the right to assert any of the same or to rely on any such terms or conditions at any time thereafter, nor in any way affect the validity of this Agreement.

**15. Severability.** If any covenant, condition, term, or provision contained in this Agreement is held or determined to be invalid, illegal, or unenforceable in any respect, in whole or in part, such covenant, condition, term, or provision shall be severed from this Agreement, and the remaining covenants, conditions, terms and provisions contained herein shall continue in force and effect, and shall in no way be affected, prejudiced or disturbed thereby.

**16. Priority; Conflicting Provisions.** This Agreement is subject to any Prime Contract (including any task order, directive or other instrument issued under or pursuant to the Prime Contract) to which this Agreement relates, and in the event of any conflict between this Agreement and the Prime Contract, the Prime Contract shall control. This Agreement and any attachments hereto are intended to be read and construed in harmony with each other, but in the event any provision in any attachment conflicts with any provision of this Agreement, then this Agreement shall be deemed to control, and such conflicting provision, to the extent it conflicts, shall be deemed removed and replaced with the governing provision herein. In the event and to the extent of a conflict between these Terms and Conditions and the Purchase Order to which these Terms and Conditions relate, the Purchase Order shall govern.

**17. Assignment.** Seller shall not sell, assign, transfer, or otherwise convey by contract, operation of law (including by merger or other sale of control) or otherwise any of its rights or delegate any of its duties under this Agreement without the prior written consent of Buyer.

**18. Applicable Law.** If this Agreement is issued pursuant to a U.S. Government Prime Contract, the federal law of government contracts shall apply to the fullest extent applicable. To the extent that federal law does not resolve a particular issue, this Agreement shall be governed by and construed under the laws of the State of Alaska, without regard to its laws relating to conflict of law. Any action relating to this Agreement and the Supplies and/or Services performed hereunder shall be limited to the state and federal courts located in Anchorage, Alaska, and the parties consent to the jurisdiction and venue of said courts.

**19. Interpretation.** The captions and headings used in this Agreement are solely for the convenience of the parties, and shall not be used in the interpretation of the text of this Agreement. Each party has read and agreed to the specific language of this Purchase Agreement and has had the opportunity to discuss this Purchase Agreement with their respective legal counsel; therefore no conflict, ambiguity, or doubtful interpretation shall be construed against the drafter.

**20. Indemnification and Hold Harmless.**

20.1 Seller will indemnify, defend and hold harmless (i) Buyer and its former and current, direct and indirect parent(s), (ii) the respective former and current, direct and indirect subsidiaries, affiliates, partners, and related companies and businesses of the entities listed in (i), and (iii) each of the respective former and current owners, members, shareholders, officers, directors, partners, representatives, agents, employees, insurers and reinsurers, attorneys, successors and assigns, both individually and in their business capacities, of the entities listed in (i) and (ii) (each in (i), (ii) and (iii) an "Indemnified Party"), from and against all liabilities, losses, damages, property damage, injuries (including, but not limited to, death and bodily injury), claims, demands, suits and proceedings (including but not limited to civil, criminal, administrative and investigative), causes of action, penalties, fines, fees, costs and expenses, including

attorneys' fees and costs, of whatever nature, and whether arising by way of common law, statute, contract, tort or by any other means or bases (individually a "Claim" and collectively the "Claims"), to the extent arising out of or resulting from, in whole or in part by, (1) any breach of this Agreement by Seller; (2) any act, omission, negligence (ordinary, gross or otherwise), willful misconduct or fault of Seller, its agents, third-party service providers, vendors, consultants, contractors or subcontractors at any tier, licensees, invitees or permittees, anyone directly or indirectly employed by any of the foregoing, or anyone for whom any of the foregoing may be liable, including but not limited to any violations or liability arising out of any environment, health and safety or any other law, ordinance, regulation or order; (3) any inaccuracy in the representations and warranties made by Seller under this Agreement; (4) any infringement or misappropriation of any patent, copyright, trade secret, trademark or other intellectual property right by the Supplies and/or Services or results or any other work product or materials created or furnished by Seller under this Agreement; (5) any injuries to employees of Seller; or (6) any claims by employees of Seller that they are entitled to the benefits of employment by Buyer.

20.2 Without in any way limiting the foregoing Section 20.1, Seller will indemnify, defend, and hold harmless Buyer and every other Indemnified Party and their property, free and clear of (i) any liens, claims, assessments, fines, levies and/or stop notices ("*Liens*") asserted by or resulting from the actions or inactions of Seller's employees, agents, sub-contractors, suppliers, vendors, or materialmen, (ii) any Liens asserted by any other third party as a result of Seller's performance of this Agreement, and (iii) any Liens based on overdue or other deficient handling of charges for labor, equipment and/or materials by Seller. Buyer may, in its sole discretion, pay and discharge any Liens or overdue charges for Seller's sub-contractors, suppliers, vendors, or materialmen, equipment and/or materials under or otherwise in conjunction with this Agreement and may thereupon deduct the amount or amounts so paid by Buyer from sums due or which thereafter become due to Seller hereunder.

Seller shall indemnify, defend (with counsel acceptable to the other party) and hold harmless Buyer and the other Indemnified Parties related to Buyer from and against any Claim to the extent arising out of or resulting from, in whole or in part, any security breach, cyber-crime, cyber fraud, data breach, loss of access, business interruption, or information system breach or hack (collectively "*Security Breach*") arising out of or relating to the performance of this Agreement by Seller or its agents, third-party service providers, vendors, contractors or subcontractors at any tier, licensees, anyone directly or indirectly employed by any of the foregoing, or anyone for whom any of the foregoing may be liable, including without limitation:

(i) expenses incurred to provide warning or notice to the Indemnified Party's employees, law-enforcement agencies, regulatory bodies or other third parties; (ii) expenses incurred to investigate, assess or remediate a Security Breach and/or any privacy laws or regulations; (iii) expenses incurred to hire any public relations consultants to respond to a Security Breach; (iv) expenses incurred to provide credit monitoring services to individuals affected by a Security Breach; (v) expenses incurred to retain a call center to respond to inquiries regarding a Security Breach; (vi) fines, penalties or recovery amounts; and (vii)

expenses incurred to respond or address any investigation by law-enforcement agencies, regulatory bodies or other third parties.

Seller shall, no later than 72 hours after receiving notification of a Security Breach, report each and every such Security Breach and all information Seller has about the Security Breach to Customer by e-mail Eileen Mann, VP Risk Management, at [emann@afognak.com](mailto:emann@afognak.com). After the initial report of the Security Breach, Seller shall continue to report to Buyer any additional information about the Security Breach within 24 hours after receipt of such information by Seller. At the request of Buyer, Seller shall communicate with the source of the notification of the Security Breach, including any Hosting Service Provider, regarding the nature and extent of the Security Breach, any breach or loss of Buyer's data, and any actions taken in response to the Security Breach, and Seller shall forward any response to Buyer within 24 hours after receipt by Seller.

21. **Multiple Copies or Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement shall not be effective until the execution and delivery between each of the parties of at least one set of counterparts. Facsimile or electronic signatures will have the same legal effect as original signatures and may be used as evidence of execution

22. **Notices.** All notices or other written communication required or permitted to be given under any provision of this Agreement shall be deemed to have been given by the notifying party if mailed by certified mail, return receipt requested, to the receiving party addressed to its mailing address set forth in this Agreement, or such other address as a party may designate in writing to the other party. Additionally, notices sent by any other means (U.S. mail, facsimile, overnight delivery, courier, electronically or otherwise) may be acceptable subject to written confirmation of both the transmission and receipt of the notice.

23. **Relationship of Parties.** Seller will at all times be an independent contractor of Buyer in connection with the performance of the Supplies and/or Services as set forth in this Agreement. Seller will (a) not enter into any contract, agreement or other commitment, or incur any obligation or liability, in the name or otherwise on behalf of Buyer; (b) not be entitled to any workers' compensation, pension, retirement, insurance or other benefits afforded to employees of Buyer; and (c) retain full control over the manner, methods and details by which it performs the Supplies and/or Services. This Agreement will not be construed to create a partnership, joint venture, agency relationship or employment relationship between Seller and Buyer.

24. **Third Party Beneficiaries.** This Agreement does not create, and shall not be construed as creating, any rights or interests enforceable by any person not a party to this Agreement.

25. **Waiver or Modification.** This Agreement may not be modified, and no part or parts hereof waived, except by an instrument in writing specifically referencing this Agreement

and signed by both parties hereto. However, the parties agree to negotiate in good faith to modify or amend this Agreement as necessary in order to comply with the provisions of the applicable Prime Contract or any change thereto.

**26. Entire Agreement.** This written Agreement contains the entire understanding and agreement of the parties. No prior or contemporaneous statement or representation, whether oral or written, has been relied upon by the parties, except as expressly stated herein.

**27. Time of Essence.** Time is the essence in every term, covenant and condition of this Agreement.

**28. Disputes.**

Any and all claims, controversies, or disputes arising out of or relating to this Agreement, including without limitation, any claim, controversy, or dispute concerning any threatened, alleged, or actual breach of this Agreement or any determination, negotiation, or agreement reached by the Parties under this Agreement (each a "**Dispute**"), shall be resolved exclusively as set forth in this Section 28.

(a) The Dispute shall first be submitted in writing to a designated representative of each Party, and such designated representatives shall attempt to resolve the Dispute within thirty (30) days of such submittal.

(b) If the designated representatives are unable to resolve the Dispute within the 30-day period provided in Subsection (a) and either Party wishes to continue to pursue the Dispute, that Party shall submit the Dispute in writing to a designated company officer of each Party for resolution, and such officers shall attempt to resolve the Dispute within thirty (30) days of such submittal. The parties agree to negotiate in good faith to reach a mutually agreeable resolution of such dispute within a reasonable period of time.

(c) If good faith negotiations among the designated company officers are unsuccessful within the 30-day period provided in Subsection (b), the parties agree to resolve the dispute by binding and final arbitration. The arbitration shall be conducted by a single arbitrator selected by the agreement of the parties. The arbitrator shall be a person who is legally trained and is independent of either party. If the parties are unable to agree upon an arbitrator, each party shall select one person with the qualifications set forth in the immediately preceding sentence, and the two persons so chosen shall agree upon a third person who shall be the arbitrator for the Dispute. The arbitrator shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The parties shall bear equally the cost of arbitration, provided, however, that each party shall bear its own legal fees with respect to the arbitration unless otherwise specifically provided for in this Agreement. The arbitrator shall be bound to follow the provisions of this Agreement in resolving the dispute, but shall not be empowered to award damages (such as punitive or exemplary damages) in excess of actual damages. The decision of the arbitrator shall be final and binding on the parties, and any award of the arbitrator may be entered or enforced in any court of competent jurisdiction. Venue for arbitration shall be Anchorage, Alaska, at a site mutually agreed to by the

parties.

(d) Any arbitration pursuant to this Section 28 may be joined or consolidated with any arbitration involving any other person or entity (i) necessary to resolve the Dispute, or (ii) substantially involved in or affected by such Dispute. Both Buyer and Seller will include appropriate provisions in all contracts they execute with other parties in connection with the Services to require such joinder or consolidation.

(e) The prevailing party in any arbitration, court proceeding or any other final, binding dispute proceeding upon which the parties may agree, shall be entitled to recover from the other party an award of its actual reasonable attorneys' fees and expenses incurred by the prevailing party. For purposes of this Agreement, the prevailing party shall be determined based upon an assessment of which party's arguments or positions could fairly be said to have substantially prevailed over the other party's arguments or positions (whether affirmatively or by means of a successful defense) with respect to those claims having the greatest value or importance, as reasonably determined by the arbitrator or court. Such assessment should include evaluation of the following: the primary issues disputed by the parties; the amount of the net recovery, taking into account any offsets or counterclaims pursued (successfully or unsuccessfully) by the other party; whether the amount of the award comprises a high percentage of the amount of money sought by the claimant; and the most recent settlement positions of the parties. If no party is a "prevailing party" within the meaning of the foregoing, then no party will be entitled to recover its attorneys' fees and expenses from the other party.

(f) Any claims of Seller arising as a result of direction given by the government and which may properly be submitted for a decision of the government under the Disputes Clause of the Prime Contract shall be resolved exclusively by Buyer forwarding such claim to the government for decision, provided that Buyer can comply with any certification requirements applying to such claim and provided further that Buyer decides, in its sole discretion, that such a claim is warranted. The Government's decision on such claim shall be final, conclusive and binding upon Seller.

**FEDERAL GOVERNMENT ORDERS**

**The following Sections 29 through 33 apply to all Federal government orders, in addition to all Terms & Conditions set out above.**

**29. Organizational Conflict of Interest.**

a. For purposes of this clause, an organizational conflict of interest (OCI) means that a relationship exists whereby Seller has past, present, or potential subcontracts or financial interest that either directly or indirectly relate to the work to be performed under the Prime Contract, and which (1) may diminish its capacity to give impartial, technically sound, objective assistance and advice, or (2) may result in it being given an unfair competitive advantage. It does not include the normal flow of benefits from incumbency.

b. The Seller warrants that, to the best of its knowledge and belief, there are no relevant facts or circumstances concerning any past, present, or potential contracts or financial interests relating to the work to be

performed, which could give rise to an OCI as defined above, or that any actual or potential OCI with respect to the work to be performed under Contract has been communicated in writing to the point of contact for contractual matters identified in this Contract.

c. The Seller agrees that if any actual or potential OCI arises after award, with regard to any task order or modification thereto, the Seller will make a full disclosure in writing to the point of contact for contractual matters. This disclosure shall include a description of actions the Seller has taken or proposes to take, after consultation with the point of contract for contractual matters, to avoid, mitigate, or neutralize the actual or potential conflict.

d. This clause shall be included in any subcontracts awarded under this Agreement.

**30. Tax Deficiencies.** Seller represents and warrants that:

(1) It has not been notified, within a three-year period preceding this contract, of any delinquent Federal taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied; (2) It has filed or obtained extensions for all required Federal tax returns and reports; and (3) It shall immediately notify Buyer in writing of any delinquent Federal tax obligation, the filing of any tax lien or a failure to file or obtain an extension for any required Federal tax obligation or report.

**31. Intellectual Property.** Notwithstanding anything to the contrary in this Agreement, and to the extent required by the Prime Contract all Supplies, Services, designs, drawings, specifications, notes and other works developed in the performance of this Agreement shall, as appropriate, (1) be provided with unlimited rights to the US government, or (2) become the sole property of the Owner and may be used by the Owner on any other design or project without additional compensation to the Supplier.

Seller: \_\_\_\_\_

Authorized Agent: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**32. Export Control.** Seller represents that it is a US firm incorporated under US law. Seller agrees to comply with all applicable U.S. export control laws and regulations, specifically including, but not limited to, the requirements of the Arms Export Control Act, 22 U.S.C.2751-2794, including the International Traffic in Arms Regulation (ITAR), 22 C.F.R. 120 et seq.; and the Export Administration Act 50 U.S.C app. 2401-2420, including the Export Administration Regulations, 15 C.F.R. 730-744; including the requirement for obtaining any export license or agreement, if applicable. Without limiting the foregoing, Seller agrees that it will not transfer any export controlled item, data, or services, to include transfer to foreign persons employed by or associated with, or under contract to Seller or Seller’s lower-tier suppliers, without the authority of an export license, agreement, or applicable exemption or exception. Seller shall immediately notify Buyer if Seller is, or becomes, listed in any Denied Parties List of if Seller’s export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. Government entity or agency.

**33. Flow-Down Clauses.** Federal Acquisition Regulation and Agency level clauses applicable to this Purchase Order are provided in Attachment A to these Terms and Conditions.

**34. E-Verify Compliance.** Seller represents, warrants and covenants that it is in compliance with the requirement of FAR 52.222-54, Employment Eligibility Verification, as applicable to this Seller, and acknowledges that it must comply with the obligations arising from FAR 52.222-54 to include its provisions in lower tier subcontracts.

Buyer: [SUBSIDIARY NAME]

By: \_\_\_\_\_, Authorized Buyer

Signature; \_\_\_\_\_

Date: \_\_\_\_\_