SUPPLEMENTAL TERMS & CONDITIONS FOR ARES I FIRST STAGE

NOTE: THIS SUPPLEMENT IS TO BE USED IN ADDITION TO ORBITAL ATK FORM TC-1. THIS SUPPLEMENT SHOULD NOT BE USED IN A STAND-ALONE CAPACITY.

Terms and Conditions Index:
Section 1 GENERAL PROVISIONS
Section 2 FAR PROVISIONS
Section 3 NASA FAR SUPPLEMENT (NFS) PROVISIONS

1. GENERAL PROVISIONS

1.1 HUMAN SPACE FLIGHT ITEM (NFS 1852.246-73)

The following statement in all subcontracts and purchase orders placed by it in support of this contract, without exception as to amount or subcontract level:

"FOR USE IN HUMAN SPACE FLIGHT; MATERIALS, MANUFACTURING, AND WORKMANSHIP OF HIGHEST QUALITY STANDARDS ARE ESSENTIAL TO ASTRONAUT SAFETY.

IF YOU ARE ABLE TO SUPPLY THE DESIRED ITEM WITH A HIGHER QUALITY THAN THAT OF THE ITEMS SPECIFIED OR PROPOSED, YOU ARE REQUESTED TO BRING THIS FACT TO THE IMMEDIATE ATTENTION OF THE PURCHASER."

1.2 SUBMISSION OF SAFETY PLANS AND SAFETY NOTIFICATIONS

If NFS Clause 1852.223.70 (see Section 2.3 of TC-1), entitled SAFETY AND HEALTH, is applicable to this Contract:

(a) Safety plans meeting the requirements of all local, state and federal laws and regulations shall be submitted to:

Orbital ATK Flight Systems
Industrial Safety, M/S A91
P.O. Box 707
Brigham City, UT 84302-0707

(b) The date(s) and result(s) of any safety audit and/or inspection performed during the period of performance of this Contract by local, state or federal agencies shall be available for review by Orbital ATK as requested.

(c) Any accident, incident or exposure resulting in fatality, lost-time occupational injury, occupational disease contamination or damage of property or parts which may affect the performance of this Contract shall be reported to:

Orbital ATK Flight Systems
Manager, SCM, M/S T40
P.O. Box 707
Brigham City, UT 84302-0707
FAX Number (801)863-3848

Reports shall include:

(1) FAX/Email/Telephone Report (within eight working hours of occurrence)
   a. Date and location of occurrence.
   b. Number and status of personnel involved.
   c. Purchase order, part number, nomenclature, and serial/lot number.
   d. Status of purchase order hardware.
   e. Damage to manufacturing capability.
   f. Expected effect on schedule and operations.

(2) Five-Day Documented Report
   a. May be reported by submission of a copy of federal/state/insurance carrier's report form.
   b. Update FAX/telephone report information. The same format may be used.

(3) 21-Day Resolution Report
   This report shall contain all pertinent information contained in the five-day documented report and the following:
   a. Narrative of accident/incident.
   b. Results of analysis including laboratory tests.
   c. Findings and causes of accident/incident.
   d. Action taken to prevent recurrence.
   e. Effect on schedule and operations.
   (d) Unless otherwise stated in the schedule of this Contract any reference in the clause to the schedule of the contract shall be construed as the requirements imposed as of the date of this Contract by federal, state and local laws applicable to safety and health.

(e) Any reference in the clause to ‘Contracting Officer’ mean the government contracting officer(s) for the Contract or authorized representative, the cognizant Orbital ATK Procurement Representative or any authorized representative of Orbital ATK.

(f) Any reference to STW7-2633 in the Procurement Data List any other document contained in this Contract is hereby deleted and superseded by this clause.

1.3 SAFETY REPORTING

When Clause 1.2 does not apply, the following reporting requirement applies.

Any accident, incident or exposure resulting in fatality, lost-time occupational injury, occupational disease contamination or damage of property or parts which may affect the performance of this Contract shall be reported to the cognizant Orbital ATK Procurement Representative or Manager of Procurement. For Orbital ATK Aerospace Systems, the contact is:

Orbital ATK Flight Systems
Manager, SCM, M/S T40
P.O. Box 707
Brigham City, UT 84302-0707
FAX Number (801)863-3848

1.4 HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA

Five days prior to shipment of hazardous material as defined by the latest version of Federal Standard No. 313, the CONTRACTOR shall mail one copy of OSHA Form 20 or 174, Material Safety Data Sheet, to:

Orbital ATK Flight Systems
Industrial Hygiene, M/S A91
P.O. Box 707
Brigham City, UT 84302-0707

CONTRACTOR shall provide to Orbital ATK an OSHA Form 20 or 174 for each hazardous material being shipped. OSHA Form 20 or 174 shall include Orbital ATK stock number or the material specification number as defined in this Contract. FAR 52.223-3 is incorporated in this Contract by reference and applies as if fully set forth herein. The packaging, labeling, and shipping of all HAZARDOUS SUBSTANCES must conform with all current local, federal and state laws and regulations. In addition to application of proper shipping labels on the outside container, each container of HAZARDOUS SUBSTANCE shall be marked with the appropriate precautionary label according to the Code of Federal Regulations. Any failure to comply with the above submission requirement shall be grounds for withholding payments due the CONTRACTOR hereunder.

1.5 PACKAGING, PACKING, MARKING, HANDLING, AND SHIPPING (PPMH&S)

The CONTRACTOR shall comply with the following requirements, as applicable, for packaging, marking, handling, and shipping items:

(a) HAZARDOUS ITEMS: Comply with the requirements set forth in preceding Clause 1.4.

(b) ALL OTHER ITEMS: Comply with the requirements of Orbital ATK PPMH&S Standard set forth in the Procurement Data List. If none are specified, utilize good commercial practice and assure compliance with applicable federal, state, and local laws and regulations.

(1) In the event Orbital ATK provides NASA CRITICAL SPACE ITEM labels, comply with the marking requirements of Orbital ATK PPMH&S standard.

(2) In the event Orbital ATK authorizes DIRECT SHIPMENT TO GOVERNMENT, comply with STW7-2699 as revised, and preceding Clause 1.4, if applicable. For items designated for space flight, all shipping containers and shipping documents shall be marked "ITEMS FOR SPACE FLIGHT USE." No separate or additional charge is payable by Orbital ATK for containers, crating, boxing, bundling, dunnage, drayage, or storage unless specifically stated in this Contract. CONTRACTOR shall forward to Orbital ATK, with invoice, the express receipt or bill of lading.
SUPPLEMENTAL TERMS & CONDITIONS FOR AREAS I FIRST STAGE

signed by the carrier evidencing the fact that shipment was made.

2. FAR PROVISIONS

The following clauses are incorporated by reference from the Federal Acquisition Regulations (FAR) as applicable to the PO/Subcontract. The CONTRACTOR agrees to be bound by the obligations of a "CONTRACTOR" under all FAR or NFS clauses incorporated into this Contract by reference. Also, to the extent that the Term "Government", and Phrase "United States", or "Contracting Officer" as used in any FAR or NFS clauses denote a Contracting Party the same shall at Orbital ATK's option also mean "Orbital ATK". The Seller shall include in each lower-tier subcontract the appropriate flow down clause as required by FAR.

2.1 52.204-9 PERSONAL IDENTIFICATION VERIFICATION OF CONTRACTOR PERSONNEL (NOV 2006)

2.2 52.246-23 LIMITATION OF LIABILITY (FEB 1997)

2.3 52.246-24 LIMITATION OF LIABILITY - HIGH-VALUE ITEMS (FEB 1997)

3. NASA FAR SUPPLEMENT (NFS) PROVISIONS

3.1 1852.223-74 DRUG- AND ALCOHOL-FREE WORKFORCE (MAR 1996)

(a) Definitions. As used in this clause the terms "employee," "controlled substance," "employee in a sensitive position," and "use, in violation of applicable law or Federal regulation, of alcohol" are as defined in 48 CFR 1823.570-2.

(b) (1) The Contractor shall institute and maintain a program for achieving a drug- and alcohol-free workforce. As a minimum, the program shall provide for pre-employment, reasonable suspicion, random, post-accident, and periodic recurring (follow-up) testing of contractor employees in sensitive positions for use, in violation of applicable law or Federal regulation, of alcohol or a controlled substance. The Contractor may establish its testing or rehabilitation program in cooperation with other contractors or organizations.

(2) This clause neither prohibits nor requires the Contractor to test employees in a foreign country. If the Contractor chooses to conduct such testing, this clause does not authorize the Contractor to violate foreign law in conducting such testing.

(3) The Contractor's program shall test for the use of marijuana and cocaine. The Contractor's program may test for the use of other controlled substances.

(4) The Contractor's program shall conform to the "Mandatory Guidelines for Federal Workplace Drug Testing Programs" published by the Department of Health and Human Services (59 FR 29908, June 9, 1994) and the procedures in 49 CFR part 40, "Procedures for Transportation Workplace Drug Testing Programs," in which references to "DOT" shall be read as "NASA" and the split sample method of collection shall be used.

(c) (1) The Contractor's program shall provide, where appropriate, for the suspension, disqualification, or dismissal of any employee in a sensitive position in any instance where a test conducted and confirmed under the Contractor's program indicates that such individual has used, in violation of applicable law or Federal regulation, alcohol or a controlled substance.

(2) The Contractor's program shall further prohibit any such individual from working in a sensitive position on a NASA contract, unless such individual has completed a program of rehabilitation described in paragraph (d) of this clause.

(3) The Contractor's program shall further prohibit any such individual from working in any sensitive position on a NASA contract if the individual is determined under the Contractor's program to have used, in violation of applicable law or Federal regulation, alcohol or a controlled substance and the individual meets any of the following criteria:

(i) The individual had undertaken or completed a rehabilitation program described in paragraph (d) of this clause prior to such use;

(ii) Following such determination, the individual refuses to undertake such a rehabilitation program;

(iii) Following such determination, the individual fails to complete such a rehabilitation program; or

(iv) The individual used a controlled substance or alcohol while on duty.

(d) The Contractor shall institute and maintain an appropriate rehabilitation program which shall, as a minimum, provide for the identification and opportunity for treatment of employees whose duties include responsibility for safety-sensitive, security, or National security functions who are in need of assistance in resolving problems with the use of alcohol or controlled substances.

(e) The requirements of this clause shall take precedence over any state or local Government laws, rules, regulations, ordinances, standards, or orders that are inconsistent with the requirements of this clause.

(f) For any collective bargaining agreement, the Contractor will negotiate the terms of its program with employee representatives, as appropriate, under labor relations laws or negotiated agreements. Such negotiation, however, cannot change the requirements of this clause. Employees covered under collective bargaining agreements will not be subject to the requirements of this clause until those agreements have been modified, as necessary; provided, however, that if one year after commencement of negotiation the parties have failed to reach agreement, an impasse will be determined to have been reached and the Contractor will unilaterally implement the requirements of this clause.

(g) The Contractor shall insert a clause containing all the terms of this clause, including this paragraph (g), in all subcontracts in which work is performed by an employee in a sensitive position, except subcontracts for commercial items (see FAR Parts 2 and 12).

3.2 1852.228-75 MINIMUM INSURANCE COVERAGE (OCT 1988)

The Contractor shall obtain and maintain insurance coverage as follows for the performance of this contract:

(a) Worker's compensation and employer's liability insurance as required by applicable Federal and state workers' compensation and occupational disease statutes. If occupational diseases are not compensable under those statutes, they shall be covered under the employer's liability section of the insurance policy, except when contract operations are so conjoined with the Contractor's commercial operations that it would not be practical. The employer's liability coverage shall be at least $100,000, except in States with exclusive or monopolistic funds that do not permit workers' compensation to be written by private carriers.

(b) Comprehensive general (bodily injury) liability insurance of at least $500,000 per occurrence.

(c) Motor vehicle liability insurance written on the comprehensive form of policy which provides for bodily injury and property damage liability covering the operation of all motor vehicles used in connection with performing the contract. Policies covering motor vehicles operated in the United States shall provide coverage of at least $200,000 per person and $500,000 per occurrence for bodily injury liability and $20,000 per occurrence for property damage. The amount of liability coverage on other policies shall be commensurate with any legal requirements of the locality and sufficient to meet normal and customary claims.

(d) Comprehensive general and motor vehicle liability policies shall contain a provision worded as follows:

"The insurance company waives any right of subrogation against the United States of America which may arise by reason of any payment under the policy."

(e) When aircraft are used in connection with performing the contract, aircraft public and passenger liability insurance of at least $200,000 per person and $500,000 per occurrence for bodily injury, other than passenger liability, and $200,000 per occurrence for property damage. Coverage for passenger liability bodily injury shall be at least $200,000 multiplied by the number of seats or passengers, whichever is greater.