# GENERAL PROVISIONS

**1. DEFINITIONS**

A. "Acceptance or Accept" means the verification by Buyer and/or Buyer's customer that the delivered Products and/or Services meet required specifications, standards and/or criteria as set forth in the Order.

B. "Authorized Representative" means the person authorized by Buyer's cognizant purchasing organization to administer and/or execute this Order and who has sole authority to make contractual commitments on behalf of Buyer, to provide contractual direction, and to change contractual requirements of this Order.

C. "Buyer" means the SPARC Research legal entity identified on the face of the Order.

D. "Classified Information" means any information or material, regardless of physical form or characteristics, that is owned by, produced or for, or under the control of the United States Government (U.S.G.), and determined pursuant to Executive Order 13526, December 29, 2009 (75 Federal Register 707, January 5, 2010) or prior orders to require protection against unauthorized disclosure, and is so designated as "Confidential," "Secret," or "Top Secret." See Federal Acquisition Regulation (FAR) 52.204-2, Security Requirements.

E. "Data" means all financial/business information, designs, dimensions, specifications, drawings, patterns, computer files or software, know how, or other information, including but not limited to Technical Data used in the design and manufacture of Products or the provision of Services.

F. "Order" means the instrument of contracting, including these terms and conditions and all other referenced documents, and any subsequent changes or modifications.

G. "Party/Parties" means Buyer and Seller individually/collectively.

H. "Prime Contract" means the contracting document issued to the Buyer by the U.S.G. for the acquisition of Products and/or Services.

I. "Product(s)" means those goods, supplies, reports, computer software, software licenses, Data, materials, articles, items, parts, components or assemblies, and any incidental Services described in this Order.

J. "Seller" means the Party with whom Buyer is contracting under this Order.

K. "Service(s)" means Seller's time and effort, including any items, articles, Data, or similar materials provided to Buyer which are incidental to the performance of the Service.

L. "Technical Data" means all designs, dimensions, specifications, drawings, patterns, know-how, or other information concerning the methods, manufacturing processes, equipment, gauges, and tools used in the design, manufacture, assembly, operation, repair, testing, maintenance, or modification of Products. This includes, but is not limited to, information in the form of blueprints, drawings, photographs, plans, instructions and documentation, or similar information used in the performance of Services. Technical Data may be recorded in a written or printed document, computer or electronic file, electro-magnetic tape or disc, software, or any other tangible form of expression. Technical Data also includes unclassified and Classified Information as defined in the International Traffic in Arms Regulations (ITAR) 22 Code of Federal Regulations (C.F.R.) § 120.10 and Technology, as defined in the Export Administration Regulations (EAR) Part 772 and Supplement 1 to Part 774.

**2. ORDER ACCEPTANCE**

A. This Order is Buyer's offer to Seller to purchase the Products and/or Services described in this offer. Any additional terms proposed in Seller's acceptance of Buyer's offer which are not specifically negotiated and identified on the Order, which add to, vary from, or conflict with the terms herein, are hereby objected to by Buyer. Any such proposed terms shall be void and the terms herein shall constitute the complete and exclusive statement of the terms and conditions of the contract between the Parties and may hereafter be modified only by written instrument executed by the authorized representatives of both Parties. If this Order carries a Defense Priorities & Allocations System (DPAS) rating, Seller shall provide unqualified written acceptance or rejection to Buyer's Authorized Representative within fifteen (15) working days after receipt of a DO rated order and within ten (10) working days after receipt of a DX rated order. For non-DPAS rated orders, any of the following shall constitute Seller's unqualified acceptance of this Order and these terms and conditions: (a) acknowledgement of this Order; (b) furnishing of any part of the Products and/or Services under this Order; (c) acceptance of any payment for the Products/Services under this Order; or (d) commencement of performance under this Order.

B. If, after acceptance of the Order or at any time during the performance of this Order, Seller believes that any portion of this Order is inaccurate, inconsistent or incomplete, Seller shall promptly notify Buyer in writing identifying any discrepancies and requesting resolution before proceeding or continuing with the portion of this Order in question. In the event that the Seller fails to contact Buyer in a timely manner to resolve said discrepancies or inconsistencies and Seller proceeds with or continues any work in question, Seller shall be deemed to have proceeded on its own accord and shall be solely responsible for any errors or omissions, including all associated cost or schedule impacts or both resulting therefrom.

**3. ORDER OF PRECEDENCE**

In the event of any inconsistency between any parts of this Order, the inconsistency shall be resolved by giving precedence in the following order:

A. Contract Security Classification Specification, Form DD254 or equivalent

B. Change Order Document

C. Order Document

D. Any written, non-preprinted express terms contained in the Order Document

E. Order Terms and Conditions (including any referenced Addenda) Order Terms and Conditions (including any referenced Addenda), but excluding Federal Acquisition Regulation (FAR/Defense FAR Supplement (DFARS) Clauses and Provisions and Other Agency Supplemental Clauses

F. FAR/Defense FAR Supplement (DFARS) and Other Agency Supplemental Clauses
G. Statement of Work
H. Specifications/Drawings
I. Quality/Mission Assurance Requirements
J. Supplier Data Requirements List (SDRL)/Data Item Description (DID)
K. Other Referenced Documents

**4. ASSIGNMENT**

A. Seller shall not assign or transfer, in whole or in part, this Order or any of its rights, payments, claims or interest under this Order without Buyer's prior, written consent. Any purported assignment in contravention of this clause shall be deemed null and void.

**5. SUBCONTRACTING**

A. Seller shall not subcontract the entirety or any part of this Order without the prior written authorization of Buyer, and Seller shall require an agreement with conforming performance requirements from immediate and lower-tier suppliers. Seller remains responsible for the performance of any approved subcontractor.

**6. INVOICING, PAYMENT, and AUDIT**

A. Payment terms will be stated in the Order. Payment due dates, will be calculated from the date of Buyer's Acceptance of Product(s) or Service(s) or correct invoice, whichever is later. Payment shall not constitute Acceptance or approval of Products or Services rendered. At any time prior to final payment under this Order, Buyer may have invoices validated. Payment of Seller's invoices shall be subject to adjustment for any amounts found to have been improperly invoiced. Buyer shall be entitled at all times to set off (a) any amount owing at any time from Seller to Buyer or any of its affiliated companies; (b) any damages resulting from Seller's default under or breach of any contract (including any Order and these terms); (c) any adjustment for shortage or rejection and any associated costs, against any amount payable at any time by Buyer or any of its affiliated companies to Seller.

B. Release of Financial Liability and Claims. All amounts accrued and made payable by the Buyer to the Seller under this Order shall be invoiced in full no later than Ninety (90) days from the contractual end date of performance (The Limitation Period). Unless otherwise mutually agreed to by the Parties, Seller hereby agrees to release and discharge the Buyer, its officers, agents, and employees, successors and assigns of and from all liabilities, obligations, and claims arising out of or under this Order, where such are submitted after the stated ninety (90) day "Limitation Period".

C. Seller shall maintain such complete books, records, and documentation for all Goods and Services, which shall be available to Buyer during performance of an Order and until the later of: (i) 4 years after final payment, (ii) final resolution of any dispute involving the Goods or Services delivered hereunder, (iii) the latest time required by an Order, (iv) the latest time required by applicable Laws, (v) or as otherwise directed by Buyer.

D. Seller shall at any time, and after reasonable notice by Buyer, grant to Buyer, Buyer's authorized representatives, Buyer's customers and to any competent regulatory authority, (i) unrestricted access to (or if requested by Buyer, provide to Buyer copies of) Seller's books, records, and documentation related to compliance with the Order (including, without limitation, those pertaining to physical and network security and data privacy and protection procedures and controls), wherever such books and records may be located; and (ii) access to Seller's premises to perform any type of inspection, test, audit, or investigation with respect to Seller's premises and network, for the purpose of enabling Buyer to verify compliance with the requirements set forth in the Order or for any other purpose indicated by Buyer's customers or said authority in connection with the design, development, certification, manufacture, sale, use, or support of the Goods or Services.

**7. DEFECTIVE WORK**

A. Notwithstanding any prior Acceptance, Buyer may reject or require prompt correction of any Products or Services which are, in Buyer's judgment, defective in material or workmanship or otherwise fail to meet the requirements of the Order.

B. If Seller delivers defective or nonconforming Products or Services, Buyer may:
   i. Accept all or part of the defective or non-conforming Products or Services at an equitable price reduction or credit against any amounts that may be owed to Seller under this Order or otherwise; or
   ii. Reject all or any part of a delivery or performance of defective or non-conforming Products or Services and demand delivery of conforming Products or re-performance of Services. All rejected Products shall be shipped back to Seller at Seller's expense and any re-performance of defective or nonconforming Services shall be at no cost to Buyer; or
   iii. Make or perform, or have a third party make or perform, all repairs, modifications, or replacements necessary to enable such Productor Service to comply in all respects with Order requirements and charge the expense incurred to Seller; or
   iv. Terminate this Order for default in whole or in part.

C. Any rejected or corrected Products or Services shall not thereafter be tendered for Acceptance unless the former rejection or requirement for correction is disclosed. All repair, replacement and other correction and redelivery shall be completed within the original delivery schedule unless otherwise directed by Buyer.

D. Seller shall immediately notify Buyer upon discovery of actual or potential defects or non-conformance affecting delivered Product or performed Service.

**8. WARRANTY**

A. Seller expressly warrants that all Product(s) delivered and Service(s) performed hereunder shall be free from defects, shall be of good materials and workmanship, shall conform to all requirements of this Order, and shall be free of any claim of any third party.

B. The foregoing warranties shall survive inspection and Acceptance of, and payment for, the Product(s) delivered and Service(s) performed hereunder and shall remain in effect as to each Product furnished or Service performed and shall run to Buyer, its successors, assigns, andcustomers. These warranties shall not be deemed to limit any warranties of additional scope given to Buyer by Seller, nor limit Buyer's rights or Seller's obligations under any other provision of this Order, at law or in equity. No

warranties are waived by Buyer supplying, reviewing, commenting upon, or approving plans, specifications, or Data, issuing changes to this Order, or inspecting or Acceptance of the Product(s) or Service(s) or both.

C. If Buyer determines the Product(s) or Service(s) or both do not to meet the warranties and guarantees specified herein, Buyer may, within its sole discretion, return such Product(s) to Seller at Seller's expense, for correction, replacement or credit, plus transportation charges, or refuse to confirm satisfactory completion of Service(s) and require Seller re-perform such Service(s). If repair, replacement,or re-performance of the Product(s) or Service(s) or both is not timely, Buyer may elect to return, repair, replace, or re-procure the non-conforming Work at Seller's expense. Any corrected, replaced, or repaired Product(s) or re-performed Service(s) shall be subject to the provisions of this clause to the same extent as initially furnished hereunder for the remaining Warranty Period. Should Buyer's customer require Acceptance of the Product(s) or Service(s) or both not conforming to this warranty, the Parties will mutually agree on consideration to Buyer, including but not limited to a refund or equitable reduction in price. Failure to reach mutual agreement on a refund or an equitable reduction shall be considered a Dispute under the Disputes/Arbitration clause.

D. Should there be a failure of the Product(s) or Service(s) or both after final Acceptance by Buyer, Seller shall fully cooperate with Buyer and Buyer's customer in the investigation of the failure or anomaly. Seller consents to provide any and all information related to the failure.

**9. CHANGES**

A. Buyer's authorized procurement representative (which does not include Buyer's engineering and technical personnel) may unilaterally make changes within the general scope of the Order, Seller shall perform any Changes ordered by Buyer. Any Order terms that incorporate flexibility for variations or modifications shall not be considered Changes within the meaning of this section.

B. Except as set forth herein, or as otherwise agreed, if any Change under this section causes an increase or decrease in the cost of or the time required for performance, an equitable adjustment may be made in price or delivery schedule or both ("Adjustment Claim"), and Buyer shall modify the Order accordingly once agreement is made on such equitable adjustment. Notwithstanding the foregoing, if any Change is the result of a requirement by Buyer's customer, Seller is entitled to an equitable adjustment only to the extent that Buyer receives such an adjustment from Buyer's customer. If the cost of property or material is made obsolete or excess as a result of a Change is included in the Adjustment Claim, Buyer may direct the disposition of such property or material. Seller must submit an Adjustment Claim in writing in the form of a complete change proposal, fully supported by factual information, to Buyer's procurement representative no later than 15 days after Seller's receipt of the Change. Seller acknowledges and agrees that (i) changes in delivery/performance schedule are normal and anticipated in the course of the program, (ii)the cost of such changes is included in the prices provided under the Order, and (iii) any such change does not constitute a Change under this Section. Notwithstanding any pending Adjustment Claims, Seller shall diligently proceed with the performance of the Order, inclusive of the Change, as directed by Buyer.

**10. GOVERNING LAW**

Both Parties agree that, irrespective of the place of performance of this Order, this Order will be governed, construed, and interpreted according to the law of the Commonwealth of Virginia, without regard to its conflict of laws principles.

**11. DISPUTES**

A. Any dispute arising under or in connection with this Order with respect to the rights, duties, or obligations of the Parties shall be submitted in writing for resolution to ascending levels of management of the respective Parties.

B. If a dispute cannot be resolved to both Parties' mutual satisfaction, after good faith negotiations, within ninety (90) days from the date the written claim is received by the other Party, or such additional time as the Parties agree upon in writing, either Party may bring suit only in the state or federal court located in the Commonwealth of Virginia. Seller consents to personal jurisdiction for this purpose in the Commonwealth of Virginia.

C. Pending any prosecution, appeal, or final decision referred to in this clause, or the settlement of any dispute arising under this Order, both Parties shall proceed diligently, with their respective obligations under this Order.

D. To the maximum extent permitted by law, the Parties waive any right to a jury trial.

E. In no event shall Buyer be liable for anticipated profits, incidental or consequential damages. Buyer's liability on any claim, of any kind and for any loss or damage arising out of, connected with or resulting from this Order, or from the performance or breach thereof shall, in no case, exceed the price allocable to the Products and/or Services, or unit thereof, which gives rise to the claim. Buyer shall not be liable for penalties of any description. Any action resulting from any breach on the part of Buyer as to the Products and/or Services delivered hereunder must be commenced within one year after the cause of action has accrued.

F. In no event shall Seller acquire any direct claim, or direct course of action against the U.S.G. except as approved by Buyer pursuant to this clause or as otherwise authorized by law.

**12. TERMINATION FOR CONVENIENCE**

A. Buyer may, at any time, terminate all or part of an Agreement or any Order for its convenience upon written notice to Seller.

B. Upon termination, in accordance with Buyer's written direction, Seller will immediately: (i) cease work and place no further subcontracts or orders for materials, services, or facilities, except as necessary to complete the continued portion of the Order; (ii) prepare and submit to Buyer an itemization of all completed and partially completed Goods and Services; (iii) if requested by Buyer, deliver to Buyer any and all Goods and Services completed up to the date of termination at the pre-termination Order price; and (iv) if requested by Buyer, deliver any work-in-process.

C. Buyer shall not be liable to Seller for an Order terminated prior to the commencement of Lead Time.

D. In the event Buyer terminates an Agreement or Order for its convenience after performance has commenced, Buyer will compensate Seller only for the actual and reasonable work-in-process costs incurred by Seller on Goods and Services required to be delivered within the Lead Time period, calculated from Buyer's issuance of the notice of termination. If the Order does not specify Lead Time, Lead Time shall be the reasonable average time required to manufacture and deliver the Goods and/or perform

the Services. Seller shall use reasonable efforts to mitigate its own and Buyer's liability under this Section. To receive compensation, Seller must submit its termination claim, as directed by Buyer, within 90 days from the effective date of the termination.

E. Buyer shall not be liable to Seller for costs or damages other than as described above, and in no event for lost or anticipated profits, or unabsorbed indirect costs or overhead, or for any sum in excess of the price allocated to the portion of the Order terminated.

F. Notwithstanding anything to the contrary in these Terms and Conditions, an Agreement, or an Order, Buyer shall not be liable to Seller for any costs or damages whatsoever a termination for convenience with respect to a particular program of any of Buyer's customers, if the termination is due to the cancellation, in whole or in part, of such program by Buyer's immediate customer(s) or Buyer's ultimate customer(s) or the bankruptcy or insolvency of such customer(s).

**13. TERMINATION FOR DEFAULT**

A. Buyer may, by written notice, terminate the Agreement or any Order, or any portion thereof, for default without any liability or obligation whatsoever to Seller for the portion terminated, in the following circumstances: (i) Seller fails to perform any obligation hereunder (other than a delivery obligation) and fails to cure such obligation within 10 days (or as otherwise mutually agreed) (the "Cure Period"); (ii) Seller fails to perform any delivery obligation hereunder; (iii) when Buyer has reasonable grounds for insecurity, and Seller fails to provide adequate assurances of performance in writing within 10 days following Buyer's demand or, (iv) should Seller (a) become insolvent, (b) become unable to pay its debts as they mature, (c) make a general assignment for the benefit of creditors, or (d) have a receiver appointed for the whole or any substantial part of its assets or become in any way the subject of a bankruptcy petition (each in Subsection (iv), a "Seller Insolvency"). Notwithstanding the foregoing, if a cure is not possible within such Cure Period, Seller shall submit to Buyer, within a period of 10 days after receipt of notice from Buyer specifying such failure, a detailed plan to cure such failure (including related time period) acceptable to Buyer in its sole discretion, provided, however, that if such a cure plan is approved by Buyer, Seller's subsequent failure to comply with such cure plan shall be deemed a default hereunder, and Buyer may terminate immediately without additional cure periods.

B. Buyer shall have no liability in relation to those Goods and Services terminated for Seller's default. Seller shall be liable to Buyer for any and all expenses, costs, and damages including increased re-procurement costs, requalification costs, and other non recurring costs, except in the circumstance of any failure or delay constituting a "Force Majeure Event" as set forth in the Section herein entitled "Force Majeure".

C. If the Agreement or any Order is entirely or partially terminated under this Section other than pursuant to a Seller Insolvency, in addition to any other rights Buyer may have:

D. Seller shall grant and promises to grant to Buyer a worldwide, perpetual, non exclusive, fully paid, irrevocable license, with the right to grant sublicenses, to Seller's information, data, know-how, and other Intellectual Property, including proprietary and manufacturing information, to the extent necessary to enable Buyer to make, have made, use, sell, and license the Goods and/or perform, or have performed, the Services; and

E. Buyer may require Seller, at no charge to Buyer, to (i) deliver to Buyer all information, data, know-how, and other Intellectual Property, including proprietary and manufacturing information, utilized by Seller in performing the Order; (ii) deliver the tooling and test equipment necessary to make or have made the Goods and perform the Services, and (iii) provide technical and transition assistance.

F. In addition to and not in lieu of other rights to Intellectual Property otherwise set forth in the Order and these Terms and Conditions, Seller hereby grants to Buyer a worldwide, perpetual, non-exclusive, fully paid, irrevocable, license ("Additional License"), with the right to grant sublicenses, to Seller's information, data, know-how, tooling, test equipment and other Intellectual Property, including without limitation proprietary and manufacturing information to enable Buyer to make, have made, use, sell and license the Goods and/or perform, or have performed, the Services, subject to Buyer's agreement not to exercise such rights under this Additional License except in the event of a Seller Insolvency, whether or not the Order is terminated. As part of such Additional License, Seller shall upon Buyer's written request and at no charge to Buyer, promptly (i) deliver to Buyer all information, data, know-how, and other Intellectual Property, including proprietary and manufacturing information, utilized by Seller in performing the Order, (ii) deliver the tooling and test equipment necessary to make or have made the Goods, provide the Services, and (iii) provide technical and transition assistance in order to ensure Buyer's continuing requirements for Goods and Services.

**14. GOVERNMENT OR BUYER PROPERTY**

A. Title to all property furnished to Seller by Buyer or U.S.G., or paid for by Buyer or U.S.G. shall remain with Buyer or U.S.G., as applicable. Seller shall not alter or use such property for any purpose or for any other Party other than that specified by Buyer or U.S.G., without the prior written consent of Buyer or U.S.G. If Buyer or U.S.G. agrees to pay Seller for acquisition of tooling and equipment, either separately or as a stated part of the unit price of Products purchased herein, title to the same shall pass to Buyer or U.S.G., as applicable, upon (i) commencement of processing for use in performance of this Order, or (ii) Buyer payment therefore, whichever occurs first.

B. Seller shall assume the risk of, and be responsible for, any loss, theft, destruction of or damage to Buyer property or U.S.G. property while in Seller's possession or control. If Seller damages any property, Seller shall be responsible for making repairs, or replacement, at no cost to Buyer or the U.S.G.

C. Seller shall assume full risk of loss, and be responsible for, any loss, theft, destruction of or damage to U.S.G. property while in Seller's possession or control and shall be responsible for making repairs or replacing the item at no cost to the U.S.G. when FAR 52.245-1, Alternate 1, applies to this Order (Reference Section 58 of the terms and conditions for applicability). If FAR 52.245-1 is applicable, then Seller shall have limited risk of loss for lost or damaged U.S.G. property and shall seek relief of accountability to the Buyer in accordance with FAR 52.245-1 (f)(1)(vii).

D. Upon Buyer's or U.S.G.'s written request to Seller for any property under this clause, if Seller cannot locate Buyer or U.S.G. property within five (5) days, Seller shall notify Buyer or U.S.G. that the item was not located and Seller subsequently has twenty (20) days to find the misplaced property. After such period, if it has not been located, the property shall be deemed "lost"

and at Buyer's or U.S.G's election, Seller shall either reimburse Buyer or U. S. G. for the replacement and all related delay costs, or remake the lost property at no cost to Buyer or U.S.G., or seek relief of accountability depending the applicable risk of loss provisions of this Order.

E. Seller shall return all Buyer or U.S.G. owned property in a condition as good as when received except for reasonable wear and tear. Seller shall establish and maintain a property control system approved by Buyer and in accordance with the provisions of FAR 52.245-1 for the control of U.S.G. or Buyer owned property. Seller shall also notify Buyer if its property system is deemed inadequate by the U.S.G. If Seller's property control system is deemed inadequate at the time of award of this Order or becomes disapproved anytime during performance of this Order, then the provisions FAR 52.245 -1 **Alternate 1** shall automatically apply and Seller shall assume full risk of loss for U.S.G. property regardless of the contract type of the Order or the basis of award. At all times, Buyer and the U.S.G., as applicable, shall have access to Seller's facilities for the purpose of reviewing its compliance with the management of U.S.G. or Buyer property related to this Order.

**15. TAXES AND DUTIES**

The price of this Order includes all applicable Taxes, duties, tariffs or other similar fees ("Taxes"). Any additional Taxes are the responsibility of Seller. Seller shall separately list and identify any Taxes on its invoice to Buyer.

**16. INFORMATION OF BUYER AND SELLER**

A. Unless expressly stated otherwise herein, the exchange of information under this Order shall be governed by this Order and in particular, this clause, which supersedes any prior agreement between Buyer and Seller to protect information relating to the purpose of this Order.

B. Definitions

i. "Information" shall mean information disclosed by the Parties to support their performance under this Order.

ii. "Proprietary Information" shall mean Information which (i) is provided or otherwise made available by the disclosing party (hereinafter the"Disclosing Party") to the receiving party (hereinafter the "Receiving Party"); and, (ii) is marked proprietary or bears a marking of like import and includes any information marked with a restrictive legend as prescribed in DFARS 252.227-7013 or 252.227-7014 or in FAR 52.227-14. Information accessed or made available in electronic form shall be considered Proprietary Information if: (A) any display of the Information also displays a proprietary legend or (B) if such Information is accessed or made available to the Receiving Party via a secure website or portal controlled or managed by the Disclosing Party. Orally or visually disclosed Information shall be deemed Proprietary Information only if identified as proprietary at the time of disclosure and summarized and confirmed in a written and labeled description delivered to the Receiving Party within thirty (30) days.

C. The Receiving Party shall hold all Proprietary Information in confidence and restrict disclosure thereof to only its employees, contract labor and agents who have a need to know so that the Receiving Party may perform its obligations under this Order and are under obligations to hold such information in confidence under terms and conditions at least as restrictive as the terms and conditions of this Order.

D. Seller agrees to use Buyer's Proprietary Information only for purposes necessary for performing this Order, without first obtaining Buyer's written authorization. Seller further hereby grants to Buyer a non-exclusive, irrevocable, worldwide, right and license to copy, modify, use and disclose to the U.S. Government or any higher tier contractor, any information received from Seller, including Seller's Proprietary Information, for the performance of this Order and any higher tier contract from which this Order is issued.

E. Seller agrees that Buyer may share Seller's information with other subcontractors under Buyer's higher tier or Prime Contract, if the other subcontractors need to use Seller's information to complete their subcontracts provided that (1) any restrictive markings remain on the information, (2) the other subcontractor is under an obligation to protect Seller's Proprietary Information to the same degree as provided herein; and, (3) the other subcontractor's use of the information is limited to performance of a subcontract under Buyer's higher tier or Prime Contract.

F. If Buyer's higher tier or Prime Contract, under which this Order is issued, is part of a Government program that is implemented through separate contracts between the Government and two or more contractors, one of which is Buyer ("Government Program"), and, if the Government requires Buyer and the other contractors to coordinate or integrate work for this Government Program; then, Seller agrees that Buyer may share Seller's information with the other contractors that need to use Seller's information to complete their contractual obligations for the Government Program, provided that (1) any restrictive markings remain on Seller's information; (2) the contractors are under an obligation to protect Seller's Proprietary Information to the same degree as provided herein; and, (3) the contractor's use of Seller's information is limited to performance of contractor's contract for the Government Program. This Clause 16 shall survive termination or expiration of this Order.

G. The Receiving Party agrees to use at least the same degree of care in safeguarding the Disclosing Party's Proprietary Information, including during storage and transmittal, as it uses for its own Proprietary Information, but in no case less than reasonable care. Promptly upon discovery of an unauthorized disclosure, access or use, the Receiving Party shall: (a) notify the Disclosing Party; (b) make reasonable attempts to retrieve the Proprietary Information; (c) comply with any reasonable written requests of Disclosing Party regarding such unauthorized disclosure, access or use; and (d) review and, take other reasonable action as appropriate to prevent any future unauthorized disclosures, accesses or uses. Proprietary Information shall not be copied or reproduced, except for such copies as may reasonably be required for the Receiving Party to perform its obligations under this Order. If the Proprietary Information is copied or reproduced in whole or in part, the copy or reproduction shall carry the same marking as that which appears on the original.

H. Exceptions. The Receiving Party shall not be liable hereunder for use or disclosure of Proprietary Information which occur after such Proprietary Information:

i. is or becomes publicly known through no wrongful act of the Receiving Party; or

ii. is known to or in the possession of the Receiving Party without restriction on disclosure or use through no wrongful act of the Receiving Party, as evidenced by competent proof; or

iii. is rightfully received by the Receiving Party from a third party without restriction and without breach of this Agreement; or
iv. is independently developed by the Receiving Party without the use of or reference to the Proprietary Information.

I. In addition, the Receiving Party shall not be liable hereunder for use or disclosure of Proprietary Information if such Proprietary Information isdisclosed to satisfy a legal order by a court of competent jurisdiction or United States Government (U.S.G.) action; provided, however, that theReceiving Party shall first advise the Disclosing Party within sufficient time prior to the disclosure so that the Disclosing Party has the opportunity to seek appropriate relief from the court or governmental order, and provided further that the Receiving Party shall disclose only those portions of the Proprietary Information legally required to be disclosed and request confidential treatment of the Proprietary Information by the court orgovernmental entity.

J. All documents and other tangible media (excluding Products) transferred in connection with this Order, together with any copies thereof, are and remain the property of Buyer.

K. Neither the existence of this Order nor the disclosure hereunder of Proprietary Information or any other information shall be construed as granting expressly, by implication, by estoppel or otherwise, a license under any invention or patent now or hereafter owned or controlled by Buyer or Buyer's customer, except as specifically set forth herein.

L. The Receiving Party agrees that the Proprietary Information of the Disclosing Party is valuable and unique, and that the loss resulting from unauthorized disclosure thereof may cause irreparable injury to the Disclosing Party, which may not be adequately compensated in money damages. The Receiving Party, therefore, expressly agrees that the Disclosing Party shall be entitled to seek injunctive and/or other equitable relief, in addition to any other remedies available to the Disclosing Party for breach of this clause.

M. A Party's obligations with respect to information or Data disclosed hereunder prior to the performance in full, termination or cancellation of this Order shall not, except as expressly set forth herein, be affected by such performance in full, termination, or cancellation.

N. Notwithstanding the foregoing, nothing in this clause is intended to affect the rights or exercise of rights, if any, obtained by the U.S. Government under the "Rights in Technical Data – Noncommercial Items" clause DFARS 252.227-7013 and "Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation" clause DFARS 252.227-7014, or any similar or successor clauses, or other clauses that may be contained in any contracts or subcontracts between Buyer and Seller and any customer.

O. Defend Trade Secrets Act provision – applicable only to individuals or to be flowed down to individuals. Pursuant to the Defend Trade SecretsAct of 2016, if Seller is an individual, Seller acknowledges that he/she shall not have criminal or civil liability under any Federal or State trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a Federal, State, or local government official, either directly orindirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, if Seller files a lawsuit for retaliation by SPARC Research for reporting a suspected violation of law, Seller may disclose the trade secret to Seller's attorney and may use the trade secret information in the court proceeding, so long as Seller (x) files any document containing the trade secret under seal and (y) does not disclose the trade secret, except pursuant to court order. Seller agrees to flow down this provision to all contract labor and agents of Seller who are authorized under this Agreement to receive SPARC Research Proprietary Information and who are individuals.

**17. SUBCONTRACT DELIVERABLES**

Seller agrees and acknowledges that all deliverables, or portions thereof, under this Order ("Deliverable Materials") may be incorporated into deliverables under the next higher tier or Prime Contract. Seller hereby grants Buyer the right to deliver the Deliverable Materials or any portion thereof under the next higher tier or Prime Contract. Seller further hereby agrees to deliver the Deliverable Materials under this Order with the appropriate markings required by the Government regulations incorporated into this Order. Seller agrees to mark all Technical Data and computer software provided to Buyer under this Order only in strict accordance with FAR 52.227-14, DFARS 252.227-7013 or 252.227-7014, or other special clauses, such as H-clauses, which apply to this Order (collectively referred to as "Government Rights Clauses"). Seller will apply only the markings and legends specifically found in and authorized by the Government Rights Clauses and no other markings or legends. Upon Buyer's written request, Seller, at Seller's sole expense, will remove or correct any markings and legends from its Technical Data and computer software that are not specifically found in and authorized by the Government Rights Clauses ("Prohibited Markings") and will promptly resubmit the revised Technical Data and computer software to Buyer. If Seller does not remove or correct the Prohibited Markings and resubmit the revised Technical Data and computer software to Buyer within thirty (30) days of receiving Buyer's written request hereunder, Buyer may remove Seller's Prohibited Markings on the copies of Seller's Technical Data and computer software that are delivered to the customer as a deliverable under Buyer's Prime Contract; or, under Buyer's higher tier U.S. Government contract. This Clause 17 shall survive termination or expiration of this Order.

**18. INTELLECTUAL PROPERTY RIGHTS**

A. "Intellectual Property" shall mean creations of the mind including ideas, inventions, works of authorship, and symbols, names, images, and designs embodied in for example, Technical Data, designs, information, computer software, drawings, formulae, specifications, diagrams, processes, know-how, procedures and technology and all legal rights in such creations of the mind.

B. "Works" shall mean physical manifestations of Intellectual Property created under this Order.

C. "Background Intellectual Property" shall mean Intellectual Property that is (i) in existence prior to the effective date of this Order or (ii) is designed, developed or licensed by a Party after the effective date of this Order independently of both (A) the Work undertaken or in connection with this Order and (B) the Proprietary Information and Intellectual Property of the other Party to this Order.

D. "Foreground Intellectual Property" shall mean all Intellectual Property conceived, created, acquired or initially reduced to practice in connection with this Order.

E. Each Party shall retain and exclusively own all rights in its Background Intellectual Property. Buyer shall own all Foreground Intellectual Property resulting from work performed under this Order. Nothing in this clause shall modify or alter any rights that

the U.S.G. may have in any Products and/or Services, including Data or software deliverables to the U.S.G.

F. Seller hereby grants to Buyer a non-exclusive, worldwide, right and license to copy, modify, use, sell, offer for sale and disclose any Work or other deliverable delivered by Seller under this Order for the performance of this Order and any higher tier contract. If the Work or other deliverable contains third party intellectual property, Seller agrees to obtain the rights from the third party that are sufficient for Seller to grant Buyer the rights in the above license. Seller warrants that it has the rights in the Work or other deliverable sufficient to grant to Buyer the above license.

G. This Clause 18 shall survive termination or expiration of this Order.

**19. INTELLECTUAL PROPERTY INFRINGEMENT WARRANTY AND INDEMNITY**

A. Seller warrants that the performance of Seller under this Order, including any Services provided by Seller to Buyer, and the sale, use, or incorporation into manufactured Products of all machines, devices, material, software, and firmware which are not of Buyer's design, composition, or manufacture shall be free and clear of infringement of any valid patent, copyright, trade mark, mask works, or other proprietary rights.

B. Seller shall indemnify, defend, and hold harmless Buyer, its directors, officers, employees, consultants, agents, affiliates, successors, permitted assigns and customers ("Indemnitees") from and against all claims, suits, actions, awards (including, but not limited to, awards based on intentional infringement of patents known at the time of such infringement, exceeding actual damages and/or including attorney's fees and/or costs), liabilities, damages, costs and attorney's fees related to the actual or alleged infringement of any U.S. or foreign intellectual property right (including, but not limited to, any right in a patent, trademark, copyright, industrial design or semiconductor mask work, or based on misappropriation or wrongful use of information or documents) and arising out of the performance of Seller under this Order or the manufacture, sale or use of Products delivered by Seller under this Order, or the provision of Services by Seller under this Order, by either Buyer or Buyer's customer ("Infringement Claims"). Buyer and/or its customer will duly notify Seller of any such Infringement Claim and Seller will, at its own expense, fully defend such Infringement Claim on behalf of the Indemnitees. Seller will have no obligation under this clause with regard to any infringement arising from (a) the compliance of Seller's new Product design with formal specifications issued by Buyer where infringement could not be avoided in complying with such specifications or (b) use or sale of Products for other than their intended application in combination with other items when such infringement would not have occurred from the use or sale of those Products solely for the purpose for which they were designed or sold by Seller.

C. If the manufacture, use or sale of a Product delivered by Seller under this Order is likely to be or is enjoined as a result of a suit, Seller, at no expense to Buyer, shall obtain for Buyer and its customer the right to use and sell the Product or shall substitute an equivalent Product acceptable to Buyer, at its sole discretion, and extend this indemnification thereto.

D. Notwithstanding the foregoing, when this Order is performed under the authorization and consent of the U.S.G. to infringe U.S. Patents, Seller's liability for U.S. patent infringement under this Order shall be coextensive with Buyer's liability.

E. For purposes only of this clause and Clause 20 below, the term "Buyer" will include SPARC Research and all SPARC Research subsidiaries and all directors, officers, agents and employees of SPARC Research or any SPARC Research subsidiary.

**20. INDEMNIFICATION**

Seller shall indemnify, defend, and hold harmless the Indemnitees, as defined in Clause 19 above, from and against all costs, losses, expenses, damages, claims, suits, or any liability whatsoever (including attorneys' fees), arising out of or in connection with the work to be performed hereunder, or the Products to be sold hereunder, or any act or omission of Seller, its agents, employees, or subcontractors, except to any extent otherwise expressly provided for elsewhere within this Order. Seller also agrees to indemnify, defend, and hold harmless the Indemnitees from and against all costs, losses, expenses, damages, claims, suits, or any liability whatsoever (including attorneys' fees), arising out of or in connection with Seller's violation of any applicable laws, executive order or regulation. Buyer will inform Seller of any claim, demand or suit asserted or instituted against it and, with Buyer's consent, permit Seller to defend the same or make settlement in respect thereof. Buyer shall have the right to participate in the defense of any such claim, demand or suit with counsel of its choosing at Buyer's expense and Seller may not settle, compromise or consent to the entry of any judgment in respect thereof, without Buyer's prior written consent, unless such settlement, compromise or consent: (i) includes an unconditional release of Buyer from all liability arising out of such claim, demand or suit; (ii) is solely monetary in nature and (iii) does not include an admission of fault by Buyer or otherwise adversely affect Buyer. If Seller fails to indemnify, defend and hold harmless Buyer as provided in this clause, then Seller shall pay for any damages, attorney's fees, and any other fees, costs, and expenses that may be incurred by Buyer in the defense of any action related to this Order and/or in the prosecution of any action to enforce the provisions of this clause.

**21. PRICE REDUCTION FOR DEFECTIVE CERTIFIED COST OR PRICING DATA / NON-COMPLIANCE WITH CAS**

A. Buyer's Prime Contract or subcontract with its customer under which this Order is issued contains a clause that entitles the U.S.G. or a U.S.G. prime contractor or subcontractor to reduce Buyer's contract price, or any costs reimbursable thereunder, where the U.S.G. determines that such price or cost was increased by any significant sum because Seller or any of its subcontractors furnished defective cost or pricing Data to Buyer in connection with the award of this Order. Seller shall indemnify, defend, and hold harmless the Indemnitees from and against all costs, losses, expenses, damages, claims, suits, or any liability whatsoever (including attorney's fees), arising out of or in connection with or resulting from such determination and action taken by the customer to the extent that such action is taken on the basis that Buyer's contract, or any cost reimbursable thereunder, was increased by any significant amount because Seller or any of its subcontractors furnished defective cost or pricing Data to Buyer in connection with the award of this Order.

B. As Seller's exclusive remedy for relief from such a determination by the U.S.G., Seller shall have the right to assert in Buyer's name at Seller's expense, Buyer's right to appeal from such determination under the Disputes clause, if any, of Buyer's contract with its customer. The determination of the U.S.G. Contracting Officer or, if such an appeal is taken, the decision on appeal shall be final and conclusive between Buyer and Seller, to the extent provided in such Disputes clause. If Seller desires to assert in Buyer's name and at Seller's expense, Buyer's rights described in such Disputes clause, if any, in Buyer's contract with its customer, to have questions decided by the courts, any final judgment by the courts, is binding upon Seller insofar as it relates to

this Order. In the event Buyer does not have the right of appeal to a U.S.G. contract appeals board and is therefore unable to make such right available to Seller, the determination of the U.S.G. Contracting Officer, if binding upon Buyer, shall in turn be binding upon Seller insofar as it relates to this Order; provided, however, if Buyer elects not to bring suit against its customer with respect to any such determination, Buyer shall notify Seller with reasonable promptness and Seller shall have the right to bring suit against the customer in a court of competent jurisdiction in Buyer's name, but at Seller's expense. If Buyer or Seller brings suit against the customer, a final judgment of any such suit shall be binding upon Seller and Buyer under this Order. The rights and obligations described herein shall survive completion of and final payment under, or termination of, this Order.

C. The provisions hereinabove shall also be applicable to any adjustments in the price of this Order as prescribed in FAR 52.230-2, "Cost Accounting Standards" or FAR 52.230-3, "Disclosure and Consistency of Cost Accounting Practices" if such clause applies.

**22. INSURANCE**

A. Seller and its subcontractors, at their sole cost and expense, will at all times, prior to commencement and throughout the period of performance of this Order, maintain with reputable insurance companies that are authorized to do business under the laws of the state(s) in which the work is being performed, insurance coverage in the minimum amounts as indicated below:
   i. Worker's Compensation insurance coverage (or DBA, LS&H, or local equivalent outside the U.S.) as required by the laws of the state in which the work is performed, and such insurance shall provide waiver of subrogation against Buyer.
   ii. Employer Liability insurance in the amount of $1,000,000.
   iii. Commercial General Liability (CGL) (ISO form CG 0001 12/04 or equivalent) with a Combined Single Limit (CSL) of $ 2,000,000 bodily injury and/or property damage. Coverage shall include, but not necessarily be limited to, premises and operations, Products and completed operations and contracts.
   iv. Automobile Liability (AL) with a CSL of $2,000,000 bodily injury and/or property damage covering all owned, hired, and non-owned vehicles.
   v. Additional insurance types and/or limits will be necessary if the work involves special or hazardous operations. Errors and omissions or professional liability
   vi. Such other insurance as Buyer may require as set forth in this Order or an attachment hereto.

B. If requested, Seller shall provide a Certificate of Insurance to the Buyer's Authorized Representative evidencing Seller's compliance with these requirements. Seller shall also furnish renewed certificates upon request of Buyer's Authorized Representative.

**23. EXCUSABLE DELAY – FORCE MAJEURE**

A. Except for a default of Seller's subcontractor at any tier, neither Buyer nor Seller shall be liable for any failure to perform due to any cause beyond its reasonable control and without its fault or negligence. Such causes include, but are not limited to: (1) acts of God or of the public enemy; (2) acts or failure of any government in either its sovereign or contractual capacity; (3) fires, floods, epidemics, terrorism, quarantine restrictions, strikes, freight embargoes, nuclear incident, or any other act or event beyond reasonable control and without the fault of either Party or its subcontractors (Force Majeure Event). In the event that performance of this Order is hindered, delayed, threatened to be delayed, or adversely affected by causes of the type described above, then the Party whose performance is so affected shall immediately notify the other Party's Authorized Representative in writing, including all relevant information with respect thereof, and shall likewise notify promptly of any subsequent change in the circumstances, and at Buyer's sole option, this Order shall be completed with such adjustments to delivery schedule as are reasonably required by the existence of such cause or this Order may be terminated for convenience.

B. If a failure or delay in performance is caused by an event affecting any of Seller's subcontractors, such failure or delay shall not be excusable unless such event is a Force Majeure Event as defined above and the good or service to be provided by such subcontractor is not obtainable by Seller from other sources in time for timely delivery of the Goods to Buyer. Buyer may cancel any Order without liability to Seller for its purchase of any Goods affected by Seller's failure or delay in performance and, if the delay is expected to last for a period that could impact deliveries to Buyer's customers, Buyer may cancel, without liability, any portion of or the entire Order.

**24. STOP WORK ORDER**

Buyer may, from time to time, require Seller to stop all or any portion of the work called for by the Order for a period of up to 120 days at each such time, or such longer period of time as may be required by Buyer or Buyer's customers ("Stop Work Period"). Upon receipt of written notice detailing the length and scope of the Stop Work Period, Seller shall immediately comply with its terms at no charge. Within the Stop Work Period, Buyer may either: (i) cancel the stop-work order and Seller shall resume work; or (ii) terminate the work covered by the stop-work order, for default or convenience, as the context requires, in accordance with the provisions of the Order. If Buyer has not exercised its rights set forth in either (i) or (ii) above prior to the expiration of the Stop Work Period, then at least 30 days prior to said expiration, Seller shall notify Buyer of its intent to resume work under the applicable Order and shall obtain Buyer's written consent prior to resuming work.

**25. COMPLIANCE WITH LAWS**

A. Seller shall comply with all applicable federal, state, and local laws, rules, regulations, and ordinances.

B. Seller shall comply with the requirements of 41 CFR 60-1.4(a). This regulation applies to all Orders regardless of value of the Order, and Seller shall flow this clause to all lower tier suppliers. This regulation prohibits discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin.

**26. EXPORT/IMPORT AND SANCTIONS COMPLIANCE**

A. Export and Sanctions Compliance.
   General. Performance of this Order may involve the use of or access to articles, Technical Data or software that is subject to export controls under 22 United States Code 2751 – 2799aa-2 (Arms Export Control Act) and 22 C.F.R. 120-130 (International Traffic in Arms Regulations or "ITAR") or 50 United States Code 4801 – 4826 (Export Control Reform Act of 2018), 15 C.F.R. 730-774 (Export Administration Regulations), 50 United States Code 1701–1708, (International Emergency Economic Powers

Act, as amended), and their successor and supplemental laws and regulations, or may implicate U.S. sanctions laws and regulations, including those administered by the U.S. Department of Treasury Office of Foreign Assets Control in 31 C.F.R. 500-599, and their successor and supplemental laws and regulations (collectively hereinafter referred to as the "Export and Sanctions Laws and Regulations"). Seller shall comply with any and all Export and Sanctions Laws and Regulations, and any authorization(s) issued thereunder.

i. Registration. If Seller is a U.S. entity and is engaged in the business of either exporting or manufacturing (whether exporting or not) Defense Articles or furnishing Defense Services, Seller represents that it shall maintain an active registration with the U.S. Department of State's Directorate of Defense Trade Controls, as required by the ITAR, throughout the performance of this Order, and that it maintains an effective export and import compliance program in accordance with the ITAR.

ii. Seller shall not re-transfer any export-controlled articles or information (e.g. Technical Data or software) to any other non-U.S. person or entity (including Seller's dual and/or third-country national employees) without first complying with all the requirements of the applicable Export and Sanctions Laws and Regulations. Prior to any proposed re-transfer, Seller shall first obtain the written consent of Buyer. No consent granted by Buyer in response to Seller's request shall relieve Seller of its obligations to comply with the provisions of paragraph A. of this clause or the Export and Sanctions Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of paragraph A. hereinabove, nor constitute consent for Seller to violate any provision of the Export and Sanctions Laws and Regulations.

B. Export Jurisdiction/Classification.
Seller shall provide the applicable Export Control Classification Number ("ECCN") or ITAR categorization for all Products furnished by Seller to Buyer, except when Seller is manufacturing to Buyer's design. If Seller is not the original equipment manufacturer, Seller shall obtain the ECCN or ITAR classification information from its source of supply. Seller will include the ECCN or ITAR designation on its packing slips and shipping documentation and also provide to Buyer on Buyer's request.

C. Import Compliance.
Seller shall comply with all U.S. Customs and Border Protection laws and regulations (e.g., 19 C.F.R.) and all other applicable U.S.G. regulations pertaining to importations of Products and materials into the United States under this Order. Seller shall assume all U.S. import responsibilities, to include designation as U.S. Importer of Record, Customs clearance, duty, permits, licenses, taxes, and fees for Products entering into the United States under this Order. Unless otherwise agreed in writing, Buyer will not assume any import liabilities for Products and materials procured through this Order. Seller shall obtain the written consent of Buyer prior to causing Products to be shipped directly (i.e., "drop shipped") from the premises of any non-U.S. supplier to Buyer's facility.

**27. NOTIFICATION OF STATUS CHANGES**

A. By accepting this Order, Seller certifies that all Seller qualification and business information, representations and certifications applicable to this Order remain valid. If Seller's status under any of the applicable representations and certifications has changed, Seller must complete and submit to Buyer's Authorized Representative revised representations and certifications prior to taking any action indicating acceptance as stated on the face of this Order.

B. Seller agrees to provide prompt notification to Buyer's Authorized Representative of any event or change in circumstances that could affect Seller's performance under this Order such as ineligibility to contract with U.S.G., debarment, assignment of consent agreement, designation under U.S. or foreign sanctions laws and regulations, expiration or cancellation of ITAR registration, potential violation of Export and Sanctions Laws and Regulations (or authorizations issued thereunder), initiation or existence of a U.S.G. investigation, change in place of performance, decrease in manufacturing capacity, diminishing manufacturing sources or material shortages, increase in production requirements, labor reductions, financial or organizational conflicts of interest, and significant financial conditions requiring any of the preceding changes.

C. Sellers that have provided anti-corruption compliance due diligence information (e.g., related to Seller's ownership and personnel, subsidiaries and third parties, including but not limited to Buyer's due diligence questionnaire, and related certifications) to a Buyer representative shall provide Buyer with prompt notification and details of any changes to its owners, officers, directors or other information contained in such due diligence materials, and agrees to promptly cooperate with Buyer and provide additional information reasonably requested related to such changed information. In the event of a material change to the owners, offices, directors or other information contained in the due diligence material supplied to Buyer, Buyer reserves the right to suspend performance under this Order by providing written notice to Seller in order for Buyer to conduct anti-corruption due diligence upon such changed circumstances.

D. Seller shall notify Buyer of any proposed change in Control within thirty (30) days prior to such event.

E. Seller shall provide written notification to Buyer prior to making any changes to Seller's tooling, facilities, materials, or processes, and/or shall provide written notification to Buyer upon becoming aware of any such changes by Seller's Subcontractors at any tier, that could affect Seller's performance under this Order. This requirement includes changes to fabrication, assembly, handling, inspection, Acceptance, testing, manufacturing location, parts, materials, or suppliers. Seller shall notify Buyer of any pending or contemplated future action to discontinue Products purchased pursuant to this Order and shall allow Buyer to submit a forecast of expected annual usage prior to Seller finalizing its decision to discontinue the Products. Seller shall provide Buyer with a "Last Time Buy Notice" at least twelve (12) months prior to the actual discontinuance. Seller shall extend opportunities to Buyer to place last time buys of such Products with deliveries not to exceed one hundred eighty (180) days after the last time buy date. Seller shall flow down to Subcontractor(s) the requirements of this clause and all other applicable flow down provisions.

F. Failure to provide the notice under this clause shall be deemed a material breach of this Order.

**28. RELEASE OF INFORMATION AND ADVERTISING**

A. Except as required by law, Seller shall not release to anyone outside Seller's organization any information, or confirmation or denial

of same, with respect to this Order or the subject matter hereof without the prior written approval of Buyer. Requests for approval shall be made at least fifteen (15) days before the proposed date for release and shall identify the specific information to be released, the medium to be used, and the purpose for the release. Additionally, Seller shall not use the name "SPARC Research" or any other Buyer trade name, any Products, parts thereof or replicas of Products, or in any other way identify Buyer in any advertisement, display, news release, or other disclosure without Buyer'sprior written consent. The Parties agree that in the event a news release is so approved and made, such news will recognize Buyer and Seller.

B. The Seller agrees to insert the substance of this clause, including this sentence, in any lower tier subcontract. Seller shall submit requests for authorization to the Buyer.

**29. PARTIAL INVALIDITY, NONWAIVER, REMEDIES**

A. If any provision in this Order is or becomes void or unenforceable by force or operation of law, or is deemed invalid, the void, unenforceable or invalid portion shall be severable, and the remaining terms and conditions shall remain in full force and effect.

B. A Party's failure at any time to enforce any provision of this Order shall not constitute a waiver of the provision or prejudice a Party's right to enforce that provision at any subsequent time.

**C.** Each of the rights and remedies reserved by Buyer in this Order shall be cumulative and additional to any other or further remedies provided in law or equity or in this Order**.**

**30. RELATIONSHIP OF THE PARTIES**

The relationship of Seller to Buyer shall be that of an independent contractor and nothing herein contained shall be construed as creating any employer/employee, agency, or other relationship of any kind. Seller's employees, agents and/or representatives (hereinafter "Employees") performing under this Order shall at all times be under Seller's direction and control and Seller shall so inform them. Seller shall pay all wages, salaries, and other amounts due its Employees in connection with this Order and shall be responsible for all reports and obligations for its Employees, including, but not limited to, social security and income tax withholdings, unemployment compensation, worker's compensation, and equal employment opportunity reporting. Under no circumstance shall Seller be deemed an agent or representative of Buyer or authorized to commit Buyer in any way.

**31. FACILITY SECURITY AND SAFETY**

A. If this Order requires Seller's personnel, including its employees and subcontractors ("Seller Engaged Personnel"), to enter premises which are owned, operated or managed by Buyer or its customer, Seller shall (1) comply with all safety rules and requirements as may be prescribed by Buyer or Buyer's customer, as well as the laws of the State where such premises are located; and (2) take such additional precautions as Buyer may reasonably require for safety and accident prevention purposes, including safety training. Seller agrees to take all reasonable steps and precautions to prevent accidents and preserve the life and health of Seller, U.S. Government, and Buyer personnel performing or in any way coming in contact with Seller's performance of this Order. Any violation of such rules and requirements, unless promptly corrected as directed by Buyer, shall be grounds for termination of this Order in accordance with the Termination for Default clause herein. Seller Engaged Personnel, including delivery personnel, may not bring firearms, cameras, alcohol, illegal drugs, or unauthorized passengers onto any Buyer premises, norbring matches or lighters into Buyer secured areas. Seller Engaged Personnel may not enter areas or perform any work where explosives or other serious hazards are present without Buyer's advanced written approval.

B. Seller is responsible for ensuring that Seller Engaged Personnel entering premises which are owned, operated or managed by Buyer or its customer (1) are properly badged and made aware of applicable security requirements, and (2) at all times display identification badges approved by Buyer. Seller is required to notify Buyer whenever it terminates any Seller Engaged Personnel issued a badge by Buyer, a Buyer badge is lost, or if a problem arises involving Buyer's security requirements. Seller Engaged Personnel obtaining a badge must be capable of reading and understanding Buyer's processes and procedures relevant to duties that Seller Engaged Personnel is to perform on Buyer's premises.

**32. SUSPECT/COUNTERFEIT PARTS**

A. This clause is applicable to all Orders. If DFARS 252.246-7007 and DFARS 252.246-7008 are also applicable to this Order, the provisions of paragraphs (a) – (e) of DFARS 252.246-7007, including its definition of "electronic parts," are incorporated in this paragraph by reference and "Contracting Officer" shall mean "Buyer". Seller shall establish and maintain a material authenticity process that ensures the requirements of these clauses or other authenticity requirements in this Order are met. Seller's obligation to substantiate authenticity shall survive Acceptance of and payment for Products delivered under this Order.

B. Seller shall not furnish suspect counterfeit or counterfeit parts to Buyer under this Order. All material delivered under this Order shall be authentic and traceable to the original manufacturer. Seller shall provide authenticity and traceability records to Buyer upon request. Electronicparts shall not be acquired from brokers unless approved in advance in writing by Buyer. Seller shall immediately notify Buyer if Seller cannot provide parts, components, and/or assemblies traceable to the original component manufacturer or the original equipment manufacturer.Upon receipt of such notification, Buyer reserves the right to terminate this Order at no cost to Buyer or require specific material validation test and inspection protocol requirements to Seller.

C. If suspect counterfeit or counterfeit parts are furnished under this Order and are found in any of the Products delivered hereunder, such items will be impounded by Buyer. Seller shall promptly replace such suspect/counterfeit parts with parts acceptable to the Buyer. Seller shall be liable for all costs relating to the removal and replacement of said parts, including without limitation Buyer's external and internal costs of removing such suspect/counterfeit parts, of reinserting replacement parts and of any testing or validation necessitated by the reinstallation of Seller's Products after suspect/counterfeit parts have been exchanged. Buyer's remedies described herein shall not be limited by any other clause agreed upon between Buyer and Seller in this Order and are in addition to any remedies Buyer may have at law, equity or otherwise under this Order. At Buyer's request, Seller shall return any removed suspect counterfeit or counterfeit parts to Buyer in order that Buyer may turn such parts over to its U.S.G. customer for further investigation. For purposes of this clause, Seller agrees that any U.S.G. directive/information or GIDEP alert, indicating that such parts are suspect counterfeit or counterfeit, shall be deemed definitive evidence that Seller's Products contain suspect counterfeit or counterfeit parts.

D. Seller agrees to insert the substance of this clause, including this sentence, in any lower tier subcontract.

**33. COMPLETE AGREEMENT**

This Order together with all attachments, exhibits, and other items specifically referenced in or attached to this Order is the Parties' final expression of their agreement and is the complete and exclusive statement of all terms and conditions of agreement. This Order supersedes andcancels all prior understandings, proposals, communications, whether oral or written, and agreements between the Parties, whether such understandings, proposals, communications, and agreements were written or oral, concerning the matters addressed in this Order. No course ofprior dealings between the Parties, and no usage of trade, shall be relevant to supplement or explain any term used in this Order. The descriptive headings contained in this Order are for convenience of reference only and in no way define, limit or describe the scope or intent of this Order.

**34. STANDARDS OF BUSINESS CONDUCT FOR SELLER AND OTHER TRADING PARTNERS**

Seller shall ensure that its employees are aware of their contribution to Product or Service conformity, their contribution to Product safety, and the importance of ethical behavior. Seller represents and warrants that it has not participated, and will not participate, in any conduct that violates the requirements of this Order.

**35. RESPONSE TO AUDIT**

Buyer shall not be prohibited from providing copies of this Order, including any other document incorporated into this Order, to federal, state or other regulatory agencies as requested by either Buyer's or government auditors to comply with auditing procedures.

**36. DELIVERY, TITLE, SOURCING**

A. All Parties expressly agree that time is and shall remain a material element of this Order and no acts of Buyer, including without limitation, modifications to this Order or Acceptance of late deliveries, shall constitute a waiver of this provision.

B. Title free of liens or encumbrances shall pass to Buyer upon Acceptance (except as otherwise specified within this Order); however, passing of title shall not relieve Seller of any other obligations under this Order.

C. All deliveries shall be strictly in accordance with the applicable quantities and schedules set forth in this Order. Buyer reserves the right to
   i. return over shipments and early shipments at Seller's expense,
   ii. have payment therefore withheld by Buyer until the date that Products or Services are actually scheduled for delivery, or
   iii. be placed in storage, for which Seller shall be liable for the cost, until the delivery date specified herein. Unless otherwise provided in this Order, delivery in whole or part shall not be made more than ten (10) days prior to required delivery dates.

D. Whenever it appears Seller will not meet the delivery schedule, Seller shall immediately notify Buyer of the reason and estimated length ofthe delay. If Seller's delivery shall fail to meet the delivery schedule, Buyer, without limiting its other rights or remedies, may direct expedited routing, and any excess cost incurred thereby shall be debited to Seller's account.

E. If Seller is unable to meet the required delivery schedules for any reason, other than a change directed by Buyer, Buyer shall have the option to (1) terminate this Order, or (2) fill such Order or any portion thereof, from sources other than Seller and to reduce Seller's Order quantities accordingly at no increase in unit price, without any penalty to Buyer, or (3) accept late delivery and recover from Seller any costs Buyer incurs caused by the late delivery. This condition shall not limit Buyer's other rights and remedies Buyer may otherwise have under this Order or applicable law.

F. All shipments are FOB Destination.

**37. PACKAGING, PACKING, MARKING**

A. Seller shall be responsible for ensuring the proper packaging, packing, and marking of Product(s) delivered hereunder in accordance with this Order. Packaging, packing, and marking will conform to the instructions specified or provided by Buyer. Seller must assure package integrity throughout the shipping cycle. Each package and pack shall provide physical, chemical, and cleanliness protection to prevent damage or deterioration of the Product during handling, shipment and storage under anticipated environmental conditions. All materials, fabrication techniques and workmanship shall conform to the requirements specified herein or, if not specified, otherwise meet or exceed good commercial quality and practice. Damage resulting from improper Product packaging will be charged to Seller. Seller must comply with all applicable carrier regulations, including National Motor Freight Classification and Department of Transportation Regulations. No extra charge for packaging or insurance shall be allowed unless specifically noted herein. Products received without proper packaging, packing, marking and/or bar coding as set forth herein may be rejected by Buyer and returned to Seller at Seller's expense.

B. All Products shall be prepared (cleaned, preserved, etc.) and packed per Military Standard Packaging, when required, or best commercial practice for export shipment in a manner to comply with carrier regulations and to prevent damage or deterioration during handling, shipment and indoor storage for up to ninety (90) days at destination. Wood packaging materials must meet International Standards for Phytosanitary Measures (ISPM) No. 15. If requested, Seller shall submit two (2) copies of its proposed packaging procedure and packing design to Buyer for review not less than sixty (60) days prior to the fabrication of the container required for first shipment, and shall prepare and package in accordance with said procedure and design.

**38. INSPECTION**

A. Buyer and its Buyer's customer may inspect and test material, work in progress, Products and/or Services at all times and places during manufacture and otherwise. No inspection (including source inspection), test, approval (including design approval), or Acceptance of Products or Services, or failure to inspect and Accept or reject Products or Services, shall relieve Seller from responsibility for any defects or other failure to meet the requirements of this Order, or for latent defects, fraud, such gross mistakes that amount to fraud, or Seller's warranty obligations, nor impose liability on Buyer.

B. Seller shall not substitute materials or accessories, even if Seller believes they are of superior quality, without written consent of Buyer.

C. Unless otherwise stated in Buyer's specifications, the latest revision of applicable standards, specifications or similar documents as of the date of this Order shall apply. If the Products are specifically manufactured for Buyer in accordance with drawings, designs, or specifications furnished by Buyer:

i. Seller shall provide and maintain an inspection and quality control system acceptable to Buyer and provide access to Seller's facilities and applicable documented information including all lower-tier subcontractors' facilities used in performance of this Order at all reasonable times, and without additional charge, for inspection by Buyer's agents, employees, Buyer's customer and any applicable regulatory authority, and shall provide all tools, facilities, and assistance reasonably necessary for inspection relating to the performance of this Order; and
ii. Seller shall maintain adequate and authenticated inspection and test documents which relate to work performed under this Order for a period of three (3) years after completion of this Order or as otherwise specified in this Order, and shall make such records available to Buyer upon request;
iii. Seller shall supply Buyer with inspection and test reports, affidavits, certifications, technical documents generated or related to this Order, or any other documents as may reasonably be requested by Buyer;
iv. Seller shall notify Buyer's Authorized Representative in writing of any changes in Product and/or process definition and obtain Buyer's written approval prior to proceeding; and
v. Seller agrees to insert the substance of this clause, including this sentence, in any lower–tier subcontract.

D. Final inspection and Acceptance by Buyer shall be at point of receipt by Buyer, unless otherwise specified in this Order.

**39. DISPOSAL OF PRODUCTS**

Upon completion or termination of this Order and as directed by Buyer, any excess Products, or parts thereof, shall be delivered free of charge to Buyer at the designated delivery point at Seller's risk and expense or destroyed and the destruction certified by Seller. Seller shall not sell, or otherwise dispose of as scrap or otherwise, any completed or partially completed or defective Products without defacing or rendering such Products unsuitable for use.

**40. RESIDENT REPRESENTATIVES**

Buyer reserves the right to assign representatives on an itinerant or resident basis at Seller's facilities or those of lower-tier subcontractors for the purpose of maintaining surveillance activities, including the right to witness any or all tests performed as part of the requirements of this Order.Seller shall provide Buyer's representatives with reasonable facilities and equipment, and unescorted free access to all areas essential to the proper conduct of the aforementioned activity throughout all phases of engineering, manufacturing, testing, packaging and shipping. In addition, Seller agrees to make available to Buyer's representatives pertinent planning, status, and forecast information and such other technical and management reporting as may be necessary for Buyer's representatives to carry out their responsibilities.

**41. SELLER'S EMPLOYEES**

A. Employees of Seller who perform Services under this Order shall be citizens of the U.S., its possessions or territories, or lawful permanent residents as defined by 8 U.S.C. 1101(a)(20), or protected individuals as defined by 8 U.S.C. 1324b(a)(3). Seller shall provide certification of compliance upon Buyer request. Seller shall promptly notify Buyer of any changes to the certification. Failure to provide the certification, or notice of changes, may result in termination of this Order for default.
B. Seller represents and warrants that Seller is an expert, fully competent in all phases of the work involved in producing and supporting all Products and performing all Services purchased under this Order. Buyer may require Seller to remove from Buyer's or Buyer's customer's premises any employee, agent, or representative of Seller, or any of its subcontractors and Buyer shall have the right to request and have replaced any personnel who fail to perform to Buyer's satisfaction.

**42. INFORMATION SECURITY**

A. Definitions
i. "Information Security Incident" means (i) any actual or suspected incident involving Seller Information System that may involve Buyer's Sensitive Information, or (ii) any actual or suspected unauthorized access to, use, or disclosure of Buyer's Sensitive Information.
ii. "Information" means any communication or representation of knowledge such as facts, Data, or opinions, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual.
iii. "Information System" means a discrete set of Information resources that collect, process, maintain, use, share, disseminate, or dispose Information.
iv. "Seller Information System" is defined as any Information System owned and/or operated by Seller or owned/operated by a third party on behalf of Seller that collects, processes, maintains, uses, shares, disseminates, or disposes Information.
v. "Sensitive Information" means any Information that is collected, processed, maintained, used, shared, or disseminated in connection with this Order that warrants protection to ensure its confidentiality, integrity and availability including, but not limited to, any SPARC Research Proprietary Information and third party proprietary Information, Personal Information, Federal Contract Information as defined in FAR 52.204-21, Covered Defense Information as defined in DFARS 252.204-7012, and Controlled Unclassified Information (CUI) defined in the National Archives and Records Administration (NARA) Registry.
vi. "Countermeasures" means actions, devices, procedures, techniques, or other measures that reduce the vulnerability of an Information System.

B. Baseline Information Security Requirements
i. Seller shall apply administrative, technical, physical, and organizational safeguards appropriate to protect Sensitive Information, whether stored internally or in any external or cloud environment.
ii. At minimum, Seller shall implement all Basic Safeguarding Controls of FAR 52.204-21.
iii. If Seller processes, stores, or transmits CUI or CDI, Seller shall fully comply with DFARS 252.204-7012, including:
a. implementation of NIST SP 800-171 Rev. 2
b. submission of NIST SP 800-171 assessment scores to SPRS
c. flowdown of required clauses to all subcontractors handling Sensitive Information
iv. Seller shall maintain and enforce configuration standards, logging, access controls, encryption for data-in-transit/at-rest (when required), media sanitization procedures, and vulnerability management practices aligned to NIST SP 800-171.

C. CMMC 2.0 Compliance Requirements
i. Where applicable based on Buyer's Prime Contract, Seller shall meet the required Cybersecurity Maturity Model Certification (CMMC) Level (Level 1 or Level 2), and shall maintain certification or assessment documentation for the duration of the Order
ii. Upon Buyer request, Seller shall provide documentation demonstrating:
a. current assessment status,
b. certification or self-assessment validity, and
c. evidence supporting the claimed maturity level.

D. System Security Plan (SSP) and POA&M Requirements
i. Seller shall maintain a written System Security Plan (SSP) describing how compliance with NIST SP 800-171 or FAR 52.204-21 controls is achieved
ii. Seller shall maintain an up-to-date Plan of Action & Milestones (POA&M) for any open gaps.
iii. Seller shall provide current copies of SSP and POA&M to Buyer within 10 business days of request, except for information restricted by law or regulation
iv. Seller shall correct deficiencies in a timely manner and update the POA&M accordingly.

E. Assessment and Verification
i. Seller shall allow Buyer, its customer, or an independent assessor to verify the effectiveness of Seller's controls through audit, documentation review, or evidence-based technical assessment aligned with NIST SP 800-171A.
ii. Seller shall cooperate fully in providing evidence of compliance, including security test procedures, scan results, and policies.

F. Information Security Incident Reporting and Response
i. Seller must maintain an incident response plan addressing detection, containment, investigation, and remediation of Information Security Incidents.
ii. Seller shall notify Buyer within 72 hours of discovering any Information Security Incident involving Sensitive Information.
iii. At Seller's expense, Seller shall:
a. investigate the incident
b. take corrective actions to mitigate impact;
c. provide timely updates to Buyer
d. coordinate with Buyer on required notifications to government or third parties.
iv. This clause does not limit other reporting obligations under DFARS 252.204-7012 or other applicable laws.

G. Subcontractors, Cloud Services, and Third-Party Hosting
i. Seller shall not use a subcontractor or cloud provider to store, process, or transmit Sensitive Information unless:
a. Buyer provides written authorization, and
b. the subcontractor/cloud provider meets all applicable obligations (including FedRAMP Moderate/High for CUI).
ii. Seller must flow down all applicable requirements of this clause to every lower-tier subcontractor that handles Sensitive Information.

H. Notification of Material Security Changes
Seller must notify Buyer in writing at least 30 days prior to any material change to Seller Information Systems, including:
i. change of hosting provider,
ii. change in system architecture impacting Sensitive Information,
iii. new third-party access,
iv. migration of data to new environments,
v. significant cybersecurity posture changes.

I. Classified Information
For any work involving classified information, Seller shall comply with all applicable Government requirements, including FAR 52.204-2, associated DD254 guidance, and any customer security specifications.

J. Survival
Seller's obligations under this clause survive termination or expiration of the Order.

**43. FEDERAL ACQUISITION REGULATION (FAR) AND DEFENSE FAR SUPPLEMENT (DFARS) FLOWDOWN CLAUSES AND PROVISIONS**

A. The following clauses set forth in the FAR and DFARS as in effect on the date of this Order, unless otherwise noted, are incorporated herein by reference. The listed FAR and DFARS clauses are incorporated herein as if set forth in full text unless made inapplicable by its corresponding note, if any. Seller shall include the FAR and DFARS clauses in any lower-tier subcontract. Whenever said clauses include a requirement for the resolution of disputes between the Parties in accordance with the FAR "Disputes" clause, the dispute shall instead be disposed of in accordance with the clause entitled "Disputes" in these terms and conditions. Where necessary to derive proper meaning in a subcontract situation from these clauses, "Contractor" means "Seller," "Contracting Officer" means "Buyer," "Contract" means this Order and "Government" means "Buyer or the Government." However, the words "Government" and "Contracting Officer" do not change: (1) 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, (2) when title to property is to be transferred directly to the Government, and (3) in FAR 52.227-1, 52.227-2, and DFARS 252.227-7013 and 252.227-7014. Seller acknowledges that if Seller or any of its employees, agents, contract laborers or subcontractors engages in any of the prohibited activities set forth in FAR/DFAR clauses or if they violate any of the clauses below, this Order is subject to termination at the sole discretion of Buyer.

| Clause | FAR Reference |
|---|---|
| **Gratuities**<br>NOTE: As used in this clause, "Government" means "Buyer" (except "Government" means "Buyer or Government" in the phrase "to any Officer, official or employee of the Government"), "hearing" means opportunity to be heard, and "in any competent court", means "pursuant to the Disputes clause contained herein". | **52.203-3** |
| **Restrictions on Subcontractor Sales to the Government**<br>NOTE: Applicable to any Order greater than the simplified acquisition threshold. | **52.203-6** |
| **Anti-Kickback Procedures**<br>NOTE: The substance of this clause, except subparagraph (c)(1), is applicable to any Order and all lower-tier subcontracts which exceed $150,000. Seller shall immediately notify Buyer of any alleged violations involving any of Buyer's or Seller's employees. | **52.203-7** |
| **Limitation on Payments to Influence Certain Federal Transactions**<br>NOTE: Applicable to any Order greater than $150,000. | **52.203-12** |
| **Contractor Code of Business Ethics and Conduct**<br>NOTE: Applicable to any Order greater than $6,000,000 and period of performance greater than 120 days.<br>NOTE: Notwithstanding any alterations to this clause to reflect the relationship between Buyer and Seller, all disclosures of violation of the civil False Claims Act or of Federal criminal law shall be directed to the Office of the Inspector General of the agency issuing the Prime Contract under which this Order is being issued, with a copy to the Contracting Officer of the Prime Contract. | **52.203-13** |
| **Display of Hotline Poster(s)**<br>NOTE: Applicable to any Order greater than $6,000,000 and period of performance greater than 120 days (commercial items exempt). | **52.203-14** |
| **Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009** | **52.203-15** |
| **Preventing Personal Conflicts of Interest**<br>NOTE: Applicable to any Order greater than $150,000 | **52.203-16** |
| **Contractor Employee Whistleblower Rights and Requirement To Inform Employees of Whistleblower Rights**<br>NOTE: Applicable to any Order greater than the simplified acquisition threshold. | **52.203-17** |
| **Prohibition on Contracting with Entities that Require Certain Internal Confidentiality Agreements or Statements-Representation**<br>NOTE: This is not applicable to solicitations for a personal services contract with an individual if the services are to be performed entirely by the individual, rather than by an employee of the contractor or a subcontractor. | **52.203-18** |
| **Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements**<br>NOTE: Applicable in all solicitations and resultant contracts, other than personal services contracts with individuals. | **52.203-19** |
| **Security Requirements**<br>NOTE: Delete paragraph (c).<br>NOTE: Applicable if this Order involves access to Classified Information. | **52.204-2** |
| **Personal Identity Verification of Contractor Personnel** | **52.204-9** |
| **Basic Safeguarding of Covered Contractor Information Systems**<br>NOTE: Applicable to all Orders at any tier for other than commercially available off-the-shelf items. | **52.204-21** |
| **Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities** | **52.204-23** |
| **Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment**<br>NOTE: Not including (b)(2) or (d)(2) | **52.204-24** |
| **Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment**<br>NOTE: Pursuant to (e), not including (b)(2). | **52.204-25** |
| **Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment** | **52.209-6** |
| **Material Requirements** | **52.211-5** |
| **Defense Priority and Allocation Requirements**<br>NOTE: Clause is applicable unless this Order provides no DPAS rating. | **52.211-15** |
| **Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment**<br>NOTE: Not including (b)(2) or (d)(2) | **52.204-24** |
| **Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment.** | **52.204-25** |
| **Audit and Records – Negotiation**<br>NOTE: Applicable to any Order greater than the simplified acquisition threshold. | **52.215-2** |
| **Price Reduction for Defective Certified Cost or Pricing Data**<br>NOTE: Applicable to any Order when cost or pricing data are required. | **52.215-10** |
| **Price Reduction for Defective Certified Cost or Pricing Data - Modifications** | **52.215-11** |

| Clause | FAR Reference |
|---|---|
| NOTE: Applicable if FAR 52.215-10 is not applicable to this Order. | |
| **Subcontractor Certified Cost or Pricing Data**<br>NOTE: Applicable to any Order when cost or pricing Data are required. | **52.215-12** |
| **Subcontractor Certified Cost or Pricing Data - Modifications**<br>NOTE: Applicable if FAR 52.215-12 is not applicable to this Order. | **52.215-13** |
| **Integrity of Unit Prices**<br>NOTE: Delete paragraph (b)<br>NOTE: Applicable to any Order greater than the simplified acquisition threshold. | **52.215-14** |
| **Pension Adjustments and Asset Reversions**<br>NOTE: Applicable to any Order when cost or pricing Data are required or for which any pre-award or post-award cost determinations will be subject to FAR Part 31. | **52.215-15** |
| **Facilities Capital Cost of Money**<br>NOTE: Applicable only if this Order is subject to the Cost Principles at FAR Subpart 31.2 and Seller proposed Facilities Capital Cost of Money in its offer. | **52.215-16** |
| **Waiver of Facilities Capital Cost of Money**<br>NOTE: Applicable only if this Order is subject to the Cost Principles at FAR Subpart 31.2 and Seller did not propose Facilities Capital Cost of Money in its offer. | **52.215-17** |
| **Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other than Pensions**<br>NOTE: Applicable to any Order when cost or pricing Data are required or for which any pre-award or post-award cost determinations will be subject to FAR Part 31. | **52.215-18** |
| **Notification of Ownership Changes**<br>NOTE: Applicable to any Order when cost or pricing Data are required or for which any pre-award or post-award cost determinations will be subject to FAR Subpart 31.2. | **52.215-19** |
| **Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data** | **52.215-20** |
| **Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data - Modifications** | **52.215-21** |
| **Limitation on Pass-Through Charges**<br>NOTE: Applicable to any Order when the total estimated Order value exceeds the threshold for obtaining cost or pricing Data in FAR 15.403-<br>4 and the contemplated contract type is expected to be any contract type except those contract types listed in FAR 15.408(n)(2)(i)(B)(2). Seller shall notify Buyer in writing if:<br>(1) Seller changes the amount of subcontract effort after award such that it exceeds 70 percent of the total cost of work to be performed under this Order. The notification shall identify the revised cost of the subcontract effort and shall include verification that Seller will provide added value; or<br>(2) Any subcontractor changes the amount of lower-tier subcontractor effort such that it exceeds 70 percent of the total cost of the work to be performed under its subcontract. The notification shall identify the revised cost of the subcontract effort and shall include verification that<br>the subcontractor will provide added value as related to the work to be performed by the lower-tier subcontractor(s). | **52.215-23** |
| **Utilization of Small Business Concerns**<br>NOTE: Applicable unless contract is for personal services, or the contract, together with all of its subcontracts, will be performed entirely outside the U.S. and its outlying areas. | **52.219-8** |
| **ADDRESSING DEI DISCRIMINATION BY FEDERAL CONTRACTORS (APR 2026) (DEVIATION)** | **52.222-90** |
| **Notice to the Government of Labor Disputes** | **52.222-1** |
| **Contract Work Hours and Safety Standards – Overtime Compensation** | **52.222-4** |
| **Nondisplacement of Qualified Workers**<br>NOTE: Applicable to any Order greater than the simplified acquisition threshold. | **52.222-17** |
| **Contracts for Materials, Supplies, Articles and Equipment Exceeding $15,000.**<br>NOTE: Applicable to any Order greater than $15,000 or lower threshold if effective under older, higher-tier contract. | **52.222-20** |
| **Prohibition of Segregated Facilities**<br>NOTE: Applicable if Equal Opportunity clause has been determined to apply to this Order. | **52.222-21** |
| **Equal Opportunity**<br>NOTE: Applicable only (i) if this Order is not exempted by Secretary of Labor under Executive Order 11246 as amended per FAR 22.807, and (ii) then only with respect to provisions of subparagraphs (b)<br>(1) through (b)(11) [binding Seller thereto]. | **52.222-26** |
| **Equal Opportunity for Veterans**<br>NOTE: Applicable to any Order of $150,000 or more.<br>NOTE: The clause at 41 CFR 60-300.5(a) is incorporated herein by reference. Buyer and Seller shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by coveredprime contractors and subcontractors to employ and advance in employment qualified protected veterans. | **52.222-35** |
| **Equal Opportunity for Workers With Disabilities** | **52.222-36** |

| Clause | FAR Reference |
|---|---|
| NOTE: Applicable to any Order greater than $15,000 or lower threshold if effective under older, higher-tier contract.<br>NOTE: The clause at 41 CFR 60-741.5(a) is incorporated herein by reference. Buyer and Seller shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities. | |
| **Employment Reports on Veterans**<br>NOTE: Applicable to any Order at or over the Simplified Acquisition Threshold. | **52.222-37** |
| **Compliance with Veterans' Employment Reporting Requirements**<br>NOTE: Applicable to any Order over the Simplified Acquisition Threshold and not for the acquisition of commercial items. | **52.222-38** |
| **Notification of Employee Rights Under the National Labor Relations Act**<br>NOTE: Applicable to any Order greater than $10,000. | **52.222-40** |
| **Service Contract Labor Standards**<br>NOTE: Applicable only to the extent that such clause is in Buyer's higher-tier contract and this Order is subject to the Service Contract. | **52.222-41** |
| **Combating Trafficking in Persons** | **52.222-50** |
| **Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment - Requirements** | **52.222-51** |
| **Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services Requirements** | **52.222-53** |
| **Employment Eligibility Verification**<br>NOTE: Applicable to any Order greater than $3,500 with a period of performance of 120 days or greater. | **52.222-54** |
| **Minimum Wages Under Executive Order 13658**<br>NOTE: Applicable to Orders subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute | **52.222-55** |
| **Certification Regarding Trafficking in Persons Compliance Plan** | **52.222-56** |
| **Hazardous Material Identification and Material Safety Data**<br>NOTE: Entry is considered to be "none" unless Seller explicitly states otherwise within its quotation or proposal. ALT I applies if procurement is for other than the Department of Defense. | **52.223-3** |
| **Notice of Radioactive Materials** | **52.223-7** |
| **Ozone-Depleting Substances** | **52.223-11** |
| **Encouraging Contractor Policies to Ban Text Messaging While Driving** | **52.223-18** |
| **Privacy Act** | **52.224-2** |
| **Buy American – Supplies** | **52.225-1** |
| **Duty-Free Entry**<br>NOTE: Applicable only if such clause is contained in Buyer's higher-tier contract under which any reduced duty-free entry thresholds shall apply. Under paragraph (c)(1), change "20 days" to "30 days." Under paragraph (c)(2), change "10 days" to "20 days". | **52.225-8** |
| **Restrictions on Certain Foreign Purchases**<br>NOTE: Clause is applicable if purchased item is other than commercial item or component per clause at FAR 52.244-6. | **52.225-13** |
| **Authorization and Consent**<br>NOTE: Applicable only if contained in the controlling Prime Contract and to any Order greater than the simplified acquisition threshold. | **52.227-1** |
| **Notice and Assistance Regarding Patent and Copyright Infringement**<br>NOTE: Applicable to any Order greater than the simplified acquisition threshold. | **52.227-2** |
| **Filing of Patent Applications – Classified Subject Matter** | **52.227-10** |
| **Patent Rights – Ownership by the Contractor** | **52.227-11** |
| **Insurance – Work on a Government Installation**<br>NOTE: Applicable on any Order that requires work on a Government installation. | **52.228-5** |
| **Cost Accounting Standards** | **52.230-2** |
| **Disclosure and Consistency of Cost Accounting Practices** | **52.230-3** |
| **Administration of Cost Accounting Standards** | **52.230-6** |
| **Interest** | **52.232-17** |
| **Unenforceability of Unauthorized Obligations** | **52.232-39** |
| **Providing Accelerated Payments to Small Business Subcontractors** | **52.232-40** |
| **Industrial Resources Developed Under Defense Production Act Title III** | **52.234-1** |
| NOTE: Applicable only if this Order is identified elsewhere herein as stemming from a major system Prime Contract. | |
| **Accident Prevention** | **52.236-13** |
| **Protection of Government Buildings, Equipment, and Vegetation** | **52.237-2** |
| NOTE: Applicable to any work performed on a Government installation. "Government" thereunder means Buyer, | |

| Clause | FAR Reference |
|---|---|
| Prime Contractor [if not Buyer], and any upper-tier subcontractor. | |
| Bankruptcy | **52.242-13** |
| NOTE: Any such notification shall be to Buyer. After "for all Government contracts," insert "with Seller". | |
| **Competition In Subcontracting** | **52.244-5** |
| **Subcontracts for Commercial Items** | **52.244-6** |
| **Government Property or Alternate I**<br>NOTE 1: Applicable to any Order if Government property is furnished to Seller.<br>NOTE 2: The basic clause (non-Alt 1 version) applies in most instances except for conditions referenced in Note 3 below.<br>NOTE 3: The Alternate 1 version of FAR 52.245-1 shall apply if; this Order was issued to Seller as a Firm Fixed Price type contracts not awarded on the basis of submission of certified cost or pricing Data, Buyer's Prime Contract contains the Alternate 1 provisions, or if Sellerhas a disapproved property control system at the time of Order award. Under the Alternate 1 clause Seller shall assume Full Risk of Loss for Government Property under Seller's accountability during performance of this Order<br>NOTE: In the phrases "Government Property", "Government-furnished property", and in references to title to property, "Government" shall not mean "Buyer".<br>The following is added as paragraph (n): "Contractor shall provide Buyer immediate notice of any disapproval, withdrawal of approval,or non-acceptance by the Government of its property control system". In the event of any of the aforementioned conditions Seller shall immediately assume Full Risk of Loss for all loss or damage to Government property commencing on the day Seller's property system approval was withdrawn or rescinded." | **52.245-1** |
| **Inspection of Supplies - Fixed-Price** | **52.246-2** |
| **Inspection of Services - Fixed-Price** | **52.246-4** |
| **Preference for U.S. - Flag Air Carriers**<br>NOTE: Applicable to any Order and lower-tier subcontracts that involve international air transportation and are greater than the simplified acquisition threshold. | **52.247-63** |
| **Preference for Privately Owned U.S. - Flag Commercial Vessels** | **52.247-64** |
| **Value Engineering**<br>NOTE: Applicable to any Order of $150,000 or more except as specified in FAR 48.201(a).<br>NOTE: In paragraph (j), "Contracting Officer" means the U.S. Government Contracting Officer, and, in the legend of paragraph (m), "Government" means both the U.S. Government and Buyer. DOD deviation applies if this Order stems from higher-tier contract with DOD. | **52.248-1** |
| **Prohibition on Persons Convicted of Fraud or Other Defense Contract Related Felonies**<br>NOTE: Applicable to all first-tier Orders greater than the simplified acquisition threshold. | **252.203-7001** |
| **Display of Fraud Hotline Poster(s)**<br>**NOTE: Applicable to Orders greater than $6.000,000, except for Orders for commercial items or lower-tier subcontracts performed entirely outside the U.S.** | **252.203-7004** |
| **Anti-Terrorism Awareness Training for Contractors**<br>NOTE: Applicable when performance requires routine physical access to a Federally-controlled facility or military installation. Information and guidance pertaining to DoD antiterrorism awareness training is available at https://jko.jten.mil/ or as otherwise identified in the performance work statement. | **252.204.7004** |
| **Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information** | **252.204-7009** |
| **Safeguarding Covered Defense Information and Cyber Incident Reporting**<br>NOTE: Applicable to all Orders, at any tier, including orders for commercial items, for operationally critical support,or for which performance will involve covered defense information, unless the Order is solely for commercially available off-the-shelf items. | **252.204-7012** |
| **Covered Defense Telecommunications Equipment or Services—Representation** | **252.204-7016** |
| **Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services—Representation** | **252.204-7017** |
| **Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services** | **252.204-7018** |
| **Notice of NIST SP 800-171 DoD Assessment Requirements** | **252.204-7019** |
| **NIST SP 800-171 DoD Assessment Requirements** | **252.204-7020** |
| **Intent to Furnish Precious Metals as Government-Furnished Material**<br>NOTE: Applicable to any Order and all lower-tier subcontracts unless it is known that the item being purchased contains no precious metals. | **252.208-7000** |
| **Subcontracting with Firms that are Owned or Controlled by the Government of a Country that is a State Sponsor of Terrorism.**<br>NOTE: Applicable to any Order of $150,000 or more. | **252.209-7004** |
| **Acquisition Streamlining**<br>NOTE: Applicable to any Order greater than $1,500,000 and which stems from a Prime Contract under a systems acquisition program. | **252.211-7000** |

| Clause | FAR Reference |
|---|---|
| **Restrictions on the Use of Mandatory Arbitration Agreements**<br>NOTE: Failure to comply with this provision will be considered a material breach and, at the sole discretion of Buyer, may result in termination for default or cause. | **252.222-7006** |
| **Hazard Warning Labels**<br>NOTE: Applicable to any Order which requires delivery of hazardous materials. | **252.223-7001** |
| **Safety Precautions for Ammunition and Explosives**<br>NOTE: Applicable to any Order involving articles furnished containing ammunition or explosives. Government safety representatives may evaluate Seller compliance. | **252.223-7002** |
| **Change in Place of Performance - Ammunition and Explosives**<br>NOTE: Applicable if DFARS 252.223-7002 applies to this Order. | **252.223-7003** |
| **Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives**<br>NOTE: Applicable to any Order and all lower-tier subcontracts involving arms, ammunition and explosives. | **252.223-7007** |
| **Prohibition of Hexavalent Chromium**<br>NOTE: Applicable to any Order for Products, maintenance and repair Services, or construction materials unless the exceptions listed in DFARS 252.223.7304 apply. | **252.223-7008** |
| **Buy American and Balance of Payments Program** | **252.225-7001** |
| **Qualifying Country Sources As Subcontractors** | **252.225-7002** |
| **Prohibition on Acquisition of United States Munitions List Items From Communist Chinese Military Companies** | **252.225-7007** |
| **Restriction on Acquisition of Certain Articles Containing Specialty Metals**<br>NOTE: Exclude paragraphs (d) and (e)(1); paragraph (c)(6) is hereby deleted.<br>NOTE: Upon Seller notification of noncompliance with the terms of this clause and the provision of specific information related to the source of the noncompliance, Buyer will facilitate management of the allowance for up to 2% otherwise noncompliant specialty metal content in the end item. The 2% minimal content exception does not apply to and cannot be used to exempt specialty metals contained in high performancemagnets. | **252.225-7009** |
| **Preference for Certain Domestic Commodities**<br>NOTE: Applicable to any Order greater than the simplified acquisition threshold. | **252.225-7012** |
| **Duty – Free Entry** | **252.225-7013** |
| **Restriction on Acquisition of Hand or Measuring Tools** | **252.225-7015** |
| **Restriction on Acquisition of Ball and Roller Bearings**<br>NOTE: Applicable to any Order and all lower-tier subcontracts if Product supplied contains ball or roller bearings. | **252.225-7016** |
| **Trade Agreements** | **252.225-7021** |
| **Restriction on Acquisition of Forgings** | **252.225-7025** |
| **Exclusionary Policies and Practices of Foreign Governments** | **252.225-7028** |
| **Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate** | **252.225-7030** |
| **Waiver of United Kingdom Levies** | **252.225-7033** |
| **Buy American – Free Trade Agreements – Balance of Payments Program** | **252.225-7036** |
| **Export Controlled Items** | **252.225-7048** |
| **Restriction on Acquisition of Certain Magnets and Tungsten** | **252.225.7052** |
| **Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns** | **252.226-7001** |
| **Rights in Technical Data – Noncommercial Items** | **252.227-7013** |
| **Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation** | **252.227-7014** |
| **Technical Data - Commercial Items** | **252.227-7015** |
| **Rights in Bid or Proposal Information** | **252.227-7016** |
| **Validation of Asserted Restriction – Computer Software** | **252.227-7019** |
| **Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends** | **252.227-7025** |
| **Deferred Delivery of Technical Data or Computer Software** | **252.227-7026** |
| **Deferred Ordering of Technical Data or Computer Software** | **252.227-7027** |
| **Technical Data – Withholding of Payment** | **252.227-7030** |
| **Validation of Restrictive Markings on Technical Data** | **252.227-7037** |
| **Patent Rights-Ownership by the Contractor (Large Business)** | **252.227-7038** |
| **Patents – Reporting of Subject Inventions** | **252.227-7039** |
| **Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles** | **252.228-7005** |
| **Supplemental Cost Principles** | **252.231-7000** |
| **Frequency Authorization and Alternate I**<br>NOTE: Authorization shall be through or coordinated with Buyer's Authorized Representative. | **252.235-7003** |
| **Protection Against Compromising Emanations**<br>NOTE: Applicable to Orders for computer equipment or systems to process Classified Information. | **252.239-7000** |

| Clause | FAR Reference |
|---|---|
| **Cloud Computing Services** | **252.239-7010** |
| **Telecommunications Security Equipment, Devices, Techniques and Services** | **252.239-7016** |
| **Pricing of Contract Modifications** | **252.243-7001** |
| **Requests for Equitable Adjustment** | **252.243-7002** |
| **Subcontracts for Commercial Items** | **252.244-7000** |
| **Contractor Property Management System Administration.** | **252.245-7003** |
| **Gov't Property Management** | **252.245-7005** |
| **Warranty of Data** | **252.246-7001** |
| **Notification of Potential Safety Issues** | **252.246-7003** |
| **Contractor Counterfeit Electronic Part Detection and Avoidance System**<br>NOTES:<br>The provision of paragraphs (a) – (e), including its definition of "electronic parts," are incorporated herein by reference. | **252.246-7007** |
| **Sources of Electronic Parts** | **252.246-7008** |
| **Transportation of Supplies by Sea**<br>NOTE: Applicable in any Order and all lower-tier subcontracts for ocean transportation of supplies. Paragraphs (f) and (g) shall not apply if this Order or any lower-tier subcontract is at or below the simplified acquisition threshold.<br>NOTE: Paragraph (c), first sentence has been modified as to read "Seller and its subcontractors may request that Buyer obtain Government authorization for shipment…" "45" is changed to "60" days in paragraph (d) and "30" to "20" in paragraph (e). In paragraph (e), delete "andthe division of National Cargo, Office of Market Development, Maritime Administration, U.S. Department of Transportation, Washington, DC 20590." In paragraph (g) "for the purposes of the Prompt Payment clause of this contract" is deleted.<br>NOTE: Seller agrees to indemnify and hold Buyer harmless against any loss, damage or expense suffered by Buyer as a result of Seller's failure to comply with the requirements of this clause. | **252.247-7023** |
| **Notification of Anticipated Contract Termination or Reduction** | **252.249-7002** |