



C SPEED'S STANDARD TERMS AND CONDITIONS

1. APPLICABLE LAW AND DISPUTES

Any disputes under this Subcontract that are not disposed of by mutual agreement of the Parties may be decided by recourse to an action at law or in equity. Seller shall proceed diligently with performance of this Subcontract pending final resolution of any dispute arising from or relating to the Subcontract and shall comply with any decision of the C Speed Contractual POC.

This Subcontract and any matter arising out of or related to this Subcontract shall be construed and governed in accordance with the laws of the State of Florida, excluding its choice of law statutes, except that any clause in this Subcontract that is (a) incorporated by full text or reference from the Federal Acquisition Regulation ("FAR"), or (b) incorporated by full text or reference from any agency regulation that implements or supplements the FAR, including the Defense Federal Acquisition Regulation Supplement ("DFARS"), shall be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, boards of contract appeals, and quasi-judicial agencies of the federal government. Jurisdiction and venue for any suit between the Parties arising out of or connected with this Subcontract, or the goods and services furnished hereunder, shall be in Brevard County, Florida.

Seller consents to personal jurisdiction in the State of Florida and any litigation under this Subcontract, if commenced by Seller, must be brought exclusively in a Court of competent jurisdiction in Brevard County, Florida, without regard to conflicts of law principles. THE PARTIES HEREBY MUTUALLY AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY. The rights and remedies herein reserved to Buyer shall be cumulative and additional to any other or further rights and remedies provided in law or equity. Subject to any specific provisions in this Subcontract, Seller shall be liable for any damages incurred by Buyer as a result of Seller's failure to perform its obligations in the manner required by this Subcontract.

The Parties specifically disclaim application to this Subcontract of the United Nations Convention on Contracts for the International Sale of Goods.

2. CONFIDENTIAL RELATIONSHIP

Seller shall not disseminate or publish, except within and between Seller and any other subcontractors performing the Subcontract's requirements, information developed under this Subcontract or contained in the reports to be furnished pursuant to this Subcontract without prior written approval of Buyer.

Seller shall treat as proprietary and confidential all specifications, drawings, blueprints, nomenclature, samples, models and other information supplied by Buyer or Buyer's other subcontractors, except for any such information provided by the Government or to which the Government has other than unlimited rights, in which case Seller shall use and disclose the information in accordance with applicable provisions and/or restrictive markings concerning Seller's use and disclosure of such information. Unless the written consent of Buyer is first obtained, Seller shall not in any manner advertise, publish, or release for publication, including without limitation by news releases, articles, brochures, advertisements, or speeches, any statement mentioning Buyer or the fact that Seller has furnished or contracted to furnish to Buyer goods and/or services required by this Subcontract, or quote the opinion of any employees of Buyer. Seller shall not disclose any information relating to this Subcontract to any person not authorized by Buyer to receive it. Seller shall use the information supplied by Buyer only to accomplish work covered by this Subcontract and for no other purpose. Upon completion, all information is to be returned to Buyer upon Buyer's written request. In the event of a conflict between the terms of this clause and the terms and conditions of any separately executed and applicable Non-Disclosure Agreement between Buyer and Seller, the terms and conditions of the Non-Disclosure Agreement shall control and are hereby incorporated into these terms and conditions.

Seller shall obtain the written agreement of each of Seller's employees permitted access to information developed under this Subcontract or contained in the reports to be furnished pursuant to this Subcontract that he or she will not discuss divulge, or disclose such information or data to any person or entity except those persons within Seller's organization, or Seller's subcontractors, directly concerned with the performance of this Subcontract.



Seller's obligations under this clause shall survive the termination or expiration of this Subcontract's period of performance.

3. INFORMATION DISCLOSED BY SELLER

Unless otherwise expressly set forth in this Subcontract, Buyer shall have the right to use, for any purpose, information concerning Seller's goods, services, manufacturing methods, or processes which Seller has disclosed to Buyer, without restrictions, prior to or during the performance of this Subcontract. In the event of a conflict between the terms of this clause and the terms and conditions of any separately executed and applicable Non-Disclosure Agreement between Buyer and Seller, the terms and conditions of the Non-Disclosure Agreement shall control and are hereby incorporated into these terms and conditions.

4. COMMUNICATIONS WITH BUYER'S GOVERNMENT CUSTOMER

Seller is expressly prohibited from communicating with Buyer's Government Customer with respect to Buyer's Government Prime Contract and/or the Subcontract, including any discussion of management issues, pricing, payments, specific tasking, or Seller's performance of the Subcontract, without Buyer's prior express consent. However, nothing in this clause shall be construed to restrict **(a)** the discussion of day-to-day operational issues, or **(b)** limit Seller's communications with Buyer's Government Customer pursuant to FAR 52.203-6, Restrictions on Subcontractor Sales to the Government (JUN 2020). Any authorized communications, other than those expressly provided for herein, between Seller and Buyer's Government Customer shall be conducted in the presence of Buyer's Contractual POC unless otherwise agreed by the Parties.

In the event it becomes desirable for Seller to contact the Buyer's Government Customer, a potential Government Customer, or interested U.S. Government agency concerning Buyer's Prime Contract, Seller shall notify Buyer's Contractual and Technical POCs and explain the nature of the desired contact and obtain approval from Buyer's Contractual and Technical POCs in advance. Buyer may deny approval at its sole discretion. Conversely, Seller shall notify Buyer's Contractual and Technical POCs when contacted by the Buyer's Government Customer, a potential Government Customer, or interested U.S. Government agency concerning new work, in addition to the work outlined in the SOW included in this Subcontract, including potential changes to the scope of this Subcontract or to the Prime Contract, or any other information Buyer should be aware of as the Prime Contractor for this Government Customer's Program under the Prime Contract.

5. PACKING AND SHIPMENT

Unless otherwise specified in this Subcontract, Seller shall be responsible for safe and adequate packing conforming to the requirements of carriers' tariffs or, in the absence of such requirements, conforming to the best commercial practices. All expendable packaging materials must be legally and economically disposable or recyclable. Seller shall separately number all cases, packages, etc., showing the corresponding numbers on the invoices. An itemized packing slip, bearing this Subcontract and any applicable order number must be placed in each container. No extra charge shall be made for packaging or packing materials unless authority therefore is set forth in this Subcontract.

Seller shall comply with Buyer's routing and shipping instructions. If Seller has not previously received Buyer's routing and shipping instructions, Seller shall immediately request these instructions from Buyer. Seller shall remain liable for any and all additional charges which accrue as a result of Seller's failure to comply with Buyer's routing and shipping instructions.

Acceleration of delivery is not authorized unless specified in writing by Buyer's Purchasing Representative.

6. ETHICAL STANDARDS OF CONDUCT

A. Seller's Business Code

Buyer is committed to conducting its business fairly, impartially, and in an ethical and proper manner. Buyer's expectation is that Seller also will conduct its business fairly, impartially, and consistent with Buyer's Code of Conduct as it relates to intermediaries, in its current form and as it may be amended from time to time. Buyer's further expectation is that Seller also will have (or will develop) and adhere to its own code of ethical standards ([Code of](#)



[Business Conduct | C Speed | United States](#)). Seller's employees are required to conduct company business with integrity and maintain a high standard of conduct in all business-related activities.

B. Reporting

If Seller has cause to believe that Buyer or any employee or agent of Buyer has behaved improperly or unethically under this Subcontract, Seller may contact C Speed Management at compliance@cspeedgov.us.

C. Conflicts of Interest

Seller shall not participate in any personal business, or investment activity that may be defined as a conflict of interest, whether real or perceived. As a material obligation hereunder, Seller must immediately notify Buyer if, at any time during the term of this Subcontract, Seller becomes aware that it has an actual or potential conflict of interest, as defined by FAR Subpart 9.5, DFARS 252.209-7009, Federal Aviation Administration's Acquisition Management System ("AMS") 3.1.7, 48 C.F.R. Part 1803, or any agency regulation that implements or supplements the FAR, including without limitation an unfair competitive advantage or a relationship of any nature which may affect or which may reasonably appear to affect Seller's objectivity or ability to perform the Work ("Conflict of Interest").

7. COMPLIANCE WITH FEDERAL, STATE, AND LOCAL LAWS

A. Seller's Obligations

i. Generally

Seller shall comply with the applicable provisions of any federal, state, or local law or ordinance and all orders, rules, and regulations issued thereunder to include host nation laws for work outside of the United States. Seller shall procure all licenses/permits, pay all fees, and other required charges and shall comply with all applicable guidelines and directives of any local, state and/or federal government authority.

ii. Foreign Transactions and Export Control

Seller, at its sole expense, shall comply with all laws and regulations of the United States—including International Traffic in Arms Regulations ("ITAR") and the Export Administration Regulations ("EAR")—and other countries related to exports and imports including obtaining all required authorizations from the U.S. Government or other applicable governments. Seller shall have full responsibility for obtaining any export licenses or authorization required to fulfill its obligations under this Subcontract. Seller shall immediately notify Buyer's Contractual POC if Seller's export privileges are denied, suspended, or revoked in whole or in part by any U.S. or other government entity or agency. Buyer may deem Seller's failure to comply with the requirements of this clause a material failure to perform under this Subcontract that shall subject Seller to termination in accordance with the Termination Section.

(a) **ITAR-CONTROLLED HARDWARE, TECHNICAL DATA OR SERVICES.** Seller is hereby notified that certain hardware (e.g., finished goods, parts, components, accessories, attachments, samples, prototypes, test equipment, firmware, software, or systems), technical data (e.g., technical specifications, drawings, photos, instructions, or other technical information in any form), and/or services provided by Buyer for purposes of this Subcontract are or may be subject to the ITAR (22 C.F.R. Parts 120-130). In addition, Seller is hereby notified that hardware, technical data, and/or services sold by Seller that are designed, developed, modified, adapted or configured from hardware, technical data, and/or services provided by Buyer are or may also be subject to the ITAR. The ITAR is accessible at the U.S. Department of State, Directorate of Defense Trade Controls ("DDTC") website at <http://www.pmddtc.state.gov>.

(1) If Seller is a manufacturer and/or exports defense articles or defense services, Seller represents that it is registered with the U.S. Department of State and will maintain said registration in order to be eligible to engage in the manufacture and/or export of defense articles and defense services as required by the ITAR (22

C.F.R. § 122.1(a)).



(2) The ITAR restricts access to Buyer's and Seller's controlled hardware, technical data, or services to U.S. citizens and permanent residents (*i.e.*, U.S. persons) only. Seller is advised and acknowledges that controlled hardware, technical data, and/or services shall not be exported out of the U.S. or transferred to a non-U.S. person inside the U.S. without prior authorization of the U.S. Government. Seller will be informed by Buyer of the export control status of all hardware, technical data, and/or services provided to Seller by Buyer. Hardware and technical data will be clearly marked as export-controlled or not. Seller agrees that it will not transfer or provide access to any ITAR-controlled hardware, technical data, or services provided by Buyer to non-U.S. persons employed by or associated with Seller, whether located in the U.S. or not, without U.S. Government authorization and permission from Buyer.

(3) If this Subcontract results in a Task Order in an amount of \$500,000 or more, or if any Task Order issued under this Subcontract is amended so that the total amount of that Task Order or all of the Task Orders issued under the Subcontract is in an amount of \$500,000 or more, Seller shall, within fifteen (15) days of the date of the Task Order, or such amendment, inform Buyer in a written statement if Seller has paid, offered or agreed to pay, in respect of the sale for which the Items will be used, political contributions or fees or commissions, within the meaning of 22 C.F.R. Part 130. Seller's statement shall conform to the requirements of 22 C.F.R. Part 130. Failure of Seller to provide Buyer with such a statement within the specified time frame, or any extension thereof, shall constitute a certification by Seller that it has not paid, offered, or agreed to pay such political contributions, fees, or commissions.

(4) Seller shall indemnify Buyer and be solely responsible for all losses, costs, claims, fines, causes of action, damages, liabilities and expense, including attorneys' fees, all expense of litigation and/or settlement, and court costs, arising from any act or omission of Seller, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this Section subparagraph A.ii.a.

(b) GOODS, TECHNOLOGY, SOFTWARE SUBJECT TO U.S. EXPORT ADMINISTRATION REGULATIONS. Seller is hereby notified that certain hardware (*e.g.*, finished goods, parts, components, accessories, attachments, samples, prototypes, test equipment, firmware, software, or systems), technology (*e.g.*, technical specifications, drawings, photos, instructions, or other technical information in any form), and/or software provided by Buyer for purposes of this Subcontract are or may be subject to the EAR. In addition, Seller is hereby notified that the hardware, technology, technical data, and/or software sold by Seller that is derived from hardware, technology, and/or software provided by Buyer are or may also be subject to the EAR. The EAR is accessible at the U.S. Department of Commerce, Bureau of Industry and Security website at <http://www.bis.doc.gov>.

(1) The EAR restricts the shipment, transmission, or transfer of certain of Buyer's and Seller's controlled hardware, technology, technical data and/or software from the U.S. to foreign countries, as well as to foreign nationals located inside the U.S. (deemed export). Seller is advised and acknowledges that certain controlled hardware, technology, technical data and/or software may not be exported out of the U.S. or to a non-U.S. person inside the U.S. without prior authorization of the U.S. Government. Seller will be informed by Buyer of the export control status of all hardware, technology, and/or software provided to Seller by Buyer. Hardware and technology will be clearly marked as export-controlled or not. Seller shall not transfer or provide access to any EAR-controlled hardware, technology, technical data, or software provided by Buyer out of the United States or to non-U.S. persons employed by or associated with Seller, whether located in the U.S. or not, without U.S. Government authorization and permission from Buyer.

(2) Seller shall inform Buyer of the export control status of all hardware, technical data, technology, software, and/or services sold to Buyer under this Subcontract to include clearly marking all hardware and/or technical data.

(3) Seller also certifies to Buyer that it does not, and shall not, participate or comply with any boycott (both domestic and international), or boycott-related request or engage in any restrictive trade practices which are in contravention of a United States Government law or regulation including 15 C.F.R. Part 760, Restrictive Trade Practices or Boycotts.

(4) Where Seller is a signatory under a Buyer export authorization, Seller shall provide prompt notification to Buyer's Contractual POC in the event of changed circumstances including, but not limited to, ineligibility,



a violation or potential violation of applicable export regulations that could affect Seller's performance under this Subcontract.

(5) Seller shall indemnify Buyer and be solely responsible for all losses, costs, claims, causes of action, damages, liabilities and expense, including attorneys' fees, all expense of litigation and/or settlement, and court costs, arising from any act or omission of Seller, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this Section subparagraph A.ii.b.

(c) U.S. ECONOMIC AND TRADE SANCTIONS. Seller understands that the Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy, or economy of the United States. Seller agrees that it will comply with these OFAC administered regulations and policies and will not transfer any goods or services to or from, or otherwise engage with entities or persons listed on the Specially Designated Nationals ("SDN") List. The SDN List is accessible at <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>.

(d) HARDWARE, TECHNOLOGY, OR TECHNICAL DATA RECEIVED WITHOUT MARKING. Seller is hereby notified that, to the extent it should receive any hardware, technology, or technical data from Buyer that is not marked as export-controlled (*i.e.*, under the ITAR or EAR), Seller must treat such hardware, technology, or technical data in conformance with the most restrictive standard potentially applicable unless it requests and receives specific written instructions from Buyer that releases Seller from this requirement.

(e) IMPORTS APPEARING ON THE U.S. MUNITIONS IMPORT LIST. If performance under this Subcontract requires Seller to permanently import into the U.S. articles appearing on the U.S. Treasury Department, Bureau of Alcohol, Tobacco & Firearms ("ATF") U.S. Munitions Import List at 27 C.F.R. § 447.21, Seller is advised and hereby acknowledges that such items may not be permanently imported into the U.S. without an approved import permit issued by ATF pursuant to 27 C.F.R. Part 478, Subpart G, unless an exemption applies. Additionally, if Seller is engaged in the business, in the U.S., of importing articles appearing on the U.S. Munitions Import List, Seller must register with ATF pursuant to 27 C.F.R. Part 447, Subpart D. Downloadable copies of the ATF regulations and forms are accessible at the ATF website at <https://regulations.atf.gov/447-31/2022-08026#447-31>

(f) ITEMS REQUIRING APPROVED ATF PERMITS. If performance under this Subcontract requires Seller to export out of the U.S. machine guns, destructive devices, explosives, and certain other firearms, as defined in 27 C.F.R. Part 479.11, Seller is advised and hereby acknowledges that such items may not be exported out of the U.S. without an approved export permit issued by ATF pursuant to 27 C.F.R. Part 479, Subpart H. Seller is also advised that an approved export license issued by the U.S. Department of State's Office of Defense Trade Controls Compliance ("ODTC") may also be required pursuant to the relevant requirements of the ITAR.

(g) CUSTOMS-TRADE PARTNERSHIP AGAINST TERRORISM. To the extent any item covered by this Subcontract is to be imported into the United States of America, if requested by Buyer, Seller shall comply with all applicable recommendations or requirements of the Bureau of Customs and Border Protection's Customs-Trade Partnership Against Terrorism (C-TPAT) initiative. Upon request, Seller shall certify in writing its compliance with all applicable recommendations or requirements of the C-TPAT initiative.

(h) RECORD KEEPING. Seller agrees to bear sole responsibility for all regulatory record keeping associated with the use of licenses and license exceptions/exemptions. Without limiting the foregoing, Seller agrees that it will not transfer any export controlled item, data, or services, to include transfer to foreign persons employed by or associated with, or under contract to Seller or Seller's lower-tier suppliers, without the authority of an export license, agreement, or applicable exemption or exception. Seller shall notify Buyer if any deliverable under this Subcontract is restricted by export control laws or regulations. Seller shall immediately notify Buyer's Contractual POC if Seller is, or becomes, listed in any Denied Parties List or if Seller's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. Government entity or agency.



(i) REPORT. Upon Buyer's request, Seller shall provide a report of all sources outside the United States utilized by Seller or its lower-tier subcontractors in the fulfillment of this Subcontract, including the names and locations of the sources, and a description of the items or services obtained from such sources.

iii. Labor Law

In performing its obligations under this Subcontract, Seller will not use child labor as defined by local law, will not use forced or compulsory labor, will not physically abuse labor and will respect employees' rights to choose whether to be represented by third parties and to bargain collectively in accordance with local law. In addition, in all wage and benefit, working hours and overtime and health, safety and environmental matters, Seller will comply with all applicable laws and regulations. Seller further agrees that, if requested by Buyer, it shall demonstrate, to the satisfaction of Buyer, compliance with all requirements in this paragraph. Buyer shall have the right to inspect any site of Seller involved in work for Buyer, and failure to comply with the obligations in this paragraph shall be cause for immediate termination without penalty or further liability to Buyer.

iv. Human Trafficking

Seller and its suppliers shall comply with FAR 52.222-50, Combating Trafficking in Persons (JAN 2019), and ensure it informs its employees and suppliers of their responsibility to report human trafficking violations at any tier of the supply chain using any appropriate disclosure channel, including but not limited to: Buyer's anonymous hotline (800) 760-4332, Buyer's anonymous and confidential online submission (secure.ethicspoint.com), and the Government's Global Human Trafficking Hotline 1-888-373-7888 and its email address at help@humantraffickinghotline.org. Buyer does not tolerate retaliation of any kind against individuals who, in good faith, raise questions or report concerns, and Seller shall notify its employees of their whistleblower rights under 10 U.S.C. § 2409, 31 U.S.C. § 3730(h), 52.203-17, Contractor Employee Whistleblower Rights and Requirement To Inform Employees of Whistleblower Rights (JUN 2020), FAR Subpart 3.9, and DFARS Subpart 203.9. Seller shall flow down this requirement to all suppliers at any tier. Seller's failure to comply with this Section shall be deemed a material breach of the Subcontract.

v. Compliance with the U.S. Foreign Corrupt Practices Act

Seller warrants and represents that it is familiar with and will strictly comply with the requirements of the U.S. Foreign Corrupt Practices Act of 1977, as amended, 15 U.S.C. §§ 78dd-1, *et seq.* ("FCPA"). Seller will not offer, pay or promise to pay, give, or authorize payment of any money or anything of value to any government or public official (including political parties, officials or candidates for political office) for the purpose of influencing any act or decision of such official in his or her official capacity, including failure to perform his or her official function. Seller shall make no expenditures for other than lawful purposes with respect to the performance of this Subcontract.

vi. Gratuities and Kickbacks

Neither Seller nor any agent, representative, affiliate or subcontractor of Seller shall offer or give gratuities (in the form of entertainment, gifts, travel, or anything of value) or kickbacks to any officer or employee of Buyer's Government Customer or Buyer. This restriction specifically prohibits, but is not limited to, the direct or indirect inclusion of any kickback amounts in any invoices or billings submitted under this Subcontract or any other agreement with Buyer. Buyer may, by written notice to Seller, immediately terminate the right of Seller to proceed under this Subcontract if it is found that Seller, or any agent, representative, affiliate or subcontractor of Seller, offered or gave gratuities (in the form of entertainment, gifts, travel or anything of value) or kickbacks to any officer or employee of Buyer's Government Customer or Buyer. Seller shall not violate or cause Buyer to violate any applicable legal prohibitions on gratuities, such as 10 U.S.C. § 2207, FAR Subpart 3.2, and 48 U.S.C. § 52.203-3, or kickbacks, such as 41 U.S.C. §§ 8701, *et seq.*, 29 C.F.R. § 10.27, FAR 3.502, and FAR 22.403-2, and FAR 52.203-7.

B. Buyer's Remedies

i. Category 1 Violations



Buyer may proceed as provided for in subparagraph (iii) below if, as a result of any violation of applicable laws, orders, rules, regulations, or ordinances by Seller, its officers, employees, agents, suppliers, or subcontractors at any tier:

1. Buyer's Prime Contract price or fee is reduced;
2. Buyer's Prime Contract costs are determined to be unallowable;
3. Any fines, penalties, withholdings, or interest are assessed on Buyer; or
4. Buyer incurs any other costs or damages.

ii. Category 2 Violations

Buyer may also proceed as provided for in subparagraph (iii) below where submission of cost or pricing data is required or requested at any time prior to or during performance of this Subcontract, if Seller or its lower-tier subcontractors:

1. Submit and/or certify cost or pricing data that are defective with notice of applicable cutoff dates, and upon Buyer's request to provide cost or pricing data, submit cost or pricing data, whether certified or not certified at the time of submission, as a prospective subcontractor, and any such data are defective as of the applicable cutoff date on Buyer's Certificate of Current Cost or Pricing Data;
2. Claim an exception to a requirement to submit cost or pricing data and such exception is invalid;
3. Furnish data of any description that is inaccurate; or,
4. If the U.S. Government alleges any of the foregoing, and, as a result:
 - a. Buyer's Prime Contract price or fee is reduced;
 - b. Buyer's Prime Contract costs are determined to be unallowable;
 - c. Any fines, penalties, withholdings, or interest are assessed on Buyer; or
 - d. Buyer incurs any other costs or damage.

iii. Reductions and Payment

Upon the occurrence of any of the circumstances in subparagraphs (i) and (ii) above, other than withholdings identified in paragraphs (ii)(4)(b) and (c), Buyer may make a reduction of corresponding amounts (in whole or in part) in the price of this Subcontract or any other contract with Seller, and/or may demand payment (in whole or in part) of the corresponding amounts. Seller shall promptly pay the amounts demanded. In the case of withholding(s), Buyer may withhold the same amount from Seller under this Subcontract.

8. SUSPENSION OF WORK

Buyer shall have the right to direct Seller in writing to suspend all or any part of the work for a period of time not to exceed ninety (90) days, and for any further period as the Parties may agree, unless extended by Buyer's Government Customer. Upon receipt of the written notice, Seller shall immediately comply with the terms of the notice and shall take all reasonable measures to mitigate the costs allocable to the suspended portion of the work.

If work is suspended, an adjustment may be made in accordance with the provisions of the Changes Section, for any increase in the time and the cost (exclusive of profit) of performing this Subcontract necessarily caused by such suspension prior to incurrence of costs in excess of the funded value, and this Subcontract may be modified in writing accordingly. In no event, however, is Buyer obliged to increase the funded value, therefore Seller shall ensure costs never exceed the funded value.

A claim shall not be allowed under this clause unless the claim, in an amount stated, is asserted in writing within thirty (30) days after Buyer's issuance of the notice of termination of the suspension. Suspension may only be terminated by written notice from Buyer, regardless of the expiration of the original or extended suspension period. When the suspension has been terminated, Seller shall immediately commence performance, notwithstanding the fact that there is no agreement as to a revised schedule or the cost of completing this Subcontract.

9. LATE DELIVERY



Seller shall deliver goods and services by the delivery date specified in the Subcontract's delivery schedule. If Seller tenders goods or services for delivery to Buyer after the delivery date specified in the Subcontract's delivery schedule:

1. Buyer may, in its sole discretion, refuse late deliveries.
2. If Buyer agrees to accept deliveries after the contracted delivery date the Parties agree that delays which are not excusable or mutually agreed upon shall be subject to liquidated damages of one percent (1%) of the total Subcontract or Task Order value per day, up to a maximum amount of twenty-five percent (25%) of the Subcontract or Task Order value, for each day delivery or performance is delayed beyond the date set forth in the Subcontract's schedule, to be paid within sixty (60) days of Buyer's acceptance of such deliveries. Buyer's right hereunder to recover liquidated damages for Seller's delayed performance is not an exclusive remedy for delay and shall be in addition to all other rights and remedies that Buyer has under this Subcontract and at law and equity. The liquidated penalty amount shall be subtracted from the line item value. If the delivery delay was as a result of any action taken on the part of Buyer, Seller shall notify Buyer in writing at the time the delay occurs and request that Buyer waive the penalty assessment. Failure to notify Buyer will result in penalty. Seller may not refuse shipment of said line item to avoid late delivery penalty.
3. If Buyer agrees to accept deliveries after the delivery date has passed, Buyer shall have the right to direct Seller to make shipments by the most expeditious means and the total cost of such expedited shipment and handling shall be borne by Seller.
4. Acceptance of late deliveries shall not be deemed a waiver of Buyer's right to hold Seller liable for any loss or damage resulting therefrom, nor shall it act as a modification of Seller's obligation to make future deliveries in accordance with the delivery schedule set forth in the Subcontract.
5. Seller at the request of Buyer, shall provide a written explanation for the root cause of the delay, Seller's corrective action plan to address the late deliveries and assurances that Seller will make all future deliveries in accordance with the Subcontract requirements and schedule.
6. Delivery shall be to the location directed by Buyer.

10. FREIGHT AND OVERSHIPMENT

If Subcontractor does not use Buyer's specified carrier and Buyer incurs additional freight cost as a result, such additional freight cost shall be Seller's responsibility.

Overshipment allowances require prior Buyer authorization and will be applied to the entire Subcontract and/or Task Order. Unauthorized overshipments shall be returned to Seller at Seller's sole expense. Seller has the right to deem overshipments uneconomical to return, relieving Buyer of responsibility to return or pay for the overshipment.

11. NONCONFORMING PERFORMANCE

Buyer may refuse any goods or services and cancel all or any part hereof if Seller fails to deliver all or any part of any goods or perform all or any part of any services in accordance with the terms specified herein.

12. DELAY OF WORK

Seller shall be liable for delays in delivery unless nonperformance is caused by an occurrence beyond the reasonable control of Seller and without Seller's fault or negligence such as acts of God or of the public enemy, fire, floods, epidemics, pandemics, quarantine restrictions, strikes or freight embargoes, provided that:

1. Seller immediately gives written notice to Buyer of any difficulty or anticipated difficulty in meeting the delivery schedule set forth in the Subcontract;
2. Seller immediately gives written notice to Buyer of any actual or potential situation that is delaying, or threatens to delay the timely performance of the Subcontract, including an actual or potential labor dispute; and
3. The delay does not materially affect Buyer's scheduling on any system or process.

When any delays in delivery occur, Seller shall immediately give notice thereof to Buyer. If requested by Buyer, Seller shall use additional effort, including premium effort, to avoid or minimize delay to the maximum extent possible. All



of the costs of the additional effort shall be borne by Seller. The rights and remedies pursuant to this clause are in addition to rights and remedies provided to Buyer under this Subcontract.

Notwithstanding the above, if such delays extend for more than thirty (30) days from the delivery or performance date, or threatens Buyer's delivery commitments under its Prime Contract with its Government Customer, Buyer may terminate such part of this Subcontract remaining to be performed without liability to Buyer except for the fair value of work already completed and accepted.

13. CHANGES

Buyer may direct changes within the general scope of this Subcontract to the extent Buyer's Government Customer has made changes to Buyer's Prime Contract which relate to the goods and services to be provided hereunder. All other changes in this Subcontract may be made only by written agreement of the Parties.

Also, Buyer may, for any reason, direct Seller to suspend, in whole or in part, delivery of goods or performance of services hereunder for such period of time as may be determined by Buyer in its sole discretion. If any such suspension or Buyer-directed change causes a material increase or decrease in the cost of, or the time required for the performance of any part of the work under this Subcontract, the Parties shall negotiate an equitable adjustment in the Subcontract price or delivery schedule, or both. Notwithstanding the foregoing, if Buyer suspends work pursuant to a government shutdown, Buyer's obligation to make such an adjustment shall be limited to the extent that the Government Customer makes an adjustment to Buyer's Prime Contract on account of the suspended work under this Subcontract. Failure to agree to any adjustment shall be a dispute under the Applicable Law and Disputes Section, however, nothing in this clause shall excuse the Seller from proceeding with the Subcontract as changed.

14. TERMINATION

A. Generally

Buyer may terminate, without cause, the whole or any part of the Subcontract by providing written Notice of Termination specifying the effective date thereof. Notwithstanding termination with cause, Buyer and Seller may agree upon an equitable adjustment of the Subcontract price provided that such adjustment is reimbursable by the Buyer's Government Customer and does not exceed the Subcontract price, and the termination was not for default. Any request for equitable adjustment shall not include profit. Failure to agree to any adjustment shall be a dispute under the Applicable Law and Disputes Section.

Seller's written intent to file a claim for equitable adjustment must be received within fifteen (15) days from the effective date of the termination and any relevant claim, full supporting documentation for all costs claimed, submitted by Seller must be submitted to Buyer no later than forty-five (45) days from the effective date of the termination.

B. Termination for Default

Buyer may terminate this Subcontract or any Task Order for default in whole or in part by written notice to Seller if:

1. Seller becomes insolvent or makes a general assignment for the benefit of creditors;
2. A petition under any bankruptcy act or similar statute is filed by or against Seller and not vacated within ten (10) days after it is filed;
3. Seller fails to make delivery of the goods or to perform the services within the time specified in the Subcontract or Task Order;
4. Seller fails to perform any of the other obligations of this Subcontract, or fails to make progress, so as to endanger performance of this Subcontract, in accordance with its terms;
5. Seller's financial condition endangers completion of performance (with respect to (3) and (4), above, Seller fails to remedy any such condition within seven (7) days from the date of receipt of a notice from Buyer concerning the existence of the condition);



6. It is found that gratuities (in the form of entertainment, gifts, travel or anything of value) or kickbacks were offered or given by Seller, or by any agent or representative of Seller, to any officer or employee of Buyer's Government Customer or Buyer;
7. Control of Seller changes (a change of control includes: (a) the sale, lease or exchange of a substantial portion of Seller's assets used for the production of goods or provision of services under the Subcontract; (b) the sale or exchange of a controlling interest in the shares of Seller; or (c) the execution of a voting or other change of control. Seller will provide Buyer with written notice of change of control within ten (10) days after the change of control has become effective. Buyer will have sixty (60) days from the date that Buyer receives written notice from Seller within which to notify Seller of its decision to terminate this Subcontract. The effective date of the termination will be no sooner than thirty (30) days after the effective date of the written notice of termination according to the terms of notice);
8. Seller fails to agree upon any deletion, amendment, or addition to this Subcontract which is required by statute, executive order, applicable regulations, or is otherwise deemed appropriate by Buyer as a result of or relating to compliance with or a modification of Buyer's Prime Contract;
9. Seller is sanctioned, suspended, or debarred by the Government;
10. It is found that Seller has a potential, actual, or apparent personal or organizational conflict of interest or unfair competitive advantage related to or arising out of its performance of this Subcontract or any Task Order and Buyer determines at its sole discretion that such conflict(s) cannot be adequately avoided or mitigated;
11. Seller's business systems are deemed inadequate by the Defense Contract Audit Agency or the Defense Contract Management Agency (any determination of which the Seller must notify Buyer immediately); or
12. The Government does not consent to the award of the Task Order or Subcontract.

C. Termination for Buyer's Convenience

Buyer may terminate this Subcontract or any Task Order thereunder, or any portion thereof, for convenience in accordance with any of the clauses permitting termination for convenience referenced FAR Subpart 49.5, as is appropriate to the Subcontract or Task Order type in Buyer's sole discretion, except as otherwise noted, replace references to the "Government," "United States," and like terms with Buyer, references to the "Contracting Officer" with "Buyer's Contractual POC," and references to "Contractor" with "Seller."

The proposed settlement invoice shall be submitted to C Speed's Contractual POC within 30 days of the termination notice, with full supporting documentation for all costs claimed.

D. Applicable Procedures

In the event Buyer terminates this Subcontract for default, in whole or in part, Buyer may procure, upon such terms and in such manner as Buyer deems appropriate, goods or services similar to those canceled. Seller shall continue the performance of this Subcontract to the extent not canceled under the provisions of this clause.

If this Subcontract is terminated for convenience solely by Buyer, audits and examinations of records, as required by Buyer, shall be performed by Buyer or an independent certified public accounting firm, mutually acceptable to Buyer and Seller. The cost of independent audits and examinations of records shall be paid by Buyer. Notwithstanding anything to the contrary, Buyer shall not be liable for special or consequential damages.

After receipt of notice of such termination for default or convenience, and upon Buyer's direction, Seller shall stop work under this Subcontract on the date and to the extent specified in the notice of termination, and shall transfer title and deliver to Buyer satisfactorily completed work and such work in process as directed by Buyer. Payment for completed goods and services delivered to and accepted by Buyer shall be at the price set out in the Subcontract. Buyer may withhold from Seller moneys otherwise due Seller for completed goods and/or materials in such amounts as Buyer determines necessary to protect Buyer against loss due to outstanding liens or claims against said goods or materials.

15. FURNISHED PROPERTY



A. Buyer-Furnished Items

Buyer may provide to Seller property, including tangible and intangible property, owned by either Buyer or its Government Customer (“Furnished Property”) as set forth in the Subcontract. Furnished Property shall be used only for the performance of this Subcontract, or for the performance of a direct contract between the Government Customer and Seller where Seller has obtained specific approval from C Speed’s Government Customer authorizing such use.

All Furnished Property shall remain the property of Buyer or Buyer’s Government Customer. Upon expiration of this Subcontract, Seller shall return Furnished Property in the same condition, less reasonable wear, or make such other disposition of the items as directed in writing by Buyer. At Buyer’s request or at completion of this Subcontract, Seller shall submit, in an acceptable form, inventory lists of Furnished Property and shall deliver or make such other disposition in accordance with instructions from Buyer.

Subject to any government property clause that governs liability incorporated herein, Seller shall replace, at its expense, all items not returned in accordance with this clause. Except for reasonable wear and tear, Seller shall bear all risk of loss, destruction, or damage of Furnished Property, while in Seller’s possession, custody, or control. Upon request, Seller shall promptly provide Buyer with adequate proof of insurance against such risk of loss. Seller shall promptly notify Buyer of any loss or damage. Without additional charge, Seller shall manage, maintain, and preserve Furnished Property in accordance with good commercial practice.

Seller shall comply with any restrictive legends placed on Furnished Property by Buyer or a third party. While Furnished Property is in Seller’s possession, Seller shall prevent the comingling of Furnished Property with other materials in Seller’s possession, except in accordance with Buyer’s written instructions.

If Buyer furnishes any material for fabrication pursuant to this Subcontract, Seller agrees not to substitute any other material for such fabrication without Buyer’s prior written consent.

With respect to government-furnished property, or property to which the U.S. Government may take title under this Subcontract:

1. For a Time-and-Materials/Labor-Hour Task Order, the clause at FAR 52.245-1, Government Property (JAN 2017), shall apply and is incorporated by reference;
2. Seller shall provide Buyer immediate notice of any disapproval, withdrawal of approval, or nonacceptance by the U.S. Government of its property control system.

B. Government Customer’s Rights

For each commercial and noncommercial item first conceived, discovered, made, produced, created, generated, or reduced to practice (“Developed”) or delivered hereunder, Seller grants to Buyer’s Government Customer the intellectual property rights required by the Prime Contract, including all applicable FAR or other agency clauses (*e.g.*, FAR 52.227-11, FAR 52.227-14, DFARS 252.227-7013, DFARS 252.227-7014, DFARS 252.227-7015, and DFARS 252.227-7038). Seller agrees that its delivered technical data and computer software will be free from markings that are not expressly permitted by the Prime Contract and authorizes Buyer to remove from deliverables any such impermissible markings.

C. Buyer’s Rights

To the extent permitted by law, Buyer shall own all deliverables and all associated intellectual property rights Developed by Seller or Developed jointly by Seller and Buyer under this Subcontract (“Buyer Intellectual Property”). Seller hereby assigns its rights to Buyer in such Buyer Intellectual Property and agrees to assist Buyer or its designee, at Buyer’s expense, in securing Buyer’s rights in the Buyer Intellectual Property. Except as expressly authorized in writing by Buyer or required by relevant law, Seller shall not retain any rights to Buyer Intellectual Property.

D. Seller’s Rights and License to Buyer



Seller shall retain ownership of intellectual property previously owned by Seller and deliverable under this Subcontract (“Seller Intellectual Property”). Seller hereby grants to Buyer a nonexclusive, worldwide, irrevocable, paid-up, royalty-free right to make, use, sell, import, execute, modify, reproduce, perform, display, release, distribute, or disclose the Seller Intellectual Property, in whole or in part, in any manner and form, and to have or authorize others to do so, solely for the purpose of performing Prime or higher-tier Contract obligations in connection with this Subcontract. Seller shall not assert any intellectual property right in a manner inconsistent with Buyer’s contractual obligations to its customers.

E. Third Party Intellectual Property

Seller shall not, without Buyer’s prior written consent, incorporate any intellectual property owned by a third party into any deliverable. Buyer shall not unreasonably withhold consent to incorporation if Seller demonstrates that it has licenses to such intellectual property that enable it to comply with paragraphs (B), (C), and (D) above.

F. Commercial Computer Software

To the extent that Seller provides any of its commercial computer software under this Subcontract, Seller’s normal commercial license terms shall govern the end user’s use of such commercial items, except to the extent that such normal commercial terms conflict or are inconsistent with applicable federal law or regulation. In the case of any conflict or inconsistency, the applicable federal law or regulation shall take precedence. Seller agrees that the applicability of its commercial terms is contingent upon Buyer’s Government Customer’s acceptance of the commercial computer software and its accompanying commercial items terms or license. Unless the SOW provides otherwise, only the Buyer’s end-user customer is a party to the Seller’s commercial terms or license. In no event will Buyer be liable for an end-user customer breach of Seller’s commercial terms or license. The license to Buyer set forth in paragraph (D) shall apply to commercial computer software, without additional cost and whether or not Buyer is a party to Seller’s commercial terms, to the extent necessary to provide Buyer with rights necessary to perform the requirements of its Prime or higher-tier Contracts in connection with this Subcontract.

16. INDEMNITIES

A. Risk of Damage/Indemnification/Insurance

All personal property belonging to Buyer in Seller’s custody or possession, shall be at Seller’s risk from loss or damage from all hazards. Seller agrees, to the fullest extent permitted by applicable law, to indemnify and hold harmless Buyer, its officers and employees, from and against any and all claims, liabilities, causes of action, losses, costs, damages and expenses by reason of financial loss, property damage, or personal injury, including death, of whatsoever nature or kind, including special, incidental or consequential damages, for any reason, arising out of or as a result of Seller’s activity or omissions under this Subcontract, whether arising out of the actions or inactions of Seller or of its employees, subcontractors, and lower-tier subcontractors. Seller and its subcontractors and lower-tier subcontractors shall maintain, at their own expense:

B. Patent/Intellectual Property Indemnity by Seller

Seller warrants that the Items and Services performed and delivered under this Subcontract will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country. For Items and Services delivered hereunder, Seller shall be liable for, defend, indemnify and hold harmless Buyer, and each subsequent purchaser or user thereof, from all loss or damage of any kind (including all costs and expenses including attorneys’ fees) arising out of any and all allegations, actions, proceedings, claims, or awards for any infringement, misappropriation, or wrongful use suit or action, including, without limitation, any proceeding under 28 U.S.C. § 1498, alleging that manufacture, use or sale infringes any patent, trademark, copyright, trade secret, mask work right or other proprietary or intellectual property right (collectively “Infringement Claim(s)”) in connection with any Items, software or data furnished hereunder, whether such are provided alone or in combination with other Items, software or processes. Seller hereby agrees to defend any and all such actions, at Seller’s expense, if requested to do so by Buyer. If, however, the Infringement Claim arises as a necessary consequence of Seller’s compliance with Buyer’s drawings and specifications, which describe that aspect of the Items and Services upon which the Infringement Claim is based, Seller shall have no obligation to indemnify Buyer.



Seller and Buyer agree to notify each other as soon as they become aware of a challenge of infringement or wrongful use in connection with any such Items, software or data furnished hereunder. Seller, if required to indemnify Buyer under this Section paragraph B, shall promptly assume and diligently conduct the entire defense of such Infringement Claim at its own expense. Buyer shall have the right to reasonably reject counsel selected by Seller and the right to reject any settlement that would negatively impact Buyer as determined solely by Buyer. Buyer shall have the right to participate with Seller in determining the strategy to defend any such suit or action, and shall have the right, with the permission of the court, to intervene in any such Infringement Claim.

Notwithstanding any of the above provisions, Buyer shall have the further right, at its own election, to supersede Seller in the defense of any such alleged infringement and thereafter to assume and conduct the same according to Buyer's sole discretion. Upon Buyer's election, Seller shall be released from its obligation to pay for any further attorney's fees and court costs. Further, Seller, if requested in writing by Buyer, shall cooperate with Buyer in Buyer's defense of any alleged infringement claim.

If the use or sale of such Item or Services, in respect to which Seller indemnifies Buyer, is enjoined as a result of such action or proceeding, Seller, at no expense to Buyer, shall obtain for Buyer and its customers, the right to use and sell said Item or Services or shall substitute an equivalent Item or Service acceptable to Buyer and extend this patent indemnity with respect to such equivalent Item or Service. In the event that Seller is unable to secure such right of use for Buyer or its customer or to secure an equivalent Item or Service as a substitute, Seller will indemnify Buyer and its customer for any and all losses or damages sustained by reason of such injunction.

Seller's obligation to defend, indemnify, and hold harmless Buyer and its customers under this Section shall not apply to the extent FAR 52.227-1, Authorization and Consent (JUN 2020), applies to Buyer's Prime Contract for infringement of a U.S. patent and Buyer and its customers are not subject to any actions for claims, damages, losses, costs, and expenses, including reasonable attorney's fees by a third party.

C. Indemnity Against Claims/Limitation of Liability

Seller shall keep its work and all Items supplied by it hereunder and Buyer premises free and clear of all liens and encumbrances, including mechanic's liens, in any way arising from performance of this Subcontract by Seller or by any of its vendors or subcontractors or lower-tier subcontractors. Seller may be required by Buyer to provide a satisfactory release of liens as a condition of final payment. To the extent not covered by the Patent/Intellectual Property Indemnity By Seller provision, Seller shall, without limitation, indemnify, save, and hold harmless Buyer and its customer(s) and their respective officers, directors, employees and agents from and against every liability, claim of liability, allegation, judgment, cost, expense, attorneys fees, cause of action, loss or damages whatsoever, including, without limitation, (i) any and all claims (including claims under Workers' Compensation or Occupational Disease laws) and resulting costs, expenses and liability which arise from personal injury, death, or property loss or damage attributed to, or caused by, the Services or other Items supplied by Seller pursuant to this Subcontract, including, without limitation, latent defects in such Services or other Items, except to the extent that such injury, death, loss or damage is caused solely and directly by the negligence of Buyer, and (ii) all claims (including resulting costs, expenses and liability) by the employees of Seller or any of its subcontractors or lower-tier subcontractors.

Seller agrees to notify Buyer as soon as practicable of any such claim described in the immediately preceding paragraph above. Seller, if required to indemnify Buyer under this Section, shall promptly assume and diligently conduct the entire defense of such claim at its own expense. Buyer shall have the right to reasonably reject counsel selected by Seller and the right to reject any settlement that would negatively impact Buyer as determined solely by Buyer. Buyer shall have the right to participate with Seller in determining the strategy to defend any such suit or action, and shall have the right, with the permission of the court, to intervene in any such claim.



Notwithstanding any of the above provisions, Buyer shall have the further right, at its own election, to supersede Seller in the defense of any such claim and thereafter to assume and conduct the same according to Buyer's sole discretion. Upon Buyer's election, Seller shall be released from its obligation to pay for any further attorney's fees and court costs. Further, Seller, if requested in writing by Buyer, shall cooperate with Buyer in Buyer's defense of any alleged claim.

In the event Buyer should bring action to enforce the indemnification provisions of this Section and prevail in such action, Seller agrees that Buyer shall be entitled to be awarded its reasonable attorney's fees and costs.

Except for any indemnifications provided in this Subcontract, in no event shall either Party, their employees, agents or representatives be liable to the other party relating to this Subcontract or for any acts or omissions of either Party in connection with this Subcontract for any indirect, special, punitive, incidental or consequential damages of any kind, however, caused, or any claims or demands against either party by any other entity, whether such remedy is sought in contract, tort (including without limitation negligence), strict liability or otherwise.

17. INDEPENDENT CONTRACTOR RELATIONSHIP

Seller is an independent contractor in all respects with regard to this Subcontract. Nothing contained in this Subcontract shall be deemed or construed to create a partnership, joint venture, agency, or other relationship other than that of contractor (Seller) and customer (Buyer).

18. INSPECTION AND ACCEPTANCE

All goods supplied and services performed by Seller or Seller's subcontractors shall be subject to inspection and test by Buyer, its agents, and its Government Customer prior to acceptance. In the event goods or services are not in accordance with this Subcontract or fail to meet any specific inspection requirements of Buyer, Buyer may require prompt correction, repair, replacement, or re-performance thereof at Buyer's option and Seller's sole expense and risk, including all packaging and shipping charges. If Buyer determines at its sole discretion that Seller is unable to accomplish the foregoing remedies within the original agreed schedule, then Buyer may procure such goods or services from another source (including self-performance by Buyer) and Seller shall be liable for any excess costs. Buyer's approval of any Seller submittals shall not relieve Seller of its obligations hereunder.

19. WARRANTY

In addition to any warranties set forth elsewhere in this Subcontract or customarily provided by Seller or manufacturer with its goods or services, Seller represents and warrants that: (1) the work performed or deliverables provided under this Subcontract do not infringe the intellectual property rights of any third party; (2) all goods delivered pursuant hereto will be new, unless otherwise specified, and free from defects in material and workmanship; (3) all goods will conform to the requirements of this Subcontract, applicable Statement of Work or Bill of Material, and applicable product documentation, and all items will be free from defects in design and suitable for their intended purpose; and (4) any services performed hereunder shall be performed in accordance with the specifications and instructions of Buyer, and with that degree of skill and judgment exercised by recognized professional firms performing services of a similar nature and consistent with best practices in the industry. All representations and warranties of Seller shall run to Buyer and Buyer's customers, including its Government Customer under the Prime Contract. Remedies under this warranty shall include, without limitation, at Buyer's option and at Seller's sole expense, prompt repair, replacement, re-performance, or reimbursement of the purchase price.

Seller further warrants the accuracy of its representations and certifications provided in connection with this Subcontract and shall promptly notify Buyer of any material changes to them during the term of the Subcontract, including without limitation changes to its Accounting System and/or related internal control structure or business system(s) that could affect its ability to properly report hours and bill costs in a compliant manner. The foregoing warranties and remedies shall survive any delivery, inspection, acceptance or payment by Buyer.



Seller warrants that its deliverables do not include software subject to any legal requirement that would restrict Buyer's right to distribute or otherwise provide the deliverables, or any modification thereof: (1) for a fee; (2) with or without source code or source code rights, or (3) with such restrictions as Buyer sees fit to place on its customers' modification or distribution rights. Remedies under this open source warranty shall include, without limitation, at Buyer's option and at Seller's sole expense, prompt: (1) replacement of the software; (2) acquisition of a license to remedy the breach; or (3) reimbursement of the purchase price, and/or (4) payment of any costs or damages incurred by Buyer from its distribution, provision, or modification of software in Seller's deliverables that is, in fact, subject to any such legal restrictive requirements.

Neither approval by Buyer of Seller's design or material used nor Buyer's inspection of same shall relieve Seller from any obligations under the warranties set forth in this clause.

The aforesaid warranties shall survive acceptance and payment and shall run to Buyer, its customers, and the users of these goods and services, and shall not be deemed to be the exclusive rights of Buyer but shall be in addition to other rights of Buyer under law, equity, and the terms of this Subcontract.

Seller shall furnish to Buyer a certificate of Seller's compliance with these warranty conditions upon Buyer's request.

20. NEW MATERIAL / Counterfeit Parts

"Material," as used in this clause, includes, but is not limited to raw material, parts, items, components and end goods. "New," as used in this clause, means previously unused or composed of previously unused materials allowing for typical in-factory or site use including, but not limited to integration, installation, assembly, test, burn-in, training, troubleshooting, and rework as required.

"Counterfeit Electronic Parts" as used in this clause includes but is not limited to an integrated circuit, a discrete electronic component, or circuit assembly and includes any embedded software or firmware.

Unless Buyer specifies in writing otherwise, Seller shall deliver New Material under this Subcontract that is fully warranted and does not contain any counterfeit material. Material verification includes documentation that Seller is purchasing product directly from the original equipment manufacturer or authorized franchised distributor. Seller shall not acquire any electronic parts (including but not limited to transistor, capacitor, resistor, or diode) from independent distributors or brokers without the Buyer's prior written consent. When requested by Buyer, Seller shall provide all relevant OCM/EOM documentation that authenticates the traceability of affected items to the applicable OCM/OEM. In addition, the New Material is not of such age or so deteriorated, due to storage or other factors, as to impair its usefulness or safety.

Seller shall maintain an acceptable counterfeit materials detection/avoidance system. Seller shall also quarantine any counterfeit materials and make them available for investigation by appropriate authorities.

21. CONFLICT MATERIALS

Consistent with U.S. public policy underlying the enactment of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"), the Seller recognizes the significant risks associated with sourcing tin, tantalum, tungsten, and gold (hereafter the "Conflict Minerals") from the Democratic Republic of the Congo and adjoining countries (the "Conflict Region").

Seller shall not knowingly provide any Goods containing Conflict Minerals from the Conflict Region.

Seller shall adopt (if not in place) policies and processes to: conduct a reasonable inquiry into the country of origin of any Conflict Minerals incorporated into any Goods provided under this order; conduct due diligence of its supply chain, as necessary, to determine if any Conflict Minerals from the Conflict Region are incorporated into any Goods provided under the Order; and promptly notify Buyer if any Conflict Minerals from the Conflict Region are incorporated into any Goods provided under this Order. The Seller shall fully cooperate (at no cost to Buyer) with any inquiries conducted by Buyer or its customers to ensure compliance with this Article including but not limited to, completing any applicable disclosure forms or surveys



22. ITEM SUPPORT

Seller shall support the goods purchased hereunder during the operational life of the goods or for a period of ten (10) years from the date of final shipment under this Subcontract if Buyer funds such support. Said support includes, but is not limited to, technical service and maintenance of Seller's stock of subassemblies and spare parts as may be required to be ordered to support the operation of the goods.

In the event Seller discontinues manufacture of the aforementioned goods, subassemblies and spare parts therefore, and does not provide for another qualified source, Seller shall give Buyer not less than six months' notice of such decision to discontinue and thereupon make available to Buyer all drawings, specifications, data, and know-how which will enable Buyer or its customers to manufacture or procure said goods, subassemblies and spare parts under a royalty free license which is hereby granted.

23. FACILITIES

Seller represents that it now has or can readily procure without the assistance of Buyer or the Government all facilities necessary for the performance of this Subcontract, except as set forth herein.

24. TOOLS, MATERIALS, AND INFORMATION

If any designs, sketches, drawings, blueprints, patterns, dies, molds, models, tools, gauges, equipment or special appliances should be made or procured by Seller especially for producing the goods covered by this Subcontract, then immediately upon manufacture or procurement they shall become the property of Buyer or Buyer's Government Customer. Seller shall maintain a current inventory list of the foregoing. Except for tools, material, and information owned by the Government or to which the Government has unlimited rights, any such item or any materials or any engineering data or other technical or proprietary information related thereto furnished by or paid for by Buyer shall: (a) become and shall be identified as property of Buyer, (b) be held by Seller on consignment at Seller's risk, (c) be used exclusively in the production and/or provision for Buyer of goods and/or services required by this Subcontract, and (d) be subject to disposition by Buyer at any and all times and upon demand they shall be returned to Buyer. Seller shall maintain procedures for the adequate accountability, storage, maintenance and inspection of such items and shall make such records available to Buyer upon request.

26. OFFSET/COUNTERTRADE CREDIT

In connection with the sale of Buyer's goods to certain foreign government customers, Buyer may incur direct and/or indirect offset/countertrade obligations. Seller hereby exclusively grants to Buyer all offset or countertrade credit that may be obtained from this Subcontract, or from Seller's placement of its purchase orders and subcontracts, for Buyer's use on the offset/countertrade program of Buyer's choice.

Buyer retains the right to assign any such offset or countertrade credits to third parties. Seller shall include this clause, for the benefit of Buyer, in all lower-tier purchase orders and subcontracts awarded in the performance of this Subcontract. Seller shall maintain a record of its purchases under this Subcontract and Buyer reserves the right to review such record not more often than every six (6) months to determine offset availability. This clause shall survive two (2) years beyond the completion of this Subcontract.



27. CUSTOMS CREDITS AND REFUNDS

Transferable credits or benefits associated with or arising from goods purchased under this Subcontract, including trade credits, export credits, or rights to the refund of duties, taxes or fees, belong to Buyer. Seller will, at its expense, provide all information necessary (including written documentation and electronic transaction records in Buyer-approved formats) to permit Buyer to receive these benefits, credits, or rights. Seller will furthermore, at its expense, provide Buyer with all information, documentation, and electronic transaction records relating to the items necessary for Buyer to fulfill any customs-related obligations, origin marking or labeling requirements and certification or local content reporting requirements, to enable Buyer to claim preferential duty treatment for items eligible under applicable trade preference regimes, and to make all arrangements that are necessary for the items to be covered by any duty deferral or free trade zone programs(s) of the country of import. Seller will, at its expense, provide Buyer or Buyer's nominated service provider with export documentation to enable the items to be exported, and obtain all export licenses or authorizations necessary for the export of the items unless otherwise indicated in this Subcontract, in which event Seller will provide all information as may be necessary to enable Buyer to obtain such licenses or authorization(s).

28. SELLER PERSONNEL AND QUALITY OF PERFORMANCE

Seller's agents shall perform such work as may be ordered by Buyer under this Subcontract. The entire direction, scope, control, and interpretation of any work to be performed by Seller's agents shall be made exclusively and solely at the discretion of Buyer.

All of Seller's employees and subcontractors assigned to this Subcontract shall remain under the supervision and control of Seller and shall not be deemed to be employees or agents of Buyer. Any costs of life, health, accident, or disability insurance for the benefit of Seller's employees or subcontractors, whether or not in a travel status, shall be borne by Seller or its subcontractors.

Seller shall at all times employ persons to perform the tasks who are fully experienced and properly qualified to perform the same. Seller shall provide substantiation of the professional qualifications of the personnel assigned to perform taskings under the Subcontract. Seller is responsible for the quality of their performance and for the quality of reporting and other deliverables furnished as end products of the Subcontract's requirements.

Buyer reserves the right to direct the removal of any individual assigned to this Subcontract or any Task Orders for any cause whatsoever via written notice to Seller.

29. ASSIGNMENT AND SUBCONTRACTING

Seller shall not assign, delegate, or transfer this Subcontract itself, nor any interest or obligation hereunder, without the prior written consent of Buyer, provided, however, that this limitation shall not apply to the purchase of standard commercial supplies or raw materials. Seller shall not subcontract the furnishing of any of the complete or substantially complete goods or services required by this Subcontract, without the prior written approval of Buyer; however, this clause shall not be construed to require the approval of a contract of employment between Seller and personnel hired to provide goods or perform services hereunder.

Seller shall flow down all applicable requirements, including Buyer's requirements and the clauses and articles set forth in the Subcontract's Attachments, to Seller's subcontractors and assignees, if any. Seller further agrees to select subcontractors (including vendors or suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of this Subcontract. Seller shall remain primarily responsible for the performance of obligations which it subcontracts hereunder and shall reasonably supervise such work.

Seller shall not assign its rights to be paid amounts due or to become due as a result of performance under this Subcontract without prior written consent of the Buyer. However, Seller may assign rights to be paid amounts due, to become due to a financing institution if Buyer is promptly furnished a signed copy of such



assignment reasonably in advance of the due date for payment of any such amounts. Amounts assigned to an assignee shall be subject to setoffs or recoupment for any present or future claims of Buyer against Seller. Buyer shall have the right to make settlements and adjustments in price with Seller without notice to the assignee.

Seller shall give Buyer immediate written notice of any action or suit filed and prompt notice of any claim made against Seller by any subcontractor or vendor that, in the opinion of Seller, may result in litigation related in any way to this Subcontract, with respect to which Seller may be entitled to reimbursement from Buyer. Buyer may assign this Subcontract, at no cost to Buyer, to any affiliated company, any successor in interest, or Buyer's Government Customer.

Copies of the Subcontract; any plans, specifications, or other similar documents relating to work under this Subcontract marked "Top Secret," "Secret," or "Confidential," shall not be furnished or disclosed to any assignee of any claim arising under this Subcontract or any other person not entitled to receive the same without the prior written authorization of Buyer.

30. CHANGE IN CONTROL OF SELLER

Seller shall provide Buyer with prompt written notice of any proposed change of control, to the extent reasonably practical in advance of such change. Such notice shall include the identity of the proposed new controlling person or entity and such additional information regarding the transaction as Buyer may reasonably request, consistent with applicable law and confidentiality obligations. Buyer reserves the right, upon written notice, to terminate this Subcontract for convenience in connection with such change of control.

31. RIGHTS IN DATA AND INVENTIONS

A. Disclosure

All specifications, information, data, drawings, software and other items supplied to Buyer by Seller shall be disclosed to Buyer on a non-proprietary basis and may be used and/or disclosed by Buyer without restriction, unless:

1. Otherwise required by the U.S. Government Regulations included in Item 2 hereto, or
2. Buyer has executed a separate agreement restricting the use and disclosure of such information, data, software and the like.

B. Buyer's Rights

Unless otherwise expressly agreed in writing to the contrary and subject to this Section paragraph D below, all specifications, information, data, drawings, software and other items which are: supplied to Seller by Buyer, or obtained or developed by Seller in the performance of this Subcontract or paid for by Buyer, shall be proprietary to Buyer, shall be used only for purposes of providing goods or services to Buyer pursuant to this Subcontract, and shall not be disclosed to any third party without Buyer's express written consent. All such Items supplied by Buyer or obtained by Seller in performance of this Subcontract or paid for by Buyer shall be promptly provided to Buyer on request or upon completion of this Subcontract.

C. Inventions First Made or Conceived

Subject to this Section paragraph D below, any invention or intellectual property first made or conceived by Seller in the performance of this Subcontract or which is derived from or based on information supplied by Buyer shall be considered to be the property of Buyer and Buyer shall own all right, title, and interest in such property. Seller shall execute all documents necessary to perfect Buyer's interest in and title thereto, including, without limitation, assigning any and all right, title and interest Seller has in any subject property to Buyer. Seller shall ensure that any third party with whom Seller has subcontracted to deliver goods or services also executes and assigns any and all rights, titles, and interest in any such intellectual property to Buyer. Subject to this Section paragraph D below, any work performed pursuant to this Subcontract which includes any copyright interest shall be considered a work made for hire.



D. Government Regulations

Applicable Government procurement regulations incorporated into this Subcontract shall, when applicable, take precedence over any conflicting provision of this Section to the extent that such regulations so require. The incorporation by reference of such Government regulations dealing with subcontractors' rights in technical data, subject inventions, copyrights, software and similar intellectual property are not intended to, and shall not, unless otherwise required by applicable law, obviate or modify any greater rights which Seller may have previously granted to Buyer pursuant to prior agreements between the Parties.

32. PROHIBITED SOFTWARE

This clause only applies to goods or services that include the delivery of software.

As used herein, "Prohibited License" means the General Public License ("GPL") or Lesser/Library GPL, the Artistic License (e.g., PERL), the Mozilla Public License, the Netscape Public License, the Sun Community Source License, the Sun Industry Standards License, or variations thereof, including without limitation licenses referred to as "GPL-Compatible, Free Software License."

As used herein, "Prohibited Software" means software that incorporates or embeds software in, or integrates software in connection with, as part of, bundled with, or alongside any:

1. Open source, publicly available, or "free" software, library or documentation; or
2. Software that is licensed under a Prohibited License; or
3. Software provided under a license that:
 - a. Subjects the delivered software to any Prohibited License; or
 - b. Requires the delivered software to be licensed for the purpose of making derivative works or be redistributable at no charge; or
 - c. Obligates Buyer to sell, loan, distribute, disclose or otherwise make available or accessible to any third party:
 - i. The delivered software, or any portion thereof, in object code and/or source code formats; or
 - ii. Any Items incorporating the delivered software, or any portion thereof, in object code and/or source code formats.

Unless Seller has obtained Buyer's prior written consent, which Buyer may withhold in its sole discretion, Seller shall not use in connection with this Subcontract, or deliver to Buyer, any Prohibited Software or any goods incorporating Prohibited Software.

Seller agrees to defend, indemnify, and hold harmless Buyer, its customers and suppliers from and against any claims, damages, losses, costs, and expenses, including reasonable attorneys' fees, to the extent Seller caused Buyer to use or deliver Prohibited Software or any goods incorporating Prohibited Software in connection with this Subcontract.

33. NON-SOLICITATION

Neither Party will actively recruit employees of the other through contacts made in executing this Subcontract. This clause is not intended to preclude an employee's right to pursue, on his or her own initiative, employment opportunities available with Buyer or Seller. Either Party, however, may approach or have employment discussions with employees of the other Party who respond to or apply for positions offered through the normal process of general public advertisement (including without limitation advertisement over the internet). This clause will remain in effect for a period of two (2) years after termination of this Subcontract.

34. COVENANT OF GOOD FAITH

Each Party agrees that, in its respective dealings with the other Party under or in connection with this Subcontract, it shall act in good faith. Additionally, both Parties agree to reasonably cooperate with the other in any inquiries relating



to compliance with the terms and conditions of the Subcontract. Seller's failure to adhere to any portion of this clause shall be considered grounds for default.

35. BANKRUPTCY

If Seller enters into proceedings relating to bankruptcy, whether voluntary or involuntary, Seller shall furnish to Buyer, both by certified mail and by the methods of communication with Buyer's Contractual and Technical POCs permitted by this Subcontract, written notification of the bankruptcy. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court where the petition was filed, and a copy of the petition.

36. TAXES

Unless otherwise notified by Buyer in writing, the price of this Subcontract includes and Seller shall be responsible for the payment of any federal, state, and local taxes, duties, tariffs, transportation taxes, or other similar taxes or fees which are required to be imposed upon the goods or services ordered hereunder by Buyer or Buyer's Government Customer, unless Seller obtains any applicable exemptions. Seller represents that its price does not include any taxes, impositions, charges or exactions for which it has obtained a valid exemption certificate or other evidence of exemption. Any taxes included in this Subcontract shall be itemized separately in Seller's invoice.

37. TITLE AND RISK OF LOSS

Unless otherwise specified in the Subcontract, Seller shall bear the risk of loss and damage to all goods to be supplied hereunder until final acceptance by Buyer. Buyer shall have equitable title to all goods for which partial or progress payments have been furnished to Seller.

38. RETENTION OF RECORDS AND AUDIT

Seller shall maintain accurate records of all costs incurred in the performance of this Subcontract and agrees to allow representatives of Buyer and its Government Customer reasonable access to Seller's records to verify the validity of expenses reimbursed under this Subcontract. Seller hereby warrants that it conducts audits as required by OMB Circulars (including 2 CFR 200 Appendix XI, Single Audit Compliance Supplement), federal cost principles, or cost accounting standards applicable to its performance as a recipient of U.S. Government funds. If Seller is required to conduct audits in accordance with 2 CFR 200 Appendix XI, Single Audit Compliance Supplement, Seller hereby warrants that it conducts such audits on time and submits the audit findings pursuant to the 2 CFR 200 Appendix XI requirements.

Seller shall maintain all financial records, supporting documents and other records pertaining to this Subcontract for a period of five years from the termination date of this Subcontract and any resulting Task Orders.

39. DEFENSE PRIORITIES AND ALLOCATIONS SYSTEMS

In accordance with the Defense Priorities and Allocations Systems ("DPAS"), codified at 15 C.F.R. Part 700, Seller must sign and return the Subcontract or Task Order, as applicable, acceptance copy within ten (10) working days of Seller's receipt if this Subcontract or Task Order is DX rated, or within fifteen (15) working days after receipt if DO rated. For unrated Subcontracts or Task Orders, Seller shall sign and return the Subcontract or Task Order acceptance copy within ten (10) days after receipt.

40. CLOSEOUT

Upon completion of all work and services required by this Subcontract, or upon notification of termination by Buyer, Seller agrees to provide as a condition precedent to final payment under this Subcontract, a release discharging Buyer, its officers, agents, and employees of and from all liabilities, obligations, and claims arising out of or under this Subcontract.

Seller shall complete, as a minimum, the following release documents:



1. Seller's Release,
2. Property Closeout Report & Certificate,
3. Data Closeout Report & Certificate,
4. DD882, Report of Inventions and Subcontracts, and
5. Return of Classified Information or Material (if applicable).

These documents shall be completed and returned to Buyer within thirty (30) working days after completion of all work or notification of termination.

Seller furthermore agrees that the Quick-Closeout Procedure in FAR 42.708 or any referenced language in the Prime Contract shall be the basis for closing any Task Orders issued hereunder, as applicable. Seller also agrees to submit its final invoice for the goods and/or services provided under this Subcontract within ninety (90) days from the end date of the Subcontract.

41. WAIVER

Buyer's failure to insist upon or enforce strict compliance by Seller with any aspect of this Subcontract shall not be deemed a waiver or relinquishment to any extent of any of Buyer's right to assert or rely upon any such provisions or rights in that or any other instance; rather, the same shall remain in full force and effect. Waiver of a right under this Subcontract shall not constitute a waiver of any other right, waiver or default under this Subcontract.

Approval by Buyer and/or designated Government representative as required under this Subcontract and applicable SOW requirements shall not relieve Seller of its obligation to comply with the SOW and with all other requirements of the Subcontract, nor shall it impose upon Buyer or the Government any liability it would not have had in the absence of such approval.

42. SEVERABILITY

If any part, term, or provision of this Subcontract shall be held void, illegal, unenforceable, or in conflict with any law of a federal, state, or local government having jurisdiction over this Subcontract, the validity of the remaining portions of provisions shall not be affected thereby. In the event that any part, term, or provision of this Subcontract is held void, illegal, unenforceable, or in conflict with any law of the federal, state, or local government having jurisdiction over this Subcontract, Seller agrees to negotiate a replacement provision, construed to accomplish its originally intended effect that does not violate such law or regulation.

43. SURVIVABILITY

Termination or expiration of this Subcontract for any reason shall not release either Party from the liabilities or obligations set forth in said Subcontract which remain to be performed or by their nature would be intended to be applicable following any such termination or expiration, including without limitation provisions relating to payment, funding, warranty, indemnification, intellectual property, confidentiality/non-disclosure, compliance with law, disputes, compliance with applicable law, and United States Government flowdown provisions that, by their nature, should survive.

44. BUYER'S RIGHTS AND SELLER'S OBLIGATIONS CUMULATIVE

Buyer's rights and Seller's obligations as stated on the face of this Standard Terms and Conditions Addendum are in addition to, not in place of, those stated in any clause in this Subcontract that is incorporated by full text or reference from the FAR, or incorporated by full text or reference from any agency regulation that implements or supplements the FAR, including the DFARS.



45. CONSTRUCTION OF SUBCONTRACT

This Subcontract has been the subject of negotiations and discussions between and among the Parties so that any rule of construing ambiguities against the drafter shall have no force and effect. Seller acknowledges that it has:

1. Carefully reviewed this Subcontract, including all Attachments, and understands all of its terms;
2. Had a reasonable amount of time to consider its decision to enter into this Subcontract, including the opportunity to consult with legal counsel;
3. Entered into this Subcontract voluntarily, of its own free will, without any duress, and with knowledge of its meaning and effect.

46. INCORPORATION OF SUPPLEMENTAL TERMS AND CONDITIONS

If this Order is placed under a Government Prime Contract, then the clauses set forth by citation in the Supplemental Terms and Conditions, are incorporated by reference into this Order with the same force and effect as though set out in full text herein.

47. ORDER OF PRECEDENCE

In the event of any inconsistency or conflict between or among the provisions of this Order, such inconsistency or conflict shall be resolved in the following descending order of precedence: (i) Supplement 1 (FAR Clauses) and Supplement 2 (DFAR Clauses), if and to the extent applicable; (ii) typed provisions set forth in this Order; (iii) Documents incorporated by reference on the face pages of this Order; (iv) these Terms and Conditions, and any additional terms and conditions set forth on the reverse side of this order; (v) the Statement of Work; (vi) specifications attached to this Order or incorporated by reference. Buyers specifications shall prevail over and specification of Seller.

In the event of conflict between specifications, drawings, samples, designated type, part number or catalog description, the specifications shall govern over drawings, drawings over samples (whether approved or not by Buyer) and samples over designated type, part number or catalog description. In cases of ambiguity in the specifications, drawings or other requirements of this Order, Seller shall, before proceeding, consult Buyer's Purchasing Representative, whose written interpretation shall be final and binding on the parties.

48. Force Majeure

Neither Buyer nor Seller shall be liable for failure to preform under this Order if such failure is due to events which are beyond reasonable control and without the fault or negligence of such party, and which intervene after the issuance of this Order and impede its performance, provided such failure to perform shall only be excused for the duration of such intervening event and shall be subject to the Buyer's rights to terminate this Order.

Examples of such Force Majeure events include, but are not limited to: a strike or labor dispute, war or an act of war (regardless if an actual declaration thereof is made), insurrection, riot or civil commotion, act of public enemy, fire, flood or other act of God, or any act of a governmental authority (including export restrictions). The part wishing to claim relief by reason of any of the said circumstances shall notify the other party in writing, without delay on the intervention and cessation thereof. Buyer may reasonably adjust the delivery schedule due to the existence of a Force Majeure event. If the Seller is the affected party, Seller shall notify Buyer within five (5) business days of the expected delay due to Force Majeure and include a detailed mitigation plan to lessen the impact.