CUSTOM MANUFACTURING & ENGINEERING™

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CME's GENERAL TERMS & CONDITIONS

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1. ACCEPTANCE OF CONTRACT/TERMS AND CONDITIONS

a) This Contract—together with the documents incorporated by reference and listed in the PRECEDENCE section (including CME's Prime Contract mandatory FAR/DFARS flow-downs (the FAR and DFARS clause tables set forth in this Contract), any applicable non-disclosure agreement (NDA), CME's Quality Flow-Downs, and CME's Supplier Code of Conduct all available on www.custom-mfg-eng.com on the footer of every page)—integrates, merges, and supersedes all prior offers, negotiations, understandings, and agreements concerning its subject matter (unless a separate written contract negotiated and signed by the Parties provides otherwise), and constitutes the entire agreement between the Parties. The incorporated documents are binding on SELLER whether or not physically attached to the Purchase Order; SELLER is responsible for reviewing and complying with their current versions, which CME will furnish upon request. In the event of a conflict among these documents, the order of precedence in the PRECEDENCE section below governs.

b) SELLER's acknowledgment, acceptance of payment, or commencement of performance, shall constitute SELLER's unqualified acceptance of this Contract.

c) Any additional or different terms or conditions proposed by SELLER—whether in a quote, acknowledgment, invoice, or other document—are objected to, rejected, and of no effect, even if CME accepts, inspects, pays for, or takes delivery of the Work, unless expressly accepted in a writing signed and dated by CME's General Counsel.

d) By acceptance of PO/Contract SELLER is also subject to and must adhere to clauses included in the PO as well as CME's: Quality Flow-Downs and Supplier Code of Conduct. SELLER represents that it has not participated nor will participate in any conduct in connection with PO/Contract that violates CME's Quality Flow-Downs nor CME's Supplier Code of Conduct.

e) SELLER is subject to various compliance and quality audits under these terms of this Contract, failure to submit documents, components, materials, products, source inspection, reports, and/or retain such for retention periods shall constitute default of this Contract. Additionally, SELLER shall submit to CME annual Reps & Certs and/or when there is a major change to corporation (ownership/sale, structure, etc.), whether asked for it or not by CME, and complete paperwork and documentation required for it to be paid like W9.

f) SELLER may also be subject to non-disclosure agreement (NDA) or similar named agreement for the protection of proprietary information.

g) The headings used in this Contract are inserted for the convenience of the parties and shall not define, limit, or describe the scope or the intent of the provisions of this Contract.

h) This PO/Contract and all correspondence between the Parties shall be in English (American version). CME shall employ the units of customary measure used in the U.S.A.

2. APPLICABLE LAWS

a) This Contract and any matter arising out of or related to this Contract shall be governed by the laws

of the State of Florida, without regard to its conflicts of laws provisions, except that any provision in this Contract that is:

(i) For Commercial Items under a U.S. Government Contract, those clauses incorporated in full text or by reference from the Federal Acquisition Regulation (FAR) and/or DFARS from the Prime Contract are flowed down to SELLER and its subcontractors and vendors, and the CME FAR and DFARS Clause Tables applicable to Commercial Items (FAR Table A and DFARS Table A—Applies to Both) apply in addition to these terms (any conflict being resolved under the PRECEDENCE section, which governs only the specific conflicting term and does not invalidate the remainder of these terms), and

(ii) Incorporated in full text or by reference from any agency regulation that implements or supplements the FAR or DFARS, and

(iii) That is substantially based on any such agency regulation or FAR provision, shall be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, boards of contracts, appeals, and quasi-judicial agencies of the federal Government; OR

(iv) For Non-Commercial Items (defense use) under a U.S. Government Contract, those clauses incorporated in full text or by reference from the FAR and/or DFARS from the Prime Contract are flowed down to SELLER and its subcontractors and vendors, and the CME FAR and DFARS Clause Tables applicable to Non-Commercial Items (FAR Tables A and B and DFARS Tables A and B) apply in addition to these terms (any conflict being resolved under the PRECEDENCE section, which governs only the specific conflicting term and does not invalidate the remainder of these terms).

b) SELLER, in the performance of this Contract, shall comply with all applicable local, state, and federal laws, orders, rules, regulations, and ordinances. SELLER shall procure all licenses/permits, and pay all fees, and other required charges, and shall comply with all applicable guidelines and directives of any local, state, and/or federal governmental authority as well as maintain all registration, licenses, and permits as required to operate and/or perform this contract. SELLER, at its expense, shall provide reasonable cooperation to CME in conducting any investigation regarding the nature and scope of any failure by SELLER or its personnel to comply with applicable local, state, and federal laws, orders, rules, regulations, and ordinances that may affect the performance of SELLER's obligations under this Contract.

(i) Including but not limited to the:

1. Foreign Corrupt Practices Act, 15 U.S.C. § 78 et seq. (the “FCPA”) or U.K. Bribery Act of 2010,
2. international prohibitions on child labor,
3. Fair Labor Standards Act of 1938, as amended, and of regulations and orders of the United States Department of Labor under Section 14,
4. Conformance with the latest OSHA requirements,
5. U.S. Department of Transportation regulations on hazardous materials and any other pertinent federal, state, or local statutes, laws, rules, or regulations,
6. The Anti-Kickback Act of 1986 and has not offered or given and will not offer or give to any employee, agent, or representative of CME any gratuity or any kickback within

the meaning of the Anti-Kickback Act of 1986. Any breach of this warranty shall be a material breach of each and every contract between CME and SELLER.

c) U.S. Government Reduces Contract Value

(i) If:

1. CME's contract price or fee is reduced;
2. CME's costs are determined to be unallowable;
3. Any fines, penalties, or interest are assessed on CME; or
4. CME incurs any other costs or damages; 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, CME may proceed as provided for in (ii) below.

(ii) Upon the occurrence of any of the circumstances, other than withholdings, identified in paragraph (i) above, CME may make a reduction of corresponding amounts (in whole or in part) in the price of this Contract or any other contract with SELLER, and/or may demand payment (in whole or in part) of the corresponding amounts. SELLER shall promptly pay amounts so demanded. In the case of withholding(s), CME may withhold the same amount from SELLER under this Contract.

(iii) If the U.S. Government and/or CME determines that the Work is not a Commercial Item (as defined at FAR 2.101), then the CME FAR and DFARS Clause Tables for Non-Commercial Items — FAR Tables A and B and DFARS Tables A and B — together with the corresponding FAR, DFARS, and agency flow-down clauses, shall apply to this Contract in addition to these Terms & Conditions. This shall be true as of the date of this Contract, even if the determination is made later.

d) SELLER represents that each chemical substance constituting or contained in Work sold or otherwise transferred to CME hereunder is, as applicable, on the Toxic Substances Control Act (TSCA) Chemical Substances inventory compiled by the United States the Environmental Protection Agency pursuant to TSCA (15 U.S.C. Sec. 2607b) as amended and implemented in 40 CFR Part 710; and is designated as "active" pursuant to the TSCA Inventory Notification Rule (codified by amendments to 40 CFR Part 710 effective August 11, 2017). SELLER shall make available to CME all Safety Data Sheets for any material provided to CME, or brought or delivered to CME or its customer's premises in the performance of this Contract, as required by applicable law such as the Occupational Safety and Health Act of 1970 and regulations promulgated thereunder.

e) Work delivered by SELLER under this Contract may be incorporated into deliverable goods for use in the European Economic Area (EEA) and subject to the European Union Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH); the Classification, Labeling and Packaging Regulation (EC) No. 1272/2008 (CLP); and the Biocidal Products Regulation (EU) 528/2012) (BPR).

(i) SELLER represents and warrants that the Work and any substances contained therein are not prohibited or restricted by, and are supplied in compliance with REACH, CLP, and BPR, and that no current requirement in REACH, CLP, or BPR prevents the sale or transport of SELLER’s Work or substances in SELLER’s Work in the EEA, and that all

such Work and substances have been pre-registered, registered, reported, approved, and/or authorized as and to the extent required by REACH, CLP, and BPR.

(ii) SELLER shall timely respond to any request from CME with all relevant information on the Work so that the intents of REACH, CLP, and BPR are met for communicating with downstream users (e.g., as defined in article 3(13) of REACH [any person established in the EEA using substances in the course of that person's industrial or professional activities; the definition does not include the manufacturer, importer, distributor, or consumer]), and in any case, SELLER shall provide all information necessary for CME and/or any downstream user to timely and accurately fulfill their obligations under REACH, CLP, and BPR.

(iii) SELLER shall bear all costs, charges and expenses related to pre-registration, registration, evaluation, authorization, reporting, and approval under REACH, CLP, and BPR.

f) Equal Opportunity for Vietnam Era Veterans' Readjustment Assistance Act (VEVRAA) Protected Veterans. (1) The clause at 41 CFR 60-300.5(a) is incorporated herein by reference. The clause applies if this Contract is for $100,000 or more, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to VEVRAA. As used in the clause, "contractor" means "SELLER." This clause applies in addition to FAR 52.222-35 if included in this Contract. (2) CME 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 covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

g) Equal Opportunity for Workers with Disabilities. (i) The clause at 41 CFR 60-741.5 is incorporated herein by reference. The clause applies if this Contract is in excess of $10,000, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to section 503 of the act, as amended. As used in the clause, "contractor" means "SELLER." This clause applies in addition to FAR 52.222-36 if included in this Contract. (ii) CME 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.

h) FAR. 52.204-25 "Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment"

i) U.S. Federal Law shall take precedence over any conflicting foreign law; SELLER shall act accordingly in compliance with U.S. Federal Law and then as much as possible to the foreign law—as long as not in direct conflict. However, the provisions of the "United Nations Convention on Contracts for International Sales & Goods" shall not apply to this PO/Contract.

3. ASSIGNMENT

a) Any assignment of SELLER's Contract rights or delegation of SELLER's duties shall be void, unless prior written consent is given by the CME Buyer.

b) Nevertheless, SELLER may assign rights to be paid amounts due, or to become due, to a financing institution if CME is promptly furnished a signed copy of such assignment reasonably in advance of the due date for payment of any such amounts.

c) Amounts assigned shall be subject to setoff or recoupment for any present or future claims of CME against SELLER. CME shall have the right to make settlements and/or adjustments in price without notice to any assignee financing institution.

4. CHANGE IN CONTROL OF SELLER

a) Prior to a potential change of control of SELLER and at least ninety (90) days prior to the proposed effectiveness of such change of control, SELLER will promptly notify CME in writing thereof, and provide the identity, point of contact changes and associated contact information, and any information to accounts payable of the potential new controlling party and information on such party and the transaction as CME may request, consistent with applicable law and confidentiality restrictions.

b) **Financial Assurance.** If CME reasonably determines that SELLER's financial condition, creditworthiness, or performance so warrants, CME may require SELLER to provide, at SELLER's expense, a parent-company guaranty, performance or payment bond, letter of credit, or other security reasonably acceptable to CME as a condition of continued performance. SELLER's failure to provide such assurance within the time CME specifies shall constitute a default.

5. CHANGES

a) CME may at any time, by written Change Order and without notice to sureties or assignees, make changes within the general scope of this Contract in any one or more of the following: (i) drawings, designs, or specifications; (ii) method of shipping or packing; (iii) place of inspection, acceptance, or point of delivery; (iv) delivery schedule; (v) quality requirements and/or flow-downs; and/or (vi) suspension or stopping of Work.

b) **Equitable Adjustment.** If any such change increases or decreases SELLER's cost of, or time required for, performance, an equitable adjustment shall be made in the Contract price, the delivery schedule, or both, and the Contract shall be modified accordingly in writing.

c) **Assertion of Claim; Waiver.** SELLER must assert any right to an equitable adjustment under this clause in writing within fourteen (14) days from the date of receipt of the written Change Order from CME. Failure to assert the claim in writing within such fourteen (14) day period shall constitute a waiver of the claim. SELLER shall submit the specific amount claimed and itemized supporting cost and pricing data as soon as practicable thereafter, and CME may audit SELLER's records supporting any claimed adjustment. If SELLER's proposed equitable adjustment includes the cost of property made obsolete or in excess by the change, CME shall have the right to prescribe the manner of disposition of such property.

d) **Disagreements; Continued Performance.** Failure to agree on any adjustment shall be resolved in accordance with the "Disputes" clause of this Contract. Nothing contained in this

"Changes" clause shall excuse SELLER from proceeding without delay in the performance of this Contract as changed.

e) **Written Change Orders Only; No Constructive Change.** No change is effective, and no adjustment to price or schedule shall be allowed, unless the change is set forth in a written Change Order signed by the CME Buyer, General Counsel, and/or President. No verbal statement, technical advice, exchange of information, course of conduct, or other informal direction by CME or its personnel shall constitute a change to this Contract or entitle SELLER to any equitable adjustment.

6. COMMUNICATION WITH CME CUSTOMER

a) SELLER shall not communicate with CME's customer or higher tier customer in connection with this Contract, except as expressly permitted by CME. This clause does not prohibit SELLER from communicating with the U.S. Government with respect to:

(i) matters SELLER is required by law or regulation to communicate to the Government,

(ii) fraud, waste, or abuse communicated to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information,

(iii) any matter for which this Contract, including a FAR or FAR Supplement clause included in this Contract, provides for direct communication by SELLER to the Government, or

(iv) any material matter pertaining to payment or utilization.

7. CONTRACT DIRECTION

a) **Amendments and Authority.** All changes and amendments to this Contract must be identified as such, in writing, and executed by the Parties' authorized representatives. For CME, authority is as follows: (i) only CME's General Counsel may amend, modify, or waive these Terms & Conditions, in a writing signed by the General Counsel; (ii) a Purchase Order, or a Change Order that does not increase the Contract price, may be issued or signed by the CME Buyer, General Counsel, and/or President; and (iii) no increase in the Contract price is effective unless approved in writing by CME Executive Management, and the CME Buyer alone may not approve a price increase. "CME Executive Management" means CME's CEO/President, Vice President, and/or General Counsel. Verbal assurances or conversations shall not be binding.

b) **Technical Direction Is Not a Change.** CME engineering and technical personnel may from time to time render assistance, give technical advice, or exchange information with SELLER's personnel concerning the Work. No such action shall be deemed a change under the "Changes" clause of this Contract or serve as the basis for an equitable adjustment.

c) **Notices.** Except as otherwise provided herein, all notices to be furnished by SELLER shall be in writing and sent to the CME Buyer.

d) **No Direction From CME's Customer.** SELLER shall not take any Contract Direction from CME's customer, nor engage in any communication with CME's customer, without CME's express

written permission from its President, Vice President, General Counsel, and/or CME Buyer. SELLER shall immediately inform CME in writing if CME's customer contacts SELLER in any manner; SELLER may acknowledge receipt of such communication and shall only refer the customer back to CME. SELLER shall be in breach of this Contract if it takes direction from CME's customer and such direction in any way impacts the Work, quality, materials, delivery, and/or schedule.

e) **General Counsel's Right to Amend.** Only CME's General Counsel has authority to amend this Contract and these Terms & Conditions, and CME reserves the right to do so at any time, including to comply with FAR/DFARS changes, customer-required changes, or as otherwise required by CME. SELLER agrees that such amendments shall not be considered material and consents to them. All such amendments must be in writing signed by CME's General Counsel. the CME Buyer may alter a Purchase Order (other than to increase the price) but may not amend these Terms & Conditions.

8. COUNTERFEIT WORK

a) Immediate and Prompt Timing. SELLER must immediately (within twenty-four (24) hours) notify CME Procurement, the CME Operations Director, and CME's General Counsel in writing upon discovery or reasonable suspicion of Counterfeit Work. SELLER must promptly (within three (3) business days) thereafter provide supporting documentation, test reports, and OEM/OCM traceability records.

b) SELLER must only purchase products to be delivered or incorporated as Work to CME directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain AND the materials are new. SELLER may not purchase products from any broker.

c) The following definitions apply to this clause:
"Counterfeit Work" means Work that is or contains unlawful or unauthorized reproductions, substitutions, or alterations that have been knowingly mismarked, misidentified, misappropriated, or otherwise misrepresented to be an authentic, unmodified part from the original manufacturer or purported original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used Work represented as new, or the false identification of grade, serial number, lot number, date code, materials, or performance characteristics. Additionally, "Counterfeit Work" shall include materials which have reach a design life limit or has been damaged beyond possible repair but is altered and/or misrepresented as authentic; any "Grey Market" goods are considered Counterfeit.
"Suspect Counterfeit Work" means Work for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the Work part is authentic.

d) SELLER must not deliver and is strictly prohibited from delivering Counterfeit Work or Suspect Counterfeit Work to CME under this Contract.

e) SELLER must obtain valid and true certificates of conformance/compliance from their supply chain all the way back to the OCM/OEM. Failure to provide to CME valid certificates of conformance/compliance of the materials all the way back to the OCM/OEM shall be proof of Suspect Counterfeit Work.

f) SELLER must NOT procure components from any independent broker or outside of the OCM/OEM supply chain. SELLER may use another source if and only if:

(i) the foregoing sources are unavailable and it notifies CME Buyer, CME Operations Director, and CME General Counsel in writing,

(ii) SELLER's inspection and other counterfeit risk mitigation processes will be employed to ensure the authenticity of all (100% —no sample testing permitted) that there are only new materials utilized in the components and those components consistently and uniformly perform/work, and

(iii) SELLER obtains the advance written joint approval of CME Operations Director and CME General Counsel before incorporation any components and/or manufacturing SELLER's Work.

g) SELLER must maintain counterfeit risk mitigation processes in accordance with industry recognized standards and with any other specific requirements identified in this Contract. SELLER risk mitigation processes for electric/electronic components from an Authorized Distributor or an Aftermarket Manufacturer shall be no less than AS5553 Revision C or latest revised version thereafter. Additionally, SELLER shall take any and all reasonable steps to ensure product integrity in accordance with provisions of this Contract.

h) SELLER must maintain records on its materials for Work, including but not limited to Certificates of Conformance/Compliance, of and for tractability purposes (i.e. Date Code/Lot Code, Serial Numbers, etc.). SELLER shall maintain these records, in an easily accessible and organized format, for at least ten (10) years from the date of delivery to CME.

i) SELLER's liability for Counterfeit Work and/or Suspect Counterfeit Work shall not expire for at least ten (10) years after delivery and/or survive termination of Contract with CME (whichever is longer).

j) SELLER must immediately notify in writing CME Buyer, CME Operations Director, and CME General Counsel with the pertinent facts if SELLER becomes aware that it has delivered Counterfeit Work and/or Suspect Counterfeit Work and that it should be QUARANTIED. SELLER shall immediately quarantine and cease all deliveries of Counterfeit Work and/or Suspected Counterfeit Work to CME; additionally, SELLER is prohibited from incorporating Counterfeit Work and/or Suspected Counterfeit Work into any remaining Work to be delivered to CME.

(i) SELLER must immediately provide OCM/OEM documentation (without CME having to request such from SELLER) that authenticates traceability of the affected items to the applicable OCM/OEM. SELLER shall timely provide this documentation at its own expense to CME Buyer, CME Operations Director, and CME General Counsel.

(ii) SELLER must immediately provide timely and reasonable cooperation to CME (or CME's designee) in conducting any investigation regarding the delivery of Counterfeit Work or Suspect Counterfeit Work under this Contract.

(iii) SELLER must identify Counterfeit Work and/or Suspect Counterfeit Work delivered to CME, date of delivery, lots, serial numbers, and other identifiers to CME Buyer in writing.

k) This clause applies in addition to and is not altered, changed, or superseded by any quality provision, specification, statement of work, regulatory flowdown, or other provision included in this Contract addressing the authenticity of Work.

l) In the event that Work delivered under this Contract constitutes or includes Counterfeit Work and/or Suspect Counterfeit Work, SELLER shall, at its own expense, promptly replace such Counterfeit Work and/or Suspect Counterfeit Work with genuine Work conforming to the requirements of this Contract and/or reimburse CME for all costs associated due to Counterfeit Work and/or Suspect Counterfeit Work—which is to be decided solely by CME's Executive Management and/or General Counsel in writing. Notwithstanding any other provision in this Contract, SELLER shall be solely liable for all costs, including their own (as well as CME's), relating to the removal and replacement of Counterfeit Work and/or Suspect Counterfeit Work, including without limitation CME's costs of removing Counterfeit Work and/or Suspect Counterfeit Work (as well as costs at all higher tiers) of installing replacement Work (at all higher tiers—from CME to End User/Customer, not just SELLER's Work) and of any testing necessitated (at all higher tiers) by the reinstallation of Work after Counterfeit Work and/or Suspect Counterfeit Work has been exchanged. CME shall also be reimbursed for all third-party testing of Work as well as all court fees and attorneys' costs (including through all appeals) associated with Work which is Counterfeit and/or Suspect Counterfeit. The remedies contained in this paragraph are in addition to any remedies CME may have at law, equity or under other provisions of this Contract including but not limited to special and/or consequential damages.

m) CME will not be liable for payment to SELLER of the price of any Counterfeit or Suspect Counterfeit Work, including but not limited to any under investigation.

n) If CME has purchased Work from SELLER which CME has paid for (whole or in part), all such payments shall be immediately refunded in whole to CME.

o) **Determination; Credible Evidence; Testing.** Credible evidence that Work is Counterfeit or Suspect Counterfeit Work means evidence that the Work has failed authentication under a recognized counterfeit-detection standard (including SAE AS6171 or AS5553), lacks traceability to the original component or equipment manufacturer (OCM/OEM) or an authorized distributor, or is otherwise supported by reasonable technical evidence of non-authenticity (including visual inspection, testing, x-ray, or microscopic analysis). CME shall determine, on that basis, whether Work under the PO/Contract is Counterfeit or Suspect Counterfeit Work of SELLER (or SELLER's subcontractor(s)/vendor(s)). CME will provide SELLER written notice of such determination and may require independent third-party testing to confirm authenticity; SELLER may observe such testing, and SELLER shall bear the cost of the testing if the Work is confirmed to be Counterfeit or Suspect Counterfeit Work. Pending resolution, CME may immediately quarantine the Work, cease deliveries, and withhold payment. If independent testing confirms that Work identified as Suspect Counterfeit Work is authentic and conforming, CME shall accept and pay for that Work and shall bear the cost of that confirmatory testing. The recoverable costs and amounts payable by SELLER for confirmed Counterfeit or Suspect Counterfeit Work shall be as provided in this Section, decided solely by CME's Executive Management and/or General Counsel.

p) CME has the right to immediately terminate PO/Contract with SELLER at no cost.

q) CME shall also have the right, if it wishes to continue to procure Work from SELLER to audit, inspect and/or approve processes at any time before, during, or after delivery of Work. SELLER's failure to conform to CME's required changes and/or standards will result in SELLER's default and CME has all rights and remedies of this provision of the Contract, Counterfeit Work, as well as all other rights and remedies detailed elsewhere in this Contract.

r) SELLER must include paragraphs (a) through (t), including this paragraph, of this clause or equivalent provisions in lower-tier subcontracts for the delivery of items that will be included in or furnished as Work to CME; SELLER's failure to do so is a breach of this Contract and subjects it to all liability and costs payable to CME and/or CME's customer.

s) CME may on its own discretion file and/or direct SELLER to file a GIDEP alert. Additionally, CME may refer matter to its Customer(s) and/or law enforcement for further investigation, prosecution, and resolution as may be permitted/required.

t) Legacy Components. In cases where Original Component Manufacturer (OCM) or Original Equipment Manufacturer (OEM) documentation is no longer available due to obsolescence, SELLER shall notify the CME Buyer, the CME Operations Director, and CME's General Counsel in writing before any procurement or manufacturing action. SELLER shall perform one-hundred percent (100%) authenticity testing or equivalent validation per SAE AS6171 (or its successor), maintain all test and inspection records for at least ten (10) years from delivery to CME, and shall provide all such test and inspection records to CME for review and approval before shipment of any product to CME. Shipment of any product to CME without CME General Counsel's written authorization to ship shall constitute a material breach of this Contract. Under no circumstances may SELLER ship product containing legacy or untraceable components to CME without such prior written authorization.

9. CONFLICT MINERALS

a) SELLER shall (i) conduct a reasonable country-of-origin inquiry regarding tin, tantalum, tungsten, and gold (3TG) contained in the Work; (ii) upon CME's request, provide a completed Conflict Minerals Reporting Template (CMRT) and supporting information consistent with Section 1502 of the Dodd-Frank Act, applicable SEC rules, and OECD due-diligence guidance; and (iii) flow down these obligations to its suppliers.

10. CONFIDENTIALITY

a) SELLER shall hold in confidence, and shall not use except to perform this Contract, all non-public information of CME or its customers disclosed to or obtained by SELLER in connection with this Contract, including designs, drawings, specifications, data, pricing, and other proprietary or confidential information ("Confidential Information"), whether or not marked. This obligation applies whether or not a separate non-disclosure agreement (NDA) exists; if an NDA exists, the more protective terms control.

b) SELLER shall protect Confidential Information using at least the same degree of care it uses for its own confidential information, and no less than a reasonable degree of care, and shall not disclose it to any third party (including lower-tier suppliers) without CME's prior written consent and a written confidentiality agreement no less protective than this Section.

c) SELLER's obligations under this Section shall survive for five (5) years after disclosure; provided that Confidential Information constituting a trade secret shall be protected for as long as it remains a trade secret under applicable law. Upon CME's request or upon completion or termination of this Contract, SELLER shall return or destroy all Confidential Information and, if requested, certify such return or destruction.

11. CYBERSECURITY

a) The SELLER shall provide adequate security to safeguard CME and CME's Customer information/data on its information systems from unauthorized access and disclosure. The level must be in accordance to meet or exceed requirements of DFARS 252.204-7012 and/or NIST SP 800-171-1. The SELLER shall apply the following basic safeguarding requirements to CME and Customer information/data:

(i) *Protection.* Protecting CME and CME's Customer information on public computers or websites. It is prohibited to process CME and CME's Customer information/data on public computers (e.g., those available for use by the general public in kiosks, hotel business centers, etc.) or computers that do not have access control. CME and CME's Customer information/data shall not be posted on websites that are publicly available or have access limited only by domain/Internet Protocol restriction. Such information may be posted to web pages that control access by user ID/password, user certificates, or other technical means, and that provide protection via use of security technologies. Access control may be provided by the intranet (vice the website itself or the application it hosts). SELLER shall maintain data protection processes and systems sufficient to adequately protect specifications, information, data, drawings, software, and other items which are supplied to SELLER by CME, OR obtained or developed by SELLER in the performance of this Contract or paid for by CME (collectively, "CME Data"), and to comply with any law or regulation applicable to such data.

(ii) *Transmitting electronic information.* Transmit email, text messaging, blogs, and similar communications using technology and processes that provide the best level of security and privacy available, given facilities, conditions, and environment including encryption.

(iii) *Transmitting voice and fax information.* Transmit voice and fax information only when the sender has a reasonable assurance that access is limited to authorized recipients.

(iv) *Physical or electronic barriers.* Protect information by at least one physical or electronic barrier (e.g., locked container or room, login and password) when not under direct individual control.

(v) *Sanitization.* At a minimum, clear information/data on media that has been used to process CME and CME's Customer information/data before external release or disposal. Overwriting is an acceptable means of clearing media in accordance with National Institute of Standards and Technology 800-88, Guidelines for Media Sanitization, at http://csrc.nist.gov/publications/drafts/800-88-rev1/sp800_88_r1_draft.pdf

(vi) *Intrusion protection.* Exercise reasonable care against computer intrusions and data compromise including exfiltration by adopting appropriate measures including the following:

1. Current and regularly updated malware protection services, e.g., anti-virus, anti-spyware.

2. Prompt application of security-relevant software upgrades, e.g., patches, service packs, and hot fixes.

(vii) *Transfer limitations.* Transfer CME and CME's Customer information only to those second-tier subcontractors that both have a need to know and provide at least the same level of security as specified in this clause. The SELLER shall include the substance of this clause in all second-tier subcontracts under this subcontract (if allowed in accordance with the Article entitled LOWER TIER SUBCONTRACTING), if the SELLER subcontractor will have access to or generate SELLER information. By executing this agreement, SELLER certifies and affirms that the controls and requirements in this clause are in place. The SELLER also certifies and affirms that they will immediately contact CME if there are any internal or external violations of their information systems.

(viii) If an event occurs whereby SELLER knows, or reasonably believes, that CME Data has been actually or potentially disclosed to, or accessed or acquired by, an unauthorized individual or individuals (a "Security Incident"), SELLER shall

1. Use commercially reasonable efforts to investigate, contain, and remediate the Security Incident, and

2. Notify CME in writing (to the CME Buyer AND the CME General Counsel) within twenty-four (24) hours after discovering the Security Incident. In addition, SELLER shall: (1) preserve all logs, records, and forensic evidence relating to the Security Incident and neither alter nor destroy them; (2) provide CME written status updates at reasonable intervals until the Security Incident is resolved and closed; (3) bear the reasonable costs of investigating, notifying, and remediating any Security Incident arising from SELLER's systems, personnel, or subcontractors; and (4) cooperate with CME (and, as directed, the Government) and provide the information CME needs to satisfy its own reporting obligations, including under DFARS 252.204-7012 and its Prime Contract.

(ix) The obligations contained in this Section are in addition to, and do not alter, SELLER's obligations under applicable U.S. Government Procurement Regulations including but not limited to DFARS 252.204-7012 and in accordance with NIST SP 800-1717r1 (or latest standard at time of Contract).

b) SELLER shall promptly inform CME Buyer and CME General Counsel in writing of any Cyber-Security Breach, detailing: the nature of the breach, what information was breached and/or information was likely breached, a point of contact (and their contact information as well as their

superior's contact information) for all matters/handling of Cyber-Security investigation & resolution, proposed resolution/solution, and time-frame for correction and recovery.

c) Audit: CME shall have the right to access during normal business hours SELLER's premises and/or facility where its computers, networks, and information are stored/secured for the purposes of conducting audits.

d) SELLER is subject to period compliance certifications and representations to CME of SELLER's cyber-security measures and actions to comply with these provisions of this Contract.

e) SELLER may also be subject to third party audits by CME's Customer(s) to certify compliance with these provisions.

f) **Cybersecurity Maturity Model Certification (CMMC); NIST SP 800-171 Assessments.** SELLER shall comply with DFARS 252.204-7019 and 252.204-7020, shall have and maintain a current (not older than three (3) years) NIST SP 800-171 assessment posted in the Supplier Performance Risk System (SPRS), and shall comply with DFARS 252.204-7021 by achieving and maintaining the Cybersecurity Maturity Model Certification (CMMC) at the level required for the applicable Work. SELLER shall flow these requirements down to its subcontractors and, upon CME's request, shall provide its current SPRS score and CMMC certification (or other evidence of compliance) to CME.

12. DEFAULT

a) CME, by written notice, may terminate this Contract for default, in whole or in part, if SELLER:

(i) fails to comply with any of the terms of this Contract, including but not limited to requirements as to price and quality;

(ii) fails to make progress so as to endanger performance of this Contract;

(iii) fails to provide adequate assurance of future performance;

(iv) files or has filed against it a petition in bankruptcy;

(v) fails and/or threatens to fail to deliver Work, delays, and/or negatively impacts delivery schedule (or threatens to do so) OR

(vi) becomes insolvent or suffers a material adverse change in financial condition.
Time is of the essence for all deliveries and performance under this Contract. For a default under (i), (ii), or (iii), SELLER shall have ten (10) days (or such longer period as the CME Buyer or CME General Counsel may authorize in writing) to cure the failure after receipt of CME's written notice. A default under (v) involving a delivery-schedule failure or delay is likewise subject to the ten (10) day cure period, except that CME may terminate immediately, without any cure period, where the delay endangers CME's delivery to its customer or where time is otherwise of the essence. A default under (iv) or (vi)—bankruptcy, insolvency, or a material adverse change in SELLER's financial condition—is not subject to any cure period, and CME may terminate immediately.

b) Following a termination for default of this Contract, SELLER shall be compensated only for Work actually delivered and accepted; CME shall not be responsible for any Work that is not delivered and/or accepted. CME, at its own choosing, may require SELLER to deliver to CME any supplies and materials, partially completed Work, manufacturing materials (including but not limited to: components, materials, parts, tools, dies, jigs, fixtures, plans, information, etc.), and drawings that SELLER has specifically produced or acquired for the terminated portion of this Contract. CME and SELLER shall agree on the amount of payment for these other deliverables as well as any intellectual property rights if not already part of Contract.

c) Upon the occurrence and during the termination of a default, CME may exercise any and all rights and remedies available to it under applicable law and equity, including without limitation, cancellation of this Contract. If after termination for default under this Contract, it is determined that SELLER was not in default, such termination shall be deemed a termination for convenience.

d) SELLER shall continue all Work not terminated or cancelled in accordance with the QUALITY SUPPLIER FLOW-DOWNS section, delivery, price, and schedule.

e) **Re-Procurement / Cover.** Upon SELLER's default, CME may procure substitute goods or services from other sources, and SELLER shall be liable to CME for the excess costs of such re-procurement or cover over the Contract price, together with all incidental and consequential costs, including expediting, additional inspection, re-qualification and re-testing costs, and any liability, damages, penalties, or costs CME incurs to its customer as a result of SELLER's default. These remedies are in addition to all other rights and remedies of CME under this Contract, at law, or in equity.

13. DEFINITIONS

a) Time References. Unless otherwise stated, the following apply: 'Immediately' means within twenty-four (24) hours of discovery or event. 'Promptly' means within three (3) business days. 'Timely' means within five (5) business days. 'Reasonable period' means no longer than seven (7) business days. Where specific numeric deadlines appear elsewhere in this Contract, those shall control.

b) The following terms shall have the meanings set forth below:

(i) "Contract" means the instrument of contracting, such as "Purchase Order", "PO", "Subcontract", "Contract" or other such type designation, including these General Provisions, all referenced documents, exhibits and attachments. If these terms and conditions are incorporated into a "master" agreement that provides for releases, (in the form of a Purchase Order or other such document) the term "Contract" shall also mean the Release document for the Work to be performed.

(ii) "FAR" means the Federal Acquisition Regulation, issued as Chapter 1 of Title 48, Code of Federal Regulations as well as all other DFARS clauses.

(iii) "CME" means CUSTOM MANUFACTURING & ENGINEERING, INC., acting through its companies or business units as identified on the face of this Contract. If a subsidiary or

affiliate of CUSTOM MANUFACTURING & ENGINEERING, INC. is identified on the face of this Contract, then "CME" means that subsidiary or affiliate.

(iv) "CME Buyer" means a person authorized by CME's cognizant procurement organization to issue, administer, or alter this Contract or a Purchase Order (referred to in prior versions of these Terms & Conditions as the "CME Buyer" or "CME Buyer").

(v) "Government" means United States of America.

(vi) "CME Operations Director" means the person in charge of CME's Operations Department (also referred to in these Terms & Conditions as the Operations Director, CME Operations Director, or CME Operations Director).

(vii) "CME General Counsel" (also referred to as "General Counsel") means the General Counsel of CME.

(viii) "CME Executive Management" means CME's CEO/President, Vice President, and/or General Counsel.

(ix) "CME Acceptance Authority" means CME Executive Management and the CME Operations Director.

(x) "SELLER" means the party identified on the face of this Contract with whom CME is contracting.

(xi) "Work" means all required labor, articles, materials, supplies, goods, products, and services constituting the subject matter of the PO and this Contract; performed by SELLER for CME.

14. DISPUTES

a) **Good-Faith Resolution; Cool-Down.** Except for matters excluded under subsection (f), the Parties shall first attempt to resolve any dispute arising out of or relating to this Contract through good-faith negotiation for ten (10) days before either Party commences arbitration. Notwithstanding the foregoing, if a dispute affects a delivery or schedule due date for Work under this Contract, SELLER shall immediately continue and rectify performance, and CME may proceed directly to arbitration without observing the ten (10) day period.

b) **Continued Performance.** Until final resolution of any dispute, SELLER shall diligently proceed with performance and delivery of all Work as directed by CME and under all terms and prices in effect before the dispute arose, including Work not directly subject to the dispute.

c) **Binding Arbitration.** Except for the matters excluded under subsection (f), all disputes arising out of or relating to this Contract shall be finally resolved by binding arbitration administered by the American Arbitration Association (AAA) under its Commercial Arbitration Rules then in effect. The seat and location of the arbitration shall be Hillsborough County, Florida, and the proceedings shall be conducted in English (American). The arbitrator(s) shall have direct experience in government and commercial contract law and the litigation process.

d) **Number of Arbitrators.** If the amount in dispute is one hundred thousand dollars ($100,000) or less, the arbitration shall be conducted before a single arbitrator. If the amount in dispute exceeds $100,000, it shall be conducted before a panel of three (3) arbitrators, of whom each Party shall appoint one and the two Party-appointed arbitrators shall select the third, who shall serve as chair. The "amount in dispute" is the aggregate of all claims, counterclaims, and setoffs asserted.

e) **Individual Disputes Only.** All disputes shall be arbitrated solely on an individual basis. No dispute shall be arbitrated as a class, collective, representative, or consolidated proceeding, and the arbitrator(s) shall have no authority to consolidate claims or preside over any class or representative proceeding.

f) **Matters Excluded from Arbitration.** Notwithstanding any other provision of this Section, the following are not subject to arbitration and may be brought in court:

(i) Intellectual Property. Any dispute involving patent, copyright, trademark, trade secret, or other intellectual-property rights—including infringement, misappropriation, or ownership—shall be brought in the United States District Court for the applicable federal district in Florida where federal jurisdiction exists, and otherwise in the state courts located in Hillsborough County, Florida. The Parties agree such matters warrant expedited judicial resolution.
(ii) Confidentiality / Proprietary Information. For any breach or threatened breach by SELLER of any non-disclosure agreement (or similarly named agreement) or of any provision of this Contract protecting proprietary information, CME may forego arbitration and seek immediate judicial and equitable relief—including injunctive relief or specific performance, without the requirement of any bond—from any state or federal court of competent jurisdiction.
(iii) Enforcement of Award. Either Party may apply to any court of competent jurisdiction to confirm, enter judgment upon, and enforce an arbitration award.
For any matter brought in court under this Section, each Party irrevocably waives, to the fullest extent permitted by law, any right to a trial by jury.

g) **Fees and Costs.** Except as otherwise provided in these Terms & Conditions, each Party shall bear its own attorneys' fees and costs, and the arbitrator(s)' fees and costs shall be borne equally. However, if CME commences an action or arbitration to enforce these Terms & Conditions, or arising from a breach involving Counterfeit or Suspect Counterfeit Work, SELLER shall be solely liable for all of CME's attorneys' fees and costs in addition to its own. In no event shall the arbitrator(s) award SELLER recovery of its attorneys' fees or costs unless a provision of these Terms & Conditions specifically states otherwise.

h) **Discovery; Financial Disclosure.** Consistent with the expedited nature of arbitration, discovery shall be limited to the areas and issues identified in the claim, counterclaim, cross-claim, and answer, as summarized by CME in writing before or at the preliminary hearing, and SELLER shall not seek discovery outside those areas CME designates. The Parties shall produce requested documents within forty-five (45) days after the arbitrator's ruling on discovery. If SELLER claims an inability to pay damages, fees, costs, CME's attorneys' fees, or any award, SELLER thereby places its financial condition in issue and shall immediately produce to CME (subject to a protective order) all independently audited (CPA) financial statements for the years in question through the current period, and waives any objection to such production.

i) **Confidentiality of Arbitration.** The existence, content, filings, testimony, and result of any arbitration shall be kept confidential by the Parties and the arbitrator(s), except as necessary to confirm or enforce an award, as required by law or regulation (including obligations under a prime contract or to the U.S. Government), or with the other Party's written consent.

j) **Limitation on SELLER Claims.** No claim or action arising out of or relating to this Contract may be commenced by SELLER unless brought within one (1) year after the cause of action accrues, regardless of whether SELLER knew or should have known of the accrual. This subsection applies only to affirmative claims brought by SELLER; it does not shorten CME's time to bring any claim and does not bar SELLER from asserting defenses or compulsory counterclaims to a claim brought by CME.

k) **Award; Enforcement.** The arbitrator(s)' award shall be final and binding, and judgment may be entered upon it in any court having jurisdiction. Unless otherwise agreed in writing, all sums awarded shall be paid promptly, and in no event later than thirty (30) days after the award. The award shall be enforceable in any jurisdiction in which a Party resides or holds assets, and the Parties waive any objection to such enforcement.

l) **Government-Contract Interpretation.** Any provision of this Contract that is (i) incorporated from the FAR, (ii) incorporated from any agency regulation implementing or supplementing the FAR, or (iii) substantially based on any such regulation, shall be construed according to the federal common law of Government contracts as applied by the federal courts, boards of contract appeals, and quasi-judicial agencies of the U.S. Government.

m) **Consent to Jurisdiction and Venue.** For any court proceeding permitted under this Contract, the parties irrevocably consent to the exclusive jurisdiction and venue of the state and federal courts located in Hillsborough County, Florida, and waive any objection based on inconvenient forum, except that intellectual-property disputes are governed by the forum provisions elsewhere in this Section.

15. ELECTRONIC CONTRACTING

a) The parties agree that if this Contract is transmitted electronically and is executed by authorized representative neither party shall contest the validity of this Contract, or any acknowledgement thereof, on the basis that this Contract or acknowledgement contains an electronic signature.

b) **Counterparts; Electronic Signatures.** This Contract may be executed in counterparts, each of which is deemed an original and all of which together constitute one instrument. Electronic signatures and electronically transmitted copies (including PDF and e-signature platforms such as DocuSign) have the same force and effect as original signatures.

16. EXPORT CONTROL

a) SELLER shall comply with all applicable U.S. export control laws and economic sanctions laws and regulations, specifically including but not limited to the International Traffic in Arms Regulations (ITAR), 22 C.F.R. 120 et seq.; the Export Control Reform Act of 2018; the Export Administration Regulations (EAR), 15 C.F.R. 730-774; and the Foreign Assets Control Regulations, 31 C.F.R. 500-

598 (collectively, "Trade Control Laws").

b) SELLER shall notify CME if any deliverable under this Contract is restricted by applicable Trade Control Laws. Before providing CME any item or data controlled under any of the Trade Control Laws, SELLER shall provide in writing to the CME the export classification of any such item or controlled data (i.e. the export classification under the EAR, ITAR, EU List of Dual Use Items and Technology, Wassenaar Arrangement's List of Dual-Use Goods and Technologies or other applicable export control list) and shall notify the CME Buyer and General Counsel in writing of any changes to the export classification information of the item or controlled data. SELLER represents that an official authorized to bind the SELLER has determined that the SELLER or the designer, manufacturer, supplier or other source of the Work has properly determined their export classification.

c) SELLER shall not export, re-export, transfer, re-transfer, disclose or otherwise provide or make accessible CME's technical data and/or hardware controlled by Trade Control Laws ("Export Controlled Information") to any persons, or entities not authorized to receive or have access to the data, services and/or hardware, including third country/dual national employees, lower-tier subcontractors and sub-licensees, or modify or divert such Export Controlled Information to any military application unless SELLER receives advance, written authorization from CME and verification of any required export authorization is in place. SELLER shall not provide a defense service as defined by the Trade Control Laws using any or all of CME's technical data and/or hardware. Upon CME's request, SELLER shall demonstrate to CME's reasonable satisfaction, SELLER's and SELLER's lower-tier subcontractors' compliance with this clause and all Trade Control Laws. To the extent SELLER's Work provided under this Contract include packing, labeling, processing, and/or handling exports for CME, SELLER shall maintain an auditable process that assures accurate packing, labeling, processing, and handling of such exports. SELLER shall also promptly notify CME if it becomes aware of any failure by SELLER or SELLER's lower-tier subcontractors to comply with this clause and shall cooperate with CME in any investigation of such failure to comply.

d) SELLER hereby represents that neither SELLER nor any parent, subsidiary or affiliate of SELLER, or any SELLER's subcontractor(s)/vendor(s) is included on any of the restricted party lists maintained by the U.S. Government, including the Specially Designated Nationals List administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), Denied Parties List, Unverified List or Entity List maintained by the U.S. Commerce Department's Bureau of Industry and Security ("BIS"), or the List of Statutorily Debarred Parties maintained by the U.S. State Department's Directorate of Defense Trade Controls, or the consolidated list of asset freeze targets designated by the United Nations, European Union, and United Kingdom (collectively, "Restricted Party Lists"). SELLER shall immediately notify CME and CME's General Counsel if SELLER, or any parent, subsidiary or affiliate of SELLER becomes listed on any Restricted Party List or if SELLER's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. or non-U.S. government entity or agency.

e) If SELLER is engaged in the business of exporting manufacturing (whether exporting or not) or brokering defense articles or furnishing defense services, SELLER represents that it is and will continue to be registered with the Directorate of Defense Trade Controls, as required by the ITAR, and it maintains an effective export/import compliance program in accordance with the ITAR.

f) Where SELLER is a party to or signatory under a CME Technical Assistance Agreement (TAA) or Manufacturing License Agreement (MLA), license exception or license exemption, collectively, "Export Authorization, "SELLER shall provide prompt notification to the CME Buyer and CME's General Counsel in the event of (1) changed circumstances including, but not limited to, ineligibility, a violation or potential violation of the ITAR or other applicable governmental restrictions, and the initiation or existence of a U.S. Government investigation, that could affect SELLER's performance under this Contract, or (2) any change by SELLER that might require CME to submit an amendment to an existing Export Authorization or request a new or replacement Export Authorization. SELLER shall provide to CME all information and documentation as may reasonably be required for CME to prepare and submit any required export license applications. Delays on SELLER's part to submit the relevant information for export licenses shall not constitute an excusable delay under this Contract.

g) Upon completion of performance of this Contract, SELLER and its lower-tier subcontractors shall, as directed by CME, return or destroy all export controlled technical data, technology, hardware or other items. SELLER shall provide a certificate of destruction for all destroyed items.

h) SELLER shall ensure that it is registered (if required) with Directorate of Defense Trade Controls (DDTC). Additionally, SELLER must immediately notify CME if fails to renew with DDTC, its registration is rejected by DDTC, and/or subject to sanctions/penalties from DDTC and/or any government enforcement for import/export.

i) If SELLER worker(s) need to visit or work on CME's premises, it shall certify that the information is true and correct by providing name, citizenship, nationality, and related information to the CME Buyer and CME's General Counsel.

j) SELLER agrees to notify in writing CME Buyer and CME's General Counsel if any work and/or product under this Contract is restricted by export control laws or regulations.

k) SELLER certifies that all of its employees/workers who have access to technical data and/or Controlled Technology are U.S. citizens, have a valid green card, or a status in accordance with 8 U.S.C. 1324b(a)(3). Any non-citizens who do not meet one of these criteria, SELLER has obtained an export license from DDTC authorizing their work. SELLER will not release technical data and/or Controlled Technology to any foreign concern/person either inside or outside the United States without first obtaining proper export authority.

l) SELLER shall provide any classification, class, and/or other information necessary for CME to comply with Export/Import laws/regulations.

m) SELLER shall also identify Work in writing to CME Buyer and CME's General Counsel whether is it subject to ITAR, EAR, contains technical data, or a dual use item.

n) SELLER shall include paragraphs (a) through (o), including this paragraph, of this clause or equivalent provisions in lower-tier subcontracts for the delivery of items that will be included in or delivered as Work to CME. SELLER shall immediately notify CME via CME's General Counsel and CME Buyer upon learning that it and/or any lower-tier subcontractor with which it engages has become listed on the Restricted Parties List.

o) SELLER shall be responsible for all losses, costs, claims, causes of action, damages, liabilities and expense, including attorney's 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 clause.

17. EXTRAS

a) Work shall not be supplied in excess of quantities specified in this Contract. SELLER shall be liable for handling charges and return shipment costs for any excess quantities.

18. FORCE MAJEURE

a) Neither Party shall be liable for any failure to perform due to any cause beyond their reasonable control and without their fault or negligence. Such causes include: acts of God, act of government in its sovereign and/or contractual capacity, fires, floods, epidemics or pandemics, hurricane, tornado, terrorism, quarantine restrictions, strikes, freight embargoes, tsunamis, and unusually severe weather ("Force Majeure"). In the event that performance is unreasonably hindered, delayed, or adversely affected by Force Majeure, the Party who performance is affected shall notify the other in writing at the CME Buyer's, CME Operations Director, and/or CME's General Counsel, the PO then may be completed with such adjustments to delivery schedule as may be reasonably required.

b) If a force majeure condition continues to prevent performance for more than thirty (30) days, CME may terminate this Contract, in whole or in part, without liability, upon written notice to SELLER.

c) Invocation Procedure. A Party claiming Force Majeure shall provide written notice to the other Party within five (5) business days of becoming aware of the event, describing the nature, expected duration, and mitigation measures being taken. Failure to provide timely notice may forfeit any claim to schedule or performance relief.

d) Evidence. The claiming Party shall provide reasonable documentary support (e.g., governmental notice, carrier statement, or insurance claim) within ten (10) business days of notice.

e) Limitation of Relief. Schedule or performance relief shall extend only for the actual period of delay directly caused by the Force Majeure event. CME shall determine, in its reasonable business judgment, the adequacy of documentation and the period of allowable relief.

f) Payment Delays Due to Government or External Events. Neither Party shall be held liable for delays in performance or payment caused by events beyond their reasonable control, including but not limited to acts of government, regulatory shutdowns, or force majeure events. SELLER agrees to make reasonable accommodations in scheduling and delivery during such periods and shall not penalize CME or withhold deliverables due to such delays.

19. FURNISHED PROPERTY

a) CME may, by written authorization, provide to SELLER property owned by either CME or its customer (Furnished Property). Furnished Property shall be used only for the performance of this Contract.

b) Title to Furnished Property shall remain in CME or its customer. SELLER shall clearly mark (if not so marked) all Furnished Property as CME's to show its ownership.

c) Except for reasonable wear and tear, SELLER shall be responsible for, and shall promptly notify CME of, any loss or damage to Furnished Property. Without additional charge, SELLER shall manage, maintain, and preserve Furnished Property in accordance with applicable law, the requirements of this Contract and good commercial practice.

d) At CME's request, and/or upon completion of this Contract, SELLER shall submit, in an acceptable form, inventory lists of Furnished Property and shall deliver or make such other disposal as may be directed by CME.

e) The Government Property Clause contained in this Contract shall apply in lieu of paragraphs (a) through (d) above with respect to Government-furnished property, or other property to which the Government has title, or may take title under this Contract.

f) SELLER shall be obligated to maintain any and all property furnished by CME to SELLER and all property which CME acquires by PO (through SELLER) and shall be responsible for such risk of loss or damage (excluding normal wear and tear). SELLER shall clearly mark, maintain inventory, and keep segregated or identifiable all of CME's furnished property.

g) SELLER shall maintain insurance, with one or more insurers rated A- or better by A.M. Best, in amounts not less than those required in the INSURANCE section of these Terms & Conditions and otherwise sufficient to cover the full replacement value of the Work, materials, and CME-furnished property against risk of loss or damage. The CME Buyer may request proof of insurance and may require SELLER to add CME as an additional insured on SELLER's policy. SELLER's refusal to immediately comply with such request and provide proof of compliance shall constitute a default under this Contract.

20. GRATUITIES/KICKBACKS [1]

a) SELLER shall not offer or give a kickback or gratuity (in the form of entertainment, gifts, or otherwise) for the purpose of obtaining or rewarding favorable treatment as a CME supplier.

b) By accepting this Contract, SELLER certifies and represents that it has not made or solicited and

[1] For purposes of this Section, the term "kickback" means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to CME or CME's personnel—officers, employees or representatives, including any of their family members, subcontractors, or subcontractor employees, for the purpose of improperly obtaining or rewarding favorable treatment in connection with this Contract. Any breach of this warranty shall be a material breach of each contract between CME and SELLER.

will not make or solicit kickbacks in violation of FAR 52.203-7 or the Anti-Kickback Act of 1986 (41 USC 51-58) and as well as comply with CME's Supplier Code of Conduct.

21. INDEMNITY

a) SELLER shall defend, indemnify, and hold harmless CME, its officers, directors, employees, consultants, agents, affiliates, successors, permitted assigns and customers from and against all: losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorney's fees, all expenses 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 Contract.

b) SELLER shall keep its Work as well as CME (and its premises) free and clear of all liens and encumbrances in any way arising from performance of this Contract by SELLER or by any of its vendors or subcontractors. SELLER may be required by CME to provide a satisfactory release of liens as a condition of final payment.

c) **Scope of Indemnity.** Without limiting the foregoing, SELLER's indemnity obligations expressly extend to claims for bodily injury, sickness, disease, or death; damage to or loss of property; and product liability arising out of or relating to the Work, whether or not caused in part by SELLER, except to the extent caused by CME's sole negligence or willful misconduct. CME may, at SELLER's expense, participate in and, at CME's election, control the defense of any such claim, and SELLER shall not settle any claim in a manner affecting CME without CME's prior written consent. This provision shall be enforced to the fullest extent permitted by applicable Florida law, consistent with the parties' comparative fault.

22. INDEPENDENT CONTRACTOR RELATIONSHIP

a) SELLER is an independent contractor in all its operations and activities hereunder. The employees used by SELLER to perform Work under this Contract shall be SELLER's employees exclusively without any relation whatsoever to CME. This Contract is not a Joint Venture nor Partnership between the Parties.

23. INFORMATION ASSURANCE

a) Information provided by CME to SELLER remains the property of CME. SELLER shall comply with the terms of any proprietary information agreement (NDA or similarly named agreement for the protection of Proprietary Information) with CME and comply with all proprietary information markings and restrictive legends applied by CME and/or its customers to anything provided hereunder to SELLER. SELLER shall not use any CME provided information for any purpose except to perform this Contract and shall not disclose such information to third parties without the prior written consent of CME. SELLER shall maintain data protection processes and systems sufficient to adequately protect CME provided information and comply with any law or regulation applicable to such information and if applicable in accordance with DFARS 252.204-7012. SELLER shall not disclose CME's information to any subcontractor/vendor, without CME Buyer and/or CME General Counsel written pre-authorization AND SELLER shall enter into a non-disclosure agreement with its subcontractor(s)/vendor(s) which is substantially similar to the one that exists between the Parties and no lesser standard of care than reasonable.

b) If SELLER becomes aware of any compromise of information used in the performance of this Contract or provided by CME to SELLER, its officers, employees, agents, suppliers, or subcontractors (an "Incident"), SELLER shall take appropriate immediate actions to investigate and contain the Incident and any associated risks, and shall provide written notification to CME (to the CME Buyer AND the General Counsel) within twenty-four (24) hours after learning of the Incident. As used in this clause, "compromise" means that information has been exposed to unauthorized access, inadvertent disclosure, known misuse, loss, destruction, or alteration other than as required to perform the Work. SELLER shall preserve all logs, records, and forensic evidence relating to the Incident (and neither alter nor destroy them), provide CME written status updates at reasonable intervals until the Incident is resolved and closed, and provide reasonable cooperation to CME (and, as directed, the Government) in any investigation, including the information CME needs to satisfy its own reporting obligations under DFARS 252.204-7012 and its Prime Contract. Any costs incurred in investigating or remedying Incidents shall be borne by SELLER, and SELLER shall be liable for any and all CME and/or customer costs associated with the investigation, incident, and/or breach.

c) Any CME provided information identified as "Proprietary" and/or PROPRIETARY INFORMATION or subject to restrictions on public disclosure by law or regulation shall be encrypted:

(i) if transmitted via the Internet, or

(ii) during electronic storage if potentially accessible by the Internet or otherwise by non-authorized users.

d) The provisions set forth above are in addition to and do not alter, change or supersede any obligations contained in a proprietary information agreement between the parties.

e) DFARS 252.204-7012 applies to covered defense information.

f) Work made in accordance with this Contract (and/or CME's specifications and/or drawings) shall not be furnished or quoted by SELLER to any other person or concern without CME's General Counsel's prior written consent.

g) SELLER shall provide CME with adequate proof of insurance against risk of loss or damage, upon CME Buyer's request.

24. INFORMATION OF SELLER

a) SELLER shall not provide any proprietary information to CME without prior execution of a proprietary information agreement by the Parties.

b) Any information which SELLER does provide to CME which SELLER does not mark as Proprietary Information and/or notify CME of such, will not be treated as Proprietary by CME.

25. INSPECTION AND ACCEPTANCE

a) CME and its customer may inspect all Work at reasonable times and places, including, when

practicable, during manufacture and before shipment. SELLER shall provide all information, facilities, and assistance necessary for safe and convenient inspection without additional charge.

b) No such inspection shall relieve SELLER of its obligations to furnish and warrant all Work in accordance with the necessary requirements of this Contract. CME's final inspection and acceptance shall be at destination at a time of its choosing.

c) If SELLER delivers non-conforming Work, CME may, in addition to any other remedies available at law or at equity: (i) accept all or part of such Work at an equitable price reduction, or (ii) reject such Work, or (iii) require SELLER, at SELLER's cost, to make all repairs, modifications, replacements, inspection, transportation, repackaging, and/or re-inspection by CME (or third party working for or on behalf of CME) or CME's Customer(s). All work must comply in all respects with Contract requirements.

   (i) If any inspection, test, re-inspection, and/or re-test are made on the premises of SELLER or SELLER's subcontractor(s)/vendor(s), SELLER shall furnish without additional charge all reasonable facilities, information, and assistance necessary for the safe and convenient inspection and test required by personnel to perform their duty. These provisions are supplementary to and not in lieu of other provisions in this Contract.

d) Neither CME's inspection nor failure to inspect shall relieve SELLER of any responsibility to perform according to terms of PO/Contract. Notwithstanding any other provision of the PO/Contract, the risk of loss, or damage to, nonconforming Work remains with SELLER until cure and acceptance by CME. CME's acceptance of goods or services shall not diminish CME's rights or be final or binding on CME if latent defects, fraud, or misrepresentation on the part of SELLER exists.

e) SELLER shall not re-tender rejected Work without disclosing the corrective action taken in writing and it shall not be accepted by CME (even if it is inspected, accepted, and paid for by CME when later it becomes known SELLER did not inform CME of such re-tender rejected Work) without such.

f) CME's acceptance of Work shall not be deemed to diminish CME's right or be final or binding on CME if latent defects, fraud, or misrepresentation on the part of SELLER or SELLER's subcontractor(s)/vendor(s) exists.

g) During the performance of this Contract and for a period of ten (10) years after delivery and acceptance to CME, SELLER shall keep and maintain all inspection and test records as well as all other technical data generated under or related to this Contract including but not limited to: drawings, designs, specifications, manufacturing and process control records. Upon CME's request SELLER shall make available for inspection all such records and data—which CME shall be permitted to make copies and/or take excerpts of.

h) CME may provide written notice of acceptance of the Work to SELLER. However, in the absence of written acceptance by the CME Acceptance Authority, and notwithstanding (i) prior inspection of, (ii) payment for, (iii) use of, (iv) delivery of, or (v) transfer of title to or risk of loss of the Work to CME, acceptance shall not be deemed to occur until twelve (12) months following CME's receipt of the Work ("Inspection Period"). As used in these Terms & Conditions, "CME Acceptance Authority" means CME Executive Management (CEO/President, Vice President, and/or General

Counsel) and the CME Operations Director.

i) During the Inspection Period, CME may: (i) reject all or a portion of any nonconforming Work; or (ii) accept all or a portion of such nonconforming Work with a price reduction for the cost of repair or the diminution of value; (iii) reject all or portion of goods.

j) CME may reject and/or return, at SELLER's risk and expense, shipments of Work made in excess of the Order quantities in advance of the scheduled Delivery Date or for whatever reason CME may defer payment on Goods delivered in advance of the scheduled Delivery Date until the scheduled Delivery Date for such Goods arrive, or in event of non-payment by CME end customer[2].

26. INSURANCE

a) **Transfer of Risk and Insurance.** Until CME has completed its inspection and either (a) issued written acceptance of the Work for that line item on the Purchase Order by the CME Acceptance Authority, or (b) allowed the scheduled acceptance date to occur without rejection, SELLER shall bear all risk of loss or damage and shall maintain the required insurance coverage under this Section. CME's physical receipt, off-loading, warehousing, temporary storage, use, or payment shall not constitute acceptance, transfer of title, or transfer of risk. Title and risk of loss shall transfer to CME only upon the earlier of: (i) CME's written acceptance of the Work by the CME Acceptance Authority, or (ii) expiration of the applicable inspection period without written rejection by CME.

b) SELLER and its subcontractors shall maintain for the performance of this Contract the following insurances:

(i) Workers' compensation insurance meeting the statutory requirements where Work will be performed;

(ii) Employer's liability (EL) in the amount of $1 million per each accident or per each employee for disease;

(iii) Commercial general liability (CGL) including Products Liability and Completed Operations liability in the amount of $1 million per occurrence and $2 million in the aggregate annually, or in such higher amounts as CME may require;

(iv) Automobile liability (AL) insurance covering third party bodily injury and property damage with a minimum of $1 million per occurrence limit, or in such higher amounts as CME may require;

(v) Such other insurance as CME may require.

c) SELLER shall provide CME thirty (30) days advance written notice prior to the effective date of any cancellation or change in the term or coverage of any of SELLER's required insurance, provided however such notice shall not relieve SELLER of its obligations to maintain the required insurance. SELLER shall have its' insurers name CME as an additional insured on the CGL and AL policies for the duration of this Contract. If requested, SELLER shall provide a "Certificate of Insurance" evidencing SELLER's compliance with these requirements. Insurance maintained

[2] Whether other agency intervention/audit, delay, progress payment review, and/or Government Shutdown.

pursuant to this clause shall be considered primary as respects the interest of CME and is not contributory with any insurance which CME may carry. "Subcontractor" as used in this clause shall include SELLER's subcontractors at any tier. SELLER's obligations herein for procuring and maintaining insurance coverage are freestanding and are not affected by any other language in this Contract.

d) **Waiver of Subrogation.** All insurance policies required under this Section shall include a waiver of subrogation in favor of CME and its customers, and SELLER waives, and shall cause its insurers to waive, all rights of subrogation and recovery against CME and its customers for any loss or claim covered or required to be covered by such insurance.

27. INTELLECTUAL PROPERTY

a) SELLER warrants that the Work performed or delivered under this Contract will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country. SELLER shall defend, indemnify, and hold harmless CME, its officers, directors, employees, consultants, agents, affiliates, successors, permitted assigns and customers from and against all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorney's fees, all expenses of litigation and/or settlement, and court costs, arising out of any action by a third party that is based upon a claim that the Work performed or delivered under this Contract infringes, misappropriates, or otherwise violates the intellectual property rights of any person or entity.

b) In addition to the Government's rights in data and inventions, SELLER agrees that CME, in the performance of its prime or higher tier contract obligations (including obligations of follow-on contracts, contracts for subsequent phases of the same program, and sustainment contracts), shall have a limited, irrevocable, nonexclusive, world-wide, royalty-free license to:

   (i) make, have made, sell, offer for sale, use, execute, reproduce, display, perform, distribute (internally or externally) copies of, transfer computer software to the Government and the Government's end customer, and prepare derivative works of any inventions, discoveries, improvements, mask-works and patents as well as any and all data, copyrights, reports and works of authorship delivered in performance of this Contract, to the limited extent necessary for CME to make use of the Work performed or items delivered under this Contract in the performance of its contract obligations with its customer; and

   (ii) authorize others to do any, some or all of the foregoing.

c) The tangible medium storing copies of all reports, memoranda or other materials in written form including machine readable form, prepared by SELLER and furnished to CME pursuant to this Contract shall become the sole property of CME.

d) No other provision in this Contract, including but not limited to the Indemnity clause, shall be construed to limit the liabilities or remedies of the parties under this clause. SELLER shall indemnify and save CME and its Customer(s) harmless from any and all expenses, liability, fees, costs, and losses of any kind (including but not limited to attorneys' fees and costs) arising out of claims, suits, or actions alleging infringement or misappropriation.

e) SELLER may replace or modify infringing or misappropriated items with comparable items acceptable to CME Operations Director and CME General Counsel of substantially same form, fit, and function so as to remove the source of infringement or misappropriation. This clause does not in any way limit CME's other rights, warranties, and terms detailed in this Contract.

f) Subject to the terms of any NDA, all Work performed under the Contract shall be considered "Works made for Hire." If for some reason to the extent any of such works do not qualify as a "work made for hire" SELLER hereby assigns to CME all of SELLER's intellectual property rights in custom work. SELLER hereby assigns all copyrights, trademarks, patents, or any pending ownership rights in the intellectual property to CME.

28. LEGAL MATTERS

a) In the event SELLER (or its subcontractors and vendors are subject to) becomes aware of or has reason to believe that it is subject to: audit (by law enforcement), compliance check, legal matter, regulatory matter, and/or subject to litigation (in any form including but not limited to action, arbitration, mediation, and/or lawsuit) it must give immediate written notice to the CME Buyer as well as CME's General Counsel.

b) Failure of SELLER to give prompt and immediate notice shall result loss of any possible reimbursement from CME and be considered default under this Contract.

29. LIMITATION OF LIABILITY

a) **CME's Liability.** CME's aggregate liability arising out of or relating to this Contract shall not exceed the amounts actually paid by CME to SELLER under the applicable Purchase Order, and in no event shall CME be liable for any incidental, consequential, special, indirect, punitive, or exemplary damages, or for lost profits or revenue, however caused and regardless of the theory of liability. CME's obligation to pay for Work properly delivered and accepted is not limited by this Section.

b) **SELLER's Liability.** SELLER's liability arising out of or relating to this Contract is not limited or capped, and SELLER shall be liable for all direct, incidental, consequential, special, and cover damages, and all costs and losses CME incurs as a result of SELLER's breach, defective or nonconforming Work, delay, or other failure to perform.

c) **SELLER Disclaimers Void.** Any provision in any SELLER quotation, acknowledgment, invoice, terms of sale, or other document that purports to limit, cap, disclaim, or exclude SELLER's liability or CME's remedies (including any disclaimer of warranties or of consequential damages) is rejected and of no force or effect, notwithstanding CME's acceptance, inspection, or payment.

30. NEW MATERIALS

a) The Work to be delivered hereunder shall consist of new materials free from defects in workmanship, materials, and design in accordance with all the requirements of the Contract, as well as defined in FAR 52.211-5, not used, or reconditioned, remanufactured, or of such age as to impair its usefulness or safety.

b) SELLER further warrants that the performance of services shall conform with requirements of Contract and to high professional standards.

31. NON-SOLICITATION OF EMPLOYEES & CUSTOMERS

a) For the duration of the program and for a period of two (2) years after, which shall survive expiration of this Contract, SELLER shall not solicit for hire or hire as result of solicitation (on their behalf) any employee of CME, except with CME's written consent from its CEO & President or General Counsel. The terms "solicit for hire" or "hire as a result of solicitation" shall not include any general solicitation not specifically directed to CME or to CME's employees.

b) For the duration of the program and for a period of two (2) years after, which shall survive expiration of this Contract, SELLER shall not solicit CME's customer to provide the same product which CME previously provided to Customer. Nor shall SELLER provide a product to Customer which is based in part or whole on CME's design and/or CME's parts/components.

32. NON-CONFORMITY

a) SELLER shall not use nonconforming product and/or materials in making product for CME.

b) SELLER must notify CME Buyer and CME Operations Director of any and all nonconforming product and/or materials used in making product.

c) Should SELLER wish to use nonconforming product and/or materials it must seek PRE-approval of both CME Buyer and CME Operations Director prior to use of such.

d) In event that SELLER as well as any of its subcontractors and/or vendors uses nonconforming product and/or materials (violation of a) above), does not seek approval (as detailed b) above), and/or fails to seek approval (as detailed in c) above), SELLER shall impound nonconformities, both component materials and product (in any state, including but not limited to finished) AND shall not deliver further to CME.

e) SELLER must adhere to the original specifications as dictated by CME and/or CME's Customer to produce on same delivery schedule, quantity, and price under this Contract.

f) SELLER shall take immediate corrective action at its sole-expense to comply with the terms of this Contract. CME may provide notice of requirement of corrective action through correspondence, documentation, and/or SCARs from itself and/or its Customers to SELLER. Any such non-conformity(ies) shall impact quality rating of SELLER and may not meet CME's and/or Customers' specifications.

g) SELLER's failure, including failure of any of its subcontractors and/or vendors) to perform the above clauses shall subject itself to liability. SELLER shall hold-harmless and fully reimburse CME for any and all costs, fees (including but not limited to court costs as well as attorney fees—including all appeals), alternative procurement costs, damages (of any kind), and any other costs/charges CME and/or its customer incurs (has incurred, will incur, and/or likely to incur).

h) SELLER is required to retain business, communications, product quality, and/or other records

related to the materials and/or product built for CME under this Contract for a minimum of seven (7) years (unless an NDA provides for a longer period of time) from the date of delivery to CME.

i) It is the responsibility of SELLER to flow down this clause in its entirety, to its subcontractors and/or vendors and theirs in the succeeding supply chain

33. NOTICE CLAUSE

a) All notices and other binding communications may, unless otherwise specified, be sent via e-mail (especially if timeliness required/time of the essence), facsimile, air mail, or overnight delivery service—like FedEx or UPS. In the event that a very important notice is contractually required to be made, SELLER shall utilize several different methods to deliver the notice **AND** follow-up with a telephone call to confirm receipt by CME.

b) CME's Preferred Points of Contact with respect to this Contract are available at the email address used to transmit it as well as:

CME Buyer & CME General Counsel
3845 Gateway Centre Blvd Suite 360
Pinellas Park, FL 33782-6132

c) CME's Preferred Point of Contact for Operations is: (727) 547-9799 x. 1677 and Buyers x. 1749 and 1782.

d) CME's Preferred Point of Contact for General Counsel is: (727) 547-9799 x. 1805.

e) In the event that SELLER needs to change its point of contact, address, email, and/or telephone it may do so by written notice to the CME Buyer.

f) **Delivery and Effectiveness of Notices.** All notices under this Contract shall be in writing and delivered to the CME Buyer (and, for legal notices, the CME General Counsel) by hand, nationally recognized overnight courier, certified mail (return receipt requested), or email with confirmation of receipt. A notice is deemed received: (i) upon delivery, if by hand or courier; (ii) three (3) business days after deposit, if by certified mail; or (iii) upon the sender's receipt of confirmation, if by email. Cure periods, termination rights, and other time-sensitive deadlines run from the date a notice is deemed received.

34. OFFSET CREDIT/COOPERATION

a) This Contract has been entered into in direct support of CME's international offset programs. All offset benefit credits resulting from this Contract are the sole property of CME to be applied to the offset program of its choice. SELLER shall assist CME in securing appropriate offset credits from the respective country government authorities.

b) SELLER agrees to identify and retain for CME's use any rights to offset credits generated by SELLER's suppliers and subcontractors arising out of or resulting from this Contract. SELLER shall execute all necessary documents to evidence CME's right to use or assign any offset credits.

CME reserves the right to assign offset credits generated through SELLER efforts under this Purchase Order to third parties. SELLER shall include the substance of this Section in its subcontracts issued at all tiers pursuant to this Contract.

35. PACKING AND SHIPMENT

a) Unless otherwise specified, all Work is to be packed in accordance with good commercial practice to adequately protect such. SELLER shall insure, Work, at its own expense, to point of destination.

b) A complete packing list shall be enclosed with all shipments. SELLER shall mark containers or packages with necessary lifting, loading, and shipping information, including the CME Contract and/or PO number, item number, dates of shipment, and the names and addresses of consignor and consignee. Bills of lading shall include this number.

c) Unless otherwise specified, delivery shall be FOB CME's Place of Shipment or if internationally DDP CME's Place of Shipment (INCOTERMS).

36. PARTS OBSEOLESCENCE

a) CME may desire to place additional order for item(s) purchased from SELLER. SELLER shall provide CME with a written Last Time Buy Notice delivered to CME Procurement and CME Operations Director at least twelve (12) months prior to any action to discontinue any item(s) purchased under this Contract.

37. PAYMENTS, TAXES, AND DUTIES

a) Notwithstanding the PRECEDENCE section or any term on the face of the Purchase Order, payment terms are governed exclusively by this clause. Terms of payment shall be net sixty (60) days, or such longer period as may be stated on the face of the Purchase Order (a Purchase Order may lengthen, but shall not shorten, the net sixty (60) day period), measured from the latest of the following: (i) CME's receipt of SELLER's proper invoice—meaning an invoice that is valid, timely, and conforming, bearing CME's PO number and containing the date, quantity, price, taxes, fees, and other pertinent information, and reflecting the quantities delivered in accordance with CME's schedule (a nonconforming invoice shall be returned and shall not start the payment period); (ii) the scheduled completion of performance date of the Work; (iii) the actual completion of performance of the Work; (iv) the scheduled or agreed delivery date and acceptance by CME; or (v) CME's receipt of the corresponding payment from its customer, whether delayed by audit, progress-payment or milestone timing, or a Government shutdown. The trigger in clause (v) applies and controls notwithstanding any different payment term on the face of the Purchase Order. All payments under this clause are subject to CME's rights of setoff, reduction, and non-withholding set forth herein.

b) Each payment made shall be subject to reduction to the extent of amounts which are found by CME or SELLER not to have been properly payable, and shall also be subject to reduction for overpayments. SELLER shall promptly notify CME of any such overpayments and remit the amount of the overpayment except as otherwise directed by CME in writing by Executive Management.

c) CME shall have a right of setoff against payments due or at issue under this Contract or any other

Contract between the Parties at any time and for any work CME undertakes internally or externally to complete work so it can be used for manufacturing and/or customer requirements/specifications.

d) Payment shall be deemed to have been made as of the date of mailing CME's payment or electronic funds transfer.

e) Unless otherwise specified, prices include all applicable federal, state, and local taxes, duties, tariffs, and similar fees imposed by any government, all of which shall be listed separately on the invoice.

f) The prices stated in the contract are firm, fixed priced in U.S. dollars.

g) CME may pass along fees for alternative wire and/or ACH payments to SELLER by deducting Net amount from the invoice due.

h) No payments shall be due regardless of due dates and/or invoicing date for any goods or services under their contract in which SELLER has not passed First Article inspection approved, and/or has failed to deliver any documentation (including but not limited to certification) or necessary to CME to fulfill requirements/specifications or Flow-down (FAR, DFARS, or customers).

i) Payment Delays: In the event that CME's customer does not pay CME and/or does not do so in a timely manner (for whatever reason), CME's time to pay shall be extended/delayed in relation to CME's customer payment (i.e. more than net sixty (60) days).

j) CME's terms of payment shall be suspended in the event that CME's customer does not timely pay and/or any agency conducts an audit/review… During this supended time, SELLER agrees that its invoices shall cease aging, it shall not pursue collection efforts, and shall not charge interest. In the event of a Termination for Convenience by CME's customer, this shall flow to SELLER and all invoices due/payable as well as all aging invoices and any not yet transmitted to CME shall immediately suspend aging, SELLER shall not pursue collection efforts, and SELLER shall not charge interest; all payments shall be decided in accordance with CME's Customer requirements/policies/procedures for a Termination of Convenience process.

k) Non-Withholding Clause – Delivery Obligations Independent of Disputes. SELLER shall not withhold, delay, or condition the release or delivery of products, materials, or other contracted deliverables due to any payment dispute or outstanding balance not directly related to those specific deliverables. Any such withholding shall be deemed a material breach of this Contract.

l) Right of Setoff. CME reserves the right to withhold or offset payments due to SELLER in the event of non-performance, defective or delayed deliverables, or any breach of contract by SELLER. The amount withheld shall be reasonably related to the value of the affected deliverables or damages incurred.

38. PLACE OF PERFORMANCE

a) If SELLER intends to change the place of performance of Work under this Contract from the place(s) identified in SELLER's proposal/quote, SELLER shall provide prior written notice to CME. Written notification of changes to the place of performance from within the United States to a location outside the United States shall be provided by SELLER to CME at least six months in advance and CME's written acceptance thereof by Executive Management.

39. PRECEDENCE

a)

Order (1 = highest precedence)	**Description**
1	CME's Prime Contract and mandatory FAR/DFARS flowdowns detailed in Clause Tables incorporated in this Contract (as applicable)
2	NDA
3	CME Purchase Order face terms
4	CME General Terms & Conditions
5	Supplier Quality Flowdowns and Code of Conduct
6	Statement of Work or drawing package

b) **Conflicts Only; No Invalidation.** The order of precedence above applies only to resolve a direct and irreconcilable conflict between two or more of the listed documents, and then only to the extent of that specific conflicting term. The listed documents are complementary and shall be read together and given full effect to the greatest extent possible. A provision conflicts with a higher-ranking document only if the two cannot both be performed or reasonably reconciled—not merely because one is additional to, more detailed than, more or less stringent than, or different from the other. Where a higher-ranking document controls a specific conflicting term, every other provision of the lower-ranking document(s), including all provisions of these Terms & Conditions, remains in full force and effect. No document listed above supersedes, invalidates, waives, or renders unenforceable any other listed document or any provision thereof except as to the precise term in actual conflict. Additional, supplemental, or more stringent requirements contained in any document are cumulative and shall not be treated as a conflict.

40. PRICES

a) Prices as specified are those agreed upon and are not subject to increase, unless specifically authorized by CME in writing by its Executive Management (not solely by the CME Buyer) through an amended Contract and/or new Contract.

b) CME reserves the right to modify quantity and configuration requirements. SELLER agrees to provide CME the revised quantity of items at the unit price as stated in the Contract regardless of quantity changes.

c) If SELLER (as well as its subcontractors and/or vendors) fails to submit accurate, complete, current costs, and/or pricing data and CME's customer reduces the price to CME, SELLER shall pay CME the amount equal to the price reduction.

d) If CME's customer imposes a penalty or other charges on CME (including interest and/or other compensation in any form), that is due to SELLER's actions/inactions then SELLER shall pay to CME the amount imposed upon CME by CME's customer.

e) SELLER will not raise as defense the matters listed in FAR 52.215-10(c)(1) (August 2011) or

FAR 52.215-11(d)(1) (August 2011).

f) If SELLER ships goods to the United States pursuant to this PO/Contract, SELLER shall pay all duties, taxes, and fees imposed. SELLER's prices shall not include any duties, taxes, or fees for which CME has furnished a valid exemption certification or other evidence of exemptions to applicable government agency. SELLER shall state on SELLER's invoice any applicable sales and use taxes in the price. SELLER agrees to remit any taxes collected from CME to the relevant tax authority and indemnifies CME for any taxes or duties that SELLER collected but did not remit to the relevant tax authority.

g) **Most Favored Customer.** SELLER represents and warrants that the prices charged to CME are no less favorable than those SELLER offers to any other customer for the same or substantially similar items or services in comparable quantities and terms. If, during the term of this Contract, SELLER offers a lower price to any other customer for such items or services, SELLER shall promptly extend that lower price to CME, including for undelivered Work.

41. PRIORITY RATING

a) If this Contract contains a DPAS rating, this Contract is a "rated order" certified for national defense, emergency preparedness, and energy program use, and SELLER shall follow all the requirements of the Defense Priorities and Allocation System Regulation (15 C.F.R. Part 700).

42. QUALITY SUPPLIER FLOW-DOWNS

a) SELLER shall provide and maintain a quality control system that conforms to an industry-recognized Quality Standard and to any specific quality requirements identified in this Contract.

b) SELLER shall keep complete records of all quality control and inspection work and make them available to CME and its customers.

c) SELLER shall perform all Work in accordance with the PO/Contract, the terms herein (including the FAR/DFARS Table Matrix, formerly CorpDoc 2A & 3A), and CME's Supplier Quality Flow-Downs, which are available at www.custom-mfg-eng.com and furnished upon request. Where the Purchase Order and the Supplier Quality Flow-Downs address the same subject, SELLER shall comply with the more stringent requirement; consistent with the PRECEDENCE section, a more stringent or additional quality requirement is cumulative and shall not be treated as a conflict.

d) SELLER is responsible for the quality of all procured material and workmanship. SELLER shall require its lower-tier suppliers to comply with quality assurance requirements comparable to those in this Purchase Order, shall include this clause in its subcontracts, and shall require each lower-tier supplier to flow this clause down to its own lower-tier suppliers.

e) Where first article inspection is required, SELLER shall fulfill all First Article requirements in accordance with the Prime Contract flow-downs, FAR 52.209, and these Flow-Downs.

f) SELLER and its subcontractors that are granted access to the U.S. Government-Industry Data Exchange Program ("GIDEP") shall monitor and act on GIDEP alerts that affect the Work ("GIDEP Alerts").

g) SELLER shall comply with Airworthiness Directives issued by the FAA under 14 C.F.R. Part 39 that affect the Work ("ADs") and shall correct any unsafe condition identified therein.

h) SELLER shall notify CME's Buyer and CME's General Counsel in writing, within three (3) days, of any GIDEP Alerts or ADs that relate to the Work.

43. RELEASE OF INFORMATION

a) Except as required by law, no public release of any information, confirmation and/or denial of same, with respect to this Contract or the subject matter hereof, will be made by SELLER or its subcontractors without the prior written approval of CME. SELLER shall not use "CME," "Custom Manufacturing & Engineering, Inc.," or any other trademark or logo owned by CME, in whatever shape or form, without the prior written consent of CME.

44. RETENTION OF RECORDS

a) Unless a longer period is specified elsewhere in this Contract and/or by law or regulation (whichever is longer), SELLER shall retain all records related to this Contract for at least ten (10) years from the date of final CME's payment received by SELLER or longer period. Records related to this Contract include, but are not limited to: financial, proposal/quote, procurement, specifications, production, inspection, test, quality, shipping and export, and certification records. At no additional cost, SELLER shall timely provide access to such records to the U.S. Government and/or CME upon request.

b) CME or its authorized agents shall have the right at any time during normal business hours of SELLER to audit, inspect, and copy (or take extracts), for no additional costs, of all relevant records relating to the PO/Contract, materials and services related to the Work (including but not limited to purchased tooling), CME furnished property, payments/financials relating to the Work, and required tooling.

c) SELLER shall obtain from its subcontractor(s)/vendor(s) such audit, inspection, and copy rights for benefit of CME.

45. SEVERABILITY

a) Each clause, paragraph and subparagraph of this Contract is severable, and if one or more of them are declared invalid, the remaining provisions of this Contract will remain in full force and effect.

46. SOURCE SURVEILLANCE

a) In addition to inspections as otherwise provided in this Contract, and at no increase in Price. CME may assign product assurance personnel to SELLER's facilities to conduct and maintain surveillance as necessary to ensure quality and reliability. SELLER likewise shall reserve such right to CME with respect to SELLER's lower-tier subcontractors. If such examination is made, SELLER shall provide, and require its subcontractors to provide, such representatives with reasonable facilities, equipment, and unescorted access (except in areas where proprietary processes or data are located, in which case access shall be on an escorted basis) to all areas essential to the proper conduct of the above-described activity.

47. STOP WORK

a) SELLER shall stop Work for up to ninety (90) days in accordance with any written notice received from CME, or for such longer period of time as the Parties may agree and/or CME may alter delivery dates and/or scheduled of its contract. SELLER shall take all reasonable steps to minimize the incurrence of costs allocable to the Work during the period of Work stoppage and must collect all costs up until the date of the work stoppage. Any Work and/or material ordered/manufactured/produced by the SELLER after the receipt of the notice of the work stoppage, shall be at SELLER's own cost and shall not be passed onto CME for reimbursement.

b) Within such period, CME shall either terminate in accordance with the provisions of this Contract or continue the Work by written notice to SELLER.

48. SURVIVABILITY

a) All rights, obligations, and duties hereunder, which by their nature or by their express terms extend beyond the expiration or termination of this Contract, including but not limited to warranties, indemnifications, intellectual property (including rights to and protection of intellectual property and proprietary information or any NDA), and product support obligations shall survive the completion, expiration, and/or termination of this Contract.

49. TERMINATION FOR CONVENIENCE

a) CME reserves the right to terminate this Contract, or any part hereof, for its convenience. CME shall terminate by delivering to SELLER a Notice of Termination specifying the extent of termination and the effective date. In the event of such termination, SELLER shall immediately stop all work hereunder on the date of notice (and/or as specified therein) and shall immediately cause any and all of its suppliers and subcontractors to cease work. After receipt of a notice of termination, SELLER shall:

(i) Stop work under the Order on the date and to the extent specified in the notice of termination;
(ii) Place no further orders or subcontracts for materials, services, or facilities, except as may be necessary for completion of such portions of the work under the Order as may not be terminated;
(iii) Terminate all Orders and subcontracts to the extent that they relate to the performance of any work terminated by the notice of termination;
(iv) Assign to CME, in the manner and to the extent directed by CME, all of the right, title, and interest of SELLER under the orders or subcontracts so terminated;

(v) Settle all outstanding liabilities and all claims arising from such termination of orders and subcontracts subject to the approval or ratification of CME to the extent it may require, which approval or ratification shall be final for all purposes of this clause;

(vi) Transfer title and deliver in the manner, to the extent, and at the times directed by CME of:

i. The fabricated or un-fabricated parts, work in process, completed work, supplies, and other material produced as a part of, acquired in connection with the performance of, the work terminated by the notice of termination, and

ii. The completed or partially completed plans, drawings, information, and other property that if the Order had been completed, would be furnished to CME.

(vii) Complete performance of such part of the work as shall not have been terminated by the notice of termination; and

(viii) Take such action as may be reasonably necessary for protection and preservation of the property related to this Order that is in the possession of SELLER or subcontractors.

b) Subject to the terms of this Contract, SELLER shall be paid a percentage of the Contract price reflecting the percentage of the Work performed prior to the notice of termination, plus reasonable charges SELLER can demonstrate to the satisfaction of CME using its standard record keeping system have resulted from the termination. SELLER shall not be paid for any Work performed or costs incurred which reasonably could have been avoided.

c) In no event shall CME be liable for lost or anticipated profits, or unabsorbed indirect costs or overhead, or for any sum in excess of the total Contract price. SELLER's termination claim shall be submitted within ninety (90) days from the effective date of the termination.

d) SELLER shall continue all Work not terminated.

50. TIMELY PERFORMANCE

a) **SELLER's timely performance** (is of the essence) is a critical element of this Contract. Any delay of payment by CME to SELLER does not excuse performance of SELLER and/or change the schedule of deliverable product to CME.

b) Unless advance shipment has been authorized in writing by CME, **CME may store at SELLER's expense or return shipping charges collect, all Work received in advance of the scheduled delivery date and/or rejected acceptance of work**. Additionally, CME shall not accept nor process invoices for that Work delivered in advance of scheduled deliver date.

c) SELLER shall provide CME status of performance of this Contract when requested. In addition, if SELLER becomes aware of an impending labor dispute involving SELLER or any lower tier subcontractor, or any other difficulty in performing the Work, SELLER shall timely notify CME, in writing, giving pertinent details. These notifications shall not change any delivery schedule.

d) In the event of a termination for convenience or change, no claim will be allowed for any manufacture or procurement in advance of SELLER's normal flow time unless there has been prior

written consent by CME; Executive Management.

e) **SELLER shall follow the delivery schedule shown on the Purchase Order** (under this Contract) **and shall not make deliveries later or substantially earlier than dates shown and dates are subject to change by CME**. When Work is delivered to CME in advance of the scheduled delivery date and CME elects, in its sole discretion, to retain such Work on its dock or premises pending the scheduled delivery or inspection date, such Work shall be deemed delivered at SELLER's risk until formal written acceptance by CME. Title shall not transfer, and SELLER shall remain responsible for loss, theft, or damage unless and until CME issues written acceptance of the Work in accordance with Section 24. SELLER shall maintain insurance coverage for such Work under the requirements of Section 24 during this period. Upon CME's acceptance, responsibility for risk of loss and required insurance coverage shall transfer to CME.

f) **SELLER shall notify CME Buyer in writing immediately of any actual or potential delay to performance of PO under this Contract**. Such notice shall include a proposed revised schedule; notice shall not constitute nor shall CME acceptance of Work constitute a waiver to CME's rights and remedies under this Contract.

g) **CME's payment shall not delay performance by SELLER**.

h) CME may choose to process invoices in portions related to Work in accordance with scheduled deliver date at which point terms of **Payments Taxes and Duties** (section above) would take effect.

i) **Revenue-Generating Deliverables.** SELLER acknowledges that certain products or services provided under this Contract are critical to CME's business operations and revenue generation. Any intentional delay, withholding, or disruption in delivery of such items may result in financial harm to CME. SELLER agrees to take all reasonable steps to avoid interfering with CME's revenue-generating activities and acknowledges that unjustified withholding of such deliverables may result in claims for damages.

j) **Liquidated Damages for Late Delivery.** The parties acknowledge that CME's damages from late delivery are difficult to estimate precisely. Accordingly, at CME's election and in lieu of actual delay damages, SELLER shall pay liquidated damages of one-half of one percent (0.5%) of the price of the delayed Work for each calendar day of delay, up to a maximum of ten percent (10%) of the price of the delayed Work. These liquidated damages are a reasonable pre-estimate of CME's delay damages and are not a penalty, and they do not limit CME's other remedies for a delivery default, including re-procurement and termination.

51. TRAVEL COSTS

a) All travel incurred by SELLER in the performance of this Contract is included within the Contract price and shall not be separately reimbursed by CME unless such travel is expressly authorized in writing in advance by CME's Operation Director and detailed in the PO/Contract.

b) When travel is authorized under this Contract, SELLER shall be reimbursed only for necessary, reasonable, and actual travel expenses for transportation, lodging, meals and incidental expenses only to the extent that they do not exceed the maximum per diem rate in effect at the time of travel,

as set forth in the United States Federal Travel Regulations for the area of travel authorized under this Contract. Air travel shall be reimbursed for coach class only. Lodging expenses are reimbursable only where incurred from establishments serving the general public.

c) SELLER shall provide a detailed summary of all such costs by category of expense, actual receipts from each: air carrier, restaurant, and lodging, with each invoice. SELLER shall provide a legible receipt for each claimed individual expense.

52. USE OF FREE, LIBRE AND OPEN-SOURCE SOFTWARE (FLOSS)

a) This clause only applies to Work that includes the delivery of software (including software residing on hardware).

b) SELLER shall disclose to CME in writing any FLOSS that will be used or delivered in connection with this Contract and shall obtain CME's prior written consent before using or delivering such FLOSS in connection with this Contract. CME may withhold such consent in its sole discretion.

c) As used herein, "FLOSS License" means the General Public License (GPL), Lesser/Library GPL, (LGPL), the Affero GPL (APL), the Apache license, the Berkeley Software Distribution (BSD) license, the MIT license, the Artistic License (e.g., PERL), the Mozilla Public License (MPL), or variations thereof, including without limitation licenses referred to as "Free Software License", "Open-Source License", "Public License", or "GPL Compatible License."

d) As used herein, "FLOSS" means software that incorporates or embeds software in, or uses 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 FLOSS License, or (3) software provided under a license that (a) subjects the delivered software to any FLOSS 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 CME 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 products incorporating the delivered software, or any portion thereof, in object code and/or source code formats.

e) SELLER shall defend, indemnify, and hold harmless CME, its customers and suppliers from and against any claims, damages, losses, costs, and expenses, including reasonable attorney's fees, relating to use in connection with this Contract or the delivery of FLOSS. No other provision in this Contract, including but not limited to the Indemnity clause, shall be construed to limit the liabilities or remedies of the parties for the use of FLOSS in connection with this Contract or for the delivery of FLOSS under this Contract.

53. WAIVERS, APPROVALS, AND REMEDIES

a) Failure by either party to enforce any of the provisions of this Contract or applicable law shall not constitute a waiver of the requirements of such provisions or law, or as a waiver of the right of a party thereafter to enforce such provision or law.

b) CME's approval of documents shall not relieve SELLER of its obligation to comply with the requirements of this Contract.

c) The rights and remedies of either party in this Contract are cumulative and in addition to any other rights and remedies provided by law or in equity.

d) SELLER's failure to review, read, and/or flow-down the CME FAR and DFARS Clause Tables and/or Quality Flow-Downs to SELLER's subcontractors or vendors is not a waiver of those additional FAR and DFARS conditions, or of any conditions called out differently in the Prime Contract and/or this Contract, applicable to SELLER and/or SELLER's subcontractors or vendors.

54. WARRANTY

a) SELLER warrants that all Work furnished pursuant to this Contract shall strictly conform to the applicable specifications, drawings, samples, descriptions, and other requirements of this Contract, and shall be: (i) new; (ii) free from defects in design, material, and workmanship; and (iii) in accordance with all quality requirements and procedures.

b) SELLER's Work shall conform to the requirements of the PO and this Contract, to high professional standards, and to the Quality Flow-Downs.

c) **Malicious Code, Third-Party Software, and IP Warranties.** SELLER warrants, without limitation as to time, that the Work delivered under this Contract does not: (i) contain any virus, malicious code, Trojan horse, worm, time bomb, self-help code, back door, or other software code or routine designed to (1) damage, destroy, or alter any software, firmware, or hardware, (2) reveal, damage, destroy, or alter any data, (3) disable any computer program (automatically or manually), or (4) permit unauthorized access to any software, firmware, or hardware; (ii) contain any third-party software (including free or open-source software) that may be accessed, published, or otherwise made available without the consent of CME or CME's Customer(s), or that may require distribution, copying, or modification of any software free of charge; or (iii) infringe any patent, copyright, trademark, or other proprietary right of any third party, or misappropriate any trade secret of any third party.

d) **Warranty Period.** Unless a longer period is specified in the PO/Contract, the warranty period for all Work shall be the longer of (i) thirty-six (36) months or (ii) the warranty period specified in CME's contract or Purchase Order with its Customer. The warranty period shall begin on the latest of the scheduled delivery date, the date of actual delivery, or the date of CME's final acceptance; provided that, notwithstanding the Inspection Period or any deemed-acceptance provision, the warranty period shall begin no later than sixty (60) days after actual delivery of the Work to CME.

e) **Remedies.** If any nonconforming Work is identified within the warranty period, SELLER shall, at CME's option, promptly repair, replace, or re-perform the Work. Transportation of replacement Work, return of nonconforming Work, and re-performance of Work shall be at SELLER's expense. If repair, replacement, or re-performance is not timely, CME may return, re-perform, repair, replace, and/or re-procure the nonconforming Work from a third party at SELLER's expense. Any Work that is repaired, replaced, or re-performed shall carry a new, full warranty period of equal length running from the date of its re-delivery or re-acceptance. SELLER shall be liable for and shall hold CME harmless from any loss, damage, or expense whatsoever that CME may suffer from breach of any warranty.

f) **Latent Defects.** For latent defects not reasonably discoverable by inspection or testing at the time of acceptance, the warranty period for such defects shall run from the date CME discovers the defect, notwithstanding expiration of the base warranty period.

g) **Survival of Certain Warranties.** Notwithstanding the base warranty period: (i) the warranties in subsection (c) survive without limitation as to time; and (ii) SELLER's liability for Counterfeit or Suspect Counterfeit Work shall not expire for at least ten (10) years after delivery.

h) **Warranties Run to Customers.** All warranties shall run to CME and to CME's customers and end users.

55. WORK ON CME AND THIRD-PARTY PREMISES

a) "Premises" as used in this clause means premises of CME, its customers, or other third parties where Work is being performed.

b) SELLER shall ensure that SELLER personnel working on Premises comply with any on-premises policies and: (i) do not bring weapons of any kind onto Premises; (ii) do not manufacture, sell, distribute, possess, use or be under the influence of controlled substances or alcoholic beverages while on Premises; (iii) do not possess hazardous materials of any kind on Premises without CME's authorization; (iv) remain in authorized areas only; (v) do not conduct any non-CME related business activities (such as interviews, hirings, dismissals, or personal solicitations) on Premises, (vi) do not send or receive non-CME related mail through CME's or third party's mail systems; (vii) do not sell, advertise or market any products or memberships, distribute printed, written or graphic materials on Premises without CME's written permission or as permitted by law; and (viii) follow instruction from CME in the event of an actual or imminent safety or environmental hazard on Premises.

c) All persons, property, and vehicles entering or leaving Premises are subject to search.

d) SELLER shall promptly notify CME and provide a report of any accidents or security incidents involving loss of or misuse or damage to CME, customer, or third party intellectual or physical assets, and all physical altercations, assaults, or harassment.

e) Prior to entry on Premises, SELLER shall coordinate with CME to gain access. SELLER shall provide information reasonably required by CME to ensure proper identification of personnel, including, but not limited to verification of citizenship, lawful permanent resident status, protected individual or other status.

(i) SELLER personnel requiring access to Premises shall, prior to entry, be screened in a satisfactory manner to CME by SELLER at no charge to CME or CME may conduct its own screening.

f) SELLER shall ensure that SELLER personnel: (i) do not remove CME, customer, or third-party assets from Premises without CME authorization; (ii) use CME, customer, or third-party assets only for purposes of this Contract; (iii) only connect with, interact with or use computer resources, networks, programs, tools or routines authorized by CME; and (iv) do not share or disclose user

identifiers, passwords, cipher keys or computer dial port telephone numbers. CME may periodically audit SELLER's data residing on CME, customer, or third-party assets on Premises.

g) CME may, at its sole discretion, have SELLER remove any specified employee of SELLER from Premises and require that such employee not be reassigned to any Premises under this Contract.

h) Violation of this clause may result in termination of this Contract in addition to any other remedy available to CME at law or in equity. SELLER shall reimburse CME, customer, or third party for any unauthorized use of CME, customer, or third-party assets.

i) SELLER shall advise the CME Buyer of any unauthorized direction or course of conduct.

j) SELLER shall immediately report to CME all emergencies (e.g., medical, fire, spills or release of any hazardous material) and non-emergency incidents (e.g., job-related injuries or illnesses) affecting the Work. SELLER shall provide CME with a copy of any reports of such incidents SELLER makes to governmental authorities.

56. FAR FLOWDOWN PROVISIONS

a) Incorporation of FAR Clauses

(1) The FAR and DFARS clauses and Government-specific requirements set forth in this Section shall only be applicable to SELLER if the Subcontract, Purchase Order or Contract issued to SELLER for the direct or indirect support to any agency of the U.S. Government and/or is funded in whole or in part by any agency of the U.S. Government.

(2) The Federal Acquisition Regulation (FAR) clauses and Defense Federal Acquisition Regulation Supplement (DFARS) clauses referenced below are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable, including any notes following the clause citation, during the performance of this Contract. If the date or substance of any of the clauses listed below is different than the date or substance of the clause actually incorporated in the Prime Contract referenced by number herein, the date or substance of the clause incorporated by said Prime Contract shall apply instead.

b) Government Subcontract. As used in the FAR and DFARS clauses referenced below and otherwise in this Contract:

(1) "CONTRACTOR" means the SELLER, as defined previously in the *Definitions* provision of this document, acting as the immediate (first-tier) subcontractor to CME.

(2) "Prime Contract" means the contract between CME and the U.S. Government or between CME and its higher-tier CONTRACTOR who has a contract with the U.S. Government.

(3) "Contract" means this Contract.

(4) "Subcontract" means any contract placed by the CONTRACTOR on lower-tier subcontractors under this Contract.

c) Notes

(1) Substitute “CME” for “Government” or “Unted States” as applicable throughout this clause.

(2) Substitute “CME Buyer” for “Contracting Officer,” “Administrative Contracting Officer,” and “ACO” through this clause.

i. Insert “and CME” after “Government” or “Contracting Officer” as appropriate, throughout this clause.

ii. Insert “or CME” after “Government” throughout this clause.

iii. Communication or notification required under this clause from or to the CONTRACTOR, and to or from the Contracting Officer shall be through CME.

iv. “Contracting Officer” shall mean the U.S. Government Contracting Officer for CME’s government Prime Contract under which this Contract is entered.

d) Amendments Required by Prime Contract

CONTRACTOR agrees that upon the request of CME it will negotiate in good faith with CME relative to amendments to this Contract to incorporate additional provisions herein or to change provisions hereof, as CME may reasonably deem necessary in order to comply with the provisions of the applicable Prime Contract or with the provisions of amendments to such Prime Contract. If any such amendment to this Contract causes an increase or decrease in the estimate cost of, or the time required for, performance of any part of the Work under this Contract, an equitable adjustment shall be made pursuant to the *Changes* clause of this Contract.

e) It is the seller’s responsibility to identify which contract clauses apply to this order and to include any required clauses in their own purchase orders and subcontracts. In this context, "Contractor" means "Seller," "contract" means "order," and "government contracting officer" or similar terms mean "buyer," unless the clauses specifically relate to patent or data rights, where "Government" or "Contracting Officer" should be understood literally.

The FAR and DFARS clauses listed apply to all the seller(s) as needed to help all the buyer(s) meet their obligations under its prime contract or higher-tier subcontract. The version of each FAR/DFARS clause must match the version in the buyer’s prime contract or higher-tier subcontract.

By agreeing to or accepting any order, the supplier also agrees to all of these terms and conditions.

f) Certifications and Representations. All incorporated FAR/DFARS clauses are identified in the authoritative clause tables at the Section below.

ADDITIONAL FLOWDOWN PROVISIONS

(1) Hours of Work and Overtime

(a) Work within the continental limits of the United States and its possessions shall not normally exceed forty (40) hours per normal work week or shall be in accordance with the SELLER's approved company policy to accommodate alternate work schedules, provided that no premium pay rates are applicable.

(b) CME may authorize overtime in cases of extreme emergency, where delay would endanger accomplishment of essential theater missions. All overtime requiring the payment of premium pay rates must be negotiated and approved in advance by CME. SCA exempt employees can work in excess of forty (40) hours per week to accommodate alternative work schedules in accordance with SELLTER's approved company policy, provided that no premium pay rates are applicable. CME approved hours requiring the payment of premium pay rates shall be billed to CME at the rate negotiated in advance.

SCA nonexempt employees can work in excess of forty (40) hours per week to accommodate alternate work schedules in accordance with SELLTER's approved company policy, provided that no premium pay rates are applicable. Any work in excess of forty (40) hours per week for SCA nonexempt employees, requiring payment of premium pay rates shall be billed to CME at the rate negotiated in advance.

(c) Authorized holidays for SELLER personnel performing work at a government installation shall correspond with government holidays. Regular government holidays are as follows:

- New Year's Day
- Martin Luther King's Birthday
- President's Day
- Memorial Day
- Juneteenth
- Independence Day
- Labor Day
- Columbus Day
- Veteran's Day
- Thanksgiving
- Christmas Day

(2) Organizational Conflict of Interest

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

(b) The SELLER warrants that, to the best of the SELLER's knowledge and belief, there are no relevant facts or circumstances concerning any past, present, or potential contracts or financial interests relating to the work to be performed, which could give rise to an OCI as defined above, or that any actual or potential OCI with respect to the work to be performed under Contact has been communicated in writing to the point of contact for contractual matters identified in this Contract.

(c) The SELLER agrees that if any actual or potential OCI arises after award, with regard to any task order or modification thereto, the SELLER will make a full disclosure in writing to the point of contact for contractual matters. This disclosure shall include a description of actions

the SELLER has taken or proposes to take, after consultation with the point of contact for contractual matters, to avoid, mitigate, or neutralize the actual or potential conflict.

(d) In any event, if an OCI cannot be avoided or mitigated, the government agency via the point of contact for contractual matters reserves the right to either preclude the SELLER from participation or require the SELLER to subcontract the work to another technically qualified subcontractor, subject to the approval of the go0vernment and the point of contact for contractual matters, and at the same or less than the price, negotiated rates, or level of effort contained in the task order. In the even a difference exists between the task order's price, negotiated rates, or level of effort and the price, rates, or level of effort required by the replacement SELLER selected, that fact shall not form the basis for an equitable price adjustment.

(e) The term SELLER herein used means the one entering into this Contract with CME, the SELLER's parent organization, if any, subsidiary, associate, affiliate or holding corporation, or any enterprise or organization whatsoever, if that organization or any of its parts seeks to bid or perform work for the U.S. Government.

(f) This clause shall be included in any subcontracts awarded under this Contract. The use of this clause in such subcontracts shall be read by substituting the word "subcontractor" for the word "SELLER" whenever the latter appears, and "SELLER" for "CME" or "point of contact for contractual matters."

(g) The SELLER agrees to thoroughly educate its employees through formal training and company policy information directives and procedures, to ensure an awareness of the legal provisions of subpart 9.5 of the FAR, and of its underlying policy and philosophy.

(h) The SELLER agrees to enter into a written agreement with all companies whose proprietary data to which SELLER shall have access, that it will protect such data from unauthorized use or disclosure as long as these data remain proprietary. The SELLER agrees to protect and safeguard the proprietary data of business, commercial, or nonprofit organizations wherein said proprietary data have been available to the SELLER either directly or indirectly in the performance of this Contract, with the same caution that a reasonable, prudent SELLER would use to safeguard highly valuable property. The SELLER further agrees not to use such data to obtain an unfair competitive advantage for itself or any other SELLER.

(i) When the application of this clause is determined by the government to be prejudicial to its best interests, it will seek a waiver of its provisions.

(j) This clause and the application of FAR 9.505 are subject to negotiation

57. FAR & DFARS CLAUSES:

(1) Matrix Controls/Takes Precedence Over Narrative:

a. This matrix is the authoritative list of incorporated FAR/DFARS clauses and their applicability.

Definitions:
Admin = Admin
Comm.= Commercial
CP = Contract Price
Env. = Env.
IP = IP
Mgmt. = Mgmt.

FAR — Table A: Applies to Both Commercial & Non-Commercial Products

Price Category	Category	Clause Number	Clause Title	Applies	Comm./Non-Commercial/ Both
CP >$2,000	Labor	52.222-6	Davis Bacon Act	Prevailing wages; construction	Both
CP >$2,500	Labor	52.222-41	Service Contract Act of 1965, As Amended	Prevailing wages/benefits; service workers	Both
CP >$2,500	Labor	52.222-43	FLSA and Service Contract Act (SCA)—Price Adjustment	SCA wage-change price adjustment	Both
CP >$2,500	Labor	52.222-47	SCA Minimum Wages and Fringe Benefits	SCA minimum wage/fringe update	Both
>$3,500	Labor	52.222-54	Employment Eligibility Verification (E-Verify)	E-Verify; services/construction >$3,500	Both

CP >$5,000	Ethics & Compliance	52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions	Lobbying payment certification	Both
>$10,000	Labor / Ethics	52.203-17	Contractor Employee Whistleblower Rights	Inform employees of whistleblower rights	Both
>$10,000	Labor	52.222-40	Notification of Employee Rights Under the NLR Act	NLRA rights notice; subcontracts >$10,000	Both
CP > $10,000	Labor	52.222-35	Affirmative Action for Disabled Veterans and Vietnam Era Veterans	Veteran nondiscrimination / affirmative action	Both
CP > $10,000	Labor	52.222-36	Affirmative Action for Workers with disabilities	Disability nondiscrimination / affirmative action	Both
CP > $10,000	Labor	52.222-37	Employment Reports on Disabled Veterans and Veterans of the Vietnam Era	Veteran employment reporting	Both
≥$30,000	Reporting	52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards	Executive comp/subaward reporting; >$30,000	Both
>$35,000	Responsibility	52.209-6	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment	No subcontracting with debarred parties; >$35,000	Both
CP > $100,000	Ethics & Compliance	52.203-6	Restrictions on Subcontractor Sales to the Government	Restricts subcontractor sales to Government	Both
CP > $100,000	Ethics & Compliance	52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal Activity	Recover funds for illegal activity	Both
CP > $100,000	Ethics & Compliance	52.203-10	Price or Fee Adjustment for Illegal or Improper Activity	Price/fee adjustment; improper activity	Both
CP > $100,000	Ethics & Compliance	52.203-12	Limitation on Payments to Influence Certain Federal Transactions	Limits payments to influence transactions	Both

CP > $100,000	Accounting	52.215-2	Audit and Records-Negotiation	Maintain records for audit	Both
CP > $100,000	Accounting	52.215-14	Integrity of Unit Prices	Accurate unit pricing	Both
CP > $550,000	Security	52.204-2	Security Requirements (Applicable if the Work requires access to classified information)	Security; classified information access	Both
CP > $550,000	Accounting	52.215-10	Price Reduction for Defective Cost or Pricing Data	Price reduction; defective cost/pricing data	Both
CP > $550,000	Accounting	52.215-11	Price for Defective Cost or Pricing Data – Modifications	Price reduction; defective data on mods	Both
CP > $550,000	Accounting	52.215-12	Subcontractor Cost or Pricing Data	Subcontractor certified cost/pricing data	Both
CP > $550,000	Accounting	52.215-13	Subcontractor Cost or Pricing Data – Modifications	Certified cost/pricing data; modifications	Both
CP > $550,000	Accounting	52.215-20	Requirement for Cost or Pricing Data or Information Other Than Cost or Pricing Data	Cost or pricing data requirement	Both
CP > $550,000	Accounting	52.215-21	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data – Modifications	Cost/pricing data on modifications	Both
CP > $550,000	Small Business	52.219-9	Small Business Subcontracting Plan	Small business subcontracting plan	Both
CP > $550,000	Safety & Env.	52.223-3	Hazardous Material Identification and Material Safety Data	Hazardous material identification/safety data	Both
CP > $550,000	Safety & Env.	52.223-7	Notice of Radioactive Materials	Notice of radioactive materials	Both
CP > $550,000	Privacy & Security	52.224-1	Privacy Act Notification	Privacy Act notification	Both

CP > $550,000	Privacy & Security	52.224-2	Privacy Act	Privacy Act; handling personal info	Both
CP > $5,000,000	Ethics & Compliance	52.203-13	Contractor Code of Business Ethics and Conduct	Code of business ethics/conduct	Both
General	Human Trafficking	52.222-50	Combating Trafficking in Persons	Trafficking zero-tolerance; Alt I if outside U.S.	Both
As applicable	Labor	52.222-55	Minimum Wages for Federal Contracts Covered by Executive Order 14026	EO 14026 minimum wage; SCA/DBA work	Both
As applicable	Labor	52.222-62	Paid Sick Leave Under Executive Order 13706	EO 13706 paid sick leave; SCA/DBA work	Both
As applicable	Privacy	52.224-3	Privacy Training	Privacy training; PII handlers	Both
General	Ethics & Compliance	52.203-14	Display of Hotline Poster(s)	Display ethics hotline posters	Both
General	Compliance	52.203-6 Alt I	Restrictions on Subcontractor Sales to the Government (Alternate I)	Restricts subcontractor sales (Alt I)	Both
General	Compliance	52.203-16	Preventing Personal Conflicts of Interest	Prevent personal conflicts of interest	Both
General	Compliance	52.203-19	Prohibition on Requiring Certain Internal Confidentiality Agreements	No restrictive confidentiality agreements	Both
General	Compliance	52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	Recover funds for improper activity	Both
General	Security	52.204-9	Personal Identity Verification of Contractor Personnel	Contractor personnel identity verification	Both
General	System for Award Mgmt.	52.204-13	System for Award Mgmt. Maintenance	Maintain SAM registration	Both

General	Cybersecurity	52.204-21	Basic Safeguarding of Covered Contractor Information Systems	15 basic safeguarding controls; FCI systems	Both
General	Supply Chain	52.204-23	Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab	No Kaspersky products/services	Both
General	Supply Chain	52.204-24	Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment	Section 889 representation	Both
General	Compliance	52.204-25	Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services	889 telecom/surveillance prohibition	Both
General	Supply Chain	52.204-26	Covered Telecommunications Equipment or Services—Representation	Covered telecom representation (889)	Both
General	Compliance	52.204-27	Prohibition on Use of the DUNS Number	No use of DUNS number	Both
General	Supply Chain	52.204-30	Federal Acquisition Supply Chain Security Act Orders—Prohibition	Comply with FASCSA exclusion orders	Both
General	Competition	52.207-5	Evaluation of Options	Criteria for evaluating options	Both
General	Supply Mgmt.	52.208-9	Contractor Use of Mandatory Sources	Use of mandatory sources	Both
General	Material Requirements	52.211-5	Material Requirements	Material sources/standards	Both
General	Supply Mgmt.	52.211-15	Definite Quantity	Definite quantity terms	Both
General	Contract Admin	52.215-2 Alt I	Audit and Records—Alternate I	Audit and records (Alt I)	Both
General	Contract Admin	52.215-23 Alt I	Limitations on Pass-Through Charges—Alternate I	Limits pass-through charges (Alt I)	Both

General	Pricing	52.216-8	Fixed Fee	Fixed fee; cost-reimbursement	Both
General	Pricing	52.216-10	Incentive Fee	Incentive fee terms	Both
General	Pricing	52.216-12	Cost Sharing Incentive Contract	Cost-sharing incentive contract	Both
General	Pricing	52.216-16	Incentive Price Revision—Firm Target Price	Incentive price revision; firm target	Both
General	Pricing	52.216-16 Alt I	Incentive Price Revision—Alternate I	Incentive price revision (Alt I)	Both
General	Pricing	52.216-17	Incentive Price Revision—Successive Targets	Incentive price revision; successive targets	Both
General	Pricing	52.216-17 Alt I	Incentive Price Revision—Successive Targets (Alternate I)	Successive-targets price revision (Alt I)	Both
General	Options	52.217-6	Option for Increased Quantity	Option for increased quantity	Both
General	Options	52.217-7	Option for Increased Quantity—Separately Priced Line Items	Increased quantity; separate line items	Both
General	Options	52.217-8	Option to Extend Services	Option to extend services	Both
General	Labor	52.222-2	Payment for Overtime Premiums	Overtime premium pay	Both
General	Labor	52.222-3	Convict Labor	Prohibits convict labor	Both
General	Labor	52.222-19 DEV	Child Labor—Cooperation with Authorities (DEV)	Child labor; cooperation with authorities	Both
General	Labor	52.222-21	Prohibition of Segregated Facilities	No segregated facilities	Both
General	Labor	52.222-26	Equality Opportunity	Equal opportunity	Both
General	Labor	52.222-90	Equality Opportunity—in accordance with Executive Order 14398, FAR clause 52.222-90 Addressing DEI Discrimination by Federal Contractors (APR 2026) is	Equal opportunity	Both

			hereby incorporated to the extent it does not conflict with any foreign organizations providing COTS subject to EU/UK GDPR requirements		
General	Labor	52.222-99 DEV	Compliance with Veterans' Employment Reporting Requirements (DEV)	Veterans' employment reporting compliance	Both
General	Labor	52.223-6	Drug-Free Workplace	Drug-free workplace	Both
General	Waste Reduction	52.223-11	Ozone-Depleting Substances	Ozone-depleting substances	Both
General	Safety	52.223-18	Encouraging Contractor Policies to Ban Text Messaging While Driving	Ban text messaging while driving	Both
General	Biobased Products	52.223-1	Biobased Product Certification	Biobased product certification	Both
General	Pollution Prevention	52.223-5	Pollution Prevention and Right-to-Know Information	Pollution prevention / right-to-know	Both
General	Waste Reduction	52.223-10	Waste Reduction Program	Waste reduction program	Both
General	Labor	52.225-13	Restrictions on Certain Foreign Purchases	Restricts certain foreign purchases	Both
General	Trade Restrictions	52.225-14	Inconsistency Between English Version and Translation	English version controls over translation	Both
General	Trade Restrictions	52.225-13	Restrictions on Certain Foreign Purchases	Restricts certain foreign purchases	Both
General	IP	52.227-11	Patent Rights—Ownership by the Contractor	Patent rights; contractor ownership	Both
General	Ethics & Compliance	52.227-14	Rights in Data—General	Rights in data; general	Both
General	IP	52.227-14 Alt II	Rights in Data—Alternate II	Rights in data (Alt II)	Both

General	IP	52.227-14 Alt III	Rights in Data—Alternate III	Rights in data (Alt III)	Both
General	IP	52.227-21	Technical Data—Commercial Items	Technical data; commercial items	Both
General	IP	52.227-22	Major General Systems—Information and Data Rights	Major systems; data rights	Both
General	Bonds	52.228-1	Bonds	Bonding required	Both
General	Insurance Requirements	52.228-7	Insurance—Liability to Third Persons	Third-party liability insurance	Both
General	Taxes	52.229-3	Federal, State, and Local Taxes	Federal/state/local taxes	Both
General	Taxes	52.229-4	Federal, State, and Local Taxes—Foreign Contracts	Taxes; foreign contracts	Both
General	Cost Accounting	52.230-2	Cost Accounting Standards	CAS compliance	Both
General	Cost Accounting	52.230-3	Disclosure and Consistency of Cost Accounting Practices	Disclosure/consistency of cost practices	Both
General	Cost Accounting	52.230-6	Admin of Cost Accounting Standards	CAS Admin	Both
General	Payments	52.232-16	Progress Payments	Progress payments	Both
General	Payments	52.232-16 alt 2	Progress Payments—Alternate I	Progress payments (Alt I)	Both
General	Payments	52.232-16 alt 3	Progress Payments—Alternate II	Progress payments (Alt II)	Both
General	Payments	52.232-16 dev	Progress Payments—Deviation	Progress payments (deviation)	Both
General	Payments	52.232-17	Interest	Interest on amounts owed	Both
General	Payments	52.232-20	Limitation of Costs	Limitation of costs	Both
General	Payments	52.232-22	Limitation of Funds	Limitation of funds	Both

General	Unauthorized Obligations	52.232-39	Unenforceability of Unauthorized Obligations	Unenforceability of unauthorized obligations	Both
General	Payments	52.232-40	Providing Accelerated Payments to Small Business Subcontractors	Accelerated payments to small-business subs	Both
General	Electronic Funds Transfer	52.232-33	Payment by Electronic Funds Transfer	Payment by EFT	Both
General	Electronic Funds Transfer	52.232-34	Payment by Electronic Funds Transfer—Other than System for Award Mgmt.	EFT payment; non-SAM entity	Both
General	Ethics & Compliance	52.237-1	Site Visit	Site visit before award	Both
General	Services	52.237-2	Protection of Government Buildings, Equipment, and Vegetation	Protect government buildings/property	Both
General	Payments	52.237-3	Continuity of Services	Continuity of services	Both
General	Prohibition	52.237-4	Payment for Legal Services	Payment for legal services	Both
General	Contract Work	52.237-5	Key Personnel	Key personnel	Both
General	Security	52.237-6	Env. Protection	Env. protection	Both
General	Security	52.237-7	Contractor Responsibilities	Contractor responsibilities	Both
General	Services	52.237-2	Protection of Government Buildings, Equipment, and Vegetation	Protect government buildings/property	Both
General	IT/Communications	52.239-1	Privacy or Security Safeguards	Privacy/security safeguards	Both

General	Supply Chain	52.240-1	Prohibition on Unmanned Aircraft Systems Manufactured or Assembled by American Security Drone Act Covered Foreign Entities	No covered-entity UAS (drones)	Both
General	Changes	52.242-17	Government Delay of Work	Government delay of work	Both
General	Changes	52.243-7	Notification of Changes	Notification of changes	Both
General	Ethics & Compliance	52.244-5	Competition in Subcontracting	Competition in subcontracting	Both
Commercial subK	Commercial Backbone	52.244-6	Subcontracts for Commercial Products and Commercial Services	Controlling commercial flowdown clause	Both
General	Property	52.245-1 alt 1	Government Property Installation	Government property; installation (Alt I)	Both
General	Property	52.245-2	Government Property Mgmt.	Government-furnished property accountability	Both
General	Inspection	52.246-11	Higher-Level Contract Quality Requirement	Higher-level quality requirement	Both
General	Inspection	52.246-15	Certificates of Conformance	Certificates of conformance	Both
General	Inspection	52.246-2	Inspection of Supplies—Fixed-Price	Inspection of supplies; fixed-price	Both
General	Inspection	52.246-2 alt 1	Inspection of Supplies—Fixed-Price—Alternate I	Inspection of supplies; FP (Alt I)	Both
General	Inspection	52.246-2 alt 2	Inspection of Supplies—Fixed-Price—Alternate II	Inspection of supplies; FP (Alt II)	Both
General	Inspection	52.246-26	Reporting Nonconforming Supplies and Services	Report nonconforming supplies/services	Both
General	Inspection	52.246-3	Inspection of Supplies—Cost-Reimbursement	Inspection of supplies; cost-reimbursement	Both

General	Inspection	52.246-4	Inspection of Services—Cost-Reimbursement	Inspection of services; cost-reimbursement	Both
General	Inspection	52.246-5	Inspection of Services—Fixed-Price	Inspection of services; fixed-price	Both
General	Inspection	52.246-6	Inspection—Rework and Repair	Inspection; rework and repair	Both
General	Inspection	52.246-6 alt 1	Inspection—Rework and Repair—Alternate I	Inspection; rework/repair (Alt I)	Both
General	Responsibility for Supplies	52.246-16	Responsibility for Supplies	Responsibility for supplies	Both
General	Transportation	52.247-1	Commercial Bill of Lading	Commercial bill of lading	Both
General	Transportation	52.247-29	F.O.B. Origin—Carload and Truckload Shipments	F.O.B. origin; carload/truckload	Both
General	Transportation	52.247-30	F.O.B. Destination—Carload and Truckload Shipments	F.O.B. destination; carload/truckload	Both
General	Transportation	52.247-34	F.O.B. Destination	F.O.B. destination shipping	Both
General	Transportation	52.247-48	F.O.B. Destination—Evaluation Factors	F.O.B. destination; evaluation factors	Both
General	Transportation	52.247-65	F.O.B. Origin—Construction Materials	F.O.B. origin; construction materials	Both
General	Transportation	52.247-67	F.O.B. Destination—Construction Materials	F.O.B. destination; construction materials	Both
General	Transportation	52.247-64	Preference for Privately Owned U.S.-Flag Commercial Vessels	Preference for U.S.-flag vessels	Both
General	Value Engineering	52.248-1	Value Engineering	Value engineering	Both

General	Excusable Delays	52.249-14	Excusable Delays	Excusable delays	Both
General	Indemnification	52.250-1	Indemnification Under Public Law 85-804	Indemnification under PL 85-804	Both
General	Supply Mgmt.	52.251-1	Government Supply Sources	Use of Government supply sources	Both
General	Clauses	52.252-2	Clauses Incorporated by Reference	Clauses incorporated by reference	Both
General	Small Business	52.219-8	Utilization of Small Business Concerns	Utilization of small business concerns	Both
General	Material Inspection	52.6115	Material Inspection and Receiving Reports (DD Form 250) DFARS	Material inspection/receiving (DD 250)	Both
General	Confidential Material	52.7026	Confidential or Secret Materiel/Documents	Confidential/secret material transmission	Both
General	Packaging	52.7043	Standard Practice for Commercial Packaging	Standard commercial packaging	Both
General	Information Technology	52.7106	Use of Government Information Technology Property	Use of government IT property	Both

FAR — Table B: Additional Clauses that Apply to Non-Commercial Only

Price Category	Category	Clause Number	Clause Title	Applies	Comm./Non-Commercial (NC)/Both
>$150,000	Labor	52.222-4	Contract Work Hours and Safety Standards—Overtime Compensation	Overtime/safety; non-commercial subs >$150,000	NC
General	Compliance	52.204-4	Printed or Copied Double-Sided on Postconsumer Fiber Content Paper	Double-sided on recycled paper	NC
General	Service Contract Reporting	52.204-15	Service Contract Reporting Requirements Delivery Contracts	Service contract reporting; delivery contracts	NC
General	Integrity and Ethics	52.209-3	First Article Testing	First article testing	NC
General	Integrity and Ethics	52.209-4	Display of Government Property	Display of government property	NC
Cost-type	Cost/Pricing	52.215-15	Pension Adjustments and Asset Reversions	Pension adjustments; CAS-covered subs	NC
Cost-type	Cost/Pricing	52.215-19	Notification of Ownership Changes	Notify of ownership changes affecting cost	NC
General	Pricing	52.216-7	Allowable Cost and Payment	Allowable cost and payment; cost-type	NC
General	Pricing	52.216-7 Alt I	Allowable Cost and Payment (Alternate I)	Allowable cost and payment (Alt I)	NC
General	Pricing	52.216-11	Cost Contract—No Fee	Cost contract; no fee	NC
General	Pricing	52.216-24	Limitation of Cost	Limitation of cost	NC
General	Pricing	52.216-26	Payments of Allowable Costs	Payment of allowable costs	NC

General	Options	52.217-9	Option to Extend Services	Option to extend services; up to 6 months	NC
General	Options	52.217-9 Alt III	Option to Extend Services (Alternate III)	Extend services (Alt III)	NC
General	Options	52.217-9 Alt IV	Option to Extend Services (Alternate IV)	Extend services (Alt IV)	NC
General	Domestic Preference	52.225-1	Buy American—Supplies	Buy American; deliver domestic end products	NC
As applicable	Domestic Preference	52.225-5	Trade Agreements	Trade Agreements Act governs	NC
As applicable	Duty	52.225-8	Duty-Free Entry	Duty-free entry of supplies	NC
General	Patents	52.227-1	Authorization and Consent	Authorization and consent; patents	NC
General	Patents	52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement	Report/assist on infringement claims	NC
As applicable	Insurance	52.228-5	Insurance—Work on a Government Installation	Insurance; work on Government installation	NC
As applicable	Disputes	52.233-3	Protest After Award	Continue performance during protest	NC
General	Stop Work	52.242-15	Stop-Work Order	FAR stop-work order flowdown	NC
General	Changes	52.243-1	Changes—Fixed-Price	Changes; non-commercial fixed-price	NC
General	Termination	52.249-2	Termination for Convenience of the Government (Fixed-Price)	T4C flowdown; fixed-price	NC
General	Termination	52.249-8	Default (Fixed-Price Supply and Service)	Default; fixed-price supply/service	NC

DFARS CLAUSES

DFARS — Table A: Applies to Both Commercial & Non-Commercial Products

Price Category	Category	Clause Number	Clause Title	Applies	Comm./Non-Commercial/ Both
< $100,000	Information Disclosure	252.204-7000	Disclosure of Information	Disclosure of information; all DFARS	Both
< $100,000	Duty-Free Entry	252.225-7013	Duty-Free Entry – Qualifying Country Supplies (End-Products and Components)	Duty-free entry; qualifying country	Both
< $100,000	Proposal Information	252.227-7016	Rights in Bid or Proposal Information	Rights in bid/proposal info; all DFARS	Both
< $100,000	Data Ordering	252.227-7027	Deferred Ordering of Technical Data or Computer Software	Deferred ordering; technical data/software	Both
< $100,000	Technical Data Delivery	252.227-7028	Technical Data or Computer Software Previously Delivered to the Government	Previously delivered tech data/software	Both
< $100,000	Data Payment Withholding	252.227-7030	Technical Data – Withholding of Payment	Withholding payment; technical data	Both
< $100,000	Data Markings	252.227-7037	Validation of Restrictive Markings on Technical Data	Validate restrictive markings; tech data	Both
< $100,000	Accident Reporting	252.228-7005	Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles	Accident reporting; aircraft/missiles/space	Both
< $100,000	Cost Principles	252.231-7000	Supplemental Cost Principles	Supplemental cost principles	Both
< $100,000	Scientific Reports	252.235-7011	Scientific or Technical Report	Scientific/technical report; consult CME	Both
< $100,000	Contract Modifications	252.243-7001	Pricing of Contract Modifications	Pricing of contract modifications	Both
< $100,000	Equitable Adjustment	252.243-7002	Certification of Requests for Equitable Adjustment	Certification of REAs	Both

< $100,000	Warranty of Data	252.246-7001	Warranty of Data	Warranty of data	Both
≥ $100,000	Fraud Conviction	252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense Contract-Related Felonies	Fraud/felony conviction bar; ≥$100,000	Both
≥ $100,000	Transportation by Sea	252.247-7023	Transportation of Supplies by Sea	Transportation of supplies by sea	Both
General	Ethics	252.203-7002	Requirement to Inform Employees of Whistleblower Rights	Inform employees of DoD whistleblower rights	Both
As applicable	Ethics	252.203-7004	Display of Hotline Posters	Display DoD fraud hotline posters	Both
CDI systems	Cybersecurity	252.204-7008	Compliance with Safeguarding Covered Defense Information Controls	NIST 800-171 compliance representation	Both
CDI systems	Cybersecurity	252.204-7009	Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information	Protect third-party cyber incident info	Both
CDI systems	Cybersecurity	252.204-7012	Safeguarding Covered Defense Information and Cyber Incident Reporting	NIST 800-171; 72-hr incident report; flow down	Both
General	Information Security	252.204-7015	Notice of Authorized Disclosure of Information for Litigation Support	Authorized disclosure for litigation support	Both
General	Information Security	252.204-7018	Prohibition on the Acquisition of Covered Telecommunications Equipment and Services	No covered telecom equipment/services	Both
CDI systems	Cybersecurity	252.204-7020	NIST SP 800-171 DoD Assessment Requirements	NIST 800-171 assessment in SPRS; flow down	Both
General	Information Security	252.204-7021	Cybersecurity Maturity Model Certification (CMMC) Requirements	Maintain CMMC level; SPRS; flow down (Nov 2025)	Both

General	Information Security	252.204-7025	CMMC Program — Solicitation Provision	CMMC self-assessment to SPRS; FCI/CUI systems	Both
General	Compliance and Ethics	252.209-7010	Critical Safety Items	Critical safety items	Both
General	Item Identification	252.211-7003	Item Unique Identification and Valuation	Item unique identification (UII)	Both
General	Supply and Maintenance	252.217-7028	Over and Above Work	Over and above work	Both
General	Small Business	252.219-7003	Small Business Subcontracting Plan	Small business subcontracting plan	Both
Condition-based	Small Business Subcontracting Plan	252.219-7003	Small, Small Disadvantaged, and Women-Owned Small Business Subcontracting Plan (DoD Contracts)	DoD small business subcontracting plan	Both
General	Small Business	252.219-7003 Alt	Small Business Subcontracting Plan Alternate	Small business subcontracting plan (Alt)	Both
Condition-based	Hazard Labels	252.223-7001	Hazard Warning Labels	Hazard warning labels	Both
Condition-based	Hazardous Materials	252.223-7006	Prohibition on Storage and Disposal of Toxic and Hazardous Material	No storage/disposal of hazardous material	Both
Supplies	Env.	252.223-7008	Prohibition of Hexavalent Chromium	Restricts hexavalent chromium	Both
Condition-based	Buy American Act	252.225-7001	Buy American Act and Balance of Payments Program	Buy American / Balance of Payments	Both
As applicable	Supply Chain	252.225-7007	Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies	USML items; no Chinese military sources	Both

General	Trade Agreements	252.225-7009	Restriction on the Acquisition of Certain Articles—Specialty Metals	Restricts specialty metals	Both
Condition-based	Domestic Commodities	252.225-7012	Preference for Certain Domestic Commodities	Preference for domestic commodities	Both
General	Trade Agreements	252.225-7013	Duty-Free Entry of Supplies	Duty-free entry of supplies	Both
Condition-based	Duty-Free Entry Supplies	252.225-7013	Supplies to Be Accorded Duty-Free Entry	Duty-free entry supplies	Both
Condition-based	Hand Tools	252.225-7015	Preference for Domestic Hand or Measuring Tools	Preference for domestic hand/measuring tools	Both
Condition-based	Exclusionary Policies	252.225-7028	Exclusionary Policies and Practices of Foreign Governments	Foreign government exclusionary practices	Both
Condition-based	Arab Boycott	252.225-7031	Secondary Arab Boycott of Israel	Secondary Arab boycott of Israel	Both
General	Trade Agreements	252.225-7036	Buy American—Free Trade Agreements—Balance of Payments	Buy American; free trade agreements	Both
Condition-based	Anti-Terrorism	252.225-7043	Anti-Terrorism/Force Protection for Defense Contractors Outside the United States	Anti-terrorism/force protection; overseas	Both
General	Export-Controlled Items	252.225-7048	Export-Controlled Items	Export-controlled items	Both
General	Sanctions	252.225-7056	Prohibition Regarding Business Operations with the Maduro Regime	No business with Maduro regime	Both
As applicable	Supply Chain	252.225-7058	Post-Award Disclosure of Employment of Individuals Who Work in the People's Republic of China	Disclose PRC-based employment post-award	Both
General	Supply Chain	252.225-7060	Prohibition on Certain Procurements from the Xinjiang Uyghur Autonomous Region	No procurements linked to Xinjiang (XUAR)	Both

General	Information Security	252.227-7025	Limitations on the Use of Government-Furnished Information	Limits use of GFI	Both
Condition-based	Shop Drawings Rights	252.227-7033	Rights in Shop Drawings	Rights in shop drawings	Both
General	Research and Development	252.235-7004	Protection of Human Subjects and Animal Welfare (Alternate I)	Protect human subjects/animal welfare (Alt I)	Both
General	Services	252.237-7010	Prohibition on Interrogation of Detainees by Contractor Personnel	No interrogation of detainees	Both
General	Services	252.237-7023	Continuation of Essential Contractor Services	Continue essential contractor services	Both
Commercial subK	Commercial Backbone	252.244-7000	Subcontracts for Commercial Products or Commercial Services	Controlling DFARS commercial flowdown	Both
General	Counterfeit Parts	252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System	Counterfeit electronic part avoidance system	Both
Electronic parts	Counterfeit	252.246-7008	Sources of Electronic Parts	Electronic parts from authorized sources	Both

DFARS — Table B: Additional Clauses that Apply to Non-Commercial Only

Price Category	Category	Clause Number	Clause Title	Applies	Comm./Non-Commercial (NC)/Both
< $100,000	Labor	252.222-7002	Compliance With Local Labor Laws (Overseas)	Local labor laws; overseas, if CME approves	NC
< $100,000	Rights in Data	252.227-7013	Rights in Technical Data – Noncommercial Items	Rights in technical data; noncommercial	NC
< $100,000	Rights in Software	252.227-7014	Rights in Non-Commercial Computer Software and Non-Commercial Computer Software Documentation	Rights in noncommercial software/docs	NC
< $100,000	Compliance with Laws	252.228-7006	Compliance With Spanish Laws and Insurance	Spanish laws and insurance	NC
< $100,000	VAT Exclusion	252.229-7006	Value Added Tax Exclusion (United Kingdom)	VAT exclusion (United Kingdom)	NC
≥ $100,000	Expenditures Identification	252.225-7005	Identification of Expenditures In the United States	Identify U.S. expenditures; work outside U.S.	NC
≥ $500,000	Performance Reporting	252.225-7004	Reporting of Contract Performance Outside the United States	Report performance outside U.S.; ≥$500,000	NC
Condition-based	Ammunition Safety	252.223-7002	Safety Precautions for Ammunition and Explosives	Safety; ammunition and explosives	NC
Condition-based	Place of Performance	252.223-7003	Change in Place of Performance – Ammunition and Explosives	Change of place; ammunition/explosives	NC
Condition-based	Arms and Ammunition	252.223-7007	Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives	Safeguard arms, ammunition, explosives	NC
General	Trade Agreements	252.225-7016	Restriction on the Acquisition of Certain Articles—Ball and Roller Bearings	Restricts ball/roller bearings	NC

General	Rights in Data	252.227-7015	Acquisition of Commercial Items with Technical Data	Commercial items with technical data	NC
Non-commercial	Data Rights	252.227-7019	Validation of Asserted Restrictions—Computer Software	Validate asserted software restrictions	NC
General	Rights in Data	252.227-7025	Limitations on the Use or Disclosure of Government-Furnished Information	Limits use/disclosure of GFI	NC
Large business	Patents	252.227-7038	Patent Rights—Ownership by the Contractor (Large Business)	Patent ownership; large business	NC
Condition-based	Custom Exemptions	252.229-7002	Custom Exemptions (Germany)	Customs exemptions (Germany)	NC
Condition-based	Tax Exemptions	252.229-7003	Tax Exemptions (Italy)	Tax exemptions (Italy)	NC
Condition-based	Tax Exemptions	252.229-7005	Tax Exemptions (Spain)	Tax exemptions (Spain)	NC
General	Acquisition	252.234-7002	Earned Value Mgmt. Systems	Earned value Mgmt. systems	NC
General	Acquisition	252.234-7004	Cost and Software Data Reporting	Cost and software data reporting	NC
As applicable	Spectrum	252.235-7003	Frequency Authorization	Frequency authorization; RF spectrum use	NC
Supplies	Safety	252.246-7003	Notification of Potential Safety Issues	Notify of potential safety issues	NC
As applicable	Termination	252.249-7002	Notification of Anticipated Contract Termination or Reduction	Notify of anticipated termination/reduction	NCs