

## L-3 Communications

### General Terms and Conditions for Supply and Services Subcontracts

Supplement 1 – U.S. Government Contract Provisions from the Federal Acquisition Regulation (FAR)

1. When the materials or products furnished are for use in connection with a U.S. Government contract or subcontract, in addition to the General Provisions, the following provisions shall apply, as required by the terms of the prime contractor by operation of law or regulation. In the event of a conflict between these FAR provisions and the General Provisions, the FAR provisions shall control.

2. The following clauses set forth in the FAR in effect as of the date of the prime contract are incorporated herein by reference. In all clauses listed herein, the terms "Government", "Contracting Officer" and "Contractor" shall be revised to suitably identify the contracting parties herein and effect the proper intent of the provision except where further clarified or modified below. "Subcontractor", however, shall mean "Seller's Subcontractor" under this purchase order.

#### A. APPLICABLE TO ALL ORDERS:

|  |           |
|--|-----------|
| 1. Security Requirements   | 52.204-2  |
| 2. Personal Identify Verification of Contractor Personnel  | 52.204-9  |
| 3. Material Requirements   | 52.211-5  |
| 4. Alternatives to Government – Unique Standards   | 52.211-7  |
| 5. Defense Priority and Allocation Requirements  | 52.211-15 |
| 6. Contract Terms and Conditions Required to Implement Statutes or Executive Orders – Commercial Items (DEVIATION) | 52.212-5  |
| 7. Terms and Conditions – Simplified Acquisitions (other than Commercial items)                                    | 52.213-4  |
| 8. Small Business Program Representations  | 52.219-1  |
| 9. Post –Award Small Business Program Representation (over \$3000)   | 52.219-28 |
| 10. Notice to the Government of Labor Disputes   | 52.222-1  |
| 11. Convict Labor  | 52.222-3  |
| 12. Child Labor – Cooperation with Authorities and Remedies  | 52.222-19 |
| 13. Service Contract Act of 1965, as Amended   | 52.222-41 |
| 14. Combating Trafficking in Persons   | 52.222-50 |
| 15. Employment Eligibility Verification  | 52.222-54 |
| 16. Hazardous Material Identification and Material Safety Data – "Government" means "Government and Buyer"         | 52.223-3  |
| 17. Notice of Radioactive Materials  | 52.223-7  |
| 18. Ozone Depleting Substances   | 52.223-11 |
| 19. Energy Efficiency in Energy-Consuming Products   | 52.223-15 |
| 20. IEEE 1680 Standard for the Environmental Assessment of personal Computer Products                              | 52.223-16 |
| 21. Privacy Act  | 52.224-2  |
| 22. Buy American Act – Supplies  | 52.225-1  |
| 23. Buy American Act Certificate   | 52.225-2  |
| 24. Trade Agreement  | 52.225-5  |
| 25. Trade Agreements – Certificate   | 52.225-6  |
| 26. Duty-Free Entry  | 52.225-8  |
| 27. Restrictions on Certain Foreign Purchases  | 52.225-13 |
| 28. Place of Manufacturer (applicable to solicitations)  | 52.225-18 |
| 29. Authorization and Consent – Alternate I  | 52.227-1  |
| 30. Royalty Information  | 52.227-6  |
| 31. Refund of Royalties  | 52.227-9  |
| 32. Filing of Patent Applications – Classified Subject Matter  | 52.227-10 |
| 33. Patent Rights – Ownership by the Contractor  | 52.227-11 |
| 34. Rights in Data – General   | 52.227-14 |
| 35. Commercial Computer Software License   | 52.227-19 |
| 36. Workers Compensation Insurance (Defense Base Act)  | 52.228-3  |
| 37. Workers Compensation and War-Hazard Insurance Overseas   | 52.228-4  |
| 38. Insurance – Work on a Government Installation  | 52.228-5  |
| 39. Progress Payments  | 52.232-16 |
| 40. Performance-based Payments   | 52.232-32 |
| 41. Protest After Award  | 52.233-3  |
| 42. Applicable Law for Breach of Contract Claim  | 52.233-4  |
| 43. Industrial Resources Developed Under Defense Production Act Title III  | 52.234-1  |
| 44. Accident Prevention  | 52.236-13 |
| 45. Protection of Government Buildings, Equipment, and Vegetation  | 52.237-2  |
| 46. Privacy or Security Safeguards   | 52.239-1  |

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| 47. Stop Work Order   | 52-242-15    |
| 48. Government Delay of Work  | 52.242-17    |
| 49. Changes – Fixed Price Contracts   | 52-243-1     |
| 50. Competition in Subcontracting   | 52.244-5     |
| 51. Subcontracts for Commercial Items   | 52.244-6     |
| 52. Government Property   | 52.245-1     |
| 53. Government Property Installation Operation Services   | 52.245-2     |
| 54. Preference for U.S. – Flag Air Carriers   | 52.247-63    |
| 55. Preference for Privately Owned U.S. – Flag Commercial Vessels   | 52.247-64    |
| 56. Termination for Convenience of the Government (Fixed-Price) (Short Form)  | 52.249-1     |
| <br>  |              |
| B. ORDERS OVER \$10,000 ALSO INCLUDE THE FOLLOWING:   |              |
| 1. Walsh-Healy Public Contracts Act.  | 52.222-20    |
| 2. Prohibition of Segregated Facilities   | 52.222-21    |
| 3. Equal Opportunity  | 52.222-26(b) |
| 4. Affirmative Action for Workers with Disabilities   | 52.222-36    |
| 5. Buy American Act – North American Free Trade Agreement – Israeli Trade Act (over \$25,000)   | 52.225-3     |
| 6. Buy American Act North American Free Trade Agreement – Israeli Trade Act Certificate (over \$25,000)   | 52.225-4     |
| <br>  |              |
| C. ORDERS OVER \$100,000 ALSO INCLUDE THE FOLLOWING:  |              |
| 1. Certificate of Independent Price Determination   | 52.203-2     |
| 2. Restrictions on Subcontractor Sales to the Government  | 52.203-6     |
| 3. Anti-Kickback Procedures (less paragraph (c) (1))  | 52.203-7     |
| 4. Price or Fee Adjustment for Illegal or Improper Activities   | 52.203-10    |
| 5. Limitation on Payments to Influence Certain Federal Transactions   | 52.203-12    |
| 6. Women-Owned Business (Other than Small Business)   | 52.204-5     |
| 7. Audit and Records – Negotiation  | 52.215-2     |
| 8. Integrity of Units Prices  | 52.215-14    |
| 9. Utilization of Small Business Concerns   | 52.219-8     |
| 10. Contract Work Hours and Safety Standards Act – Overtime Compensation  | 52.222-4     |
| 11. Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans   | 52.222-35    |
| 12. Employment Reports on Disabled Veterans and Veterans of the Vietnam Era, and Other Eligible Veterans  | 52.222-37    |
| 13. Drug-Free Workplace   | 52.223-6     |
| 14. Estimate of Percentage of Recovered Material Content for EPA-Designated Products  | 52.223-9     |
| 15. Toxic Chemical Release Reporting (Less paragraph (e))   | 52.223-14    |
| 16. Notice and Assistance Regarding Patent and Copyright Infringement   | 52.227-2     |
| 17. Federal, State, and Local Taxes   | 52.229-3     |
| 18. Bankruptcy  | 52.242-13    |
| 19. Change Order Accounting   | 52.243-6     |
| 20. Subcontracts (paragraphs (h) and (l) only apply)  | 52.244-2     |
| 21. Inspection of Supplies, Fixed Price Contracts   | 52.246-2     |
| 22. Inspection of Services, Fixed Price Contracts   | 52.246-4     |
| 23. Responsibility for Supplies   | 52.246-16    |
| 24. Value Engineering   | 52.248-1     |
| 25. Termination for Convenience of the Government (Fixed-Price) – “Government: shall mean “Buyer”. In paragraph (c) the term “120 days” is changed to “60 days.” The term “one year” in Paragraph (e) is changed to “six months.” The term “90 days in paragraph (l) is changed to “forty-five days,” per 49.502(e) | 52.249-2     |
| 26. Default (Fixed Price Supply and Service)  | 52-249-8     |

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#### D. ORDERS OVER \$550,000 ALSO INCLUDE THE FOLLOWING:

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|---|-----------|
| 1. Pension Adjustment and Asset Reversions  | 52.215-15 |
| 2. Reversion or Adjustment of Plans for Postretirement Benefits (PRB) other than Pensions | 52.215-18 |
| 3. Notification of Ownership Changes  | 52.215-19 |
| 4. Small Business Subcontracting Plan   | 52.219-9  |
| 5. Liquidated Damages – Subcontracting Plan   | 52.219-16 |
| 6. Code of Business Ethics and Conduct (over \$5 million)                                 | 52.203-13 |
| 7. Display of Hotline Poster (over \$5 million)   | 52.203-14 |
| 8. Preaward On-Site Equal Opportunity Compliance Evaluation (over \$10 million)           | 52.222-24 |
| 9. Reporting Subcontract Awards (over \$500 million)                                      | 52.204-10 |

#### E. UNLESS OTHERWISE EXEMPT ALSO INCLUDE THE FOLLOWING:

|   |           |
|---|-----------|
| 1. Audit and Records – Sealed Bidding (exceeds \$650,000)   | 52.214-26 |
| 2. Subcontractor Cost or Pricing Data – Modifications – Sealed Bidding (exceeds \$650,000)              | 52.214-28 |
| 3. Price Reduction for Defective Cost or Pricing  | 52.215-10 |
| 4. Price Reduction for Defective Cost or Pricing Data – Modifications                                   | 52.215-11 |
| 5. Subcontractor Cost or Pricing Data   | 52.215-12 |
| 6. Subcontractor Cost of Pricing Data – Modifications   | 52.215-13 |
| 7. Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data                 | 52.215-20 |
| 8. Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data – Modifications | 52.215-21 |
| 9. Prospective Subcontractor Requests for Bonds (   | 52.228-12 |
| 10. Cost Accounting Standards   | 52.230-2  |
| 11. Disclosure and Consistency of Cost Accounting Practices   | 52.230-3  |
| 12. Cost Accounting Standards – Educational Institution   | 52.230-5  |
| Administration of Cost Accounting Standards   | 52.230-6  |
| 13. Earned Value Management System  | 52.234-4  |

#### F. APPLICABLE TO COST REIMBURSEMENT, TIME & MATERIAL OR LABOR HOUR ORDERS:

|   |            |
|---|------------|
| 1. Facilities Capital Cost of Money   | 52.215-16  |
| 2. Waiver of Facilities – Capital Cost of Money   | 52.215-17  |
| 3. Allowable Cost and Payment (cost reimbursement) – Seller agrees to execute assignment documents in order to meet subsection (h)  | 52.216-7   |
| 4. Fixed Fee – applicable if this is a cost plus fixed fee order  | 52.216-8   |
| 5. Incentive Fee – applicable if this is a cost plus incentive fee order  | 52.216-10  |
| 6. Cost Contract – No Fee – applicable if this is a cost no fee order   | 52.216-11  |
| 7. Cost Sharing Contract – No Fee – applicable if this is a cost sharing, no fee order  | 52.216-12  |
| 8. Payment for Overtime premiums – insert “0%” in paragraph (a) unless indicated otherwise on the face of this order  | 52.222-2   |
| 9. Fair Labor Standards Act and Service Contract Act -- Price Adjustment (Multiple Year and Option Contracts)   | 52.222-43. |
| 10. Fair Labor Standards Act and Service Contract Act -- Price Adjustment   | 52.222-44. |
| 11. State of New Mexico Gross Receipts and Compensating Tax   | 52.229-10  |
| 12. Limitation of Cost (if fully funded)  | 52.232-20  |
| 13. Limitation of Funds (if incrementally funded)   | 52.232-22  |
| 14. Changes – Cost-Reimbursement – applicable if this is a cost-reimbursement order   | 52.243-2   |
| 15. Changes – Time and Material or Labor-Hours – applicable if this is a time and material or labor hour order  | 52.243-3   |
| 16. Inspection of Supplies (Cost-Reimbursement) – “Contracting Officer” means “Buyer’s purchasing representative” and “Government” means “Buyer and Government” (provided that an inspection system accepted by the Government will be deemed accepted by the Buyer), and where “Government” first appears in paragraph (k) it shall mean “Government or Buyer.” The provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government.  | 52.246-3   |
| 17. Inspection of Services (Cost –Reimbursement) – “Contracting Officer” means “Buyer’s purchasing representative” and “Government” means “Buyer and Government”(provided that an inspection system accepted by the Government will be deemed accepted by the Buyer), and where “Government” first appears in paragraph (k) it shall mean “Government and Buyer.” The provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government. | 52.246-5   |

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|   |                 |
|---|-----------------|
| 18. Inspection – Time and Material and Labor Hour – “Contracting Officer” means “Buyer’s purchasing representative” and “Government” means “Buyer and Government” (provided that an inspection system accepted by the Government will be deemed accepted by the Buyer), and where “Government” first appears in paragraph (k) it shall mean “Government and Buyer.” The provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government. | 52.246-6        |
| 19. Submission of Transportation Documents for Audit  | 52.247-67       |
| 20. Termination (Cost-Reimbursement) – “Government” means “Buyer” and “Contracting Officer” means “Buyer’s purchasing representative.” In paragraph (d) change “15 days” and “45 days” to “30 days” and “90 days,” respectively. In paragraph (e) change “1 year” to “six months.” Alternate IV is applicable to time and material or labor-hour orders only.   | 52.249-6 Alt IV |
| 21. Excusable Delay   | 52.249-14       |
| <b>G. APPLICABLE TO CONSTRUCTION ORDERS</b>   |                 |
| 1. Subcontracts (Labor Standards).  | 52.222-11       |
| 2. Affirmative Action Compliance Requirements for Construction (over \$10,000)  | 52.222-27       |
| 3. Affirmative Procurement of Biobased Products Under Service and Construction Contracts  | 52.223-2        |
| 4. Buy American Act – Construction Materials  | 52.225-9        |
| 5. Notice of Buy American Act / Balance of Payments Program Requirement – Construction Materials  | 52.225-10       |
| 6. North Carolina State and Local Sales and Use Tax   | 52.229-2        |
| 7. Prompt payment for construction contracts  | 52.232-27       |
| 8. Inspection of Construction   | 52.246-12       |
| 9. Value Engineering – Construction (over \$10,000)   | 52.248-3        |
| <b>3. Certifications</b>  |                 |
| The offeror, by signing its offer, hereby certifies compliance with the following clauses and is, therefore eligible for award.   |                 |
| A. Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (over \$100,000)   | 52.203-11       |
| B. Certification Regarding Responsibility Matters   | 52.209-5        |
| C. Protecting the Government’s Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (over \$30,000)   | 52.209-6        |
| D. Certification Regarding Knowledge of Child Labor for Listed End Products   | 52.222-18       |
| E. Previous Contracts and Compliance Reports (over \$10,000)  | 52.222-22       |
| F. Affirmative Action Compliance  | 52.222-25       |
| G. Affirmative Action for workers with Disabilities (over \$100K)   | 52.222-36       |
| H. Bio-based Product Certification  | 52.223-1        |
| I. Recovered Material Certification   | 52.223-4        |
| J. Certification of Toxic Chemical Release Reporting (competitively awarded; over \$100K)   | 52.223-13       |
| K. Prohibition on Conducting Restricted Business Operations in Sudan Certification  | 52.225-20       |
| L. Cost Accounting Standards Notices and Certifications (   | 52.230-1        |
| <b>4. Applicable to all contracts that are funded in whole or in part by the American Recovery and Reinvestment Act of 2009:</b>  |                 |
| 1. Whistleblower Protections  | 52.203-15       |
| 2. Reporting Requiring  | 52.204-11       |
| <b>5. Additional Clauses</b>  |                 |
| A. COST ACCOUNTING STANDARDS (Applicable unless otherwise exempt)   |                 |
| Seller shall communicate and otherwise deal directly with the Contracting Officer to the extent practicable and permissible as to all matters relating to Cost Accounting Standards. Seller shall provide Buyer with copies of all  |                 |

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communications between Seller and the Contracting Officer respecting Cost Accounting Standards, FAR 52.230-2; Disclosure and Consistency of Cost Accounting Practices, FAR 52.230-3; and Administration of Cost Accounting Standards, FAR 52.230-6, provided Seller shall not be required to disclose to Buyer such communications containing information which is privileged and confidential to Seller. In addition to any other remedies provided by law or under this Order, Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage, or expense if Buyer is subjected to any liability as the result of a failure of the Seller or its lower-tier subcontractors to comply with the requirements of FAR 52.230-2, 52.230-3, 52.230-5 or 52.230-6. Paragraph (b) is deleted in each of the foregoing clauses.

#### B. TRUTH IN NEGOTIATIONS

Cost or Pricing Data (applicable only if certified cost or pricing data has been provided). The clause entitled "Subcontractor Cost or Pricing Data" is a part of this Order if the Seller was required to furnish cost and pricing data and a Certification of Current Cost or Pricing Data for this Order. If it was not required to furnish such data and Certificate, the clause entitled "Subcontractor Cost or Pricing Data-Modification" is a part of this Order. Seller shall update its proposal and re-certify its cost or pricing data whenever costs, factors, or prices change such that cost or pricing data previously furnished is no longer, accurate, current, or complete.

##### 1. Indemnification

If any price (including profit or fee) negotiated in connection with the prime contract between the Government and the Buyer or any cost that is reimbursable under said contract is reduced because cost or pricing data furnished by the Seller in connection with any proposal submitted by the Buyer relating to said contract or in connection with this Order was not accurate, complete, or current, the Seller shall indemnify the Buyer in the amount of said reduction.

The phrase "cost or pricing data" as used herein shall be deemed to include any such data, which related to a lower-tier prospective or actual subcontract, at any level, which was submitted by the Seller or which it procured by submission of, in connection with the aforesaid proposal or this Order in support of its cost estimate.

If any reduction in the contract price under this clause reduces the price of items for which payment was made prior to the date of the modification reflecting the price reduction, the Seller shall be liable and shall pay the Buyer at the time such overpayment is repaid:

- i. Simple interest on the amount of such overpayment to be computed from the date(s) of overpayment to the Seller to the date the Buyer is repaid by the Seller at that applicable underpayment rate effective for each quarter prescribed by the Secretary of the Treasury under 26 U.S.C 6621(a)(2); and
- ii. For Department of Defense contracts only, a penalty equal to the amount of the overpayment, if the Seller knowingly submitted cost or pricing data which were incomplete, inaccurate, or non-current.

##### 2. Cost or Pricing Data for Changes

Prior to the pricing of any change or other modification to this Order which involves, increases and/or decreases in costs plus applicable profit in excess of the contractually required threshold (e.g. \$100,000, \$500,000, \$550,000 or \$650,000) and resulting from a change in the prime contract, subcontractors shall submit cost or pricing data and shall certify that the data, as defined in Federal Acquisition Regulation 15.406-2, submitted either actually or by specific identification in writing are accurate, complete, and current as of the date of completion of negotiations.

When required to obtain cost or pricing data from its subcontractors, pursuant to the provisions of this Order, Seller shall obtain such data.

#### 6. DISPUTES – GOVERNMENT CONTRACTS

Any reference to the "Disputes clause" in any applicable FAR Clause under paragraph 2 above shall mean this paragraph 5, Disputes – Government Contracts

- i. Any dispute arising under this purchase order relating to any decision of the Contracting Officer under the prime contract shall be resolved in accordance with Paragraph (ii) below. All other disputes will be resolved under the Article entitled, "DISPUTES", as found in Corporate Form CC008 of the Subcontract.

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- ii. 1. Notwithstanding any other provisions in this purchase order, any decision of the Contracting Officer under the prime contract which binds Buyer shall bind both Buyer and Seller to the extent that it relates to this purchase order –provided that:
    - a. The Buyer notifies with reasonable promptness the Seller of such decision
    - b. The Buyer, at its sole discretion, authorizes in writing the Seller to appeal in the name of the Buyer such decision at its own expense, or
    - c. If Buyer should appeal such decision, Buyer at its sole discretion offers to the Seller the opportunity at its own expense to join Buyer in such appeal.
  2. Any decision upon such appeal, when final, shall be binding upon the Seller.
  3. The Seller shall keep Buyer informed of any appeal it makes by providing copies of all pertinent documents to Buyer.
  4. The Seller shall indemnify and save harmless from any and all liability of any kind incurred by or imputed to Buyer under Section 5, “Fraudulent Claims,” of the Contract Disputes Act of 1978, as amended, if Seller is unable to support any part of its claim and it is determined that such inability is attributable to fraud or misinterpretation of fact on the part of Seller.
- iii. Pending any prosecution, appeal, or final decision or settlement of any dispute arising under this purchase order, the Seller shall proceed diligently, as directed by Buyer, with the performance of this purchase order.
  - iv. Nothing in this clause nor any authorization or offer that may be made shall be deemed to constitute acceptance or acknowledgement by Buyer of the validity of Seller’s claim or any part thereof, nor be deemed to limit or in any way restrict Buyer from taking any actions, included available remedies, it deems appropriate to protect its own interests.
  - v. As used in this clause, the word “appeal” means an appeal taken under the contract Disputes Act of 1978, as amended.