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 L3 General Terms and Conditions for Supply and Services Subcontracts (Corp Form CC008), the following provisions shall apply, as required by the terms of the prime contract, or by operation of law or regulation. In the event of a conflict between these FAR provisions and L3 General Terms and Conditions for Supply and Services Subcontracts (Corp Form CC008, 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 with the same force and effect as if they were in full text. 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 The Seller, by signing its offer, hereby certifies compliance with the following clauses and is, therefore, eligible for award.
- 3. Clauses in this document may not be applicable to specific orders due to the type of subcontract/purchase order to be issued, dollar thresholds under requirements of the FAR, DFARS or Public Law or Mandatory Flow Down requirements of a particular prime contract. Clauses not applicable for these reasons shall not be removed from this document and will be considered by all parties to be without force and effect.

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3.	Annual Representations and Certifications	52.204-8
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	3.	Covenants Against Contingent Fees	52.203-5
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_	00.	DEDE OVED THE SIMPLIFIED ACCURRATION PROCESSM (CAR) THRESHALD	
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	16	Equal Opportunity for Veterans (Seller shall comply with the requirements of	52.222-17
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	17.	Employment Reports on Veterans	52.222-37
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		Higher Level Contract Quality Requirement	52.246-11
		Responsibility for Supplies	52.246-16
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	32.	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	
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	3. 4.	Pension Adjustments and Asset Reversions Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions	52.215-15
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	4.	Price Reduction for Defective Certified Cost or Pricing	52.215-10
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	6.	Subcontractor Certified Cost or Pricing Data	52.215-12
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F.	API	PLICABLE TO COST REIMBURSEMENT, TIME & MATERIAL OR LABOR HOUR ORDERS:	
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3.	Allowable Cost and Payment (cost reimbursement – Seller agrees to execute assignment	50.040.7
	documents in order to meet subsection (d) (5)	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. 7	Cost Contract – No Fee (applicable if this is a cost no fee order) Cost Sharing Contract – No Fee (applicable if this is a cost sharing, no fee order)	52.216-11 52.216-12
7. 8.	Payment for Overtime Premiums – insert "0%" in paragraph (a) unless indicated otherwise	32.210-12
0.	on the face of this order	52.222-2
9.	Fair Labor Standards Act and Service Contract Labor Standards Price Adjustment	OL.LLL L
٠.	(Multiple Year and Option Contracts)	52.222-43
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12.	Payments under Time-and Materials and Labor-Hour Contracts ("schedule" means	
	Purchase order, "voucher(s)" means Purchase order. "Government" means Buyer and	
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	Stop Work Order Changes Cost Reinburgement (applicable if this is a cost reinburgement ander)	52.242-15 Alt I
	Changes – Cost-Reimbursement (applicable if this is a cost-reimbursement order) Changes – Time and Material or Labor-Hours (applicable if this is a time and material	52.243-2
17.	or labor hour order)	52.243-3
18	Inspection of Supplies - Cost-Reimbursement – "Contracting Officer" means "Buyer's purchasin	
10.	representative" and "Government" means "Buyer and Government" (provided that	9
	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
19.	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	50.040.5
20	liability apply equally to Buyer and the Government.	52.246-5
20.	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
21.	Submission of Transportation Documents for Audit	52.247-67
22.	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	
00	months." Alternate IV is applicable to time and material or labor-hour orders only.	52.249-6 Alt IV
23.	Excusable Delays	52.249-14
۸DI	PLICABLE TO CONSTRUCTION ORDERS	
1.	Subcontracts (Labor Standards).	52.222-11
2.	Affirmative Action Compliance Requirements for Construction	52.222-27
3.	Notice of Requirement for Project Labor Agreement	52.222-33
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5.	Affirmative Procurement of Bio-based Products Under Service and Construction Contracts	52.223-2
6.	Buy American – Construction Materials	52.225-9
7.	Notice of Buy American Requirement – Construction	
	Materials	52.225-10
8.	Buy American – Construction Materials Under Trade Agreements	52.225-11
9.	Required Use of American Iron, Steel, and Manufactured Goods, Buy American Statute –	50.005.04
10	Construction Materials Nation of Provinced Use of American Iron, Steel, and Manufactured Coads. Buy American	52.225-21
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	11.	Required Use of American Iron, Steel, and Manufactured Goods, Buy American Act –	
		Construction Materials Under Trade Agreements	52.225-23
	12.	Notice of Required Use of American Iron, Steel, and Manufactured Goods – Buy American	
		Act – Construction Materials Under Trade Agreements	52.225-24
	13.	North Carolina State and Local Sales and Use Tax	52.229-2
	14.	Prompt Payment for Construction Contracts	52.232-27
	15.	Inspection of Construction	52.246-12
	16.	Value Engineering - Construction	52.248-3
4.	CERT	IFICATIONS	
	The Se	eller, by signing its offer, hereby certifies compliance with the following clauses and is,	
	Theref	fore, eligible for award.	
	A.	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions	52.203-11
	B.	Reporting Executive Compensation and First-Tier Subcontract Awards	52.204-10
	C.	Certification Regarding Responsibility Matters	52.209-5
	D.	Protecting the Government's Interest when Subcontracting with Contractors Debarred,	
		Suspended, or Proposed for Debarment	52.209-6
	E.	Certification Regarding Knowledge of Child Labor for Listed End Products	52.222-18
	F.	Previous Contracts and Compliance Reports	52.222-22
	G.	Affirmative Action Compliance	52.222-25
	H.	Affirmative Action for Workers with Disabilities	52.222-36
	I.	Bio-based Product Certification	52.223-1
	J.	Recovered Material Certification	52.223-4
	K.	Public Disclosure of Greenhouse Gas Emissions and Reduction Goals	52.223-22
	L.	Prohibition on Conducting Restricted Business Operations in Sudan Certification	52.225-20
	M.	Prohibition on Contracting with Entities Engaging in Certain Activities or Transactions Relating	to Iran –
		Representation & Certification	52.225-25
	N.	Cost Accounting Standards Notices and Certifications	52.230-1
5.	Appli	cable to all contracts that are funded in whole or in part by the American Recovery and	
		restment Act of 2009 ("Recovery Act"):	
	1.	Whistleblower Protections Under the American Recovery and Reinvestment Act	52.203-15
	2.	Audit and Records - Sealed Bidding	52.214-26

6. ADDITIONAL CLAUSES

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 communications between Seller and the Contracting Officer with respect to 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 subject 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, 52.230-4(if applicable), 52.230-5 or 52.230-6. Paragraph (b) is deleted in each of the foregoing clauses.

TRUTH IN NEGOTIATIONS

Certified Cost or Pricing Data (applicable only if certified cost or pricing data has been provided). The clause entitled "Subcontractor Certified 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

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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 "certified 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. Certified 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 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 certified cost or pricing data or "Other Than Certified Cost and Pricing Data" from its subcontractors, pursuant to the provisions of this Order, Seller shall provide such data.

DISPUTES - GOVERNMENT CONTRACTS

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

- 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.
- 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

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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.

 As used in this clause, the word "appeal" means an appeal taken under the contract Disputes Act of 1978, as amended.

Submission of Incurred Cost Proposals (T&M and Cost Reimbursable only)

Seller shall submit its annual incurred cost proposal required by FAR 52.216-7 to Seller's cognizant U.S. Government audit agency within six (6) months after the end of Seller's fiscal year. Seller shall confirm its submission in writing to Buyer, to include the date of its incurred cost proposal submission to the aforementioned audit agency, the point of contact name and address of audit agency. Such written notice shall be provided to Buyer within thirty (30) days of the Seller's incurred cost submission. Seller agrees that the audit results shall be reflected in timely adjustments to the prices paid by Buyer to Seller under this Subcontract as reflected in Seller's invoices to Buyer. Seller hereby grants its permission for Seller's cognizant U.S. Government audit agency to provide a copy of any resultant audit report to Buyer.