



## PURCHASE ORDER TERMS AND CONDITIONS

This is a Purchase Order between BLUEHALO, LLC, hereafter referred to as "BLUEHALO," and Seller identified on the face of this Purchase Order, hereafter referred to as "Seller." This purchase order is referred to as "Order."

1. **ACCEPTANCE OF TERMS.** This Order is expressly conditioned on Seller's acceptance of all the terms and conditions set forth herein. Seller may accept this Order by signing the acknowledgment copy hereof and returning to BLUEHALO or by commencing performance. BLUEHALO expressly objects to any additions, deletions or differences in the terms or conditions contained in Seller's quotation, proposal or acknowledgment (whether or not such additions, deletions or differences materially alter this Order). No change, modification or revision of this Order shall be valid unless agreed to in writing by BLUEHALO.

2. **TAXES.** The price(s) set forth herein shall include all applicable Federal, State and local taxes and duties (if applicable).

3. **PERFORMANCE/DELIVERY.** Time is of the essence in the performance of this Order. The date specified for delivery or performance is the required delivery date at Buyer's facility. FOB Destination, unless otherwise stated. Seller shall promptly provide written notice to Buyer if an actual or potential delay threatens delivery or performance of this Order. Buyer may refuse any goods or services and cancel all or part hereof if Seller fails to adhere to deliver all or any part of any goods or perform all or any part of any services in accordance with the terms specified herein. If Seller's deliveries and/or performance of services will not meet agreed schedules, Buyer may direct Seller to expedite such delivery or performance at Seller's cost. Delivery shall not be deemed to be complete until goods have been received and accepted by Buyer, notwithstanding delivery to any carrier. Services shall not be deemed to be completed until they have been performed, received and accepted by Buyer.

5. **INTERCHANGEABILITY.** Any goods furnished under a specified part number shall be fully interchangeable with and equal in function and quality to any goods previously furnished under the same part number.

6. **PACKAGING AND SHIPPING.** Any goods shall be suitably packed and prepared for shipment, comply with any specific transportation specifications of Buyer, and comply with carrier's regulations. Changes for preparation for shipment (including packing and crating) and transportation charges, are included in the price for the goods. As itemized Packing List shall accompany each box or package shipment showing the order number, item number, quantity and a description of the goods. In the event that no such Packing List accompanies a shipment, Buyer's count, weight or other measure shall be final and conclusive. Buyer shall not be obligated to accept any shipments in excess of the ordered quantity and any excess or advance shipments may be returned to Seller at Seller's expense.

7. **INSPECTION AND ACCEPTANCE.** All goods supplier and services performed shall be subject to inspection and test by Buyer, its agents and its customers prior to final acceptance. No inspection made prior to final acceptance shall relieve Seller from responsibility for defects or other failure to meet the requirements of this Order. In the event goods or services are not in accordance with this Order or fail to meet any specific inspection requirements of Buyer, Buyer may require prompt correction, repair, replacement of the goods or reperformance of the nonconformance services at Buyer's option and Seller's sole expense, including all packaging and shipping charges. If Seller is unable to accomplish the foregoing remedies within the original agreed schedule, then Buyer has the right to terminate the Order and may procure such goods or services from another source and Seller shall be liable for any excess costs. Seller shall bear the risk of loss of, or damage to, the goods covered by this Order until delivered to the location designated on the face of this Order and accepted by Buyer. Buyer's approval of any Seller submittals shall not relieve Seller of its obligations hereunder.

Acceptance of any part of the Order shall not bind Buyer to accept future shipments or performance of services nor deprive it of its right to cancel or return all or any part of the goods because of failure to conform to the Order or by reason of defects whether latent or patent or other breach of warranty, or to make any claim for damages.

8. **PAYMENT.** Invoices shall be submitted in duplicate and shall contain the following information: order number, description of services, prices and extended totals. Invoices submitted hereunder will be paid Net 45 days after receipt of a proper invoice or acceptance of services by BLUEHALO, whichever occurs later. Any adjustments in Seller's invoices due to late performance, rejections or other failure to comply with the requirements of this Order may be made by BLUEHALO before payment. Payment shall not constitute final acceptance. BLUEHALO may offset against any payment hereunder any amount owed to BLUEHALO by Seller.

Note: "Seller may select Automated Clearing House Credits ("ACH funds transfer"), as the means of settlement. With regard to such ACH funds transfer, a payment from Buyer to Seller shall be considered timely with respect to any payment due date contained herein if the ACH funds transfer is completed no later than four (4) business days after such payment due date. Buyer shall not be in breach of these terms and conditions, or suffer any loss of discount or other penalty, with respect to an ACH funds transfer that was initiated properly and timely by Buyer to the extent its completion is delayed because of failure or delay by the



ACH funds transfer system, the operation of an ACH funds transfer system rule which could not be anticipated by Buyer, or rejection by the Seller's bank."

#### 9. WARRANTY.

(a) In addition to any warranties set forth elsewhere in this Order or customarily provided by Seller or manufacturer with its goods or services. Seller represents and warrants that (1) the work performed, or deliverables provided under this Order do not infringe the intellectual property rights of any third party; (2) all goods delivered pursuant hereto will be new, unless otherwise specified, and for a period of one year following acceptance free from defects in design, material and workmanship, (and conforms to the requirements of this Order and applicable product documentation, and (3) any services performed hereunder shall be performed in accordance with the specifications and instructions of Buyer, and with that degree of skill and judgement exercised by recognized professional firms performing services of a similar nature and consistent with best practices in the industry. All representations and warranties of Seller and its suppliers shall run to Buyer and Buyer's customers. Remedies under this warranty shall include, without limitation, at Buyer's option and at Seller's sole expense, prompt repair, replacement, re-performance, or reimbursement of the purchase price.

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

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

(d) Seller warrants that it uses industry and remediate known and potential vulnerabilities. Seller also warrants it has processes to make Buyer aware of any vulnerabilities in the software that it discovers after delivery of the software.

#### 10. INDEMNIFICATION.

(a) Seller shall indemnify, defend and hold Buyer harmless from and against any and all damages, losses, liabilities and expenses (including reasonable attorneys' fees) arising out of or relating to any claims, causes of action, lawsuits or other proceedings, regardless of legal theory, to the extent resulting from Seller's (or any of Seller's subcontractors, suppliers employees, agents or representatives): (i) breach of this Order (ii) negligence, willful misconduct, or fraud, or (iii) infringement of any patent, trademark, trade secret, copyright or other intellectual property right, submission of defective cost or pricing data violation of any standard or regulation of the Cost Accounting Standards Board, or violation of any law or regulation.

(b) Buyer shall promptly notify Seller of any claim that is covered by this indemnification provision and shall authorize representatives of Seller to settle or defend any such claim or suit and to take charge of any litigation in connection therewith

(c) In the event of an infringement claim covered hereunder where the goods or services or use thereof are enjoined in whole or in part, Seller shall at its expense and Buyer's option undertake one of the following: (i) obtain for Buyer and its customer the right to continue the use of such goods or services; (ii) in a manner acceptable to Buyer, substitute equivalent goods or services or make modifications thereto so as to avoid such infringement and extend this indemnity thereto; or (iii) refund to Buyer an amount equal to the purchase price for such goods or services plus any excess costs or expenses incurred in obtaining substitute goods or serviced from another source. Notwithstanding the foregoing paragraph, when this Order is performed under the Authorization and Consent of the U.S. Government to infringe U.S. patents. Seller's liability for infringement of such patents in such performance shall be limited to the extent of the obligation of Buyer to indemnify the U.S. Government.

#### 11. INSURANCE.

(a) In accordance with subpart (b) below, upon BLUEHALO's request, Seller agrees to provide Certificates of Insurance evidencing that the required insurance coverages are in force and providing not less than thirty days' notice prior to any cancellation or restrictive modification of the policies. Further, the required insurance coverages below shall be primary and non-contributing with respect to any other insurance that may be maintained by BLUEHALO. The below required coverages and their limits in no way lessen nor affect Seller's other obligations or liabilities set forth in this Order.

Seller agrees to purchase and maintain at its own expense the following insurance coverages with minimum limits as stated:

- i. Workers' Compensation: Coverage for statutory obligations imposed by laws of any State in which the work is to be performed. Where applicable, Seller shall provide evidence of coverage for the United States Longshore & Harborworkers' Act (USL&H) coverage for employees engaged in work on or near navigable waters of the United States. Such policy(ies) shall be endorsed to provide a waiver of subrogation in favor of BLUEHALO, its directors, officers and employees, and BLUEHALO's customer where required by BLUEHALO's Prime Contract with its customer. Employer's Liability coverage of \$1 million each accident shall also be maintained.

- ii. Commercial General Liability: Coverage for third party bodily injury and property damage, including products and completed operations, contractual liability, and independent contractors' liability with limits not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Such policy(ies) shall be endorsed to name BLUEHALO, its directors, officers and employees, and BLUEHALO's customer where required by BLUEHALO's Prime Contract with its customer, as Additional Insureds.
  - iii. Business Automobile Liability: Coverage for use of all owned, non-owned, and hired vehicles with limits of not less than \$1,000,000 per accident combined single limit for bodily injury and property damage liability. Such policy(ies) shall be endorsed to name BLUEHALO, its directors, officers and employees, and BLUEHALO's customer where required by BLUEHALO's Prime Contract with its customer, as Additional Insureds.
  - iv. Technology Professional Liability/Professional Liability/Errors and Omissions (as applicable): Insurance in an amount not less than \$1,000,000 per claim, covering all acts, errors, omissions, negligence, and including but be not limited to, claims involving infringement of intellectual property, infringement of copyright or trademark. Such insurance shall be maintained in force at all times during the term of this Subcontract and any Task Order and for a period of two (2) years thereafter for services completed.
  - v. Cyber Liability (as applicable): Insurance to provide for Data Security & Privacy (including coverage for unauthorized access and use, failure of security, breach of confidential information, release of privacy information, invasion of privacy violations, information theft, damage to or destruction of electronic information, alteration of electronic information, extortion, breach mitigation costs and regulatory coverage not less than \$5,000,000. Such insurance shall be maintained in force at all times during the terms of this Subcontract and any Task Order and for a period of two (2) years thereafter for services completed.
  - vi. If maintenance or warranty work is being performed, All-Risk Property Insurance is an amount adequate to replace property, including supplies covered by this Order, of Buyer and/or Buyer's customer which may be in possession or control of Seller. Buyer shall be named as a Loss Payee with respect to loss or damage to said property and/or supplies furnished by Buyer.
  - vii. Any other insurance that is required by Buyer's customer or determined to be required upon the review by Buyer, based on the Statement of Work or specifications of this Order. Such requirement will be communicated to Seller in writing.
- (b) If Seller maintains broader coverage and/or higher limits than the minimums shown above, Buyer requires and shall be entitled to the broader coverage and/or higher limits maintained by Seller
  - (c) All insurance policies shall contain a provision that coverage afforded thereunder shall not be materially changed or cancelled without thirty (30) days prior written notice to Buyer
  - (d) Failure of Seller to maintain the required insurance shall constitute a default under the Order and, at Buyer's option, shall allow Buyer to terminate this Order for cause, withhold payment, and/or obtain such insurance ad back charge all cost for such insurance to Seller
  - (e) Failure of Buyer to demand evidence of insurance or to identify any deficiency in the insurance provided shall not be construed as or deemed to be a waiver of Seller's or its subcontractor's, obligations to maintain the above insurance coverages.

## 12. BLUEHALO FURNISHED ITEMS AND INTELLECTUAL PROPERTY

(a) **BLUEHALO Furnished Items:** All items furnished by Buyer to Seller for the performance of the Order remain the property of Buyer or Buyer's customer. Upon expiration of this Order, Seller shall return the items in the same condition, less reasonable wear, or make such other disposition of the items as directed in writing by Buyer. Subject to any government property clause that govern liability incorporated herein. Seller shall replace, at its expense, all items not returned in accordance with this Article. Seller shall bear all risk of loss of the items. Seller shall comply with any restrictive legends placed on such items by Buyer or a third party and shall bear all risk of loss of the items. Seller shall comply with any restrictive legends placed on such items by Buyer or a third party and shall protect such items from access or use by persons without a genuine need in connection with this Order. If Buyer furnishes any material for fabrication pursuant to this Order, Seller agreed not to substitute any other material for such fabrication without Buyer's prior written consent. Seller shall notify Buyer as soon as practicable, but no later than three (3) business days, if it discovers that furnished items have been lost, stolen, used by, or have been disclosed to unauthorized parties.

(b) **Customer Rights:** For each commercial and noncommercial item first conceived, discovered, made produced, created, generate, or reduced to practice ("Developed") or delivered hereunder, Seller grants to Buyer's customer the intellectual property rights required by the prime contract, including all applicable FAR or other agency clauses (e.g., FAR 52.227-11, FAR 52.227-14, DFARS 252.227-7013, DFARS 252.227-7014, 252.227-7015 and DFARS 252.227-7038). Seller agrees that its delivered



technical data and computer software will be free from markings that are not expressly permitted by the prime contract and authorizes Buyer to remove from deliverables any such impermissible markings.

(c) **Buyer Rights:** Buyer shall own all deliverables and associated intellectual property rights Developed by Seller or Developed jointly by Seller and Buyer under this Order (“Buyer Intellectual Property”). Seller hereby assigns its rights to Buyer in such Buyer Intellectual Property and agrees to assist Buyer or its designee at Buyer’s expense, in securing Buyer’s rights in the Buyer Intellectual Property. Except as expressly authorized in writing by BLUEHALO, Seller shall not retain any rights to Buyer Intellectual Property.

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

(e) **Third Party Intellectual Property:** Seller shall not, without Buyer’s prior written consent, incorporate any intellectual property owned by a third party into any deliverable. Buyer shall not unreasonably withhold consent to incorporation if Seller demonstrates that it has licenses to such intellectual property that enable it to comply with paragraphs (b), (c), and (d) above.

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

13. **DISCLOSURE.** Seller shall not use the name or logos of BLUEHALO or BLUEHALO’s customer in any news release, public announcement, advertisement, or other form of publicity, or disclose any of the terms or subject matter of this Order to any third party except as may be required to perform this Order, without securing the prior written consent of BLUEHALO.

14. **COMPLIANCE WITH LAWS.**

(a) Seller shall comply with the applicable provisions of any federal, state or local law or ordinance and all orders, rules and regulations issued thereunder to include host nation laws for work outside the United States (collectively, “Laws”). Without limiting the generality of the foregoing, the term “Laws” includes the laws set forth in paragraph (b) and (c) below.

(b) Seller shall comply with all applicable provisions of any state, federal, or international law or regulation governing the privacy and security of Personal Information (“Data Protection Laws”), as forth in Section 15 Data Privacy and Cyber Security.

(c) Seller shall comply with all applicable U.S. export laws and regulations, including international Traffic in Arms Regulations (“ITAR”) and Export Administration Regulations (“EAR”). The subject technology of this Order (includes data, services, software and hardware provided hereunder, defined as “Controlled Technology”) may be controlled under the laws and regulations and may not be exported or re-exported without prior authorization in accordance with ITAR and EAR. Access to Controlled Technology by Foreign Persons as defined by 22 CFR 120 16 may require an export authorization. Seller shall have full responsibility for obtaining any export licenses or authorization required to fulfill its obligations under this Order.

(d) Seller and its suppliers shall comply with FAR 52.222-50, Combating Trafficking in Persons, and ensure it informs its employees and suppliers of their responsibility to report human trafficking violations at any tier of the supply chain using any appropriate disclosure channel, including but not limited to: The Government’s Global Human Trafficking Hotline (844) 888-FREE and its email address at [help@befree.org](mailto:help@befree.org). Buyer does not tolerate retaliation of any kind against individuals who, in good faith, raise questions or report concerns, and Seller shall notify its employees of their whistleblower rights under 10 U.S.C. 2409 and DFARS Section 203.9. Seller shall flow down this requirement to all suppliers at any tier. Seller’s failure to comply with this section shall be deemed a material breach of the Order.

15. **DATA PRIVACY AND CYBER SECURITY.**

(a) **Definitions:**

1. "Cloud Computing" means on-demand network access to a shared pool of configurable resources (e.g., networks, servers, storage, and applications), and includes broad network access, measured service, and software as a service, infrastructure as a service, and a platform as a service.
2. "Customer Data" means information related to Buyer's customers, suppliers, and teaming partners, and information derived from such information.
3. "Cyber Incident" means actions taken through us of computer networks that result in a compromise or an actual or potentially adverse effect on an information system and/or the information residing therein.
4. "Data Protection Laws" means all laws and regulations, including federal, state, local, and international, applicable to collecting, processing and transmitting Personal information.
5. "Data Security Breach" means the loss of control, compromise, unauthorized disclosure, or acquisition, or any similar occurrence where (1) a person other than an authorized user accesses or potentially accesses information, or (2) an authorized user accesses information for an unauthorized purpose.
6. "Personal Information" means any information relating to an identified or identifiable natural person as defined under applicable Data Protection Laws, and "personal information", "Personally identifiable information", "personal data", and "protected health information" (PHI) as those terms are defined in applicable Data Protection Laws.
7. "Processing" means operations performed on Subcontract Data, including collection, recording, retention, alteration, use, disclosure, access, transfer, or destruction.
8. "Subcontract Data" means, collectively, Customer Data, Personal Information, Buyer's proprietary information and other data provided to, developed for, or accessed by Seller relating to this Order.

(b) Ownership and Use of Subcontract Data:

Subcontract Data shall remain the sole property of its owner, and Seller shall only use it to the extent necessary for performance and consistent with applicable law.

(c) Protection of Subcontract Data:

Seller shall safeguard Subcontract Data to standards no less rigorous than best industry practices. Seller shall maintain (i) safeguards against accidental or unlawful destruction, loss, alteration, use, and unauthorized disclosure or access, and (ii) a written information security program including policies, procedures, and risk assessments conducted by Seller at least annually. Seller shall not transfer or receive Subcontract Data to or from any country outside the United States and shall obtain consents and take other actions as required by the laws of any country or jurisdiction with legal authority.

(d) Actual or Suspected Data Security Breach or Cyber Incident (collectively, "Breaches"):

Seller shall immediately notify Buyer in writing of any Breaches, and as its own expense, investigate and identify its cause. If Buyer reasonably determines that Seller's acts or omissions proximately caused the Breach, Seller shall promptly mitigate such Breach and implement recovery, remediation, or related actions to Buyer's reasonable satisfaction. Promptly following Seller's report of a cyber-incident to the Government pursuant to DFARS 252.204-7012 or other cyber security requirements, Seller shall provide Buyer a copy of the report and the incident report number assigned by the Government. Seller shall provide a timeline for when Seller can again securely receive, process, and develop Covered Defense Information following a Cyber Incident. Seller's filings, communications, or notices to third parties related to any Breaches requires Buyer's advance written approval. Seller shall support law enforcement and government investigations into Breaches.

(e) Compliance with Legal Process:

Seller will immediately notify Buyer in writing of any subpoena, court or administrative order or proceeding, or other request seeking information about or access to Subcontract Data.

(f) Retention, Destruction or Return of Information and Data:

Unless otherwise legally required. Seller and its suppliers shall return, delete, or destroy all Subcontract Data, including all originals and copies in any medium and their derivatives, upon the earlier of (i) Buyer's request, or (ii) the completion of Seller's obligations under the Order. Seller shall certify to Buyer in writing its compliance with this requirement.

(g) Additional Cyber Security Requirements:

1. Audit and Inspection – Upon Buyer's request, Seller shall promptly verify its compliance with security requirements relating to Subcontract Data notify Buyer of any requirements it does not fully comply with and the date it expects to become fully compliant. Seller also shall notify Buyer within ten (10) business days of discovery that it no longer complies with a security requirement Buyer shall treat as confidential and not disclose Seller's practices, records, and compliance documentation without Seller's permission, except as necessary to comply with applicable laws.
2. SSP and POA&M – Seller shall make available a System Security Plan (SSP) and Plan of Action and Milestones (POA&M) and any other requested documentation supporting cybersecurity compliance, immediately upon request of Buyer's customer. Seller shall provide the Government access to its facilities, processes, policies, systems, and personnel when it is necessary for the Government to access compliance with applicable cyber security regulations.
3. Cloud Computing – Seller shall complete Buyer's Third-Party Risk Assessment if providing Cloud Computing services and provide evidence of any third-party audits or certifications relating to cyber security implementation. Seller shall meet or exceed the security standards established by the Government for the Federal Risk and Authorization Management Program (FedRAMP) Moderate baseline. Seller shall retain Subcontract Data within the United States at



all times, to include data backups, unless the Seller received written notification from Buyer to use another location. Seller shall certify to Buyer in writing its compliance with this requirement.

4. **Buyer's Information Systems** – If Buyer allows Seller to access Buyer's information systems, Seller shall ensure the proper use and protection of such systems. Seller's employees shall sign Buyer's Acceptable Use Policy. Access to certain systems and data may be restricted to U.S. Persons/U.S. Citizenship. Seller may be required to conduct identity proofing diligence on its employees in connection with any use or access to Buyer's information systems, including verification of citizenship status. Buyer may revoke its authorization at any time at its sole discretion.
5. **Seller's Information Systems** – Seller is solely responsible for all information systems it uses to access Buyer's information systems and Buyer's customer's information systems. Seller will ensure its information systems include up-to-date anti-virus software to prevent viruses and other malware from reaching Buyer's and Buyer's customer's information systems through Seller's information systems.

16. **COVERED TELECOMMUNICATION EQUIPMENT AND SERVICES.** Seller shall not provide "covered telecommunications equipment or services" or "covered defense telecommunications equipment or services" to BLUEHALO in the performance of this Order, as those terms are defined in FAR 52.204-24 and DFARS 252.204-7017, respectively. Seller shall notify Buyer immediately should it discover that it has provided, or may provide in the future, such prohibited equipment or services.

17. **COUNTERFEIT PRODUCTS.** For purposes of this clause, Goods are any tangible items delivered under this Order, including without limitation the lowest level of separately identifiable items, such as parts, articles, components, and assemblies. "Counterfeit Goods" are Goods that are or contain items misrepresented as having been designed, produced, and/or sold by an authorized manufacturer and seller, including without limitation unauthorized copies, replicas, or substitutes. The term also includes authorized Goods that have reached a design life limit or have been damaged beyond possible repair but are altered and misrepresented as acceptable.

Seller agrees and shall ensure that Counterfeit Goods are not delivered to Buyer. Goods delivered to Buyer or incorporated into other Goods and delivered to Buyer shall be new and shall be procured directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Work shall not be acquired from independent distributors or brokers unless approved in advance in writing by Buyer. When requested by Buyer, Seller shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.

In the event that Work delivered under this Agreement constitutes or includes Counterfeit Goods, Seller shall, at its expense, promptly replace such Counterfeit Goods with authentic Goods conforming to the requirements of this Agreement. Notwithstanding any other provision in this Agreement, Seller shall be liable for all costs relating to the removal and replacement of Counterfeit Goods, including without limitation Buyer's costs of removing Counterfeit Goods, of reinserting replacement Goods, and of any testing necessitated by the reinstallation of Goods after Counterfeit Goods have been exchanged. Seller shall include equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Goods to Buyer.

18. **CONFLICT MINERALS.** Seller shall conduct and require due diligence throughout its supply chain to prevent use of Conflict Minerals, which include gold (Au), tantalum (Ta), tungsten (W) and tin (Sn) sourced from areas identified as conflict regions, including the Democratic Republic of Congo (DRC) and Central Africa. Seller shall use due diligence protocols, standards, and procedures that meet or exceed the reasonable country of origin inquiry described in Securities and Exchange Commission rules and the relevant best practices developed by industry, and which allow Buyer to submit accurate Conflict Mineral reports to the Government and other entities. If Seller's part or product is included in Buyer's product, Seller shall annually complete a Conflict Mineral Form. Failure to submit this form to Buyer when requested may result in the termination of this Order and prevent Buyer from conducting further business with Seller in the future.

19. **EXPORT CONTROL COMPLIANCE.** Seller shall comply with all applicable U.S. export laws and regulations, including International Traffic in Arms Regulations ("ITAR") and the Export Administration Regulations ("EAR"). The subject technology of this Subcontract (including data, services, software and hardware provided hereunder, defined as "Controlled Technology") may be controlled under these laws and regulations and may not be exported or re-exported without prior authorization in accordance with ITAR and EAR. Access to Controlled Technology by Foreign Persons as defined by 22CFR120.16 may require an export authorization. Seller shall have full responsibility for obtaining any export licenses or authorization required to fulfill its obligations under this Subcontract.

20. **CONFLICT OF INTEREST.** Seller shall exercise reasonable care and diligence to prevent any actions or conditions which could result in a conflict with BLUEHALO's or BLUEHALO's customer's best interests in connection with this Order. This obligation shall apply to the activities of Seller's employees and agents in their relations with BLUEHALO's employees, their families, vendors and third parties arising from this Order and accomplishing work hereunder. Seller's efforts shall include, but shall not be limited to, establishing precautions to prevent its employees or agents from making, receiving, providing or offering gifts, entertainment, payments, loans or other considerations for any purpose whatsoever.



21. **CHANGES.** BLUEHALO may, by written notice to Seller at any time, make changes to any one or more of the following: (a) statement of work; (b) quantity; and (c) place and/or time of performance. For any reason, BLUEHALO may also direct Seller to suspend, in whole or in part, performance of services hereunder for such period of time as may be determined by BLUEHALO to be necessary or desirable. If any such change or suspension causes an increase or decrease in the cost of or the time required for the performance hereunder, an adjustment shall be made in the price or delivery schedule, or both, and the Order shall be modified in writing accordingly. Any claim for adjustment by Seller shall be deemed waived unless asserted in writing within twenty (20) days from the receipt by Seller of the change. Failure to agree to any adjustment shall be a dispute under the Disputes clause of this Order. Seller shall proceed with the work as changed without interruption and without awaiting settlement of any such claim.

22. **TERMINATION FOR CONVENIENCE.**

(a) BLUEHALO shall have the right to terminate this Order, in whole or in part, at any time, without cause, by providing written notice to Seller. Upon receiving notice of such termination, Seller shall

- (i) stop all work on this Order on the date and to the extent specified;
- (ii) place no further contracts hereunder except as may be necessary for completing such portions of the Order as have not been terminated;
- (iii) terminate all contracts to the extent that they may relate to portions of the Order that have been terminated; and
- (iv) protect all property in which BLUEHALO has or may acquire an interest and deliver such property to BLUEHALO.

(b) Within twenty (20) days from such termination, Seller may submit to BLUEHALO its written claim for termination charges in the form prescribed by BLUEHALO. Failure to submit such claim within such time shall constitute a waiver of all claims and a release of all BLUEHALO's liability arising out of such termination.

(c) BLUEHALO reserves the right to verify claims hereunder and Seller shall make available to BLUEHALO, upon its request, all relevant, non-proprietary books and records for inspection and audit (e.g., timecards and receipts). If Seller fails to afford BLUEHALO its rights hereunder, Seller shall be deemed to have relinquished its claim.

23. **TERMINATION FOR DEFAULT.**

(a) BLUEHALO may, by written notice of default to Seller, terminate the whole or any part of this Order in any one of the following circumstances:

- (i) Seller fails to perform the services within the time specified herein or any extension thereof; or
- (ii) Seller fails to perform any of the other provisions of this Order or so fails to make progress as to endanger performance of this Order in accordance with its terms, and does not cure such failure within a period of ten (10) days after receipt of notice from BLUEHALO specifying such failure; or
- (iii) Seller becomes insolvent or the subject of proceedings under any law relating to the relief of debtors or admits in writing its inability to pay its debts as they become due.

(b) If this Order is so terminated, BLUEHALO may procure or otherwise obtain, upon such terms and in such manner as BLUEHALO may deem appropriate, services similar to those terminated. Seller shall be liable to BLUEHALO for any excess costs of such similar services.

(c) Seller shall transfer title and deliver to BLUEHALO, in the manner and to the extent requested in writing by BLUEHALO at or after termination, such complete or partially completed articles, property, materials, plans, drawings, information and contract rights as Seller has produced or acquired for the performance of the terminated part of this Order and BLUEHALO will pay Seller the contract price for completed services accepted by BLUEHALO and the fair value of the other property of Seller so requested and delivered.

(d) Seller shall continue performance of this Order to the extent not terminated. BLUEHALO shall have no obligation to Seller in respect to the terminated part of this Order except as herein provided.

24. **GOVERNING LAW.** This Order shall be governed by and construed in accordance with the laws of Alabama without regard to its conflict or choice of law provisions.

25. **DISPUTES.**

(a) Buyer and Seller agree to enter into negotiations to resolve any dispute arising under or relating to this Order. Both parties agree to negotiate in good faith to attempt to reach a mutually agreeable settlement within a reasonable amount of time.

(b) Subject to paragraph (c) below, if negotiations are unsuccessful, the parties expressly agree that the sole and exclusive venue for any legal proceedings concerning said dispute shall be in the state or federal courts of Alabama and the parties expressly submit to the jurisdiction of such courts.

(c) Notwithstanding any provisions herein to the company:

- i. If a decision relating to the Prime Contract is made by the Contracting Officer and such decision is also related to this Order, said decision, if binding upon Buyer under the Prime Contract shall in turn be binding upon Buyer and Seller

with respect to such matter, provided, however, that if Seller disagrees with any such decision made by the Contracting Officer and Buyer elects not to appeal such decision, Seller shall have the right reserved to Buyer under the Prime Contract with the Government to prosecute a timely appeal in the name of Buyer, as permitted by the Prime Contract or by law, Seller to bear its own legal and other costs. If buyer elects not to appeal any such decision, Buyer agrees to notify Seller in a timely fashion after receipt of such decision and to assist Seller in its prosecution of any such appeal in every reasonable manner. If Buyer elects to appeal any such decision of the Contracting Officer, Buyer agrees to furnish Seller promptly with a copy of such appeal. Any decision upon appeal, if binding upon Buyer, shall in turn be binding upon Seller.

- ii. If, as a result of any decision or judgement which is binding upon Seller and Buyer, as provisions above, Buyer is unable to obtain payment or reimbursement from the Government under the Prime Contract or is required to refund or credit to the Government, any amount with respect to any item or matter for which Buyer has reimbursed or paid Seller, Seller shall on demand, promptly repay such amount to Buyer. Additionally, pending the final conclusion of any appeal hereunder, Seller shall on demand, promptly repay any such amount to Buyer. Buyer's maximum liability for any matter connected with or related to this Order which was properly the subject of a claim against the Government under the Prime Contract shall not exceed the amount of Buyer's recovery from the Government.
- iii. If the Order is issued by Buyer under a Government's subcontract rather than a Prime Contract, and if Buyer has the right under such Government subcontract to appeal a decision made by the Contracting Officer under the Prime Contract in the name of the Prime Contractor (or if Buyer is subject to any arbitrator's decision under the terms of its subcontract), and said decision is also related to the Order, this Article shall apply to Seller in a manner consistent with its intent and similar to its application had the Order been issued by Buyer under a prime Contract with the Government.
- iv. Seller agrees to provide certification that data supporting any claim made by Seller hereunder is made in good faith and that the supporting data is accurate and complete to the best of Seller's knowledge or belief, all in accordance with the requirements of the Contract Disputes Act of 1978 (41 USC §§ 7101 – 7109) and implementing regulations. If any claim of Seller is determined to be based upon fraud or misrepresentation, Seller agrees to defend, indemnify and hold Buyer harmless for any and all liability, loss, cost, or expense resulting therefrom.

- (d) Any dispute not addressed in paragraph (c ) above, will be subject to the procedures in paragraphs (a) and (b) of this Article.
- (e) If a dispute governed y paragraph (c ) relates to a Government decision on the allocability of Seller's costs incurred under this Order such dispute shall be governed by Federal law.
- (f) Seller shall proceed diligently with performance of the Order pending final resolution of any dispute, request for relief, claim, appeal, or action arising under or relating to the Order.

26. **ASSIGNMENTS AND SUBCONTRACTS.** Seller agrees to obtain BLUEHALO's approval before subcontracting this Order or any portion thereof. Further, this Order shall not be assigned or delegated by Seller without the prior written consent of BLUEHALO.

27. **GENERAL RELATIONSHIP.** Seller is an independent contractor, and nothing contained in this Order shall be deemed or construed to create a partnership, joint venture, agency or other relationship other than that of supplier and customer. Seller will be solely responsible for payment of all compensation owed to its employees, as well as employment related taxes.

28. **NON-WAIVER OF RIGHTS.** The failure of BLUEHALO to insist upon strict performance of any of the terms and conditions in this Order or to exercise any rights or remedies, shall not be construed as a waiver of its rights to assert any of same or to rely on any such terms or conditions at any time thereafter. Acceptance and/or payment of any part of the Order shall not bind BLUEHALO to accept future services nor deprive BLUEHALO of the right to reject services already accepted or for which BLUEHALO has made payment. Acceptance or payment shall not be deemed to be a waiver of BLUEHALO's right to reject services because of failure to conform to the Order or by reason of defects, whether latent or patent, or other breach of warranty, or to make any claim for damages of any and all kind.

29. **BUSINESS ETHICS & CONDUCT.** No gratuities (in the form of entertainment, gifts, or otherwise) or kickbacks shall be offered or given Seller to any employee of Buyer with a view toward securing favorable treatment as a supplier.

By accepting this Order, Seller certifies and represents that it has not made or solicited and will not make or solicit kickbacks in violation of FAR 52.203-7 or the Anti-Kickback Act of 1986 (41USC 51-58), both of which are incorporated herein by this specific reference, except that paragraph (c) (1) of FAR 52.203-7 shall not apply.

This Order also incorporates by reference FAR 52.203-11 and FAR 52.209-6. Seller certifies upon executing this Subcontract (1) that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of





Congress on its behalf in connection with awarding of the Prime Contract or this Subcontract or any Task Order; and (2) that Seller or its principles is not debarred, suspended, or proposed for debarment by the U.S. Government. Further, Seller shall immediately notify Buyer in writing if Seller is suspended or debarred by the U.S. Government or if it is proposed for suspension or debarment by any agency of the U.S. Government. Seller will conduct its business in compliance with industry standard Supplier Code of Conduct and supplier's internal policy and procedures and are incorporated into this Order by reference.

30. **SURVIVAL.** termination or expiration of this Order for any reason shall not release wither Party from the liabilities or obligations set forth in said Order which remain to be performed or by their nature would be intended to be applicable following any such termination or expiration, including without limitation provisions relating to payment funding, warranty, indemnification, intellectual property, non-disclosure, compliance with law, and disputes.

31. **ENTIRE AGREEMENT.** This Order, including all documents incorporated herein by reference, shall constitute the entire agreement and understanding between the parties hereto and shall supersede and replace any and all prior or contemporaneous representations, agreements or understandings of any kind, whether written or oral, relating to the subject matter hereof.