

In addition to the Leonardo DRS General PO Terms and Conditions, Supplemental 1-FAR Provisions, and Supplemental 2-DFAR Provisions, the following Marlo Supplemental terms, conditions, FARs and DFARs are applicable.

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#### DOD RATED ORDER

- A. This Order supports Buyer's work under a Prime Contract with the U.S. Government. Applicable priority rating defaults to "DO," unless otherwise stated on the face of this Order. This is a rated Order certified for national defense use. Seller is required to follow the requirements of the defense priorities and allocation system regulation (15 CFR Part 700) and all other applicable regulations for obtaining controlled Products and other Products and Services needed to fill this Order.
- B. Seller shall include the substance of this provision in all subcontracts Seller places in support of this Order.

#### INSPECTION

- A. Except as otherwise provided in this Order, Seller shall maintain an inspection and quality control system acceptable to Buyer to be performed on Products delivered under this Order. As part of the system, Seller shall prepare records evidencing all inspections made under the system and the outcome. Buyer or Buyer's customer shall have the right to perform reviews and evaluations as reasonably necessary to ascertain Seller compliance with an inspection or quality control system that is acceptable. The right of review, whether exercised or not, does not relieve Seller of its obligations under this Order.
- B. Buyer or Buyer's customer has the right to inspect and test all Products to the extent practicable, at all places and times, including the period of manufacture, and in any event before acceptance. Buyer assumes no contractual obligation to perform any inspection and test for the benefit of Seller. If Buyer or Buyer's customer performs an inspection or test on the premises of Seller or a subcontractor of Seller, Seller shall furnish, and shall require its subcontractors to furnish, at no increase in Order price, all reasonable facilities and assistance for the safe and convenient performance of such inspection and test. Buyer reserves the right to charge to Seller any additional cost of inspection or test by Buyer or Buyer's customer when (1) Products are not ready at the time such inspection or test is required by this Order or has been otherwise scheduled by mutual agreement of the parties, or (2) reinspection or retest of the Products is necessitated by prior rejection.
- C. Buyer has the right either to reject or to require correction of nonconforming Products. Products are nonconforming when they are defective in material or workmanship or are otherwise not in conformity with requirements of this Order. Buyer may reject nonconforming supplies with or without disposition instructions.
- D. Seller shall remove Products rejected or required to be corrected; however, Buyer may require or permit correction in place, promptly after notice, by and at the expense of Seller. Seller shall not tender for acceptance corrected or rejected supplies without disclosing the former rejection or requirement for correction, and, when required, shall disclose the corrective action taken.
- E. Seller, at its own expense, shall promptly rectify any defects discovered during any inspection or test.
- F. If Seller fails to promptly remove, replace, or correct rejected Products that are required to be removed or to be replaced or corrected, Buyer may either:
  - a. Remove, replace, or correct the Product(s) and charge the cost to Seller; or

- b. Terminate this Order for default.
- G. If Buyer elects to correct the deficiencies in the Product(s), then the parties agree that Seller will pay Buyer's actual costs and Buyer's labor at Buyer's fully-burdened hourly rates (as appropriate) utilizing the then-current Government-approved rate set authorized for change-order activity. If Seller fails to correct or replace the Product(s) within the delivery schedule, Buyer may require their delivery with an equitable price reduction. Failure to agree to a price reduction shall be a dispute.
- H. Products that have been reworked or repaired by Seller after having been rejected by Buyer shall be identified as "Resubmitted." Seller shall annotate the packing slip with the words "Resubmitted Material," the reason for the previous rejection, and the Buyer Inspection Report, Discrepancy Report, or Quality Notification Number if known. If the Products were inspected at source and rejected, such information shall also be annotated on the packing slip.
- I. Seller shall flow down the substance of this provision to all of its suppliers engaged for performance under this Order.
- J. Neither Buyer's in-process inspection nor Buyer's approval of any of Seller's drawings, procedures or other submittals shall:
  - a. (i) constitute acceptance of any work; or
  - b. (ii) relieve Seller of complying fully with all of the requirements of this Order.

#### SUSPECT/COUNTERFEIT PARTS

- A. "Suspect/counterfeit parts" are parts that may be of new manufacture, but are misleadingly labeled to provide the impression they are of a different class or quality or from a different source than is actually the case. The term "suspect/counterfeit parts" also includes refurbished parts, with or without false labeling, that are represented as new parts or any parts that are designated as suspect by the U.S. Government, including but not limited to parts listed in alerts published by the Defense Contract Management Agency under the Government-Industry Data Exchange Program (GIDEP).
- B. Seller will ensure that suspect/counterfeit parts are not incorporated into any Products. The intentional or unintentional use, incorporation, or delivery of suspect/counterfeit parts is strictly prohibited. This includes a suspect/counterfeit part being provided either as an end item deliverable or as a component or subcomponent of an end item deliverable under this Order.
- C. Seller represents and warrants that it has policies and procedures in place to ensure that none of the Products furnished to Buyer under this Order are or contain "suspect/counterfeit parts." Seller further certifies, to the best of its knowledge and belief, that no "suspect/counterfeit parts" have been or will be furnished to Buyer by Seller under this Order.
- D. If Seller becomes aware or suspects that it has furnished suspect/counterfeit parts or if Buyer determines, including as a result of alerts from the U.S. Government, that Seller has supplied suspect/counterfeit parts to Buyer and so notifies Seller, Seller shall immediately replace the suspect/counterfeit parts with parts acceptable to Buyer and conforming to the requirements of this Order. Notwithstanding any other provision of this Order, Seller shall be liable for all costs incurred by Buyer to remove and replace the suspect/counterfeit parts, including without limitation all costs incurred by Buyer relating to the removal of such suspect/counterfeit parts, the reinsertion of replacement parts and any testing necessitated by the reinstallation of Seller's Products after suspect/counterfeit parts have been exchanged. The parties agree that Seller will pay Buyer's actual costs and Buyer's labor at Buyer's fully-burdened hourly rates (as appropriate) utilizing the then-current Government-approved rate set authorized for change-order activity. All such costs shall be deemed direct damages.

- E. Buyer may, at its discretion:
  - a. (i) Remove and or retain or both all Products supplied by Seller that are suspected of being or containing suspect/counterfeit parts pending reporting to the appropriate law enforcement authorities and final disposition of the Products by them. Seller shall be liable for all costs relating to Buyer's removal and retention of the suspect/counterfeit parts.
  - b. (ii) Turn over to the appropriate authorities (e.g., without limitation, the Defense Criminal Investigative Service, Naval Criminal Investigative Service, Federal Bureau of Investigation, Offices of the Inspector General, etc.) any Products suspected of being or containing suspect/counterfeit parts and reserves the right to withhold payment for the Products pending the results of any investigation or proceedings related to the matter.
- F. Seller's warranty against suspect/counterfeit parts shall survive any termination or expiration of this Order.
- G. Seller shall insert a clause containing all of the terms of this provision in all subcontracts under this Order.

#### EXPORT AND IMPORT COMPLIANCE

- A. Export Compliance. Seller is advised that its performance of this Order may involve the use of or access to articles, technical data or software that is subject to export controls under 22 United States Code 2751 – 2796 (Arms Export Control Act) and 22 Code of Federal Regulations 120-130 (International Traffic in Arms Regulations) or 50 United States Code 2401 – 2420 (Export Administration Act) and 15 Code of Federal Regulations 768 – 799 (Export Administration Regulations) and their successor and supplemental laws and regulations (collectively hereinafter referred to as the "Export Laws and Regulations"). Seller represents and warrants that it is either:
  - a. (i) A U.S. Person as that term is defined in the Export Laws and Regulations; or
  - b. (ii) That it has disclosed to Buyer's Representative in writing the country in which it is incorporated or otherwise organized to do business, or if a natural person, all citizenships and U.S. immigration status.
- B. Seller shall comply with any and all Export Laws and Regulations, and any license(s) issued thereunder.
- C. Foreign Personnel/Persons. Seller shall not give any Foreign Person (including Seller's own non-U.S. employees or affiliates) access to Technical Data, software or Defense Articles, or provide an unauthorized Defense Service as those terms are defined in the applicable Export Laws and Regulations without the prior written consent of Buyer. Any request for such consent must state the intended recipient's citizenship(s), and status under 8 U.S.C. 1101 and 8 U.S.C. 1324 (the "Immigration and Naturalization Act"), and such other information as Buyer may reasonably request. No consent granted by Buyer in response to Seller's request under this paragraph C shall relieve Seller of its obligations to comply with paragraph B of this provision or the Export Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of paragraph B, nor constitute consent for Seller to violate any requirement of the Export Laws and Regulations.
- D. Indemnification. Seller shall indemnify and hold harmless Buyer, Buyer's parent and affiliates and their respective officers, directors, and employees from and against any and all liabilities, claims losses, and expenses arising out of the failure of Seller, its employees, subcontractors, or agents to comply with the requirements of this provision and breach of the warranty set forth in paragraph A. Seller shall, at its own cost, defend Buyer against such claims, losses, and liabilities, and, it shall pay Buyer's reasonable attorney fees and expenses, related to carrying out and

enforcing the terms of this provision, as those costs are incurred. Buyer has the right to conduct such defenses if it so chooses. Any failure of Seller to comply with the requirements or any breach of the warranty contained in this provision shall be a material breach of this Order.

- E. Subcontracts. The substance of this provision shall be incorporated into any lower-tier subcontract entered into by Seller for the performance of any part of the work under this Order.

#### SPECIAL REQUIREMENTS

- A. The following restrictions shall apply to Seller and Seller's subcontractors. Accordingly, Seller shall insert the following clauses in all subcontracts awarded by Seller under this Order:
  - a. i. MERCURY EXCLUSION. Mercury or mercury containing compounds shall not be intentionally added or come in direct contact with hardware or supplies furnished under this Order.
  - b. ii. POLYCHLORINATED BIPHENYLS PROHIBITION. Seller shall not employ equipment or use material that is known or suspected of containing polychlorinated biphenyls.
  - c. iii. PROHIBITION OF YELLOW WRAPPINGS OR PROTECTION DEVICES. Seller shall not use yellow wrapping material or attached yellow protection devices such as caps or plugs.
  - d. iv. BRASS AND COPPER BLACK OXIDE COATED THREADED FASTENER PROHIBITION. Seller shall not use brass or copper black oxide coated threaded fasteners when installing or replacing threaded fasteners in the accomplishment of any work required by this Order.
- B. In lieu of flowing down these requirements, Seller may put in place a system or process acceptable to Buyer which insures that the goods and services Seller delivers meet these requirements, e.g. testing components for mercury contamination. Violations of any of the requirements of this provision will be cause for rejection of the goods. In addition to the requirements of this provision, Seller shall flow down such other clauses of this Order when required by the specific terms of the clause, e.g. DFARS 252.2257009, Restriction on Acquisition of Certain Articles Containing Specialty Metals, and such other clauses necessary to satisfy Seller's contractual obligations even when not identified as a mandatory flow down.
- C. Violations of any of the requirements of this provision will be cause for rejection of the goods at Buyer's sole discretion.

#### TRANSMISSION ABROAD OF NAVAL NUCLEAR PROPULSION INFORMATION.

- A. This provision applies only if, during the performance of this Order, Seller will have access to Naval Nuclear Propulsion Information ("NNPI") as defined in OPNAVINST 9210.3. All defined terms in this provision shall have the same meaning as those terms are defined in Part I of SBF P9152 (<https://spars.huntingtoningalls.com/procurement/procforms.html>). Seller shall review OPNAVINST 9210.3 and DoD Pamphlet 5230.25PH and abide by the applicable requirements of those publications.
- B. If Seller has Foreign Nationals and/or Representatives of a Foreign Interest who work within or have access to its premises, Seller shall have a Technology Access Control Plan which:
  - a. i. Denies Foreign Nationals, Representatives of a Foreign Interest, and unauthorized U.S. Citizens and U.S. Nationals access to Naval Nuclear Propulsion Information; and
  - b. ii. Permits only authorized U.S. Citizens, U.S. Nationals, Foreign Nationals and/or Representatives of a Foreign Interest access to Technical Data other than Naval Nuclear Propulsion Information or restricts access to Naval Nuclear Propulsion Information and/or Technical Data only to U.S. Citizens and U.S. Nationals who have a need-to-know.
- C. Seller shall have an active certification number under the U.S./Canada Joint Certification Program pursuant to DoD Pamphlet 5230.25PH and shall provide the active certification number and expiration date to the Buyer.

- D. Seller shall not disclose NNPI to Foreign Nationals. U.S. Citizens and U.S. Nationals representing a foreign government, foreign private interest or other Foreign Nationals, are considered to be included in the definition of Foreign Nationals for industrial security purposes and the purpose of the restrictions contained in this provision 3.
- E. Disclosure of Restricted Data as defined in the Atomic Energy Act of 1954 as amended, relating to the Naval Nuclear Propulsion Program to employees of Seller granted Limited Clearances under the provisions of DOD 5220.22M, National Industrial Security Program Operating Manual (NISPOM) is denied.
- F. Any issue or release of NNPI beyond parties with a need to know and necessary for the performance of this Order, whether or not ordered through an administrative or judicial tribunal, shall be brought to the attention of Buyer.
- G. Buyer shall be immediately notified of any litigation, subpoenas, or requests which either seek or may result in the release of NNPI. If a court or administrative order makes immediate review by Buyer impractical, Seller will take all necessary steps to notify the court or administrative body of the Navy's interest in controlling the release of such information through review and concurrence in any release.
- H. In addition to the requirements of this provision 3, the Seller shall comply with all other requirements relative to Naval Nuclear Propulsion Information (NNPI) wherever located in this Order.
- I. Seller agrees to insert this "Transmission Abroad of Naval Nuclear Propulsion Information" clause including this paragraph I in all of its subcontracts issued under this Order.

FARs -

52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity
52.203-19	Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements
52.204-4	Printed or Copied Double-Sided on Postconsumer Fiber Content Paper
52.204-7	System for Award Management
52.209-10	Prohibition on Contracting With Inverted Domestic Corporations
52.215-16	Facilities Capital Cost of Money
52.215-17	Waiver of Facilities Capital Cost of Money
52.215-22	Limitations on Pass-Through Charges – Identification of Subcontract Effort
52.219-25	Small Disadvantaged Business participation Program-Disadvantaged Status and Reporting
52.219-28	Post-Award Small Business Program Representation
52.222-3	Convict Labor
52.222-19	Child Labor - Cooperation with Authorities and Remedies
52.222-24	Pre award On-Site Equal Opportunity Compliance Evaluation
52.222-29	Notification of visa denial
52.222-38	Compliance with Veterans' Employment Reporting Requirements

52.222-39	Notification of Employee Rights Concerning Payment of Union Dues or Fees
52.222-60	Paycheck Transparency
52.223-5	Pollution Prevention and Right-to-Know Information
52.223-6	Drug-Free Workplace
52.223-9	Estimate of Percentage of Recovered Material Content for EPA Designated Items
52.223-14	Toxic Chemical Release Reporting
52.223-15	Energy Efficiency in Energy-Consuming Products
52.223-17	Affirmative Procurement of EPA-Designated Items in Service and Construction Contracts
52.227-12	Reserved
52.227-21	Technical Data Declaration, Revision, and Withholding of Payment - Major Systems
52.227-22	Major System - Minimum Rights
52.229-10	STATE OF NEW MEXICO GROSS RECEIPTS AND COMPENSATING TAX
52.232-9	Limitation on Withholding of Payments
52.232-11	Extras
52.232-23	ASSIGNMENT OF CLAIMS AND ALTERNATE I
52.232-39	Unenforceability of Unauthorized Obligations
52.233-1	DISPUTES AND ALTERNATE I
52.233-3	Protest after Award
52.233-4	Applicable Law for Breach of Contract Claim
52.234-4	Earned Value Management System
52.237-2	Protection of Government Buildings, Equipment, and Vegetation
52.237-3	Continuity of Services
52.239-1	Privacy or Security Safeguards
52.242-1	Notice of Intent to Disallow Costs
52.242-3	Penalties for Unallowable Costs
52.242-4	Certification of Final Indirect Costs
52.242-5	Payments to Small Business Subcontractors
52.242-12	Reserved
52.242-13	BANKRUPTCY
52.242-14	Suspension of Work
52.242-17	Government Delay of Work
52.243-1	Changes - Fixed-Price
52.243-2	Changes - Cost-Reimbursement

- 52.243-3 Changes - Time-and-Materials or Labor-Hours
  - 52.243-6 Change Order Accounting
  - 52.243-7 Notification of Changes
  - 52.246-24 Limitation of Liability - High-Value Items
  - 52.249-1 Termination for Convenience of the Government or BUYER
  - 52.249-14 Termination for Convenience of the Government (Fixed-Price)
  - 52.251-1 Government Supply Sources
  - 52.252-2 CLAUSES INCORPORATED BY REFERENCE
  - 52.252-3 Authorized Deviations in Clauses
  - 52.253-1 Computer Generated Forms
  
  - DFARs -
  - 252.203-7000 Requirements Relating to Compensation of Former DoD Officials
  - 252.203-7003 Agency Office of the Inspector General
  - 252.204-7003 Control of Government Personnel Work Product
  - 252.204-7005 Oral attestation of security responsibilities
  - 252.204-7008 Compliance with safeguarding covered defense information controls
  - 252.209-7000 Reserved
  - 252.209-7004 Subcontracting with Firms that are Owned or Controlled by the Government of a Country that is a State Sponsor of Terrorism
  - 252.211-7005 Substitutions for military or Federal specifications and standards
  - 252.211-7006 Passive Radio Frequency Identification
  - 252.211-7007 Reporting of Government-Furnished Property
  - 252.215-7000 Pricing Adjustments
  - 252.215.7002 Cost estimating system requirements
  - 252.217-7003 Changes
  - 252.217-7005 Inspection and manner of doing work
  - 252.219-7004 Small Business Subcontracting Plan Test Program
  - 252.223-7004 Drug-free work force
  - 252.225-7004 Report of Intended Performance outside the United States and Canada – Submission after Award
  - 252.225-7006 Acquisition of the American flag
  - 252.225-7014 Preference for domestic specialty metals.
  - 252.225-7015 Restriction on Acquisition of Hand or Measuring Tools
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- 252.225-7038 Restriction on Acquisition of Air Circuit Breakers
- 252.225-7041 Correspondence in English
- 252.225-7042 Authorization to perform
- 252.227-7010 License to Other Government Agencies
- 252.231-7000 Supplemental Cost Principles
- 252.232-7004 DoD Progress Payment Rates
- 252.234-7002 Earned Value Management Systems
- 252.234-7004 Cost and Software Data Reporting System—Basic
- 252.235-7010 Acknowledgment of Support and Disclaimer
- 252.237-7010 Prohibition on Interrogation of Detainees by Contractor Personnel
- 252.239-7000 Protection against Compromising Emanations
- 252.239-7001 Information Assurance Contractor Training and Certification
- 252.242-7004 Material Management and Accounting System
- 252.243-7002 Requests for Equitable Adjustment
- 252.245-7001 Tagging, Labeling, and Marking of Government-Furnished Property
- 252.245-7002 Reporting Loss of Government Property
- 252.245-7003 Contractor Property Management System Administration
- 252.245-7004 Reporting, Reutilization, and Disposal

Rev.	Created/Changed By	Issue Date	Description of Change
-	WSS	01/01/2020	Original Issue


