

SECTION I. DEFINITIONS**ARTICLE 1 DEFINITIONS**

Throughout this document, the following terms are defined as:

- **“Buyer”** means the entity shown on the face of the Purchase Order; the Party purchasing the supplies/services.
- **“Seller”** means person or organization named in the Order; the Party selling the supplies/services.
- **“Order”** means this contractual instrument, executed between Buyer and Seller, listing supplies/services to be furnished and the consideration thereof. It includes amendments, modifications, change orders, together with all attachments and exhibits thereto.

SECTION II. GENERAL CLAUSES**ARTICLE 2 ACCEPTANCE**

Acceptance of this Order is limited to the terms and conditions stated herein and may be made by signature on the Purchase Order or partial or full performance hereunder. Any additions, deletions or differences in the terms proposed by the Seller are objected to and hereby rejected unless Buyer agrees in writing. This Order sets forth the entire understanding of the parties with respect to the subject matter and is intended as a complete and exclusive statement of the Order between the parties. No waiver or modification of any provision of the Order shall arise or be valid unless made in writing and duly executed by the Buyer.

ARTICLE 3 TAXES

Unless otherwise provided on the face of the Order, the prices appearing herein include all packaging, crating and Federal, State and Local taxes, and are firm for the delivery period shown.

ARTICLE 4 CONFIDENTIAL INFORMATION

Seller agrees not to disclose or to make any use of data, designs, drawings, specifications, and other information furnished to it by the Buyer, except as required for the performance of this Order or required for the performance of this Order. Seller further agrees that any required disclosure of such data, designs, drawings, specifications, and other information to others shall be made binding upon the recipient against use and further disclosure as set forth herein.

Seller agrees that such information, whether protected by copyright or trade secret, shall be protected through all reasonable means, including confidentiality, security measures, and prohibitions against use, disclosure, or copying other than for purposes of performance of this Order. The Seller will, at the least, use a standard of care consistent with the same level of effort it employs to avoid unauthorized use, disclosure, or dissemination of its own proprietary matters.

The obligations of this paragraph do not apply to (i) information that was or is made available to the public without restriction by the Buyer or a third party; (ii) information that was previously known to the Seller independent of any disclosure by Buyer; or (iii) information that was or is independently developed by the Seller.

Upon completion or termination of this Order, Seller shall return to Buyer on demand, all data, designs, drawings, specifications, and other information disclosed to Seller by Buyer, including copies made by Seller.

Any knowledge or information which Seller has disclosed or may hereafter disclose to Buyer in connection with the purchase of the goods, deliverables or services covered by this Order shall not, unless otherwise specifically agreed to in writing by Buyer, be deemed to be confidential or proprietary information, and shall be acquired free from any restrictions (other than a claim for patent infringement) as part of the consideration for this Order.

ARTICLE 5 PAYMENT

Invoices shall be submitted to the address on the Purchase Order and shall be Net 45 Days and paid within 45 days after receipt of invoice or acceptance of delivered items by the Buyer, whichever occurs later, unless otherwise stated in the Purchase Order. Any adjustments in Seller's invoices due to shortages, late delivery, rejections, or other failure to comply with the requirements of this Order may be made by Buyer before payment.

ARTICLE 6 PUBLIC RELEASE

Except as required by law or regulation, no news release, public announcement, or advertising material concerned with this Order shall be issued by Seller without prior written consent of Buyer.

ARTICLE 7 DISPUTES

Except as otherwise specifically provided in this Order, any dispute concerning a question of fact and/or law arising under this Order which is not settled by the parties shall be decided by a court of competent jurisdiction in the Commonwealth of Virginia. Pending settlement or final decision of any such dispute, Seller shall proceed diligently with the performance of this Order in accordance with the directions of the Buyer.

ARTICLE 8 DEFENSE OF CLAIMS AND LITIGATION

In the event of any dispute or claim arising under this Order implicating the Seller's performance or involving any matter arising therefrom, the Seller at its own cost shall cooperate in good faith, on a reasonable basis with the Buyer in connection with any such dispute or claim, including, without limitation, the conduct or defense of any litigation, arbitration or other dispute resolution procedure associated therewith. This duty of cooperation shall include, without limitation, making witnesses, documents, and information available during discovery and/or litigation.

ARTICLE 9 INSURANCE, INDEMNIFICATION, AND LIABILITY

Seller assumes the following risks:

- (1) all risks of loss of damage to all goods, deliverables, work in process, materials, and other things until the acceptance thereof as herein provided;

- (2) all risks of loss or damage to third persons and their property until the acceptance of all the goods or deliverables as herein provided;
- (3) all risks of loss or damage to any property received by Seller from or held by Seller or its supplier for the account of Buyer, until such property has been accepted by Buyer, as the case may be; and (4) all risks of loss or damage to any of the goods, deliverables or part thereof rejected by Buyer, from the time of shipment thereof to Seller until redelivery thereof to Buyer.

Seller agrees to indemnify and save harmless the Buyer, its officers, agents and employees from and against any and all claims and liabilities (including expenses) for injury or death to persons, or loss of or damage to property, or fines and penalties which may result, in whole or in part, by reason of the buying, selling, or use of any of the goods, deliverables or services purchased or provided under this Order except to the extent that such damage is due solely and directly to the negligence of the Buyer.

Seller shall maintain insurance in at least the following amounts:

- (a) Comprehensive General Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage;
- (b) Automobile Insurance: \$1,000,000 combined single limit per accident for bodily injury and property damage. Auto Liability coverage must be provided on a hired and non-owned basis if there are no company owned or leased vehicles;
- (c) Standard Workmen's Compensation and Employer's Liability Insurance: in the minimum amount of \$100,000 or such greater amount as may be proper under applicable state or federal statutes.

Seller shall furnish Buyer certificates of such insurance prior to commencement of work. Upon Seller's failure thereof, Buyer may obtain, at Seller's expense, the insurance coverage required for such compliance. Seller also agrees to provide insurance for all Buyer's property in Seller's possession against loss or damage resulting from fire or theft, including extended coverage, malicious mischief, and vandalism. Buyer shall be given at least thirty (30) days advance written notice where possible of cancellation of any such insurance.

ARTICLE 10 INSPECTION AND TESTING

Buyer shall have the right to inspect and test any of the goods, deliverables or work covered by this Order prior to shipment. All materials and work are subject to final inspection and approval by Buyer after delivery, notwithstanding prior payment. It is expressly agreed that payment will not constitute final acceptance.

Buyer, at its option, may either reject any material or work not in conformity with the requirements and terms of this Order, or rework the same at Seller's expense. Buyer, upon inspection, may reject the shipment if found to be nonconforming with this Order. Rejected material may be returned at Seller's risk and expense at the full invoice price plus applicable handling and transportation charges. No replacement of defective material or work shall be allowed unless specifically approved by Buyer.

Inspection or the waiver of inspection shall not relieve the Seller from full responsibility for furnishing goods, deliverables and work conforming to the requirements of this Order, nor prejudice any claim, right, or privilege the Buyer may have because of the use of defective or unsatisfactory goods, deliverables, or work.

ARTICLE 11 WARRANTY

Seller warrants that:

- (a) each price for items sold to Buyer under this Order is no less favorable than that extended during the term of this Order to any other customer for the same or like items in equal or lesser quantities on similar terms and conditions;
- (b) it has the right to enter into this Order and fully perform all obligations herein undertaken;
- (c) the data, information, and other material furnished to the Buyer does not infringe any third-party rights in any U.S. patent, copyright, or trade secrets;
- (d) in the performance of this Order, it will comply with the provision of all applicable federal, state, and local laws, regulations, rules, and orders; and all goods or deliverables furnished by Seller and any services or installation relating thereto, are of the best quality of their respective kinds and are free of defects in design, workmanship, or material and suitable for their intended purposes. In the event of breach of this warranty, the Seller shall take all necessary action, at Seller's expense, to correct such breach in the most expeditious manner possible.

ARTICLE 12 CHANGES

Buyer may at any time make changes in shipping and packing instructions, quantities, drawings, designs, specifications, place of delivery, and/or delivery schedules of this Order, for which an appropriate adjustment to the terms of this Order shall be made. Seller agrees to continue performance of the Order in accordance with the changes unless the changes materially change the scope of work contemplated by this Order.

ARTICLE 13 STOP WORK ORDER

Buyer may at any time by written notice to the Seller stop all or any part of the work called for by this Order. Upon receipt of such notice, the Seller shall take all reasonable steps to eliminate the incidence of cost during the period of work stoppage.

ARTICLE 14 PACKING, MARKING, SHIPPING & DELIVERY

Time is of the essence in making deliveries under this Order. Adequate scheduling of shipment of goods or deliverables shall be made by Seller, to ensure that delivery dates included within this Order are met. If the delivery schedule is endangered for any reason other than Buyer's fault, Seller will, at its expense, ship by express or air shipment or by the most expeditious means available to satisfy the delivery schedule.

All goods or deliverables, which includes reports, data, etc., must be packaged in accordance with good commercial practice in a manner sufficient to ensure arrival in an undamaged condition, and shipped at the most advantageous rate unless otherwise authorized in writing by the Buyer. Any expense in excess of the most advantageous rate will be charged to the Seller. Unless otherwise specified, delivery shall be F.O.B. destination and Seller shall bear the expense and risk of loss until such items are

tendered at such destination. Seller shall be responsible to Buyer for any and all damages incurred by Buyer, as a result of, or caused by, improper packing, packaging, handling, shipping or otherwise.

ARTICLE 15 SETOFF

Seller agrees that Buyer has the right to setoff against any amounts which may become payable by Buyer to Seller under this Order or otherwise any amounts which Seller may owe to Buyer whether arising under this Order or otherwise.

ARTICLE 16 TERMINATION

Buyer reserves the right to terminate this Order in whole or in part at any time upon Buyer's written notification to Seller:

- (a) for any reason at Buyer's convenience. Under this paragraph, Buyer's liability is limited: (i) to pay the prorated cost of the work completed for software or services; or (ii) to pay for the cost of the existing "finished goods" inventory for hardware. The payment for inventory shall not exceed an amount required to fulfill scheduled deliverables for the next thirty days following notice of termination. Buyer has no liability for inventory that is readily useable or resalable; or
- (b) for any default by Seller; or
- (c) for Seller becoming subject to any proceeding under state or federal law for the relief of debtors or otherwise become insolvent, or bankrupt, or makes assignments for the benefit of creditors.

In the event of termination under (b) or (c) above, Buyer shall have no liability to Seller. Further, Buyer may procure or otherwise obtain, upon such terms and in such manner as Buyer may deem appropriate, supplies or services similar to those terminated. Seller, subject to the exceptions set forth in Article 19 below, shall be liable to Buyer for any excess costs of such similar supplies or services.

In the event of termination for any other reason, Buyer may further notify Seller that all right, title and interest in and to all or any portion of materials acquired by Seller for the performance of this Order, work-in-progress, and/or completed items specified in such notice shall pass immediately to Buyer upon payment thereof. Buyer shall have the right to enter upon the premises where such property may be located and take possession thereof.

ARTICLE 17 PATENTS, COPYRIGHT, TRADEMARK AND DATA INDEMNITY

Seller agrees to indemnify and save harmless the Buyer, its officers, employees, agents, representatives using the goods or deliverables specified herein from any loss, damage, or injury arising out of a claim or suit at law or equity for actual or alleged misappropriation of trade secrets, or infringement of copyrights, trademarks or patents, by reason of the buying, selling, or using the goods or deliverables supplied under this Order, and will assume the defense of any and all suits and will pay all cost and expenses incidental thereto.

ARTICLE 18 RIGHTS IN INTELLECTUAL PROPERTY

Seller shall retain all its rights, title, and interest in and to its intellectual property rights existing prior to its performance under this Order or arising independently of this Order ("Background IP"). Except for Background IP, any Work generated or first produced under this Order by or on behalf of Seller or its officers, employees, agents, and the like (referred to herein as a "Work Generated") shall be "work for hire" as defined under Title 17 of the United States Code (as amended) and shall be the sole and exclusive property of Buyer. To the extent that any Work Generated is not deemed a "work made for hire" and Buyer property by operation of law, Seller hereby irrevocably transfers and assigns any and all of its right, title, and interest in and to such Work Generated, including all associated intellectual property and other proprietary rights.

A "Work" means any work of authorship which are or may protectable or patentable under Title 17 or Title 35 of the United States Code (as amended), including, but not limited to, notes, specifications, drawings, blueprints, flow charts, memoranda, data, reports, correspondence, records, notebooks, computer programs, data bases and charts, regardless of the medium in which they are fixed, and all copies, in whole or in part, thereof.

Seller is solely responsible for complying with all marking requirements including any restrictive or proprietary legends.

ARTICLE 19 RIGHTS IN DEVELOPMENT

This clause shall apply if the work includes services for the development of intellectual property including, without limitation, the design, modification or development of hardware, software, or methodologies, which services are paid for by Buyer, whether itemized separately or included in the price for one or more of the items to be furnished.

Seller shall disclose and hereby assigns to Buyer any and all inventions, improvements, or developments, each whether patentable or not, which it may make or assist in making in the course of such development. Seller assigns to Buyer all patents and applications for patents in connection with any such invention, improvement, or development, and agrees to do all acts and to execute all instruments which Buyer may reasonably request in furtherance thereof.

Seller shall cause every appropriate person employed by or associated with it to enter into an Order under which such person shall disclose and assign to Seller or Buyer all inventions and execute all papers and do all acts reasonable deemed necessary by Seller or Buyer relative to assignment and patent protection of such inventions.

Seller shall transmit to Buyer all information, ideas, results, and data developed by Seller as a result of developmental work contemplated hereunder. This material shall become the exclusive property of Buyer and shall likewise be regarded by Seller as Confidential Information, subject to the provisions of Article 4 above.

ARTICLE 20 WORK ON BUYER'S PREMISIS

If Seller's work under this Order involves operations by Seller on the premises of the Buyer, Seller shall take all necessary precautions to prevent the occurrence of any injury to person or property during the progress of such work and, except to the extent that any such injury is due solely and directly to the Buyer's negligence, shall indemnify Buyer against all claims demands, liability or loss which may result in any way from any act or omission of Seller, its agents, employees, or subcontractors and shall maintain such Public Liability, Property Damage and Employer's Liability and Compensation Insurance as will protect Buyer from said risks and from any claims under any applicable Workmen's Compensation and similar Acts.

ARTICLE 21 FORCE MAJEURE

Buyer nor Seller shall not be responsible for delays or failures in its performance resulting from acts or omissions beyond its reasonable control provided, however, that if Seller's delays or failures are caused by the delay or failure of its subcontractor or supplier, such delay or failure must arise out of causes beyond the control of both Seller and its subcontractor or supplier.

ARTICLE 22 ASSIGNMENT AND SUBCONTRACTING

Seller shall not assign or in any manner transfer its interests or any part thereof in this Order. Seller agrees not to subcontract for any materials, supplies and/or services required by this Order without the prior written approval of Buyer.

ARTICLE 23 WAIVER

The failure of either party to insist on performance of any provision of this Order shall not be construed as a waiver of that provision in any other instance.

ARTICLE 24 ORDER OF PRECEDENCE

In the event of any ambiguity or inconsistency in this Order, unless otherwise provided herein, the inconsistency or ambiguity shall be resolved by giving precedence in the following order to the various documents making up this Order.

1. Two Six Technologies' General Terms and Conditions
2. Any other applicable Terms and Conditions agreed to between Parties

ARTICLE 25 IMMIGRATION

Seller warrants that any of its employees assigned to work at Two Six Technologies will have completed Form I-9 evidencing his or her legal right to be employed by Seller in the United States.

ARTICLE 26 FOREIGN SOURCES

In the event that the Seller anticipates soliciting foreign source(s) for any work under this Agreement which may require access to any equipment/technical data which is controlled by either the Arms Export Control Act or the Export Administration Act of 1979 (as amended), the Seller shall notify Buyer fifteen (15) business days before either applying for an export license under ITAR (International Traffic in Arms Regulation), 22 CFR 121-128, or before solicitation of the foreign source(s), whichever shall occur first. This notification shall include detailed description of the data/equipment to be exported and a copy of the application for an export license if such application has been made. This notification to Buyer shall not be construed as an application for an export license, nor shall it in any way be interpreted to impede the Seller's right to apply for an export license. However, if the Government agency to whom Seller submits such application disapproves the Seller's application, the Seller will so notify the Buyer.

ARTICLE 27 FOREIGN NATIONALS

For purposes of this clause, foreign nationals are all persons not citizens of, or immigrant aliens to, the United States. Nothing in this clause is intended to waive or modify any statutory requirement or any requirement imposed by any other U.S. Government agency with respect to employment of foreign nationals or export control. The Seller acknowledges that equipment/technical data generated or delivered in performance of this Agreement may be controlled by the International Traffic in Arms Regulation (ITAR) 22 CFR 121-128 and may require an export license before assigning any foreign national to perform work under this Agreement or before granting access to foreign nationals to any equipment/technical data generated or delivered in performance of this Agreement (See 22 CFR 125.03 in this regard). The Seller agrees to notify Buyer fifteen (15) business days prior to assigning or granting access to a foreign national to any work, equipment or technical data generated or delivered in performance of this Agreement, which is controlled by either the Arms Export Control Act or the Export Administration Act of 1979, as amended. This notification will include the name and country of origin of the foreign national, the specific work, equipment, or data to which the person will have access, and whether the foreign national is cleared to have access to technical data (Reference: Section 3 of DOD 5220.22-M, "Industrial Security Manual for Safeguarding Classified Information").

The Seller also agrees that, in addition to the procedures established by ITAR, the following legend shall be placed on all technical data generated or delivered in performance of this Subcontract which is controlled by either the Arms Export Control Act or the Export Administration Act of 1979, as amended:

WARNING This document contains technical data whose export is restricted by the Arms Export Control Act (Title 22, U.S.C., Sec 2751, et seq.) or the Export Administration Act of 1979, as amended, Title 50, U.S.C., App. 2401, et seq. Violations of these export laws are subject to severe criminal penalties. Disseminate in accordance with the provisions of AFR 80-34.

The above requirements shall not be construed as an application for an export license nor shall they in any way be interpreted to impede the Seller's right to apply for an export license. However, if the Government agency to whom Seller submits such application disapproves the Seller's application, the Seller will so notify the Buyer.

ARTICLE 28 CHOICE OF LAW

Irrespective of the place of performance, this Order will be construed and interpreted according to the laws of the Commonwealth of Virginia, exclusive of its choice of law provisions.

ARTICLE 29 ACCEPTABLE USE POLICY: TWO SIX TECHNOLOGIES' ELECTRONIC COMMUNICATIONS SYSTEMS

Seller must obtain written approval from Buyer's Program Manager prior to directly accessing any of Buyer's electronic communications systems, including e-mail, internet, intranet, telephone, and voicemail systems. Any Seller personnel that will directly access Buyer's electronic communications systems must sign an Order that such usage will be subject to Buyer's Electronic Communications Policy governing employee usage.

ARTICLE 30 RESERVED

ARTICLE 31 RESERVED

ARTICLE 32 RESERVED

ARTICLE 33 RESERVED

ARTICLE 34 FOREIGN CORRUPT PRACTICES ACT (FCPA):

In the performance of work under this Order (and any resultant Purchase Order), Seller is neither granted nor authorized either an expressed, implied, or apparent agency relationship with TST for the purpose of assisting in obtaining, retaining, or directing business to any person, firm, government, international organization, foreign political party to include both candidates and officials. Seller shall adhere to all the requirements of the Foreign Corrupt Practice Act (Public Law 105-366) to include the requirements contained in the following paragraphs.

In connection with its representation and/or work on behalf of TST, Seller shall not give, offer or promise to give, or authorize the giving directly or indirectly through any other person or firm, of any money or thing of value to any employee or official of any government, employee or official of any public international organization, any political party or official or employee of such party, or any candidate for political office, for the purpose of inducing or rewarding favorable action or the exercise of influence by such official, party or candidate in any governmental matter. Seller shall not give, offer or promise to give, or authorize the giving directly or indirectly through any person or firm, of any money or thing of value to any foreign party or its representative as an inducement or reward for the party or representative doing or forbearing to do any act in relation to the business or affairs of TST or Seller or for showing or forbearing to show favor or disfavor to any person in relation to the business or affairs of TST or Seller.

Seller agrees not to interact with a foreign government, political party, or public international organization on behalf of TST without prior written permission.

EQUAL OPPORTUNITY EMPLOYMENT

This contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a), if applicable. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, national origin, or for inquiring about, discussing, or disclosing information about compensation.

Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability or protected veteran status. Covered contractors and subcontractors also must file veterans' employment reports (41 C.F.R. § 61-300.10) and Standard Form 100 (EEO-1), and post notices of employee rights (29 C.F.R. Part 471, Appendix A to Subpart A).

Breach of any of the terms stated herein may result in termination of this Order and/or nonpayment to the Seller for portions of the work determined by the Buyer to be of a personal, non-business nature.