

Y-TECH SERVICES, INC.
ADDITIONAL TERMS AND CONDITIONS
FOR GOVERNMENT ORDERS

31. Conditions Applicable to Orders for Goods Destined for Use by the United States Government

Where the face of this Purchase Order bears a Government contract number, the following clauses shall supplement Y-Tech Services, Inc. Standard Terms and Conditions for Commercial Orders and to the extent of any inconsistency with Y-Tech Services, Inc. Standard Terms and Conditions for Commercial Orders, the following clauses shall be controlling. Clauses that do not specifically apply to this order are self-deleting.

a) Termination

i) Y-Tech Services, Inc. shall have the right at any time and for any reason to terminate this Purchase Order in its entirety or in part in accordance with the provisions of Federal Acquisition Regulations 52.249-1 "Termination for Convenience of the Government (Fixed Price) (Short Form)," 52.249-2 "Termination for Convenience of the Government (Fixed Price)," 52.249-4, "Termination for Convenience of the Government (Services) (Short Form)", or 52.249-6, "Termination (Cost Reimbursement)," as applicable (excluding any references to the Disputes Clause). These clauses are specifically incorporated herein by reference.

(ii) In addition, Y-Tech Services, Inc. may terminate this Purchase Order for default if the Seller fails to make any delivery in accordance with the schedule set forth herein or for failure to comply with any of the other requirements or terms and conditions of this Purchase Order or for failure to make progress under this Purchase Order so as to endanger performance of this Purchase Order, and does not cure such failure within a period of ten (10) days after notice from Y-Tech Services, Inc. In the event of termination for the Seller's default, Y-Tech Services, Inc. may procure commodities or services similar to those terminated and the Seller shall be liable for excess procurement costs. Further, the Seller shall be liable to Y-Tech Services, Inc. for any other remedies prescribed by law or equity.

b) Federal Acquisition Regulation (FAR)

(i) If this Purchase Order is for "commercial items" (i.e., an item that is customarily used for non-governmental purposes and is made available to the general public), then this Purchase Order is subject to the following FAR clauses, all of which are hereby incorporated by reference:

- 52.222-3 Convict Labor
- 52.222-21 Prohibition of Segregated Facilities
- 52.222-26 Equal Opportunity (Executive Order 11246)
- 52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans
- 52.222-36 Affirmative Action for Workers with Disabilities
- 52.225-13 Restrictions on Certain Foreign Purchases
- 52.227-1 Authorization and Consent
- 52.244-6 Subcontracts for Commercial Items
- 52.245-1 Government Property
- 252.228-7001 Ground and Flight Risk
- 252.228-7002 Aircraft Flight Risk
- 252.244-7000 Subcontracts for Commercial Items and Commercial Components

(ii) If this Purchase Order is for other than "commercial items," then this Purchase Order is subject to the following FAR clauses, all of which are hereby incorporated by reference:

- 52.202-1 Definitions
 - 52.204-2 Security Requirements
 - 52.209-6 Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment
 - 52.211-15 Defense Priority and Allocation Requirements (applicable to rated-order contracts only)
 - 52.216-7 Allowable Cost and Payments (applies only to cost-reimbursement-type contracts)
 - 52.222-3 Convict Labor
 - 52.222-19 Child Labor—Cooperation with Authorities and Remedies
 - 52.222-20 Walsh-Healy Public Contracts Act
 - 52.222-21 Prohibition of Segregated Facilities
 - 52.222-26 Equal Opportunity
 - 52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans
 - 52.222-36 Affirmative Action for Workers with Disabilities
 - 52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans
 - 52.222-41 Service Contract Act of 1965, as Amended
 - 52.223-3(with Alternate I) Hazardous Material Identification and Material Safety Date
 - 52.223-6 Drug-Free Workplace
 - 52.223-11 Ozone-Depleting Substances
 - 52.225-1 Buy American Act—Supplies
 - 52.227-14 Rights in Data—General
 - 52.242-15 Stop-Work Order
 - 52.243-1 Changes—Fixed Price
 - 52.243-2 Changes—Cost-Reimbursement
 - 52.243-3 Changes—Time-and-Materials or Labor-Hours
 - 52.245-2 Government Property (Fixed Price Contracts)
 - 52.245-4 Government-Furnished Property (Short Form)
 - 52.245-5 Government Property (Cost Reimbursement, Time and Material, or Labor Hour Contracts)
 - 52.246-1 through 9 Contractor Inspection Requirement, Provisions and Clauses
 - 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels
 - 52.249-2 Termination for Convenience of the Government (Fixed Price)
- (iii) FAR Clauses required on orders exceeding "simplified acquisition threshold" (\$150,000) (FAR 2-201):
- 52.203-3 Gratuities
 - 52.203-5 Covenant Against Contingent Fees
 - 52.203-6 Restrictions on Subcontractor Sales to the Government
 - 52.203-7 Anti-Kickback Procedures
 - 52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity
 - 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity
 - 52.203-11 Certification and Disclosure Regarding Payments to

- Influence Certain Federal Transactions
- 52.203-12 Limitation on Payments to Influence Certain Federal Transactions
- 52.215-2 Audit and Records—Negotiation
- 52.215-14 Integrity of Unit Prices
- 52.219-8 Utilization of Small Business Concerns
- 52.222-4 Contract Work Hours and Safety Standards Act—Overtime Compensation
- 52.227-1 Authorization and Consent
- 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement
- 52.229-3 Federal, State, and Local Taxes
- 52.233-3 Protest After Award
- 52.244-5 Competition in Subcontracting
- 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels

(iv) FAR clauses required when subcontractor cost or pricing data are required (\$700,000 and over):

- 52.214-26 Audit and Records—Sealed Bidding
- 52.214-27 Price Reduction for Defective Cost or Pricing Data—Modifications—Sealed Bidding
- 52.214-28 Subcontractor Cost or Pricing Data—Modifications—Sealed Bidding
- 52.215-10 Price Reduction for Defective Cost or Pricing Data
- 52.215-11 Price Reduction for Defective Cost or Pricing Data—Modifications
- 52.215-12 Subcontractor Cost or Pricing Data
- 52.215-13 Subcontractor Cost or Pricing Data—Modifications
- 52.215-15 Pension Adjustments and Asset Reversions
- 52.215-18 Reversion or Adjustment of Plans for Post-retirement Benefits (PRB) Other than Pensions
- 52.215-20 Requirements for Cost or Pricing Data or Information Other than Cost or Pricing Data
- 52.215-21 Requirements for Cost or Pricing Data or Information Other than Cost or Pricing Data—Modifications
- 52.219-9 Small Business Subcontracting Plan (This clause does not apply to small business concerns.)
- 52.230-2 Cost Accounting Standards (applicable to Large Business only)
- 52.230-3 Disclosure and Consistency of Cost Accounting Practices
- 52.230-6 Administration of Cost Accounting Standards
- 52.242-1 Notice of Intent to Disallow Costs (applicable only for cost reimbursement, fixed price incentive, or price redetermination orders)
- 52.242-3 Penalties for Unallowable Costs (applicable only for cost reimbursement, fixed price incentive, or price redetermination orders)

(v) Where necessary to make FAR Clauses consistent with this Purchase Order, the words “Government,” “contracting officer,” and similar words as used therein shall mean Y-Tech Services, Inc., and the word “contractor” shall mean the Seller.

(vi) The Seller covenants and agrees that if Y-Tech Services, Inc.’s contract price or a cost allowance is reduced by reason of the Seller’s failure to comply with an applicable Cost Accounting Standard or to follow any practice disclosed in its Disclosure Statement, Y-Tech Services, Inc. shall be entitled to:

- Reduce the price of this Purchase Order by an amount commensurate with the reduction in Y-Tech Services, Inc.’s

contract price or cost allowance together with interest computed at the applicable Treasury rate; or

- In the event the Seller shall already have been paid the full Purchase Order price or essentially the full Purchase Order price, the Seller shall reimburse and indemnify Y-Tech Services, Inc. in an amount commensurate with the reduction in Y-Tech Services, Inc.’s contract price or cost allowance together with interest computed at the applicable Treasury rate.

32. “Equal Opportunity” (FAR 52.222-26)

If, during any twelve (12)-month period (including the twelve (12) months preceding the award of this contract), the Seller has been or is awarded non-exempt Federal Contracts and/or subcontracts that have an aggregate value in excess of \$10,000, the Seller shall comply with the paragraphs (i) through (xi) below. Upon request, the Seller shall provide information necessary to determine the applicability of this clause.

During the performance of this contract, the Contractor agrees as follows:

(i) The Seller shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. However, it shall not be a violation of this clause for the Seller to extend a publicly announced preference in employment to Indians living on or near an Indian reservation, in connection with employment opportunities on or near an Indian reservation, as permitted by 41 CFR 60-1.5.

(ii) The Seller shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. This shall include, but not be limited to: employment; upgrading; demotion; transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

(iii) The Seller shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.

(iv) The Seller shall, in all solicitations or advertisement for employees placed by or on behalf of the Seller, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(v) The Seller shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding the notice to be provided by the Contracting Officer advising the labor union or workers’ representative of the Seller’s commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.

(vi) The Seller shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.

(vii) The Seller shall furnish to the contracting agency all information required by Executive Order 11246, as amended, and by the rules, regulations, and orders of the Secretary of Labor. The Seller

shall also file Standard Form 100 (EEO-1), or any successor form, as prescribed in 41 CFR Part 60-1. Unless the Seller has filed within the twelve (12) months preceding the date of contract award, the Seller shall, within thirty (30) days after contract award, apply to either the regional Office of Federal Contract Compliance Programs (OFCCP) or the local office of the Equal Employment Opportunity Commission for the necessary forms.

(viii) The Seller shall permit access to its premises, during normal business hours, by the contracting agency or the OFCCP for the purpose of conducting on-site compliance evaluations and complaint investigations. The Seller shall permit the Government to inspect and copy any books, accounts, records (including computerized records), and other material that may be relevant to the matter under investigation and pertinent to compliance with Executive Order 11246, as amended, and rules and regulations that implement the Executive Order.

(ix) If the OFCCP determines that the Contractor is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts, under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Contractor as provided in Executive Order 11246, as amended; in the rules, regulations, and orders of the Secretary of Labor; or as otherwise provided by law.

(x) The Seller shall include the terms and conditions of these paragraphs in every subcontract or purchase order that is not exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor.

(xi) The Seller shall take such action with respect to any subcontract or purchase order as the Contracting Officer may direct as a means of enforcing these terms and conditions, including sanctions for noncompliance, provided, that if the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of any direction, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

Notwithstanding any other clause in this contract, disputes relative to this clause will be governed by the procedures in 41 CFR 60-1.1.

33. Government Inspection

If this Purchase Order bears a Government contract number, the Government has the right to perform government quality assurance at the Seller's plant as may be necessary to determine conformance with the requirements specified for all services and/or supplies ordered herein. In addition, there may be further Government inspection rights provided by FAR citations (i.e., 52.246-2 through -9) or by Y-Tech Services, Inc.'s Quality Terms, if applicable.

34. Government-Owned Facilities

If Government-owned facilities are to be used by the Seller to perform work prescribed herein, two prices are to be submitted; one based on rent-free use and one based on rental payments (applicable to request for quote only).

35. Anti-Kickback

Y-Tech Services, Inc. prohibits the payment of any money, fee commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to any prime contractor, prime contractor employee, subcontractor, or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contractor in connection with a subcontract relating to a prime contract. All suspected violations of this section must be reported immediately to Y-Tech Services, Inc.'s Ethics Officer.

36. Work Performed in Y-Tech Services, Inc. Facilities

Work performed under this Purchase Order in Y-Tech Services, Inc. facilities may require the individuals assigned to be U.S. citizens. Before assigning any foreign nationals to work in Y-Tech Services, Inc. facilities in support of this Purchase Order, the Seller shall obtain prior written approval from Y-Tech Services, Inc. The Seller shall also screen all individuals who have access to Y-Tech Services, Inc. facilities against the U.S. Government's Denied Parties List. If the Seller does not have access to the Denied Parties List, names of the individuals shall be provided to Y-Tech Services, Inc. for screening.

37. Order Completion and Closeout (Applicable to Subcontracts Pursuant to a Y-Tech Services, Inc. Government or Y-Tech Services, Inc. Prime Contract)

Subcontractor agrees to close out this order within the following schedule:

- Firm Fixed-Price orders: final invoice must be submitted no later than forty-five (45) days following final delivery and must be marked as FINAL INVOICE.
- Fixed Price/Labor Hour orders: final invoice must be submitted no later than forty-five (45) days following final delivery and must be marked as FINAL INVOICE.
- Time-and-Material orders: Quick closeout procedures shall be used to the maximum extent possible (reference FAR 42.708). Closing documents using quick closeout procedures shall be submitted within six (6) months of completion of the order. Where quick closeout is not authorized, closing documents shall be submitted within twenty-four (24) months of completion of the order.
- Cost Reimbursement orders: Quick closeout procedures shall be used to the maximum extent possible (reference FAR 42.708). Closing documents using quick closeout procedures shall be submitted within six (6) months of completion of the order. Where quick closeout is not authorized, closing documents shall be submitted within twenty-four (24) months of completion of the order.
- Special Note for Delivery/Task Order Contracts: Completion vouchers and documents shall be submitted on each delivery order within three (3) months of order completion.

Any subsequent adjustments required on cost reimbursement elements will be made on the final delivery order, which will be closed out in accordance with the schedule specified for the contract type.

Failure to submit documents within the specified period will result in a unilateral closeout of the order by Y-Tech Services, Inc.

38. Organizational Conflict of Interest

a) The Seller certifies no organizational conflict of interest as defined in FAR 9.501.

b) The Seller agrees that during the period of performance of this Purchase Order and for a period of one (1) year thereafter, the Seller shall not, without prior written approval of Y-Tech Services, Inc. and the Government Contracting Officer, participate as a prime contractor or a subcontractor or consultant to any tier to provide support services for any supported weapon systems covered by this Purchase Order. The Seller further agrees that the Seller shall not, within the period of performance of this subcontract, participate as a subcontractor or consultant at any tier to provide technical services of the kind called out in the scope of work (SOW) without prior written approval of Y-Tech Services, Inc. and the Government Contracting Officer.