

KNOWLEDGE INTERNATIONAL LLC.
STANDARD TERMS AND CONDITIONS /
DEFINITIONS

TERMS AND CONDITIONS FOR PROCUREMENT OF SERVICES

General

1. SCOPE, TERMS & CONDITIONS, AND DEFINITIONS

(a) **Either Contractor's written acknowledgement or Contractor's full or partial performance under this purchase order, whichever occurs first, will constitute acceptance of all terms and conditions contained herein.** Any acceptance of this purchase order is limited to acceptance of the express terms of the offer set forth in this purchase order. Any proposal for additional or different terms or any attempt by Contractor to vary in any degree any of the terms of this offer in Contractor's acceptance or acknowledgement is hereby objected to and rejected, but such proposal shall not operate as a rejection of this offer unless such variances are in the terms of the description, quantity, price or delivery schedule of the goods and or services to be delivered hereunder but shall be deemed a material alteration thereof, and this offer shall be deemed accepted by the Contractor without said additional or different terms. If this purchase order shall be deemed an acceptance of a prior offer by Contractor, such acceptance is limited to the express terms set forth in this purchase order.

(b) These terms and conditions may be invoked in a purchase agreement, between Purchaser and Contractor, against which Purchaser may place multiple purchase orders. Under such circumstances, each purchase order shall constitute a separate and distinct contract between the parties and these terms and conditions shall be in addition to those of such order, and shall be deemed incorporated in each such order. Regardless of whether an order is issued in connection with a purchase agreement invoking these terms or independently of any purchase agreement, these terms and conditions shall supersede and replace all terms and conditions appearing or referred to on the face or on the reverse of any proposal, acknowledgement, or acceptance or any other communication issued by the Contractor in connection with such order.

(c) Definitions:

As used throughout these terms and conditions, the following terms shall have the meaning set forth below.

- (1) "Contractor" means Knowledge International LLC the party contracting with Purchaser to perform the work required under a purchase order placed by Purchaser.
- (2) "Purchaser" means the party contracting with Contractor for services and identified as the purchasing entity on the face of this purchase order.

2. NATURE OF SERVICES

(a) Contractor agrees to undertake the performance of all services called for in any order, to pursue the same diligently, and to complete the same within any time limit specified in the order. With respect to each order, the services contracted for shall be those described in the order, and in any statements of work, plans, specifications, general conditions, or other papers attached to or referred to in the order, which together with these terms and conditions are hereafter called the "Contract Papers." Said services shall include the furnishing of all materials, tools, equipment, labor, superintendence and facilities necessary therefor, excepting however, any items which are to be specifically furnished or performed by Purchaser as provided in the Contract Papers. Orders placed in connection with these terms and conditions may relate to work: (a) called for by contracts between Purchaser and the United States Government (hereinafter referred to as "Government Contracts"; (b) called for by contracts between Purchaser and any other legally constituted body or person; or (c) for Purchaser's own account. Any work relating to Government Contracts will bear the applicable government contract number. All rights conferred on the U.S. Government by these terms and conditions shall apply solely, to Government Contracts where required thereby, and not to other orders.

3. CONTRACT PRICE

- (a) Contractor shall be compensated for all services performed for Purchaser in connection with each order in the manner and amount specified on the order. Payment for labor hour contracts will be made in an amount determined by multiplying the total number of hours actually required to perform each type of work by the hourly rate specified in the order for each type of work performed or as the Parties may otherwise agree. However, the total amount shall not exceed the total price specified in the order.
 - (1) The Contractor's normal workweek shall consist of forty (40) hours. Straight time rates apply to all hours worked up to and including forty ("40") hours per week, regardless of the actual day or days worked. Overtime rates (as specified in any applicable order) apply to all hours worked in excess of forty ("40") hours per week, only when such overtime work is authorized by Purchaser.
 - (2) Premium pay for any off shift work effort (2nd or 3rd shift) will be negotiated separately and before such work begins..
- (b) It is expressly understood and agreed that the hourly rate so specified shall include (in addition to the wages or salaries to which the employees of Contractor performing such services shall be entitled) compensation to Contractor for time spent by any general administrative, supervisory or clerical employee; overhead expenses, profit, and any and all other direct or indirect costs or expenses in any manner attributed to the performance of said services except such as are hereinafter specifically provided for. Time spent directly on the job by squad leaders, contract engineers and chief designers shall be billed in accordance with the above schedule.
- (c) Contractor shall compute its employees' wages and withhold applicable U.S. federal, state and local taxes, and federal social security payments. Contractor shall remit its employee withholdings to the proper government authorities and make employer contributions for FICA and U.S. federal and state unemployment insurance payments.
- (d) Straight time rates shall be paid for all hours worked on any holiday on which Contractor's employees are requested by Purchaser to work.

- 4. **QUALITY OF WORK:** All services performed hereunder shall be subject to the inspection of an engineer, manager or other representative designated by Purchaser and shall be in strict accordance with the requirements of the contract papers. The contractor agrees to use only experienced, trained and qualified employees in the performance of services required by any order and all services performed must be of first class quality and workmanship.

5. STANDARD TERMS OF SETTLEMENT (STS)

- (a) **STANDARD:** Contractor shall submit bills to Purchaser weekly, or as otherwise agreed by Purchaser and Contractor in the specific contract terms and conditions, for the work performed in the preceding week or other period. Unless Purchaser chooses the accelerated payment program described in (b) below, Purchaser's standard terms of settlement shall be issuance of payment of the full invoiced amount (not discounted) to Contractor within thirty (30) days (meaning within 30 days of the Payment Start Date (as defined in (d) below)). Settlement and invoicing must be paperless, and in a format acceptable to Purchaser. Contractor must provide banking information to establish electronic funds transfer for U.S. suppliers and wire transfer for non-U.S. suppliers.
- (b) **ACCELERATED PAYMENT PROGRAM:** Purchaser reserves the right to choose the settlement of invoices with Contractor by using Purchaser's accelerated payment program as defined in the specific terms and conditions between Contractor and Purchaser.
- (c) **PAYMENT START DATE:**
 - (i) For non-receivable Services: From the invoice date; invoices for services must be dated no earlier than the last day of the period of time during which services that are the subject of the invoice were provided.
 - (ii) For receivable Services: From the later of (a) the received date as identified in Purchaser's computer system, or (b) the invoice date.

6. BOOKS AND RECORDS; RECORDS RETENTION

- (a) Contractor shall maintain complete and accurate records on a job order basis in connection with the work

required under any order and all charges for labor or services will be substantiated by proper time clock cards, time vouchers, or other similar records signed by employees doing work under any order.

- (b) Purchaser and, when orders relating to Government Contracts are involved, the United States of America and any department thereof, shall have the right from time to time to inspect and audit, during any reasonable hours, all of the Contractor's books and records concerning the work carried on under any order, including those books and records pertaining to overhead and other general expenses. This clause 6 survives the expiration of any order placed for five (5) years following the final payment hereunder.
- (c) Contractor shall retain, for four years following final payment by Purchaser, all books, records, accounting procedures and practices, and other data related to the performance of work under this order, regardless of type of data and regardless of whether such items are in written form, in the form of computer data, or in any other form. Retained records shall include, but not be limited to records related to labor, supplies, equipment, material, or services purchased and/or used to perform work under this order. For orders relating to Government Contracts, Contractor shall retain records in accordance with FAR SUBPART 4.7 – CONTRACTOR RECORDS RETENTION.

7. DATA, PATENTS AND COPYRIGHTS

- (a) Purchaser shall be entitled to full ownership of all data, information, inventions, or discoveries, whether patented or unpatented, conceived or first actually reduced to practice in the performance of any order placed by Purchaser with Contractor.
- (b) The Contractor agrees to promptly disclose any such data, information, invention or discovery to Purchaser. With respect to any such invention or discovery, the Contractor further agrees that it will cooperate with Purchaser, its officers and agents, in obtaining, at the expense of Purchaser with respect to the prosecution thereof, patents on such inventions or discoveries in the name of and for the benefit of Purchaser in the United States and/or foreign countries to the extent that Purchaser may consider desirable. Contractor will procure from its employees, without charge to Purchaser, the execution of all patent applications, assignments and other instruments necessary to the procurement of such patents and to the vesting of title thereto in Purchaser.
- (c) Purchaser shall become the sole owner of any and all notes, reports, memoranda, and any other written information made or prepared in connection with any order placed by Purchaser and such material shall not be copyrighted by Contractor. Contractor will not use any material developed by Contractor under any order placed by Purchaser without first obtaining the written consent of Purchaser. All such materials shall be deemed to be works for hire and shall belong exclusively to Purchaser. If by operation of law any of the material is not work made for hire, then Contractor agrees to assign, and hereby assigns, to Purchaser the ownership of such material including all copyrights thereto. Purchaser may obtain and hold in its own name copyrights, registrations, and other protection that may be available in such material, and Contractor shall provide any assistance required to perfect such protection.
- (d) If the work under any order is in respect of any Government Contracts, Contractor and Purchaser shall comply with the rights in data, patents and copyrights clauses as set forth in the Government Contracts, and unless otherwise specified, the rights of Purchaser shall be those provided in clauses 7(a), 7(b), and 7(c) above.
- (e) The Contractor agrees that it will cause its employees to execute contracts of employment or other agreements assuring the Contractor the ability to comply fully with the foregoing provisions of this clause 7.

8. CONTRACTOR'S EMPLOYEES

- (a) Contractor represents that no employee assigned to provide services to Purchaser under any order has been employed by the United States Department of Defense ("DOD") in a procurement function within two years of the date of their assignment, where Purchaser would be in violation of the Defense Acquisition Improvement Act of 1986 (10 U.S.C. 2397b, 2397c) if Purchaser compensated such employee. Further, Contractor agrees to advise Purchaser in writing of all employees assigned to provide services under any order who previously worked for the DOD in any capacity within two years prior to the date of their assignment, including a description of the duties performed for DOD and their last DOD pay grade. If requested by Purchaser, Contractor will have the Contractor's employee obtain a written opinion from an ethics officer in the individual's former DOD agency that the individual may accept compensation when assigned to perform work for Purchaser.
- (b) It is mutually agreed that any of Contractor's personnel performing services under any order shall remain employees of Contractor subject to its right of direction, control and discipline and shall neither become

employees of Purchaser nor be entitled to any rights, benefits or privileges of Purchaser employees. As appropriate, Purchaser shall give direction as to the ultimate objective of the project to the contractor. The Contractor is responsible for ensuring that its personnel accomplish the requirements of the project and work consistent with Purchasers pertinent safety regulations and all other reasonable health, safety, environmental and behavioral requirements. The Contractor shall ensure that its personnel adhere to the provisions herein and that they have the requisite knowledge, training and ability to perform work under any order competently and in accordance with applicable laws, regulations and Purchaser company policies. Contractor's personnel performing services under any order will be provided with copies of Purchaser policies 20.3, 20.4, 20.5 and 20.10 dealing with "health, safety and environmental practices", "business practices", "COMPLIANCE WITH ANTITRUST LAWS", and "STANDARDS OF CONDUCT IN TRANSACTIONS WITH THE UNITED STATES GOVERNMENT". Compliance with these policies is mandatory, and any failure to comply will be cause for immediate removal of Contractor's involved employee or immediate termination of any order..

- (c) Contractor's employees are not authorized, expressly or otherwise, to enter into any agreements or to make any commitments financial or otherwise, for or on behalf of Purchaser. Specifically, no employee of Contractor shall make contact with the DOD or other United States Government agency employees, members of Congress or Congressional employees regarding the continuation, renewal, amendment or modification of a federal contract to Purchaser.
 - (e) (d) No employee of Contractor shall engage in any other work or business adverse to the interests of Purchaser during the time such employee is assigned to work at or in support of Purchaser.
 - (e) Contractor agrees to comply with, and to execute for Purchaser, such certifications as may be required by the United States Government pursuant to section 6 of the Office of Federal Procurement Policy Act Amendments of 1988 ("Procurement Integrity"), and agrees to report immediately to Purchaser any information concerning a violation or possible violation of the Act or its implementing regulations.
 - (f) Contractor agrees to disclose to Purchaser whether any of its employees it assigns to Purchaser, whether presently or within the past twelve months, has (a) provided services as a consultant to any branch or department of the United States Government at any level or (b) furnished advice, information, direction or assistance (including marketing or lobbying support) to an offeror or any other contractor in support of the preparation or submission of an offer for a United States Government contract by that offeror. If such disclosure is made, Contractor agrees to execute for Purchaser any certifications required by law in respect of such disclosures.
9. **TERMINATION FOR CONVENIENCE:** Purchaser shall have the right, at any time, upon written notice to the Contractor, to terminate all or any work required by any order placed hereunder. Upon receipt of notice to terminate,

the Contractor shall thereupon cease work upon the order to the extent required. Contractor shall turn over to Purchaser all completed work and work in process, including all designs, drawings, specifications, plans, lists, and other material required or produced in connection with such work. Upon receipt thereof, Purchasers shall reimburse the Contractor upon the basis expressed in the subject order for all work performed under the order up to the date of Contractor's receipt of notice of termination. In the event Purchaser wrongfully terminates this purchase order or otherwise terminates this order such that, in the absence of this clause, such termination could be construed as a default by Purchaser, the Parties agree that such termination shall be construed as a termination for convenience under this clause 9.

10. **REPORTS:** The Contractor shall render progress reports as often as reasonably requested by Purchaser, pertaining to the services performed hereunder, showing time expended daily by each of its personnel for each component of various projects both periodically and cumulatively. Such reports shall be in a form that will enable Purchaser to evaluate the progress made and the schedules to be met, and to keep a current account of time and monies expended upon each and all projects.
11. **SECURITY CLASSIFICATION LAWS & REGULATIONS -- PRECAUTIONS:** Contractor agrees to comply with all applicable security classification laws and regulations of the United States Government, insofar as said laws, rules and regulations pertain to any order hereunder. Such compliance shall include, but not be limited to, taking all reasonable precautions to assure that work performed shall be protected against theft, destruction, or unauthorized disclosure.
12. **MODIFICATION:** No waiver, alteration or modification of any of the provisions of any order or these terms and conditions shall be binding upon either party unless in writing signed by the duly authorized representative of the party intended to be bound thereby.
13. **CONTRACTOR'S REPRESENTATIONS AND INDEMNIFICATION:**
 - (a) Contractor represents, warrants, certifies and covenants that it shall perform all activities required under this purchase order in compliance with all applicable international, national, state and local laws, including, but not limited to environmental, health and safety laws and regulations.
 - (b) Any goods related to Contractor's services supplied under this purchase order may be exported worldwide, including countries that prohibit the importation of goods manufactured with child labor or forced, indentured or convict labor. Contractor represents, warrants, certifies and covenants that no goods supplied or services provided under this purchase order have been or will be produced or performed using forced, indentured or convict labor, or the labor of persons in violation of the minimum working age laws of the country of manufacture, or in violation of minimum wage, hour of service or overtime laws of the country of manufacture or in violation of minimum wage, hour of service or overtime laws of the country of the country in which the goods will be produced or services will be performed.
 - (c) If Purchaser determines any of Contractor's representations, warranties, certifications or covenants hereunder to be untrue or otherwise breached, Purchaser shall have the right to terminate this purchase order without further compensation to Contractor, and Contractor shall defend, indemnify and hold harmless Purchaser and all of its affiliates, directors, officers, employees, agents, customers and representatives ("Indemnified Party") from and against all claims, losses, loss of use, damages, attorney's fees, actions, liability, demands, judgments, costs and expenses arising out of or resulting from Contractor's untrue or breached representations, warranties, certifications and covenants, and from Contractor's (and its subcontractors') negligent acts or omissions, and from Contractor's failure otherwise to comply with the terms of this purchase order. An Indemnified Party shall have the right to participate in the selection of counsel and Contractor shall not enter into any settlement agreement that contains any admission of liability on the part of Purchaser.
 - (d) From time to time, at Purchaser's request, Contractor shall provide certificates to Purchaser in form and substance acceptable to Purchaser relating to the requirements of this clause 14. Contractor shall permit Purchaser or its representatives to have reasonable access to the site where work under this order is performed to assess 1) Contractor's work quality and compliance with Purchaser's specifications and 2) Contractor's compliance with its representations, warranties, certifications and covenants hereunder.

14. DISPUTE RESOLUTION

- (a) Except as specifically provided for in paragraph (h) below, the parties intend to forsake litigation and resolve with finality any and all disputes arising under or related to any order exclusively by the process identified in this clause 14. This clause 14 shall remain effective in the event that a petition in bankruptcy is filed by or against either party or if a party makes an assignment for the benefit of creditors, or if any other insolvency proceeding is commenced against a party.
 - (b) Any and all disputes, controversies or claims arising under or relating to any order or the breach, termination or invalidation thereof shall upon written notice, be referred to a senior management representative from each of the parties who will confer in good faith to attempt to resolve the matter. The party sending the first written notice (the "initial notice") shall (1) set forth in detail all of its claims or issues in dispute and (2) designate its representative. The other party shall have five ("5") business days to designate its representative and add any other issues or claims for resolution not identified in the initial notice. The representatives shall have 30 days from the date of the initial notice to resolve the issues identified in the notice. If the representatives are unable to resolve the matter, either party may refer the matter to administered mediation, at a location and date of mutual agreement. Such mediation shall be started within 30 days from the date of referral, and the mediation process must be concluded within thirty ("30") days from the start date.
 - (c) If the dispute or claim is not fully resolved pursuant to paragraph (b), either party may, after 90 days, but not later than after 120 days from the date of the initial notice, make a written demand for binding arbitration. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. A party's failure to make a timely demand for arbitration shall result in the forfeiture of all the claims and issues that party identified in its written notice.
 - (d) Each party will be permitted to take the deposition of one individual, limited to no longer than four hours. No other discovery shall be conducted except by the written agreement of both parties. All fees and expenses of the arbitration shall be shared equally by the parties. However, each party shall bear the expense of its own counsel, experts, witnesses, and preparation and presentation of proofs. The arbitrator shall have no authority to award punitive or other damages beyond the prevailing party's actual damages and shall not, in any event, make any ruling, finding, or award that does not conform to the terms and conditions of the contract. The arbitration award shall be in writing and shall specify the factual and legal basis for the award. The right to appeal the award shall be governed by Virginia law, and any such appeal shall be brought in a court of general jurisdiction located in Alexandria, VA.
 - (e) Either party may, at any time, without inconsistency with this contract, seek from a court of competent jurisdiction located in Alexandria, VA, any equitable, interim or provisional relief only to avoid irreparable injury.
 - (f) The parties intend all statements made and documents provided or exchanged in connection with this dispute resolution process to be confidential and neither party shall disclose the existence or content of the dispute or claim, or the results of any dispute resolution process, to third parties other than outside counsel, except with the prior written consent of the other party or pursuant to legal process.
 - (g) The parties may, by written mutual consent, agree to dates and times other than those set forth in this clause 14.
 - (h) The provisions of this clause 14 shall not modify or displace the procedures specified in Article 9, "Termination for Convenience," and Article 15, "Default." In addition, this clause shall not apply to and will not bar litigation regarding any claims related to a party's proprietary or intellectual property rights.
15. **DEFAULT:** Purchaser may, by written notice of default to Contractor, terminate the whole or any part of any if: (a) either (i) the Contractor fails to perform within the time specified therein or any extension thereof; or (ii) the Contractor fails to perform any of the other provisions of any order, or so fails to make progress as to endanger performance of any order in accordance with its terms; and (b) in either of these two circumstances, Contractor does not cure such failure within a period of ten ("10") business days after receipt of Purchaser's notice or such longer period as Purchaser may authorize in writing. Upon such termination action, Purchaser may procure, upon such terms and from any source or service provider as it shall deem appropriate, supplies or services similar to those terminated, in which case Contractor shall continue performance of such order to the extent not terminated and shall be liable to Purchaser for any excess costs for Purchaser's procurement of such similar supplies or services. In lieu of termination for default, Purchaser, at its sole discretion, may elect (1) to extend the schedule and/or (2) to waive deficiencies in Contractor's performance, in which case an equitable reduction in the purchase order price shall be negotiated. In the event Contractor, for any reason, anticipates difficulty in complying with the required schedule, or in meeting any of

the other requirements of any order, Contractor shall promptly notify Purchaser in writing. The rights and remedies of Purchaser provided in this clause shall not be exclusive and shall be in addition to any other rights and remedies provided by law or under any Purchaser purchase order.

16. **CITIZENSHIP STATUS:** Only U.S. Citizens, permanent resident aliens or those aliens authorized to be employed in the U.S. shall be permitted to work on Purchaser orders. Contractor certifies to Purchaser that it has (i) confirmed the identity of each individual assigned to work on Purchaser's purchase orders; (ii) verified that such individuals are legally entitled to work in the U.S. and are employees of Contractor; and (iii) preserved such records as required by the Department of Homeland Security. There may be jobs that require U.S. citizenship because of national security or exposure to classified information. In such cases, each such job will be separately identified by Purchaser as requiring U.S. citizenship.
17. **PURCHASER'S PROPERTY AND LICENSE TO USE**
 - (a) All tangible and intangible property, including but not limited to tools, tool drawings, materials, drawings, computer software, documents, information or data of every description furnished to Contractor by Purchaser or specifically paid for in whole or in part by Purchaser, and any replacement thereof, or any materials affixed or attached thereto, shall be and remain the personal property of Purchaser, and, unless otherwise agreed to in writing by Purchaser shall be used by Contractor solely to render services or provide products to Purchaser. Such property, and whenever practical each individual item thereof, shall be plainly marked or otherwise adequately identified by Contractor as being the property of Purchaser or Purchaser's designee, and shall be safely stored separate and apart from Contractor's property. Contractor shall not substitute any property for Purchaser's property and shall not use such property except in filling Purchaser's purchase orders. Such property while in Contractor's custody or control shall be held at Contractor's risk and shall be insured by Contractor for replacement cost with loss payable to Purchaser. Such property shall be subject to removal at Purchaser's written request, in which event Contractor shall prepare such property for shipment and shall deliver it as directed by Purchaser in the same condition as originally received by Contractor, reasonable wear and tear excepted, all at Contractor's expense. The foregoing shall not be deemed to affect the rights, if any, of the Government in any such property or to grant any rights to Purchaser in conflict with DFARS 252.227-7013, "Rights in Technical Data Noncommercial Items," DFARS 252.227-7014, "Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation," or DFARS 252.227-7015, "Technical Data-Commercial Items."
 - (b) Purchaser hereby grants Contractor a license to use the drawings, specifications (including Purchaser's "S" specifications), computer software, and other data (hereinafter collectively referred to as "Data") furnished or paid for by Purchaser hereunder for the sole purpose of performing this order for Purchaser. All Data is the property of Purchaser and shall not be used, disclosed to others or reproduced for any purpose, including, but not limited to, the design, manufacture or repair of parts or to obtain FAA or other Government approval to do so; provided, however, Contractor may provide Data furnished or paid for by Purchaser hereunder to Contractor's contractors and/or suppliers for the sole purpose of enabling Contractor's contractors and/or suppliers to assist Contractor in performing this purchase order for Purchaser and on condition that Contractor's contractors and/or suppliers agree in writing for Purchaser's benefit to the terms of this paragraph 18. This license is non-assignable, and this license is terminable with or without cause by Purchaser at any time. All Data furnished or paid for by Purchaser shall be deemed proprietary property to Purchaser whether or not it is mared with any restrictive legend.
 - (c) Purchaser shall have the right to audit all pertinent books and records of Contractor, and to make reasonable inspections of Contractor's facilities to verify compliance with section 18(b) above.
 - (d) In the event Contractor is notified by Purchaser that Goods ordered under this purchase order are patented, Contractor agrees to mark such Goods with any patent numbers or other markings designated by Purchaser, including updates to such numbers or markings.
18. **CHANGES:** Purchaser, at any time, shall have the right to make changes in the statement of work, work content, quantities, specifications or delivery schedule. Any such change, which has a significant impact, shall entitle either Contractor or Purchaser to an equitable adjustment. However, no additional charge will be allowed unless authorized by Purchaser's written amendment to this purchase order. Information, such as technical direction or guidance provided to Contractor by representatives of the Purchaser in connection with the Contractor's performance of this purchase order, shall not be construed either as a change within the meaning of this provision or as direction to proceed outside the scope of this order. Nothing in this clause 19, including any disagreement with Purchaser as to the equitable adjustment to be made, shall excuse Contractor from proceeding with the order as changed.

19. CONTRACTOR INFORMATION: Notwithstanding any document marking to the contrary, any knowledge or information which Contractor shall have disclosed or may hereafter disclose to Purchaser incident to the placing and filling of any order shall not be deemed to be confidential or proprietary information and accordingly shall be acquired free from any restriction on use or disclosure .

20. WORK ON PURCHASER'S PREMISES

If Contractor's work under any purchase order involves operations by Contractor on the premises of Purchaser or one of its customers, then:

- (a) Contractor shall comply with all of Purchaser's safety and security procedures and shall take all necessary precautions to prevent the occurrence of any injury to person or property during the progress of such work. Contractor shall maintain such public liability, property damage and employees liability and compensation insurance as will protect Contractor from said risks and from any claims under any applicable workers' compensation and occupational disease acts, and upon Purchaser's request provide Purchaser proof of such insurance.
- (b) Contractor agrees that all of its employees whom may require access to Purchaser's or its customer's premises to perform work pursuant to this order shall be tested and certified (in writing) to be free from illegal or unauthorized drugs prior to being assigned to perform such work. In addition, such drug tests shall include screening for prescription drug use. In the event Contractor's employee acknowledges use of prescription drugs, or if the drug screening results are positive for prescription drug use, Contractor shall not assign such employee to perform work pursuant to any order unless, (1) Contractor confirms that there are corresponding documented medical authorizations for use of such prescription drugs; and (2) Contractor determines, using appropriately qualified resources, that the employee is fit to perform the work under any order and free of any impairment that would prevent the employee from performing competent and safe work under any order.
- (c) Contractor's employees shall be re-tested and re-certified to be free of these unauthorized drugs after a six (6) month absence from performing work on Purchaser's or its customer's premises.
- (d) Contractor shall comply with any and all U.S. federal, state, or local anti-drug, alcohol abuse and /or drug testing statutes or regulations for any of its employees that may be covered by such statutes or regulations. Contractor shall have, retain, and be able to provide to Purchaser, upon request, an approved drug and alcohol misuse prevention plan.
- (e) Contractor shall conduct a criminal convictions records investigation of its employees before they are assigned to work on any order that requires the employee to enter Purchaser's premises or the premises of a customer of Purchaser (hereinafter collectively "Purchaser's Premises"). A Criminal Convictions Records Investigation shall consist of a records search (documented by a written report retained by the Contractor of the results of such search) by the appropriate law enforcement or other local or state agency in each location in which the employee has resided and worked in at least the seven years preceding the date of the criminal conviction records investigation. Purchaser reserves the right, at its discretion, to request from Contractor documentation of the completion of a criminal convictions records investigation for any employee assigned to work on Purchaser's or its customer's premises. Contractor's failure to have completed a criminal convictions investigation of any of its employees in accordance with this clause shall be grounds for immediate expulsion of the Contractor and its employees from Purchaser's Premises and Purchaser shall have the right to terminate all orders for default.
- (f) Contractor shall not assign any person to perform work on Purchaser's Premises that has been:
 - (i) convicted of murder; manslaughter; kidnapping; rape; sexual battery or gross sexual imposition; domestic violence; assault; arson; robbery; burglary; theft; embezzlement; fraud; drug possession, manufacturing or trafficking.
 - (ii) convicted as an adult of any felony; convicted of more than one misdemeanor in the previous two years; or, convicted of more than five misdemeanors in the previous five years.
- (g) Purchaser may require Contractor's employees, before entering Purchaser's Premises, to complete a criminal convictions questionnaire. In the event that Purchaser has grounds to believe that an employee of Contractor has falsified the criminal convictions questionnaire in any way, such person shall not perform work on Purchaser's Premises.
- (h) Contractor shall include this Clause 21 in any subcontract placed pursuant to a purchase order with a subcontractor who will perform work on Purchaser's or its customer's Premises.

- (i) Purchaser reserves the right to deny access to Purchaser's or its customer's premises to any person who appears on government-issued lists of terrorists, suspects, barred individuals, etc., such as, but not limited to, the Department of State, Arms Export Control Debarment List; Department of State, Proliferation List; Department of Commerce, Denied Parties List; and Department of Treasury, Specially Designated National List.
21. **RELEASE OF INFORMATION:** No public release (including without limitation, photographs, films, announcements, and denials or confirmations of the placing of any order) shall be made by Contractor with respect to any order, or the subject matter thereof, without prior written approval of Purchaser.
22. **NONDISCRIMINATION IN EMPLOYMENT**
- (a) Contractor will comply with Executive Order 11246 and the equal employment opportunity clause in 41 CFR 60-1.4(a) by not discriminating against any employee or applicant for employment because of race, religion, color, sex, age, or national origin. Contractor will further take affirmative action to employ and advance its employees without regard to race, color, religion, sex, age, or national origin.
 - (b) Contractor will also comply with the affirmative action clauses for veterans and handicapped workers in 41 CFR 60-250 and 41 CFR 60-741 by not discriminating against any employee or applicant for employment because of physical or mental handicap or because he or she is a disabled veteran or veteran of the Vietnam War. Contractor will further take affirmative action to employ and advance its employees without regard to physical or mental handicap or because he or she is a disabled veteran or a veteran of the Vietnam War.
 - (c) In the event that subcontracting opportunities exceeding \$10,000 exist, contractor will comply with 49 CFR ch. 1 sec. 52.219-8 and 48 CFR ch. 1 sec. 52.219-13 in using best efforts to give small business concerns, small disadvantaged business concerns and woman-owned small businesses the maximum practicable opportunity to participate. In the event that the subcontracting opportunities exceed \$500,000, Contractor will comply with 48 CFR ch. 1 sec. 52.219-9 in adopting a subcontracting plan.
23. **INTELLECTUAL PROPERTY INDEMNITY:** Contractor shall indemnify and hold Purchaser and its customers harmless from and against any expense or liability, including costs, fees and damages, arising out of any claim, suit or proceeding that the manufacture or furnishing of goods and/or services under this purchase order, or the use of such goods (without modification or further combination) or sales of such goods constitutes infringement of any patent, trade secret or copyright. If an injunction should issue, at Purchaser's option, Contractor shall either (i) procure for Purchaser and its customers the rights to continue using said goods, or (ii) modify them in a manner acceptable to Purchaser so they become non-infringing, or (iii) remove said goods and refund the purchase price.
24. **LABOR NOTICE**
- (a) The Contractor shall immediately give notice to Purchaser (to be followed by written notices and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Contractor shall use its best efforts to resolve any such complaint, trouble, dispute or controversy.
 - (b) Contractor warrants that Purchaser shall have no liability or bargaining obligations under any collective bargaining agreement between contractor and its employees. Contractor agrees to give Purchaser copies of any collective bargaining agreements existing between it and its employees and agrees to give Purchaser prompt notice of any union organization with respect to its employees.
25. **EXPORT AND INTERNATIONAL TRAFFIC IN ARMS REGULATIONS:**
- (a) Contractor agrees to comply with all export regulations and the International Traffic In Arms Regulations (ITAR) including, but not limited to, parts 122 entitled "Registration of Manufacturer and Exporter" and 130 entitled "Political Contributions, Fees and Commissions."
 - (b) With respect to defense articles and services furnished hereunder, contractor agrees that it has not paid, offered or agreed to pay, and agrees that it shall not pay, offer or agree to pay, for the purpose of soliciting, promoting or otherwise to secure the sale of defense articles and services to or for the use of the armed forces of an international organization or non-U.S. Country, any (i) fees or commissions in excess of \$1,000 or (ii) political contribution (including any gift, rebate or payment of expenses) to a non-U.S. Person or entity.
 - (c) In the event Contractor is supplying defense articles in connection with the performances of services under this order, Contractor agrees to maintain a valid and current Office of Defense Trade Controls ("ODTC")

registration. Contractor shall provide its ODTA registration name, with expiration date to Purchaser and promptly advise Purchaser of any updates or changes to such information, in the format requested by Purchaser.

- (d) If Contractor intends to conduct work for Purchaser in a foreign country, including but not limited to the use of Contractor's own facility outside of the United States or the use of a foreign affiliate or unrelated subcontractor, Contractor must provide advance written notification to Purchaser. Customer is responsible for compliance with applicable export control laws and regulations and for obtaining all export control licenses required by law or requested by Purchaser.

26. SEVERABILITY: If any provisions of these terms and conditions or any part hereof are invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, all conditions and provisions of these terms and conditions which can be given effect without such invalid, unlawful or unenforceable provision shall, nevertheless, remain in full force and effect.

27. PROHIBITED GOODS AND SERVICES: The United States of America prohibits the importation of goods or the purchase of services from proscribed, prohibited, or restricted countries as identified by the U.S. Department of Treasury, Office of Foreign Assets Control. No goods or services from these proscribed, prohibited, or restricted countries may be used directly or indirectly in the design, manufacture, test, or other methods of providing any of the items (whether goods, services, or otherwise) covered by this purchase order. Such prohibited countries list can change from time to time and it is Contractor's responsibility to ensure compliance with such list at all times. Current information can be obtained by accessing the Internet at URL <http://www.treas.gov/ofac/>

28. GOVERNING LAW: This purchase order shall be governed by the laws of the State of Virginia, notwithstanding its conflict of laws rules.

29. INSPECTION:

- (a) All services, including, but not limited to, engineering and design/development work, shall comply with all applicable specifications and shall be subject to inspection and test by the Purchaser and its customer at all times and places. If any inspection or test is made on the premises of Contractor or its supplier, Contractor, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties. All inspections and tests on the premises of Contractor or its supplier shall be performed in such a manner as not to unduly delay the work.
- (b) Purchaser's failure to inspect services shall neither relieve Contractor from responsibility for such services as are not in accordance with the order requirements nor impose liabilities on Purchaser therefor. The inspection or test of any services by Purchaser shall not relieve Contractor from any responsibility regarding defects or other failures to meet order requirement, which may be discovered subsequently.

30. ENVIRONMENTAL MATTERS

- (a) Hazardous Substances. Contractor warrants that, except as specified on the face of the purchase order, none of the chemical substances constituting or contained in any good(s) sold or otherwise transferred to Purchaser under this order are "hazardous substances" as defined in the Comprehensive, Environmental Response, Compensation and Liability Act ("CERCLA"), and Contractor agrees to supply Purchaser with any and all required Material Data Safety Sheets.
- (b) Asbestos. Contractor agrees to provide goods and/or materials that are free of asbestos unless Contractor has notified Purchaser in advance and has obtained Purchaser's prior written consent to the use of asbestos. Contractor agrees to include this clause in any subcontracts issued hereunder. If Contractor intends to rely upon any drawing that requires or permits the use of asbestos, written notice to, and approval by, the cognizant buyer must be obtained prior to such use.
- (c) Use of Cadmium. Unless specifically defined as a requirement by engineering drawings or specifications, the use of cadmium plating or nickel cadmium plating is strictly prohibited in the manufacture of any good or delivery of services under this order. The use of cadmium plating or nickel cadmium plating is strictly prohibited on all tooling, fixturing, and test equipment that is used for manufacturing, assembly, test, or material handling unless Contractor has notified Purchaser in advance and has obtained its prior written consent to such use. Approval shall not be granted where there is a potential for items containing cadmium to come into contact with items containing titanium.
- (d) Representations and Warranties. Contractor represents and warrants that it shall perform all activities related to

this order in compliance with all applicable federal, state and local environmental, health and safety laws and regulations. Contractor represents and warrants that it will use best efforts to prevent and minimize accidental releases of hazardous substances or constituents to the environment, as well as prevent and minimize risk of endangerment to human health or the environment from any manufacturing process. Contractor represents and warrants that in the event of a release or spill, it will use best efforts to mitigate actual or potential impacts to the environment or human health.

- (e) Environmental Claims. Contractor agrees to indemnify, release, defend and hold harmless Purchaser, its directors, officers, employees, agents, representatives, successors and assigns, whether acting in the course of their employment or otherwise, against any and all suits, actions, or proceedings, at law or in equity, and from any and all claims, demands, losses, judgments, damages, costs, expenses, or liabilities resulting from: (1) death or injury to any person, including officers and employees of Contractor and those of Purchaser, arising out of or in any way connected with Contractor's failure to comply with this article 43, (2) damage to any property, real or personal, including property of Contractor and that of Purchaser, arising out of or in any way connected with Contractor's failure to comply with this Article 43, (3) any and all pre-existing conditions of real or personal property of Contractor, or (4) any failure to comply with any federal (including FAR/DFAR clauses), state or local environmental, health, or safety requirements. Contractor agrees to include this clause in any subcontracts issued hereunder.
- (f) Material Ownership. Contractor and Purchaser agree that at all times prior to delivery and acceptance by Contractor of any goods, all raw materials, wastes and work-in-progress shall remain the property of Contractor, except as otherwise provided herein.
- (g) Waste Management. Contractor shall be directly and solely responsible for managing all wastes associated with processes it applies to perform work under this order. Contractor shall manage any and all such wastes in compliance with applicable federal, state and local laws and regulations.
- (h) Waste Disposal Certifications. Contractor agrees to generate and maintain detailed records certifying the proper disposal of all wastes associated with its processes, including wastes generated from the remediation or cleanup of any releases, leaks or spills. Such records will include the names and addresses of any treatment, storage or disposal facility receiving such wastes, the amount of waste received, and the dates of shipment and receipt. Contractor shall maintain all records relating to environmental compliance and waste disposal.
- (i) Process Flow Diagram and Material Balance. Where Contractor is relying upon Purchaser's engineering drawings to provide goods, upon request by Purchaser, Contractor agrees to make available to Purchaser detailed process flow diagram for its manufacturing processes, identifying unit quantities of raw material and associated waste. The process flow diagram will contain a material balance for the processes and will indicate the ultimate fate of each raw material or associated waste.
- (j) Notification of Significant Events. Contractor agrees to notify Purchaser in writing within five days after learning of any significant event involving any of its manufacturing processes that may affect Contractor's ability to comply with its obligations under this purchase order, including but not limited to, any spill, leak or release to the environment which also requires notification to a state or federal agency, including, but not limited to: (a) the date of release; (b) the quantity and type of material released; (c) efforts to clean up the material released; and efforts to mitigate impacts from the release. Notices shall be provided to Purchaser at: Knowledge International LLC., 2331 Mill Rd Suite 501, Alexandria, VA 22314

APPENDIX I

If Contractor is located outside of the United States, the preceding terms and conditions are modified as follows:

1. RESERVED.
2. Clause 8 (c), a subparagraph of Clause 8, "CONTRACTOR'S EMPLOYEE'S," shall be modified to read as follows: "Contractor's employees are not authorized, expressly or otherwise, to enter into any agreements or make any commitments, financial or otherwise, for or on behalf of Purchaser. Specifically, no employee of Contractor shall make contact with the Department of Defense or other United States Government agency employees, members of the United States Congress, Congressional employees or any analogous foreign government agency or employees thereof regarding the continuation, renewal, amendment or modification of a Government Contract between Purchaser and any government or government agency.

3. Clause 14, "DISPUTE RESOLUTION," is deleted and replaced with the following: "DISPUTE RESOLUTION. This order shall be interpreted in accordance with the laws of the state of Virginia, USA without regard to Virginia's choice of law provisions. Except as otherwise provided, the United Nations Convention on Contracts for the International Sale of Goods is not applicable to this order. All disputes arising in connection with this order shall be finally settled under the rules of conciliation and arbitration of the American Chamber of Commerce by one or more arbitrators appointed in accordance with the said rules. The arbitration shall be held in Alexandria, VA and any arbitrator's award shall not exceed actual compensatory damages."
4. Clause 16, "CITIZENSHIP STATUS," shall be deleted and replaced with the following: "CITIZENSHIP STATUS: For data export purposes, only citizens of the country in which the Contractor is located shall be permitted to work on Purchaser's orders without prior written approval from Purchaser. Contractor shall preserve such records as required by local laws and regulations regarding the citizenship status of Contractor's employees."
5. Clause 22, "NONDISCRIMINATION IN EMPLOYMENT," shall be deleted.

Add the following articles:

- I-1. ENGLISH LANGUAGE: Except as the parties may otherwise agree, any order, data, notices, shipping invoices, correspondence and other writings issued pursuant to this agreement shall be written in the English language. In the event of any inconsistency between any terms herein and any translation thereof into another language, the English language meaning shall control.