NATIONAL STEEL AND SHIPBUILDING COMPANY SPECIAL TERMS AND CONDITIONS

LX(R) PROGRAM

N00024-14-C-2409

Rev 0, January 21, 2016

PRIME CONTRACT CLAUSES - N00024-14-C-2409

The following clauses are flowed down from Buyer's Prime Contract with the Government. The defined terms in the MILGEN terms (as listed on the face of Buyer's purchase order issued to Seller) apply to this document. Some of the terms may not be consistently capitalized within this Contract. While every effort was made to keep the capitalization consistent for the terms, the inconsistent capitalization should not affect the meaning intended for the terms.

Section A - Solicitation/Contract Form-The rating is DO-A3.

Section B - Supplies or Services and Prices-There are no flow-downs.

Section C - Description and Specifications

DEPARTMENT OF LABOR SAFETY AND HEALTH STANDARDS FOR SHIPBUILDING (AT) (NAVSEA) (JAN 1990) [Modified by Buyer] Attention of the Seller is directed to Public Law 91 596, approved December 29, 1970 (84 Stat. 1590, 29 USC 655) known as the "OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970" and to the "OCCUPATIONAL SAFETY AND HEALTH STANDARDS FOR SHIPYARD EMPLOYMENT" promulgated thereunder by the Secretary of Labor (29 CFR 1910 and 1915). These regulations apply to all shipbuilding and related work, as defined in the regulations. Nothing contained in this Contract shall be construed as relieving the Seller from any obligations which is may have for compliance with the aforesaid regulations.

Section D - Packaging and Marking - There are no flow-downs.

Section E - Inspection and Acceptance [Modified by Buyer]

52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

52.246-2	INSPECTION OF SUPPLIES – FIXED PRICE (AUG1996)
52.246-3	INSPECTION OF SUPPLIES – COST-REIMBURSEMENT (MAY 2001)
52.246-4	INSPECTION OF SERVICES – FIXED PRICE (AUG 1996)
52.246-5	INSPECTION OF SERVICES – COST REIMBURSEMENT (APR 1984)
52.246-9	INSPECTION OF RESEARCH AND DVELOPMENT (SHORT FORM) (APR 1984)

Section F - Deliveries or Performance

CLAUSES INCORPORATED BY REFERENCE

52.242-15 Alt I	STOP-WORK ORDER (AUG 1989) – Alternate I (APR 1984) (Applicable only if Stop Work order initiated by the Government)
	initiated by the dovernment)

Section G - Contract Administration Data-There are no flow-downs.

Section H - Special Requirements

5252.227-9113 GOVERNMENT-INDUSTRY DATA EXCHANGE PROGRAM (APR 2015) [Modified by Buyer]

- (a) Seller shall participate in the appropriate interchange of the Government-Industry Data Exchange Program ("GIDEP") in accordance with GIDEP PUBLICATION 1 dated April 2008. Data entered is retained by the program and provided to qualified participants. Compliance with this requirement shall not relieve Seller from complying with any other requirement of the Contract.
- (b) Seller agrees to insert paragraph (a) of this requirement in any subcontract hereunder exceeding \$500,000.00. When so inserted, the word "Seller" shall be changed to "Subcontractor".
- (c) GIDEP materials, software and information are available without charge from: GIDEP, P.O. Box 8000, Corona, CA 92878-8000, Phone: (951) 898-3207, FAX: (951) 898-3250, Internet: http://www.gidep.org

5252.233-9103 DOCUMENTATION OF REQUESTS FOR EQUITABLE ADJUSTMENT (APR 1999) [Modified by Buyer]

- (a) For the purposes of this special requirement, the term "change" includes not only a change that is made pursuant to a written order designated as a "change order" but also (1) an engineering change proposed by the Government or by Buyer or Seller; and (2) any act or omission to act on the part of the Government in respect of which a request is made for equitable adjustment.
- Whenever Seller requests or proposes an equitable adjustment of \$100,000 or more per Vessel in respect to a change made pursuant to (b) a written order designated as a "change order" or in respect to a proposed engineering change and whenever Seller requests an equitable adjustment in any amount in respect to any other act or omission to act on the part of the Government, the proposal supporting such request shall contain the following information for each individual item or element of the request: (1) A description (i) of the work required by the Contract before the change, which has been deleted by the change, and (ii) of the work deleted by the change which already has been completed. The description is to include a list of components, equipment, and other identifiable property involved. Also, the status of manufacture, procurement, or installation of such property is to be indicated. Separate description is to be furnished for design and production work. Items of raw material, purchased parts, components and other identifiable hardware, which are made excess by the change and which are not to be retained by Seller, are to be listed for later disposition; (2) Description of work necessary to undo work already completed which has been deleted by the change; (3) Description of work not required by the terms hereof before the change, which is substituted or added by the change. A list of components and equipment (not bulk materials or items) involved should be included. Separate descriptions are to be furnished for design work and production work; (4) Description of interference and inefficiencies in performing the change; (5) Description of each element of disruption and exactly how work has been, or will be disrupted: (i) The calendar period of time during which disruption occurred, or will occur; (ii) Area(s) aboard the Vessel where disruption occurred, or will occur; (iii) Trade(s) disrupted, with a breakdown of man-hours for each trade; (iv) Scheduling of trades before, during, and after period of disruption; (v) Description of measures taken to lessen the disruptive effect of the change; (6) Delay in delivery attributable solely to the change; (7) Other work attributable to the change; (8) Supplementing the foregoing, a

narrative statement of the direct "causal" relationship between any alleged Government act or omission and the associated claimed consequences, cross referenced to the detailed information provided as required above; and (9) A statement setting forth a comparative enumeration of the amounts "budgeted" for the cost elements, including the material costs, labor hours and pertinent indirect costs, estimated by Seller in preparing its initial and ultimate proposal(s) for this Contract, and the amounts claimed to have been incurred and/or projected to be incurred corresponding to each such "budgeted cost" elements.

- Each proposal in excess of \$100,000 submitted in support of a claim for equitable adjustment under any requirement of this Contract shall, in addition to the information required by paragraph (b) hereof, contain such information as Buyer and the Contracting Officer may require with respect to each individual claim item.
- It is recognized that individual claims for equitable adjustment may not include all of the factors listed in paragraph (b) above. Accordingly, Seller is required to set forth in its proposal information only with respect to those factors which are comprehended in the individual claim for equitable adjustment. In any event, the information furnished hereunder shall be in sufficient detail to permit Buyer and the Contracting Officer to cross-reference the claimed increased costs, or delay in delivery, or both, as appropriate, submitted pursuant to paragraph (c) of this requirement, with the information submitted pursuant to paragraph (b) hereof.

5252.233-9107 EQUITABLE ADJUSTMENTS: WAIVER AND RELEASE OF CLAIMS (AT) (JAN 1983) [Modified by Buyer]

- Whenever Seller, after receipt of a change made pursuant to the clause of this Contract entitled "CHANGES" or after affirmation of a constructive change under the "NOTIFICATION OF CHANGES" (FAR 52.243-7) requirement, submits any claim for equitable adjustment under the foregoing, such claim shall include all types of adjustments in the total amounts to which the foregoing entitle Seller, including but not limited to adjustments arising out of delays or disruptions or both caused by such change.
- Further, Seller agrees (except as the parties may otherwise agree) that, if required by Buyer and/or the Government's Contracting Officer, Seller will execute a release, in form and substance satisfactory to Buyer and/or the Government's Contracting Officer, as part of the supplemental agreement setting forth the aforesaid equitable adjustment, and that such release shall discharge Buyer and the Government, its officers, agents and employees, from any further claims including but not limited to further claims arising out of delays or disruptions or both, caused by the aforesaid change.

Section I - Contract Clauses

In interpreting the requirements of these clauses, "Contracting Officer" should be considered to be Buyer's Procurement Representative and "Government" should be considered to be Buyer, unless the context indicates otherwise. Reasonable efforts have been used to convert the terminology used in the Government's solicitation clauses to the terms used in NASSCO's MILGEN terms; however, there may some instances where those conversions were not made for clauses were full text was not given. Accordingly, please apply the following term conversions. "Contractor" shall mean Seller. The terms "Government" or "Contracting Officer" do not change: (i) when a right, act authorization or obligation can be granted or performed only by the Government, (ii) when access to proprietary financial information or other proprietary data is required, (iii) when title to property or rights in technical data and/or computer software are to be transferred directly to Government, (iv) with regards to a disputes or changes clause, or (v) with regards to a clause permitting audit(s) of Seller. Some clauses are included in full text, and others of the FAR and DFARS are hereby incorporated into this Contract by reference as if given in full text, subject to the following definitions, and subject to the particular limitations and modifications indicated. The full text of FAR and DFARS clauses may be accessed electronically at the following internet websites:

https://www.acquisition.gov/far/ http://FARSITE.HILL.AF.MIL/Vfdfar1.htm

CLAUSES INCORPORATED BY REFERENCE (FEB 1998) (FAR 52.252-2)

This Contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(s):

http://farsite.hill.af.mil/.

The following notes apply to the clauses incorporated by reference below.

- Note 1 Substitute "Buyer" for "the Government" or "the United States".
- Note 2 Substitute "Buyer Procurement Representative" for "Contracting Officer", "Administrative Contracting Officer", and "ACO".
- Note 3 Insert "and Buyer" after "Government".
- Note 4 Insert "or Buyer") after "Government.
- Note 5 Communication/notification required under this clause from/to the Seller and to/from the Contracting Officer shall be through
- Note 6 Insert "and Buyer" after "Contracting Officer".

Note 7 – Insert "or Buyer's Procurement Representative" after "Contracting Officer".

FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES

NUMBER	TITLE NOTE	DATE
52.202-1 DEFIN No Note applies.	NITIONS	JAN 2012
52.203-3 GRAT Note 3 applies in		APR 1984
52.203-5 CONV	VENANT AGAINST CONTINGENT FEES	APR 1984

SEPT 2006

Note 3 applies in (a).

52.203-6 RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT

Applies if the Contract value exceeds \$150,000. No Note applies.

52.203-7 ANTI-KICKBACK PROCEDURES	OCT 2010
Clause applies if the Contract value exceeds \$150,000 and Note 2 applies for (b)(4) when the Government exercises its rights and remedies against Buyer as a result of any kickback given by Seller.	
52.203-8 CANCELLATION, RECISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER	
ACTIVITY Note 3 applies to (b) and (c).	JAN 1997
52.203-10 PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY	JAN 1997
Note 2 applies for (b) and Note 1 applies for (c) when the Government exercises its rights and remedies against Buyer as a result of any illegal or improper activity done by Seller.	
52.203-12 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS	OCT 2010
Applies if the Contract value exceeds \$150,000. Note 5 applies. Seller is to make disclosure to Buyer so that Buyer can fulfill the obligations under the Prime Contract.	001 2010
52.203-13 CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT Applies if this Contract exceeds \$5,000,000 and the period of performance is more than 120 days. Disclosures made under this clause shall be made directly to the Government entities identified in the clause. Clause does not apply to small businesses.	OCT 2015
52.204-2 SECURITY REQUIREMENTS	AUG 1996
Applies if the Contract Work requires access to classified information.	1100 1990
52.204-4 PRINTED OR COPIED DOUBLE-SIDED ON POST CONSUMER FIBER CONTENT PAPER Note 3 applies to (b).	MAY 2011
52.209-6 PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT Applies if this Contract exceeds \$30,000 and is not a subcontract for commercially available off the shelf items. Seller is to provide notices to Buyer so that Buyer can fulfill its reporting obligations under this clause. Note 5 applies.	OCT 2015
52.211-5 MATERIAL REQUIREMENTS Note 2 applies to (d) and (e).	AUG 2000
52.211-15 DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS <u>No Note applies.</u>	APR 2008
52.215-2 AUDIT AND RECORDS—NEGOTIATION	OCT 2010
Applicable if: (1) Seller is required to furnish cost or pricing data, or (2) the Contract requires Seller to furnish cost, funding or performance reports, or (3) this is an incentive or re-determinable type contract.	
52.215-15 PENSION ADJUSTMENTS AND ASSET REVERSIONS	OCT 2010
Applies if this Contract meets the applicability requirements of FAR 15.408(g). Note 5 applies.	
52.215-18 REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS Applies if this Contract meets the requirements of FAR 15.408(j). Note 5 applies.	JUL 2005
52.215-19 NOTIFICATION OF OWNERSHIP CHANGES	OCT 1997
52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS The plan should be provided to Buyer.	JUL 2013
52.219-9 SMALL BUSINESS SUBCONTRACTING PLAN Seller is to provide its subcontracting plan to Buyer so that Buyer can incorporate it as part of Buyer's own reporting obligations with respect to this clause. Note 5 applies.	JUL 2013
52,222-1 NOTICE TO THE GOVERNMENT OF LABOR DISPUTES	FEB 1997
52.222-3 CONVICT LABOR	JUN 2003
No Note applies. 52.222-19 CHILD LABOR—COOPERATION WITH AUTHORITIES AND REMEDIES	JAN 2014
Note 2 applies for (c) and Note 2 for (d) when the Government exercises its rights and remedies against Buyer for Seller's violation.	
52.222-20 WALSH-HEALEY PUBLIC CONTRACTS ACT	OCT 2010
52.222-21 PROHIBITION OF SEGREGATED FACILITIES <u>No Note applies.</u>	FEB 1999
52.222-26 EQUAL OPPORTUNITY	MAR 2007
52.222-35 EQUAL OPPORTUNITY FOR VETERANS	SEP 2010
52.222-36 AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES	OCT 2010
52.222-37 EMPLOYMENT REPORTS ON VETERANS	SEP 2010
Seller is to provide its report to Buyer so that Buyer can incorporate it as part of Buyer's own reporting obligations with respect to this clause. Note 5 applies.	
52.222-50 COMBATING TRAFFICKING IN PERSONS	FEB 2009
52.222-54 EMPLOYMENT ELIGIBILITY VERIFICATION	AUG 2013
52.223-6 DRUG-FREE WORKPLACE	MAY 2001

52.223-18 ENCOURAGING CONTRACTOR POLICIES TO BAN TEXT MESSAGING WHILE DRIVING No Note applies.	AUG 2011
52.225-13 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES No Note applies.	JUN 2008
52.227-1 AUTHORIZATION AND CONSENT No Note applies. Government and Contracting Officer remain unchanged.	DEC 2007
52.227-1 ALT I AUTHORIZATION AND CONSENT (DEC 2007) ALT I	APR 1984
52,227-2 NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT Applies if Contract value exceeds \$150,000; Note 5 applies to (a) and (b).	DEC 2007
52,227-10 FILING OF PATENT APPLICATIONS—CLASSIFIED SUBJECT MATTER Applies if the Contract Work or any patent application may cover classified subject matter. Note 5 applies to (a), (b) and (c).	DEC 2007
52.230-2 COST ACCOUNTING STANDARDS Applies only when referenced in the Contract that full CAS coverage applies. No Note applies.	MAY 2012
52.230-6 ADMINISTRATION OF COST ACCOUNTING STANDARDS Applies if FAR 52.230-2 or FAR 52.230-3 applies. No Note applies.	JUN 2010
52.232-20 LIMITATION OF COST <u>No Note applies</u> .	APR 1984
52.232-22 LIMITATION OF FUNDS Note 2 applies to (c), (d), (e), (f)(2), (h) and (i). Note 1 applies to (k).	APR 1984
52.232-23 ASSIGNMENT OF CLAIMS Note 2 applies for (c).	JAN 1986
52.233-3 PROTEST AFTER AWARD (AUG 1996) ALT I	JUN 1985
52.242-1 NOTICE OF INTENT TO DISALLOW COSTS Note 5 applies to (a)(2).	APR 1984
52.242-3 PENALTIES FOR UNALLOWABLE COSTS <u>No Note applies.</u>	MAY 2001
52.242-4 CERTIFICATION OF FINAL INDIRECT COSTS	JAN 1997
52.242-13 BANKRUPTCY Note 2 applies.	JUL 1995
52.243-1 ALT V CHANGES—FIXED PRICE (AUG 1987) ALT V Note 7 applies.	APR 1984
52.243-6 CHANGE ORDER ACCOUNTING No Note applies. The Contracting Officer remains unchanged and refers to the Government's Contracting Officer.	APR 1984
52.243-7 NOTIFICATION OF CHANGES	APR 1984
52.244-2 SUBCONTRACTS Note 5 applies. Buyer acts as the intermediary for the Government.	OCT 2010
52.244-5 COMPETITION IN SUBCONTRACTING No Note applies.	DEC 1996
52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS <u>Note 2 applies.</u>	JUL 2013
52.245-1 GOVERNMENT PROPERTY <u>Note 5 applies.</u>	APR 2012
52.245-9 USE AND CHARGES Note 5 applies.	APR 2012
52.248-1 VALUE ENGINEERING Applies if the Contract value exceeds \$150,000; Note 5 applies.	OCT 2010
52.249-2 TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE) Clause is applicable when Government terminates the Prime Contract.	APR 2012
52.249-6 TERMINATION (COST-REIMBURSEMENT) Clause is applicable when Government terminates the Prime Contract.	MAY 2004
52.249-8 DEFAULT (FIXED-PRICE SUPPLY AND SERVICE) Clause is applicable when Government terminates the Prime Contract.	APR 1984
52.249-14 EXCUSABLE DELAYS Note 2 applies to (b)(2) and Note 7 applies to (c).	APR 1984
52,252-2 CLAUSES INCORPORATED BY REFERENCE	FEB 1998

252.201-7000 CONTRACTING OFFICER'S REPRESENTATIVE No Note applies.	DEC 1991
252.203-7000 REQUIREMENTS RELATING TO COMPENSATION OF FORMER DOD OFFICIALS <i>No Note applies</i> .	SEPT 2011
252.203-7001 PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE CONTRACT-RELATED FELONIES Applies if this Contract exceeds \$150,000. Note 5 applies.	DEC 2008
252.203-7002 REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS No Note applies.	JAN 2009
252.203-7003 AGENCY OFFICE OF THE INSPECTOR GENERAL No Note applies.	DEC 2012
252.203-7004 DISPLAY OF FRAUD HOTLINE POSTER(S) No Note applies.	DEC 2012
252.203-7005 REPRESENTATION RELATING TO COMPENSATION OF FORMER DOD OFFICIALS Note 5 applies.	NOV 2011
252.204-7000 DISCLOSURE OF INFORMATION Note 5 applies.	AUG 2013
252.204-7003 CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT No Note applies.	APR 1992
252.204-7005 ORAL ATTESTATION OF SECURITY RESPONSIBILITIES <u>No Note applies.</u>	NOV 2001
252.205-7000 PROVISION OF INFORMATION TO COOPERATIVE AGREEMENT HOLDERS <u>No Note applies</u> .	DEC 1991
252.209-7004 SUBCONTRACTING WITH FIRMS THAT ARE OWNED OR CONTROLLED BY THE GOVERNMENT OF A TERRORIST COUNTRY <u>Note 5 applies for (b)</u> .	DEC 2006
252.211-7000 ACQUISITION STREAMLINING	OCT 2010
252.211-7005 SUBSTITUTIONS FOR MILITARY OR FEDERAL SPECIFICATION AND STANDARDS	NOV 2005
252.215-7000 PRICING ADJUSTMENTS <u>No Note applies.</u>	DEC 2012
252.215-7002 COST ESTIMATING SYSTEM REQUIREMENTS	DEC 2012
252.219-7003 SMALL BUSINESS SUBCONTRACTING PLAN (DOD CONTRACTS)	AUG 2012
252.223-7004 DRUG FREE WORK FORCE <u>No Note applies.</u>	SEP 1988
252.225-7012 PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES <u>No Note applies</u> .	FEB 2013
252.226-7001 UTILIZATION OF INDIAN ORGANIZATIONS AND INDIAN-OWNED ECONOMIC ENTERPRISES, AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS <u>Applies if this Contract exceeds \$500,000. Note 5 applies.</u>	SEP 2004
252.227-7013 RIGHTS IN TECHNICAL DATA—NONCOMMERCIAL ITEMS Note 5 applies. The Government desires Government Purpose Rights ("GPR") or better for Technical Data and Computer Software to be delivered under the Contract.	JUN 2013
252.227-7014 RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION Note 5 applies. The Government desires Government Purpose Rights ("GPR") or better for Technical Data and Computer	MAY 2013
Software to be delivered under the Contract.	
252.227-7016 RIGHTS IN BID OR PROPOSAL INFORMATION No Note applies. The Government desires Government Purpose Rights ("GPR") or better for Technical Data and Computer Software to be delivered under the Contract.	JAN 2011
252.227-7017 IDENTIFICATION AND ASSERTION OF USE, RELEASE, OR DISCLOSURE RESTRICTIONS <i>Note 5 applies.</i>	JAN 2011
252.227-7019 VALIDATION OF ASSERTED RESTRICTIONS—COMPUTER SOFTWARE Note 4 and Note 7 apply. The Government desires Government Purpose Rights ("GPR") or better for Technical Data	SEP 2011
and Computer Software to be delivered under the Contract.	
252.227-7030 TECHNICAL DATA-WITHHOLDING OF PAYMENT Note 5 applies. The Government desires Government Purpose Rights ("GPR") or better for Technical Data and	MAR 2000
Computer Software to be delivered under the Contract.	
252.227-7037 VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA Note 5 applies. The Government desires Government Purpose Rights ("GPR") or better for Technical Data and	JUN 2013

Computer Software to be delivered under the Contract.	
252.231-7000 SUPPLEMENTAL COST PRINCIPLES <u>No Note applies</u> .	DEC 1991
252.232-7010 LEVIES ON CONTRACT PAYMENTS <u>Note 2 applies</u> .	DEC 2006
252.235-7010 ACKNOWLEDGEMENT OF SUPPORT AND DISCLAIMER	MAY 1995
252.242-7005 CONTRACTOR BUSINESS SYSTEMS <u>No Note applies</u> .	FEB 2012
252.242-7006 ACCOUNTING SYSTEM ADMINISTRATION Note 5 applies.	FEB 2012
252.243-7002 REQUESTS FOR EQUITABLE ADJUSTMENT <u>Note 5 applies</u> .	DEC 2012
252.245-7001 TAGGING, LABELING, AND MARKING OF GOVERNMENT-FURNISHED PROPERTY <i>No Note applies</i> .	APR 2012
252.245-7002 REPORTING LOSS OF GOVERNMENT PROPERTY <u>Note 5 applies.</u>	APR 2012
252.245-7004 REPORTING, REUTILIZATION, AND DISPOSAL Note 5 applies.	MAY 2013