

Supplement 1A
Commercial Items and Services
(Non-Government) Prime Contract/Overhead
Purchase Order Terms and Conditions

PURCHASE ORDER NO:

DATE:

1. **Parties Defined** – VSE Corporation shall be referred to as “Buyer.” The party identified on the face of this Purchase Order (referred to as “Order”) who is contracting with Buyer shall be referred to as “Seller.” Buyer and Seller shall each be referred to as a “Party,” or, together, the “Parties.” Articles, materials, supplies and/or goods supplied by Seller (or its lower-tier subcontractors, as may be approved by Buyer per the terms below) to Buyer in performance of the Order shall be referred to as “Products.” Labor and/or services tendered by Seller (or any lower-tier subcontractors, as may be approved by Buyer per the terms below) to Buyer in performance of the Order shall be referred to as “Services.”
2. **Binding Contract** - This Order becomes a binding contract, subject to the terms and conditions herein (“Terms and Conditions”), when accepted by acknowledgment or commencement of performance.
3. **Entire Agreement, Changes** – This Order, together with any attachments and supplements, sets forth the entire agreement between Buyer and Seller. No change or modification to this Order (or its attachments or supplements) shall be valid unless approved in writing by either Buyer’s designated Point of Contact (“POC”) for this Order, or such alternate point of contact as the POC may identify in writing (“Alternate POC”). In the event that any representative of Buyer other than the POC (or Alternate POC) requests any change or takes any action which could affect the price or delivery schedule, Seller agrees to notify the POC in writing immediately. Should Buyer direct a change in the description, delivery or performance of the Products or Services to be tendered under this Order, Buyer may, at its sole discretion, make an equitable adjustment of the price payable to Seller.
4. **Delivery, Inspection and Acceptance** - Seller shall only tender for acceptance Products and Services that conform to the requirements of this Order. Buyer reserves the right to inspect and or test any Products or Services tendered for acceptance under this Order. Buyer may require repair or replacement of nonconforming Products, or re-performance of nonconforming Services, at no increase in price should a defective or nonconforming Product or Service be tendered by Seller, or, where necessary, reduce any fee payable under the Order to reflect the reduced value of the services performed. Seller understands that final inspection and acceptance may require up to thirty (30) days (or up to ninety (90) days for software Products). Acceptance by Buyer under this Order shall not release Seller from any other obligation under this Order, or limit the rights of Buyer in any way.
5. **Schedule** – Time is of the essence for this Order. Full compliance with the delivery schedule is required, and any deviation from the schedule shall constitute a default on the part of Seller. In the event of an anticipated or known deviation, Seller shall notify Buyer in writing at least thirty (30) days prior to the scheduled delivery date. If at any time Seller otherwise has reason to believe that any requirement of this Order will not be completed on schedule, Seller shall immediately notify the POC in writing. Failure by Seller to furnish a written notice of anticipated delay shall waive any notice requirement applicable to a termination action by Buyer hereunder.
6. **Title** - Unless specified elsewhere in this Order, title to Products furnished under this Order shall pass to Buyer only upon acceptance by Buyer, regardless of where Buyer takes physical possession.
7. **Assignment** – Seller may not assign, in whole or in part, this Order, its obligations under this Order, or any sums payable for performance hereunder, to any third party without Buyer’s prior written permission.
8. **Extras** – Products and Services shall not be supplied in excess of the quantities required under this Order. Seller shall be liable for the cost of any excess Services, as well as any handling charges and/or return shipment costs for any excess Product quantities.
9. **Gratuities/Kickbacks** - No gratuities (entertainment, gifts, or otherwise) shall be offered or given by Seller (or any of its officers, employees, agents, or subcontractors) to Buyer (or any of Buyer’s officers, employees, agents, or subcontractors) for the purpose of obtaining or rewarding favorable treatment as a supplier. Seller shall not offer or give any kickback(s) to any officer, employee, agent, or subcontractors of Buyer.
10. **Resolution of Disputes, Choice of Law** - Both parties shall make all reasonable efforts to settle any disputes on an amicable basis. In the event that agreement cannot be reached, then the following provisions shall apply.

In the event of any dispute that arises solely between the Parties, and that is not covered by the preceding paragraph, the Parties will cooperate in seeking an amicable resolution through mutually agreeable alternative dispute resolution procedures. If the Parties have not resolved the dispute by agreement within ninety (90) calendar days after either Party requests, in writing, alternative dispute resolution from the other, then either party shall have the right to pursue resolution of the dispute in either the Circuit Court of Alexandria, Virginia, or in the United States District Court for the Eastern District of Virginia (Alexandria Division). The courts identified in the preceding sentence shall be the exclusive venue as between the Parties for the purposes of this Section 11.B.
11. **Invoices** - Seller shall submit an original invoice (or electronic invoice, if authorized) to the address designated in the Order to receive invoices. An invoice must include the following: (i) name and address of Seller; (ii) invoice date and number; (iii) Order number, Order line item number and, if applicable, any other information specified on the face of the Order under

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“invoices”; (iv) description, quantity, unit of measure, unit price and extended price of the Products or Services delivered; (v) shipping method and bill of lading/tracking number or manifest number; (vi) terms of any discount for prompt payment offered; (vii) name and address of official to whom payment is to be sent; (viii) name, title, and phone number of person to notify in event of defective invoice. Notwithstanding any provision found elsewhere in this Order, Seller may submit invoices to Buyer no more frequently than once per month for Services rendered during a period. Invoices shall be submitted in duplicate to the address specified on the Order.

12. **Payment** - Seller shall, unless otherwise stipulated on the face of this Order, be paid Net 30 upon submission of each properly prepared invoice (as described above) for Products or Services accepted by Buyer at the destination set forth in this Order, less any deductions as may be provided elsewhere within this Order. If Seller becomes aware that Buyer has paid twice, or otherwise overpaid, on any contract financing or invoice payment, Seller shall immediately notify Buyer and request instructions. In all cases, payment shall be considered to have been made on the date which appears on the payment check, or, in the case of an electronic funds transfer, the date the transfer is made. The basis of any cash discount calculation will be the date the articles are accepted by Buyer or the date an acceptable invoice is received by Buyer, whichever is later. Discounts shall be made based upon the gross amount of an invoice.
13. **Packing and Shipment** – Seller shall deliver all Products under this Order in accordance with good commercial packing and shipment practices. A complete packing list shall be enclosed with all shipments, and Seller shall mark all containers or packages with any necessary lifting, loading, handling, and shipping information, to include Buyer’s Purchase Order number as identified above. Bills of lading shall also include the Purchase Order number. Unless otherwise specified on the face of this Order, all deliveries shall be FOB Destination.
14. **Quality Control** - Seller shall provide and maintain a quality control system, to an industry-recognized quality standard and in compliance with any other specific quality requirements identified in this Order. Seller shall keep complete records of all quality control inspections and make such records available as necessary to Buyer and Buyer’s customers.
15. **Termination** - If Seller fails to prosecute the work required under this Order with reasonable diligence and promptness, fails to provide Buyer, upon request, adequate assurances of future performance upon request, or otherwise defaults in the performance of any material provision of this Order, Buyer may exercise any or all of the following rights:
 - A. Buyer may make an equitable deduction from any sums due to Seller to compensate Buyer for the default;
 - B. Buyer may recover from Seller either the estimated or actual cost to Buyer for correcting the default;
 - C. Buyer may recover from Seller all other damages sustained by Buyer as a result of any of Seller’s defaults not covered herein;
 - D. Buyer may withhold payments otherwise due to Seller while Seller remains in default;
 - E. Buyer may terminate this Order for default by giving seven (7) calendar days written notice to Seller specifying the date, reason for default and the effective date of termination, without prejudice to other rights or remedies provided by law or by this Order, and may take possession of all or any part of the materials or equipment delivered or in transit and finish work by whatever method it may deem expedient.
16. **Procedures Following Termination** - Upon receipt of notice of termination, either for default or convenience, Seller shall immediately discontinue work under this Order and shall, if requested by Buyer, make every reasonable effort to cancel all existing orders, contracts or lower-tier subcontracts upon terms satisfactory to Buyer, and shall thereafter do only such work as may be necessary to preserve and protect work completed or in progress. Following such termination, all claims by Seller shall be given in writing to, and must be received by, Buyer within sixty (60) days of termination notice as dated by Buyer.
17. **Compliance with Laws, Rights of Buyer**- Seller shall comply with all applicable local, state and federal laws, orders, rules, regulations, and ordinances. Seller agrees to pay the cost(s) of any fees, license, permits, and/or other required charges, and comply with the guidelines and directives of any local, state, or federal government authority. Seller agrees to indemnify Buyer against any loss, liability, expense, cost, or damage by reason of Seller’s violation thereof, either actual or alleged. This provision shall not be construed to limit or replace any other indemnity provided herein and shall not act as a waiver or limitation of any of the rights or remedies available to Buyer at law or in equity.
18. **Warranties–Services** - Seller warrants that the Services rendered to Buyer under this Order shall be free from defects in design, material, and workmanship, and shall be performed with the degree of skill and judgment normally exercised by recognized professional firms performing services of the same or substantially similar nature; this warranty constitutes the standards by which the performance of the services are to be measured. If any Services delivered hereunder are identified as non-conforming within the warranty period, Seller, at Buyer’s option, and in response to written notice of warranty claim by Buyer, shall either (a) promptly repair, replace, or reperform the Services to the warranted standard, or (b) refund to Buyer amounts paid for non-conforming Services. This shall not limit any other remedies or rights of Buyer, or obligations of Seller, provided for in this Order.
19. **Warranties-Products** – Seller warrants to Buyer that any Products delivered to Buyer under this Order are fit for use, merchantable, and free of design, material, and/or workmanship defects. Seller further warrants that all Products tendered have a standard manufacturer’s warranty that shall be transferred (at no cost) to Buyer and/or Buyer’s customer(s).

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20. **Intellectual Property Warranty and Indemnification** - Seller warrants that the Products and Services delivered under this Order will not infringe or otherwise violate the intellectual property rights of any party in the United States or any foreign country. Seller agrees to defend, indemnify, and hold harmless Buyer and its customers from and against any claims, damages, losses, costs, and expenses, including reasonable attorneys' fees, arising out of any action or allegation by any party claiming that Products or Services delivered under this contract infringe or otherwise violate the intellectual property rights (to include patents, trademarks, copyrights, and service marks) of any party, or misappropriate any party's trade secrets.
21. **Confidential Relationship** – Except as required by law, Seller shall make no public release, confirmation of, or denial of any information regarding this Order, its subject matter, or any of the Products or Services delivered hereunder - for marketing, advertising, or any other purpose - without first obtaining Buyer's written consent. This prohibition includes, but is not limited to, statements made by Buyer's personnel regarding Seller's performance under this Order.
22. **Proprietary and Other Information of Buyer** – any and all information provided to Seller by Buyer remains the sole property of Buyer. Seller (a) shall use information supplied by Buyer only to accomplish the work required under this Order, (b) agrees not to use such information for any other purpose, and (c) agrees not to disclose any information provided by Buyer to any third party without the prior written agreement of Buyer. Seller shall maintain data protection processes and systems sufficient to adequately protect the information of Buyer. All copies of information provided by Buyer under this Order which Buyer has designated as being proprietary ("Proprietary Information"), whether provided orally, in writing, or as recorded on other media, shall be kept confidential by Seller and not disclosed to any third party. Seller shall return all "Proprietary Information" to Buyer following completion or termination of the Order, to include any and all copies made (in any form) of such information. Should Seller be compelled by law to disclose any part of Buyer's Proprietary Information, Seller shall, before making any disclosure, give Buyer such reasonable notice of the intended disclosure and afford Buyer the opportunity to protect its interests.
23. **Information of Seller** - Seller shall not provide any information it considers proprietary to Buyer without prior execution of a proprietary information agreement between the Parties. Notwithstanding this, unless otherwise expressly set forth in this Order, Buyer shall have the rights to use, for any purpose, information concerning Seller's products, manufacturing methods or processes that Seller may disclose to Buyer during the performance of this Order, if such information is disclosed without restriction on further disclosure or use.
24. **Order of Precedence** – These Terms and Conditions, and any specifications, exhibits, schedules, or documents attached hereto, are intended to be read and construed in harmony with each other. In the event any provision contained within any such attachment conflicts with any part of these Terms and Conditions, these Terms and Conditions shall be deemed to control, and the conflicting provisions shall be deemed removed and replaced with the governing provision herein, provided that the conflicting provision shall only be edited by the minimum amount necessary to eliminate the conflict.
25. **Severability** - If any provision of this Order is held unenforceable, then such provision will be modified to reflect the Parties' intent. All remaining provisions of this Order shall remain in full force and effect.
26. **Survivability** – In the event this Order is terminated, the Parties shall remain bound by the content of the following provisions, which shall survive termination: Compliance with Laws, Rights of Buyer; Assignment; Resolution of Disputes, Choice of Law; Warranties-Services; Warranties-Products; Intellectual Property Warranty and Indemnification; Confidential Relationship; Proprietary and Other Information of Buyer; Independent Contractor Relationship; Indemnification (General); Limitation of Liability.
27. **Non-Waiver** - The failure by either Party to require performance of any provision shall not affect that Party's right to require performance at any time thereafter, nor shall a waiver of any breach or default of this Order constitute a waiver of any subsequent breach or default or a waiver of the provision itself.
28. **Independent Contractor Relationship** – Nothing in this Order shall grant to either Party the right to make commitments of any kind for or on behalf of the other Party. Each Party to this Order is an independent contractor; this Order shall not constitute a teaming agreement, joint venture or partnership between the Parties. The employees used by Seller to perform work under this Order shall be Seller's employees exclusively, without any relation whatsoever to Buyer.
29. **Indemnification (General)** - Seller agrees to indemnify and hold harmless Buyer and its customers from and against any and all losses, costs, claims, causes of action, damages, liabilities and expenses, including attorneys' fees, all expenses of litigation, settlement, alternative dispute resolution, and court costs, arising from any act or omission of Seller, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this Order. In no event shall obligations hereunder be limited to the extent of insurance available to, carried by, Seller or any of its subcontractors, suppliers, or agents.

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30. Insurance

Requirements for Seller/Subcontractor's Insurance Generally. When required by Buyer and before commencing work, Seller/Subcontractor shall procure and maintain insurance of the kinds and limits enumerated hereunder and on terms and with an insurance carrier satisfactory to Buyer. All certifications of insurance shall (a) name VSE Corporation as the holder of the certificate and (b) name VSE Corporation as "Additional Insured" on Seller/Subcontractor's policy. Any insurance policy required to be held by Seller/Subcontractor shall be maintained with an insurance carrier having a financial rating of A++, A+, A, or A-, and at a minimum of \$50,000,000 in policy holders surplus. Seller/Subcontractor shall provide evidence of renewed coverage, as applicable under this Order, on an annual basis. Finally, Seller/Subcontractor shall waive all rights to subrogate against VSE. Certificates of such insurance issued by Seller/Subcontractor's insurance carrier shall be filed with Buyer before the commencement of work under this Order. Within 10 calendar days of receipt of this Order, Seller/Subcontractor shall furnish to Buyer a certificate of the above required insurance. Specific Policy Requirements by Type

Workers' Compensation and Employees Liability Insurance. In accordance with such laws as may be applicable to the work to be performed, but not less than \$100,000 and covering Seller/Subcontractor's employees, agents and consultants.

Workers' Compensation Insurance (Defense Base Act) Public work means any project involving construction, alteration, removal or repair for the public use of the United States or its allies, including but not limited to projects or operations under service contracts and projects in connection with the national defense or with war activities, dredging, harbor improvements, dams, roadways, and housing, as well as preparatory and ancillary work in connection therewith at the site or on the project.

If the order covers public work performed outside the continental U.S. Seller/Subcontractor shall provide, before commencing performance under this contract, such workers' compensation insurance or security as the Defense Base Act (42 U.S.C. 1651-1654) requires and continue to maintain it until performance is completed.

Flowdown. In all subcontracts approved under the Lower-Tier Subcontracting clause herein to which the Defense Base Act applies, Seller/Subcontractor shall insert a clause, similar to this clause, imposing upon those subcontractors this requirement to comply with the Defense Base Act.

General Liability Insurance

Bodily Injury	\$500,000 - per occurrence
Property Damage	\$500,000 - per occurrence

Comprehensive Automobile Liability Insurance

Bodily Injury	\$500,000 - per person
	\$500,000 - per occurrence
Property Damage	\$500,000 - per occurrence

Changes to Insurance Coverage. The foregoing insurance coverage shall not be terminated or canceled unless Buyer is given thirty (30) days prior written notice by the insurance carrier, and Seller/Subcontractor obtains the same minimum limits of coverage from another insurance carrier effective upon termination of prior policy, as demonstrated by a certificate of insurance satisfactory to Buyer. Any changes made by Seller/Subcontractor to its insurance policies without notice that are adverse to Buyer, or are otherwise in violation of the terms of this Order, will be considered a breach of this Agreement.

- 31. Maintenance of Records** – Seller shall maintain complete and accurate records in accordance with generally accepted accounting principles to substantiate Seller's charges hereunder. Such records shall include, but not be limited to, applicable time sheets, job summaries, receipts, invoices, warranties, certifications, and applicable calibration/repair/maintenance records for machinery. Seller shall retain such records for three (3) years from final payment under this Order.
- 32. Limitation of Liability** – Buyer shall not be liable to Seller for any lost revenue, or any indirect, punitive, exemplary, special, or consequential damages, even if Buyer has been advised as to the possibility of such damages, and regardless of whether the claim for such damages is asserted under a theory of breach of contract, tort, or any other theory of liability. Any claim to such damages is expressly waived by Seller upon acceptance of this Order. Except for instances involving personal injury, in no event shall Buyer be liable to Seller for any amount in excess of amounts paid under this Order.
- 33. Lower Tier Subcontracting** – Seller may not utilize lower-tier subcontractors, vendors or suppliers in the performance of work under this Order without prior written approval from Buyer. Where lower-tier subcontracting is approved, Seller shall charge Buyer no more than the amount charged to Seller by the lower-tier subcontractor for goods and/or services. Payment from Buyer to Seller for goods or services rendered by approved lower-tier subcontractors shall be made only after Seller submits such subcontractors' furnished invoices and other supporting documentation for review by Buyer.

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- 34. Export Control Compliance** – By accepting this Order, Seller agrees that in all work performed, and all actions taken under this Order, Seller and its agents, assignees, and/or lower-tier Subcontractors, will abide by The U. S. Arms Export Control Act (AECA), 22 U.S.C. §§ 2751-2794, including The International Traffic in Arms Regulations (ITAR), 22 C.F.R. §120, et seq., and The Export Administration Act (EAA), 50 U.S.C. App. §§2401-2420, including The Export Administration Regulations (EAR), 15 C.F.R. §§730-744, as well as the requirement for obtaining any export license or agreement, if applicable. Seller and Buyer will together in good faith to comply with such export requirements, including jointly submitting and entering into any Technical Assistance Agreements or other licensing documents with the U.S. State Department necessary for performing work under this Order. Seller will work with the Prime Contractor to identify areas of technical support and the citizenship of its TCN employees working or planning to work on this Order. Each party will be responsible for its own costs in preparing such documentation. Seller acknowledges that Seller's work under this Order may be delayed or reduced as necessary to comply with U.S. export laws.
- 35. Prohibited and Embargoed Countries** – Seller shall ensure that, in accordance with 22 CFR 126.1, no subcontracted labor or employed Third Country National (TCN), including those who hold dual or third country citizenship, from the countries listed below work at any facilities under this subcontract at any tier: Belarus, Cuba, Eritrea, Iran, North Korea, Syria, Venezuela, Embargoed: Afghanistan, Burma, Belarus, China, Cote d'Ivoire, Cuba, Cyprus, Democratic Republic of the Congo, Eritrea, Haiti, Iran, Iraq, Lebanon, Liberia, Libya, North Korea, Sierra Leone, Somalia, Sri Lanka, Sudan, Syria, Venezuela, Vietnam, Yemen, Zimbabwe. Seller also agrees that it will not provide workers from countries who are added to the list of prohibited or embargoed countries in accordance with U.S. laws. Prime contractor will notify Subcontractor in writing of any changes to the list.
- 36. COUNTERFEIT PARTS PREVENTION, DETECTION, AND AVOIDANCE** - Seller agrees to sell only parts or materials and components as specified by the description of this purchase order/subcontract and only as original, new, and non-counterfeit. No substitutes, or used parts, materials or components shall be acceptable in replacement unless authorized by the buyer in writing. Seller agrees that all parts, materials, or components procured shall be only purchased from, and traceable to the original equipment manufacturer, or authorized distributor, or trusted independent distributors. All parts, components or materials shall be provided in original packaging with original labels unless authorized by the buyer. For those parts, components or materials provided as repackaged or re-labeled, or re-surfaced or re-marked, seller shall obtain in writing approval by the buyer in advance of shipment or delivery. All parts, components or materials purchased from trusted independent distributors shall have adequate documentation, available to buyer upon request that provides evidence of OEM documentation, that, in the buyer's judgment authenticates the traceability of the parts, materials and components. For those components that cannot be procured from the OEM or authorized sources without documentation of traceability from brokers or any other sources seller must obtain prior approval from the buyer in writing, or such sources shall not be authorized under this purchase order/subcontract. Any request made by seller to waive any part or all of this clause must be made in writing and with supporting documentation that provides complete and compelling support for its request and describing actions taken to ensure that those parts, materials and components to be provided are legitimate. Further, seller agrees to provide documentation of traceability at anytime to the buyer if requested.
- 37. CONFLICT MINERALS AND PROHIBITED MATERIALS** - The following Conflict Minerals are prohibited under this Purchase Order/Subcontract when procured, or originating from The Democratic Republic of Congo (DRC) and/or The Sudan, Uganda, Central Africa Republic, Congo Republic, Angola, Zambia, Tanzania, Rwanda and Burundi:
- Conflict Minerals: Cassiterite, Columbite-Tantalite, Wolframite and Gold.
- These minerals are found in the production of and final product of Tin, Tantalum, Tungsten, used in products such as Solder, Plated Steel, Alloys (Bronze, Brass, Babbitt. Valves, Fittings, Piping, Bearing Surfaces, Packaging, Capacitors, Resistors, Active Semiconductors, Communication Equipment and Systems, Speakers, Cameras, Heat Shielding, Medical Instruments, Wires, Wiring, Electrodes, Electrical Contacts, Resistive Heating Elements, Weld Wire, Incandescent Light Bulbs, Carbide Tools, Electric Plating, Integrated Circuits.
- 38. Bankruptcy** - In the event Seller enters into proceedings relating to bankruptcy, whether voluntary or involuntary, Seller agrees to furnish written notification of the bankruptcy to Buyer at least five days prior to initiation of such proceedings.
- 39. Taxes** - Buyer shall not be liable to Seller, or any officer, employee, agent, lower-tier subcontractor or consultant of Seller, for any taxes, customs, or assessments in connection with this Order, except such as are expressly set forth herein. In the event the goods or services purchased under this Order are exempt from taxes, such exemption will be stipulated in the body of this agreement, and the applicable Tax Exemption Number will be made available upon reasonable request.
- 40. Technical Specifications** - All Technical Specifications, Standards, etc. listed are by default the current revision, unless otherwise documented.
- 41. U.S. FOREIGN CORRUPT PRACTICES ACT.** Seller acknowledges that the U.S. Foreign Corrupt Practices Act (FCPA) makes it unlawful to offer, pay, promise or authorize to pay any money, gift or anything of value, including but not limited to bribes, entertainment, kickbacks or any benefit, directly or indirectly, (i) to any foreign official or any foreign political party or (ii) to any person while knowing or suspecting that the payment or gift will be passed on to a foreign official, in connection with any business activity of Seller. For the purpose of this Agreement, a "foreign official" means any employee or officer of a government of a foreign country, including an employee or officer of any national, regional or local subdivision, department, agency, or enterprise owned or controlled by such foreign government, any official of a foreign political party, any official or

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employee of a public international organization, any person acting in an official capacity for, or on behalf of, any such entity, or any candidate for foreign political office.

THE PARTIES COVENANT AND AGREE WITH AS FOLLOWS:

THE PARTIES HAVE NOT, AND WILL NOT, IN CONNECTION WITH ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT OR IN CONNECTION WITH ANY OTHER BUSINESS TRANSACTION INVOLVING VSE OR SELLER, MAKE, PROMISE OR OFFER ANY PAYMENT OR TRANSFER OF ANYTHING OF VALUE, DIRECTLY OR INDIRECTLY: (A) TO ANY FOREIGN OFFICIAL (AS DEFINED ABOVE) OR TO AN INTERMEDIARY FOR PAYMENT TO ANY FOREIGN OFFICIAL; (B) TO ANY POLITICAL PARTY IN ANY FOREIGN COUNTRY; OR (C) TO ANY OTHER PERSON, FIRM, OR ORGANIZATION THAT WOULD VIOLATE THE FCPA. IT IS THE INTENT OF THE PARTIES THAT NO PAYMENT OR TRANSFER OF ANYTHING OF VALUE SHALL BE MADE THAT HAS OR MAY HAVE THE PURPOSE OR EFFECT OF PUBLIC OR COMMERCIAL BRIBERY, OR ACCEPTANCE OF OR ACQUIESCENCE IN EXTORTION, KICKBACKS OR ANY OTHER UNLAWFUL OR IMPROPER MEANS OF OBTAINING BUSINESS. THIS SUBSECTION SHALL NOT, HOWEVER, PROHIBIT REASONABLE AND CUSTOMARY BUSINESS ENTERTAINMENT OR THE GIVING OF BUSINESS MEMENTOS OF NOMINAL VALUE IN CONNECTION WITH SELLER'S AND VSE'S PERFORMANCE UNDER THIS AGREEMENT SO LONG AS SUCH ACTIONS DO NOT VIOLATE THE LAWS OF THE U.S. OR THE COUNTRY IN WHICH THE WORK IS BEING PERFORMED.

IF AT ANY TIME DURING THE TERM OF THIS AGREEMENT EITHER PARTY LEARNS OF: (A) ANY PAYMENT, OFFER, OR AGREEMENT TO MAKE A PAYMENT OR TO PROVIDE ANYTHING OF VALUE TO A FOREIGN OFFICIAL OR FOREIGN POLITICAL PARTY FOR THE PURPOSE OF OBTAINING OR RETAINING BUSINESS OR SECURING ANY ADVANTAGE FOR VSE OR SELLER UNDER THIS AGREEMENT OR OTHERWISE, EXCEPT TO THE EXTENT PERMITTED BY THIS CLAUSE, OR (B) ANY OTHER DEVELOPMENT DURING THE TERM OF THIS AGREEMENT THAT IN ANY WAY RENDERS INACCURATE OR INCOMPLETE THE REPRESENTATIONS, WARRANTIES, AGREEMENTS OR COVENANTS OF THE PARTIES HEREUNDER, EACH OF THE PARTIES WILL IMMEDIATELY ADVISE THE OTHER IN WRITING OF ALL RELEVANT FACTS AND CIRCUMSTANCES PERTAINING THERETO AND WILL COOPERATE WITH THE OTHER PARTY IN TAKING SUCH REMEDIAL ACTION, INCLUDING BUT NOT LIMITED TO REPORTING SUCH FACTS AND CIRCUMSTANCES TO THE APPROPRIATE AUTHORITIES, AS EITHER PARTY MAY REASONABLY DIRECT.

42. CYBER SECURITY

Seller shall ensure all applicable Federal Acquisition Regulations (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) clauses related to Safeguarding and Controlling Sensitive Data are adhered to and enforced. In particular, these clauses include DFARS:

- ◆ 252.204-7008, Compliance with Safeguarding Covered Defense Information Controls.
- ◆ 252.204-7009, Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information.
- ◆ 252.204-7010, Requirement for Contractor to Notify DoD if the Contractor's Activities are Subject to Reporting Under the U.S.-International Atomic Energy Agency Additional Protocol.
- ◆ 252.204-7011, Alternative Line Item Structure.
- ◆ 252.204-7012, Safeguarding Covered Defense Information and Cyber Incident Reporting.
- ◆ 252.204-7014, Limitations on the Use or Disclosure of Information by Litigation Support Contractors

Seller shall demonstrate compliance with these clauses upon Buyers request. Compliance may include but is not limited to, reports, evidence of internal procedures, third party threat assessments, cyber security detection / prevention capability purchases, and company certification language in accordance with applicable laws and regulations.