

ROLLS-ROYCE

Rolls-Royce Purchase Order Terms and Conditions – FAR/DFARS Clause Flowdowns in Fulfillment of a U.S. Government Contract

Section I - Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Supplement (DFARS) Flowdown Provisions General Terms

A. Government Subcontract

1. This Purchase Order (Order) is issued pursuant to a Government prime contract or subcontract referenced by number or otherwise identified in the Order and concerns products and/or services that can or will be delivered to the United States Government.

2. In addition to those terms set forth in the Purchase Order Terms and Conditions, the following clauses, as set forth in the Federal Acquisition Regulation (FAR) and Department of Defense Federal Acquisition Regulation Supplement (DFARS) are incorporated herein and are applicable hereto by this reference except for those that are specially excepted by the FAR/DFARS text or because of the dollar value as noted with each clause. Copies of FAR/DFARS clauses may be obtained from several sources to include the Government Printing Office, Washington, D.C. and on-line at <http://farsite.hill.af.mil/>

3. The following certifications, representations, acknowledgements or submissions are required to be submitted to your ROLLS-ROYCE Buyer in connection with award of any order or subcontract. SELLER acknowledges that ROLLS-ROYCE will rely upon SELLER certifications and representations, including representations as to business size and socio-economic status, as applicable, contained in this clause and in any written offer, proposal or quote, or company profile submission, which results in award of a contract to SELLER. By entering into such contract, SELLER republishes the certifications and representations submitted with its written offer, including company profile information, and oral offers/quotations made at the request of ROLLS-ROYCE, and SELLER makes those certifications and representations set forth below. SELLER shall immediately notify ROLLS-ROYCE of any change of status regarding any certification or representation.

- a. ROLLS-ROYCE Form LP SB 4-1-4, concerning:
 - i. Certification concerning Debarment or Suspension (FAR 52.209-5)
 - ii. Anti-Lobbying (Byrd Amendment) Certification and Disclosure (FAR 52.203-11, 52.203-12)
 - iii. Acknowledgement and acceptance of DPAS rated order (if applicable)
 - iv. Small Business Subcontracting Plan (where applicable for all orders exceeding \$700,000 USD) submitted through the Small Business Portal <http://www.rrna1.com>

- b. FAR 52.222-22 Previous Contracts and Compliance Reports
 - i. SELLER represents that if SELLER has participated in a previous contract or subcontract subject to the Equal Opportunity clause (FAR 52.222-26): (1) SELLER has filed all required compliance reports and (2) that representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.
 - ii. Paragraph (i) applies only to the extent (1) SELLER performs Work in the United States, or (2) recruits employees in the United States to Work on this Contract.
- c. FAR 52.222-25 Affirmative Action Compliance
 - i. SELLER represents: (1) that SELLER has developed and has on file at each establishment, Affirmative Action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (2) that in the event such a program does not presently exist, SELLER will develop and place in operation such a written Affirmative Action Compliance Program within one-hundred twenty (120) days from the award of this Contract.
 - ii. Paragraph (i) applies only to the extent (1) SELLER performs Work in the United States, or (2) recruits employees in the United States to Work on this Contract.
- d. If this procurement is anticipated to fall under Public Law 87-653, "Truth in Negotiations Act," SELLER will be required to submit a properly executed form GT-11767 (or reasonable substitute) and supporting cost documentation per FAR 15.4 and Table 15-2.
- e. If Public Law 100-679, Cost Accounting Standards, applies, compliance with Form GT 315G-Supplement II (Cost Accounting Standards), or a reasonable substitute, may be required.

4. As used in the FAR and DFARS clauses referenced below, and otherwise in this Order:

- a. "Contract" means this Order.
- b. "Contracting Officer" shall mean the U.S. Government Contracting Officer for ROLLS-ROYCE's government prime contract or subcontract under which this Order is issued.
- c. "Contractor" and "Offeror" means the SELLER, which is the party identified on the face of the Order with whom ROLLS-ROYCE is contracting, acting as the immediate subcontractor to ROLLS-ROYCE.
- d. "Prime Contract" means the contract between ROLLS-ROYCE and the U.S. Government or between ROLLS-ROYCE and its higher-tier contractor who has a contract with the U.S. Government.
- e. "Subcontract" means any contract placed by SELLER or lower-tier subcontractors under this Contract.

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- f. “Commercial Item” means a commercial item as defined in FAR 2.101.

B. Notes Identifying Parties

The following numbered Notes apply to the FAR and DFARS clauses incorporated by reference below only when specified in the parenthetical phrase following the clause title and date.

1. Substitute “ROLLS-ROYCE” for “Government” or “United States” throughout this clause.
2. Substitute “ROLLS-ROYCE Buyer” for “Contracting Officer,” “Administrative Contracting Officer,” and “ACO” throughout this clause.
3. Insert “and ROLLS-ROYCE” after “Government” throughout this clause.
4. Insert “or ROLLS-ROYCE” after “Government” throughout this clause.
5. Communication/notification required under this clause from/to SELLER to/from the Contracting Officer shall be through ROLLS-ROYCE.
6. Insert “and ROLLS-ROYCE” after “Contracting Officer” throughout this clause.
7. Insert “or ROLLS-ROYCE Buyer” after “Contracting Officer” throughout this clause.
8. If SELLER is an international contractor, this clause applies to this Contract only if Work under the Contract will be performed in the United States or Contractor is recruiting employees in the United States to Work on the Contract.

C. Incorporating Amendments or Changes Required By Prime Contract

SELLER agrees that it will negotiate in good faith with ROLLS-ROYCE, if requested, relating to amendments to this Contract to incorporate additional provisions herein or to change provisions hereof, as ROLLS-ROYCE reasonably deems necessary in order to comply with the provisions of the applicable Prime Contract or Subcontract, or with the provisions of amendments to such Prime Contract or Subcontract. If any such amendment to this Contract causes an increase or decrease in the cost of, or the time required for, performance of any part of the Work under this Contract, an equitable adjustment shall be made pursuant to the “Changes” clause of this Contract.

D. Incorporation of FAR and DFARS Clauses

The FAR and DFARS clauses referenced below are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable, including any Notes

following the clause citation, to this Contract. All referenced FAR/DFARS clauses below refer to current clauses and revisions in effect as of the date of the Government Prime Contract referenced in this Purchase Order. If the date or substance of any of the clauses listed below is different from the date or substance of the clause actually incorporated in the Prime Contract referenced by number herein, the date or substance of the clause incorporated by said Prime Contract shall apply instead. The Contracts Disputes Act shall have no application to this Contract, and nothing in this Contract grants SELLER a direct claim or cause of action against the U.S. Government. Any reference to a “Disputes” clause shall mean the “Disputes” provision of the Order. SELLER shall include in each lower-tier subcontract the appropriate flow down clauses as required by the FAR and DFARS clauses included in this Contract.

Section II - FAR 12 If an Order contains a U.S. Government Prime Contract Number and if the Buyer has determined that the Article(s) supplied by Seller is/are Commercial Item(s) then following FAR and DFARS Clauses are applicable.

FEDERAL ACQUISITION REGULATION (FAR) AND DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT (DFARS) FLOWDOWN PROVISIONS FOR FIXED-PRICE SUBCONTRACTS OR PURCHASE ORDERS FOR COMMERCIAL ITEMS UNDER A UNITED STATES DEPARTMENT OF DEFENSE PRIME CONTRACT OR SUBCONTRACT

The following U.S. Government clauses are applicable to any Order with line items specifying the following codes: ZGC07, ZGC12, ZGC18, ZGC19, ZGC30, ZGC37, ZGC38, ZGC92, ZGC525, and ZGC700 or any order placed by Rolls-Royce Marine North America, Inc. ADDITIONALLY, THESE CLAUSES ARE APPLICABLE IF SPECIFICALLY REFERENCED ELSEWHERE IN THE PURCHASE ORDER.

A. The Following FAR clauses are applicable as identified below if the stipulation in the relevant parenthetical applies:

52.203-6 Restrictions on Subcontractor Sales to the Government (SEP 2006) Alternate 1 (OCT 1995) (Applies if this Contract exceeds \$150,000.)

52.203-12 Limitation On Payments To Influence Certain Federal Transactions (OCT 2010) (Applies if this Contract exceeds \$150,000.)

52.203-13 Contractor Code of Business Ethics and Conduct (OCT 2015) (Applicable if Contract exceeds \$5.5 million and period of performance exceeds 120 days. In altering this clause to identify the appropriate parties, all disclosures of violations of the civil False Claims Act or of Federal criminal law shall be directed to the agency Office of the Inspector General, with a copy to the Contracting Officer.)

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52.203-17 Contractor Employee Whistleblower Rights and Requirement To Inform Employees of Whistleblower Rights (APR 2014) (Applies if this Contract exceeds \$150,000.)

52.203-19 Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (JAN 2017)

52.204-2 Security Requirements (AUG 1996) (Applies if the Work requires access to classified information.)

52.204-9 Personal Identity Verification of Contractor Personnel (JAN 2011) (Applies where SELLER will have physical access to a federally-controlled facility or access to a Federal information system.)

52.204-10 Reporting Executive Compensation And First-Tier Subcontract Awards (OCT 2018) (Subparagraph (d)(2) does not apply. If SELLER meets the thresholds specified in paragraphs (d)(3) and (g)(2) of the clause, SELLER shall report required executive compensation by posting the information to the Government's System for Award Management (SAM) database. All information posted will be available to the general public.)

52.204-14 Service Contract Reporting Requirements (OCT 2016) (Applies if this Contract is for services (including construction) and meets or exceeds \$500,000, except for indefinite-delivery contracts. This clause is not required for actions entirely funded by DoD, contracts awarded with a generic entity identifier, or in classified solicitations, contracts, or orders. For this clause, "First-tier subcontract" shall mean this Contract, and "first tier subcontractor" shall mean SELLER. SELLER shall provide the information specified in paragraph (f) to ROLLS-ROYCE.)

52.204-15 Service Contract Reporting Requirements for Indefinite-Delivery Contract (OCT 2016) (Applies if this Contract is an indefinite-delivery contract for services (including construction) where one or more orders issued thereunder are expected to each meet or exceed \$500,000. This clause is not required for actions entirely funded by DoD, contracts awarded with a generic entity identifier, or in classified solicitations, contracts, or orders. For this clause, "First-tier subcontract" shall mean this Contract, and "first tier subcontractor" shall mean SELLER. SELLER shall provide the information specified in paragraph (f) to ROLLS-ROYCE.)

52.204-21 Basic Safeguarding of Covered Contractor Information Systems (JUN 2016) (Applies if Contract is for other than for commercially available off-the-shelf items where Contract may have Federal contract information residing in or transiting through its information system.)

52.204-23 Prohibition on Contracting for Hardware, Software and Services Developed by Kaspersky Lab and Other Covered Entities (JUL 2018)

52.209-6 Protecting The Government's Interest When Subcontracting With Contractors Debarred, Suspended, Or

Proposed For Debarment (OCT 2015) (Applies if this Contract exceeds \$35,000, except does not apply if this Contract is for commercial off the shelf items. Copies of notices provided by SELLER to the Contracting Officer shall be provided to ROLLS-ROYCE.)

52.211-5 Material Requirements (AUG 2000) (Note 2 applies.)

52.211-15 Defense Priority and Allocation Requirements (APR 2008)

52.215-20 Requirements For Certified Cost Or Pricing Data Or Information Other Than Cost Or Pricing Data (OCT 2010) (Note 2 applies in paragraph (a)(1).)

52.215-21 Requirements For Certified Cost Or Pricing Data Or Information Other Than Cost Or Pricing Data - Modifications (OCT 2010) (Note 2 applies in paragraphs (a)(1) and (b).)

52.219-8 Utilization of Small Business Concerns (OCT 2018) (Applies if SELLER will be awarding subcontracts. Note 8 applies.)

52.219-9 Small Business Subcontracting Plan (AUG 2018) (Does not apply where the prime contract contains the clause at 52.212-5, Contract Terms and Conditions Required to Implement Statutes or Executive Orders—Commercial Items, or where SELLER provides a commercial item subject to the clause at 52.244-6, Subcontracts for Commercial Items.)

52.222-17 Nondisplacement of Qualified Workers (MAY 2014) (Applies if this Contract is for services and exceeds \$150,000, in which case paragraph (b) through (c) apply and SELLER will provide ROLLS-ROYCE the information needed to comply with paragraphs (d) and (e) of the clause.)

52.222-19 Child Labor – Cooperation with Authorities and Remedies (JAN 2018)

52.222-21 Prohibition Of Segregated Facilities (APR 2015) (Note 8 applies.)

52.222-26 Equal Opportunity (SEP 2016) (Note 8 applies.)

52.222-35 Equal Opportunity for Veterans (OCT 2015) (Applies if this Contract is for \$150,000 or more. Note 8 applies.)

52.222-36 Affirmative Action for Workers with Disabilities (JUL 2014) (Applies if this Contract exceeds \$15,000. Note 8 applies.)

52.222-37 Employment Reports On Veterans (FEB 2016) (Applies if this Contract is for \$150,000 or more. Note 8 applies.)

52.222-40 Notification of Employee Rights Under the National Labor Relations Act (DEC 2010) (Applies if this Contract exceeds \$10,000. Note 8 applies.)

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52.222-41 Service Contract Labor Standards (AUG 2018) (Applies if this Contract is for services subject to the Service Contract Act. The clause does not apply if this Contract has been administratively exempted by the Secretary of Labor or exempted by 41 U.S.C. 356, as interpreted in Subpart C of 29 C.F.R. Part 4. Note 8 applies.)

52.222-50 Combating Trafficking in Persons (MAR 2015) (Note 2 applies. In paragraph (e), Note 3 applies.)

52.222-54 Employment Eligibility Verification (OCT 2015) (Applies if this Contract exceeds \$3,500 except for commercial services that are part of the purchase of a COTS item (or an item that would be a COTS item, but for minor modifications), performed by the COTS provider, and are normally provided for that COTS item. Note 8 applies.)

52.222-55 Minimum Wages Under Executive Order 13658 (DEC 2015) (Applies if this Contract is subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute. Note 8 applies.)

52.222-62 Paid Sick Leave Under Executive Order 13706 (JAN 2017) (Applies regardless of dollar value of Contract if it is subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, and is to be performed in whole or in part in the United States.)

52.223-11 Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons (JUN 2016) (Applies if the Work was manufactured with or contains ozone-depleting substances.)

52.224-3 Privacy Training (JAN 2017) (Applies if SELLER's employees will, as specified in paragraph (f), have access to a system of records; create, collect or handle personally identifiable information; or design, develop, maintain or operate a system of records.)

52.225-1 Buy American Act—Supplies (MAY 2014) (Applies if the Work contains other than domestic components. Note 2 applies to the first time "Contracting Officer" is mentioned in paragraph (c).)

52.225-5 Trade Agreements (AUG 2018) (Applies if the procurement acquisition value exceeds \$191,000 or more, if the acquisition is covered by the WTO GPA (FAR subpart 25.4) and the Work contains other than U.S. made or designated country end products as specified in the clause.)

52.225-13 Restrictions on Certain Foreign Purchases (JUN 2008)

52.227-19 Commercial Computer Software-Restricted Rights (DEC 2007)

52.228-3 Worker's Compensation Insurance (Defense Base Act) (JUL 2014) (Applies if the Defense Base Act applies to the Contract.)

52.232-40 Providing Accelerated Payments To Small Business Subcontractors (DEC 2013) (Applies if SELLER is a small business concern. Note 1 applies. This clause does not apply if ROLLS-ROYCE does not receive accelerated payments under the prime contract. Not all agencies provide accelerated payments.)

52.244-6 Subcontracts for Commercial Items (OCT 2018)

52.245-1 Government Property (JAN 2017) ALT I (APR 2012) ("Contracting Officer" means "ROLLS-ROYCE" except in the definition of Property Administrator and in paragraphs (h)(1)(iii) where it is unchanged, and in paragraphs (c) and (h)(4) where it includes ROLLS-ROYCE. "Government" is unchanged in the terms "Government property" and "Government furnished property" and where elsewhere used except in paragraph (d)(1) where it means "ROLLS-ROYCE" and except in paragraphs (d)(2) and (g) where the term includes ROLLS-ROYCE. The following is added as paragraph (n): "SELLER shall provide immediate notice to ROLLS-ROYCE if the Government or other customer (i) revokes its assumption of loss under any direct contracts with SELLER, or (ii) makes a determination that SELLER's property management practices are inadequate, and/or present an undue risk, or that SELLER has failed to take corrective action when required.")

52.246-2 Inspection of Supplies—Fixed-Price (AUG 1996) (Note 2 applies. Note 3 applies, except in paragraph (b) the second time "Government" appears, and (f), (h), (j), and (l) where Note 1 applies.)

52.246-11 Higher-Level Contract Quality Requirement (DEC 2014) (ROLLS-ROYCE will specify the applicable higher-level quality standards, if any.)

52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels (FEB 2006)

B. The following DFARS Clauses are applicable if this Order is placed under a Department of Defense prime contract and if the stipulation in the relevant parenthetical applies:

252.203-7002 Requirement to Inform Employees of Whistleblower Rights (SEP 2013)

252.203-7003 Agency Office Of The Inspector General (OCT 2016) (Applies to this Contract when it exceeds \$5.5 million except when the Contract is for acquisition of a commercial item.)

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252.204-7000 Disclosure of Information (OCT 2016)

252.204-7008 Compliance with Safeguarding Covered Defense Information Controls (OCT 2016) (“Offeror” means SELLER.)

252.204-7009 Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information (OCT 2016) (Applies to this Contract if it is for services that include support for the Government’s activities related to safeguarding covered defense information and cyber incident reporting.)

252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting (OCT 2016) (This clause applies if the Contract involves operationally critical support or will involve a covered contractor information system that processes, stores, or transmits covered defense information as those terms are defined in the clause. Reports required under paragraph (c) shall be made through ROLLS-ROYCE. SELLER shall notify ROLLS-ROYCE of requests pursuant to paragraph (b)(2)(ii)(B) of the clause.)

252.204-7014 Limitations On The Use Or Disclosure Of Information By Litigation Support Contractors (MAY 2016)

252.204-7015 Notice Of Authorized Disclosure Of Information For Litigation Support (MAY 2016)

252.211-7003 Item Unique Identification and Valuation (MAR 2016) (Applies if this Contract requires the Work to contain a “unique item identifier.” Items subject to unique item identification are identified elsewhere in this Contract. All reports required to be submitted under this clause shall be submitted to ROLLS-ROYCE.)

252.211-7007 Reporting of Government-Furnished Property (AUG 2012)

252.217-7003 Changes (DEC 1991) (“Contracting Officer” means ROLLS-ROYCE. Paragraph (d) does not apply.)

252.223-7001 Hazard Warning Labels (DEC 1991) (Applies if this Contract requires the delivery of hazardous materials.)

252.223-7002 Safety Precautions For Ammunition And Explosives (MAY 1994) (Applies only if the articles furnished under this Contract contain ammunition or explosives, including liquid and solid propellants. Notes 2, 3, and 5 apply to paragraphs (g)(1)(i) and (e)(1)(ii). Note 3 applies. Delete “prime” in (g)(1)(ii) and add “and ROLLS-ROYCE Buyer.” In (g)(1)(ii) delete “substituting its name for references to the Government.”)

252.223-7003 Change In Place Of Performance - Ammunition And Explosives (DEC 1991) (Applies if DFARS 252.223-7002 applies to this Contract. Notes 2 and 4 apply.)

252.223-7007 Safeguarding Sensitive Conventional Arms, Ammunition, And Explosives (SEP 1999) (Applies if this

Contract is for the development, production, manufacture, or purchase of arms, ammunition, and explosives or when arms, ammunition, and explosives will be provided to SELLER as Government Furnished Property.)

252.223-7008 Prohibition on Hexavalent Chromium (JUN 2013) (Applies if this Contract is for supplies, maintenance and repair services, or construction materials. Note 2 applies.)

252.225-7001 Buy American And Balance Of Payments Program (DEC 2017) (Applies if the Work contains other than domestic components. Applies in lieu of FAR 52.225-1.)

252.225-7007 Prohibition On Acquisition Of United States Munitions List Items From Communist Chinese Military Companies (SEP 2006) (Applies if SELLER is supplying items on the U.S. Munitions list.)

252.225-7008 Restriction on Acquisition of Specialty Metals (MAR 2013)

252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals (OCT 2014) (Applies if the Work to be furnished contains specialty metals. Paragraph (d) is deleted.)

252.225-7012 Preference For Certain Domestic Commodities (DEC 2017)

252.225-7021 Trade Agreements (DEC 2017) (Applies if the Work contains other than U.S.-made, qualifying country, or designated country end products. Applies in lieu of FAR 52.225-5.)

252.225-7040 Contractor Personnel Authorized to Accompany U.S. Armed Forces Deployed Outside the United States (OCT 2015) (Applies if SELLER personnel are authorized to accompany U.S. Armed Forces deployed outside the United States.)

252.225-7043 Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States (JUN 2015)

252.225-7046 Exports by Approved Community Members in Response to the Solicitation (June 2013) (Applies if SELLER intends to use Defense Trade Cooperation (DTC) Treaties in performing the Contract. Paragraph (g) does not apply.)

252.225-7047 Exports by Approved Community Members in Performance of the Contract (June 2013) (Applies if SELLER’s Contract may require exports or transfers of qualifying defense articles in connection with deliveries under the Contract.)

252.225-7048 Export Controlled Items (JUN 2013)

252.226-7001 Utilization Of Indian Organizations, Indian-Owned Economic Enterprises And Native Hawaiian Small Business Concerns (SEP 2004) (Applies if this Contract exceeds

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\$500,000. Note 2 applies to paragraph (c) the first time “Contracting Officer” appears. In subparagraph (f)(1), “Contractor” shall mean “ROLLS-ROYCE.” ROLLS-ROYCE shall have no liability to SELLER for any incentive payment under this clause unless and until the Government provides said incentive payment to ROLLS-ROYCE.)

252.227-7013 Rights in Technical Data – Noncommercial Items (FEB 2014) (Applies in lieu of FAR 52.227-14. Applies to the extent specified in DFARS 252.227-7015 and to commercial items if such commercial items are or were developed in any part at Government expense as specified in paragraph (k)(2).)

252.227-7014 Rights In Noncommercial Computer Software And Noncommercial Computer Software Documentation (FEB 2014) (Applies in lieu of FAR 52.227-14.)

252.227-7015 Technical Data – Commercials Items (FEB 2014)

252.227-7019 Validation Of Asserted Restrictions - Computer Software (SEP 2016)

252.227-7037 Validation of Restrictive Markings on Technical Data (SEP 2016)

252.239-7010 Cloud Computing Services (OCT 2016) (Applies if the Contract involves or may involve cloud computing services.)

252.244-7000 Subcontracts for Commercial Items (JUN 2013)

252.245-7001 Tagging, Labeling, and Marking of Government-Furnished Property (APR 2012)

252.245-7002 Reporting Loss of Government Property (DEC 2017)

252.245-7003 Contractor Property Management System Administration (APR 2012)

252.245-7004 Reporting, Reutilization, and Disposal (DEC 2017)

252.246-7003 Notification of Potential Safety Issues (JUN 2013) (Applies if this Contract is for (i) parts identified as critical safety items, (ii) systems and subsystems, assemblies and subassemblies integral to a system, or (iii) repair, maintenance, logistics support or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system. SELLER shall provide notifications to ROLLS-ROYCE and the Contracting Officer identified to SELLER.)

252.246-7006 Warranty Tracking of Serialized Items (MAR 2016) (In paragraph (b)(3), “Contracting Officer” and “Contracting Officer Representative” shall mean “ROLLS-ROYCE Buyer.”)

252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System (AUG 2016) (Paragraphs (a) through (e) apply if this Contract is for electronic parts or assemblies containing electronic parts. To the extent this clause conflicts with other provisions of this Contract, this clause shall prevail. In paragraph (c)(2), Note 3 applies. In paragraph (c)(6), Note 6 applies.)

252.246-7008 Sources of Electronic Parts (MAY 2018) (Applies if this Contract is for electronic parts or assemblies containing electronic parts, unless the SELLER is the original manufacturer.)

252.247-7023 Transportation of Supplies by Sea (APR 2014) (Applies in lieu of FAR 52.247-64 in all contracts for ocean transportation of supplies. In the first sentence of paragraph (g), insert a period after “Contractor” and delete the balance of the sentence. Paragraphs (f) and (g) shall not apply if this Contract is at or below \$150,000. Notes 1 and 2 apply to paragraph (g). (ALT I (APR 2014) applies if supplies are shipped in support of U.S. contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations; ALT II (APR 2014) applies if this Contract is less than \$150,000.))

252.247-7024 Notification of Transportation of Supplies by Sea (MAR 2000) (Applicable if this Contract meets the criteria set forth in paragraph (b)(2)(ii) of the clause. Notes 1 and 2 apply.)

Section III - FAR 15 If an Order contains a U.S. Government Prime Contract Number then the following FAR and DFARS Clauses are applicable.

FEDERAL ACQUISITION REGULATION (FAR) AND DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT (DFARS) FLOWDOWN PROVISIONS FOR FIRM FIXED PRICE SUBCONTRACTS OR PURCHASE ORDERS FOR NONCOMMERCIAL ITEMS UNDER A UNITED STATES DEPARTMENT OF DEFENSE PRIME CONTRACT OR SUBCONTRACT, INCLUDING

- **FAR PART 15 SUPPLIES AND/OR SERVICES CONTRACTS**
- **FAR PART 15 AND FAR PART 12 SUPPLIES AND/OR SERVICES CONTRACTS**

The following U.S. Government clauses are applicable to any Order with line items specifying the following codes: ZGC02, ZGC02GRSA, ZGC07, ZGC08, ZGC11, ZGC12, ZGC13, ZGC14, ZGC18, ZGC19, ZGC24, ZGC27, ZGC30, ZGC37, ZGC38, ZGC41, ZGC92, ZGC525, ZGC700 or any Order placed by Rolls-Royce Marine North America, Inc. ADDITIONALLY, THESE CLAUSES ARE APPLICABLE IF SPECIFICALLY REFERENCED ELSEWHERE IN THE PURCHASE ORDER.

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A. The Following FAR clauses are applicable as identified below if the stipulation in the relevant parenthetical applies:

52.203-6 Restrictions on Subcontractor Sales to the Government (SEP 2006) (Applies if this Contract exceeds \$150,000.)

52.203-7 Anti-Kickback Procedures (MAY 2014)(excluding subparagraph(c)(1)) (Applies if this Contract exceeds \$150,000.)

52.203-12 Limitation on Payments to Influence Certain Federal Transactions (OCT 2010) (Applies if this Contract exceeds \$150,000.)

52.203-13 Contractor Code of Business Ethics (OCT 2015) (Applies if this Contract exceeds \$5.5 million 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.)

52.203-14 Display of Hotline Poster(s) (OCT 2015) (Applies if this Contract exceeds \$5.5 million. Contact the ROLLS-ROYCE Buyer for the location where posters may be obtained if not indicated elsewhere in the Contract. Note 8 applies.)

52.203-16 Preventing Personal Conflicts of Interest (DEC 2011) (Applies if this Contract exceeds \$150,000 and SELLER's employees will perform acquisition functions closely associated with inherently governmental functions.)

52.203-17 Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights (APR 2014) (Applies if this Contract exceeds \$150,000.)

52.203-19 Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (JAN 2017)

52.204-2 Security Requirements (AUG 1996) (Applies if the Work requires access to classified information.)

52.204-9 Personal Identity Verification of Contractor Personnel (JAN 2011) (Applies where SELLER will have physical access to a federally-controlled facility or access to a Federal information system.)

52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards (OCT 2018) (Subparagraph (d)(2) does not apply. If SELLER meets the thresholds specified in paragraphs (d)(3) and (g)(2) of the clause, SELLER shall report required executive compensation by posting the information to the Government's System for Award Management (SAM) database. All information posted will be available to the general public.)

52.204-14 Service Contract Reporting Requirements (OCT 2016) (Applies if this Contract is for services (including construction) and meets or exceeds \$500,000, except for indefinite-delivery contracts. This clause is not required for actions entirely funded by DoD, contracts awarded with a generic entity identifier, or in

classified solicitations, contracts, or orders. For this clause, "First-tier subcontract" shall mean this Contract, and "first tier subcontractor" shall mean SELLER. SELLER shall provide the information specified in paragraph (f) to ROLLS-ROYCE.)

52.204-15 Service Contract Reporting Requirements for Indefinite-Delivery Contract (OCT 2016) (Applies if this Contract is an indefinite-delivery contract for services (including construction) where one or more orders issued thereunder are expected to each meet or exceed \$500,000. This clause is not required for actions entirely funded by DoD, contracts awarded with a generic entity identifier, or in classified solicitations, contracts, or orders. For this clause, "First-tier subcontract" shall mean this Contract, and "first tier subcontractor" shall mean SELLER. SELLER shall provide the information specified in paragraph (f) to ROLLS-ROYCE.)

52.204-21 Basic Safeguarding of Covered Contractor Information Systems (JUN 2016) (Applies if Contract is for other than for commercially available off-the-shelf items where Contract may have Federal contract information residing in or transiting through its information system.)

52.204-23 Prohibition on Contracting for Hardware, Software and Services Developed by Kaspersky Lab and Other Covered Entities (JUL 2018)

52.209-6 Protecting the Government's Interests When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment (OCT 2015) (Applies if this Contract exceeds \$35,000. Copies of notices provided by SELLER to the Contracting Officer shall be provided to ROLLS-ROYCE.)

52.209-13 Violation of Arms Control Treaties or Agreements-Certification (Applies if Order is above the Simplified Acquisition Threshold)

52.211-5 Material Requirements (AUG 2000) (Note 2 applies.)

52.211-15 Defense Priority and Allocation Requirements (APR 2008) (Applies if Order relates to a Rated Order issued by the U.S. Government.)

52.215-2 Audit and Records – Negotiation (OCT 2010) (Applies if this Contract exceeds \$150,000 and 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 redeterminable type contract. Note 3 applies.)

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52.215-10 Price Reduction for Defective Certified Cost or Pricing Data (AUG 2011) (Applies if submission of certified cost or pricing data is required. Notes 2 and 4 apply except the first time “Contracting Officer” appears in paragraph (c)(1). “Government” means “ROLLS-ROYCE” in paragraph (d)(1). Rights and obligations under this clause shall survive completion of the Work and final payment under this Contract.)

52.215-11 Price Reduction for Defective Certified Cost or Pricing Data – Modifications (AUG 2011) (Applies if submission of certified cost or pricing data is required for modifications. Notes 2 and 4 apply except the first time “Contracting Officer” appears in paragraph (d)(1). “Government” means “ROLLS-ROYCE” in paragraph (e)(1). Rights and obligations under this clause shall survive completion of the Work and final payment under this Contract.)

52.215-12 Subcontractor Certified Cost or Pricing Data (OCT 2010) (Applies if submission of certified cost or pricing data is required.)

52.215-13 Subcontractor Certified Cost or Pricing Data—Modifications (OCT 2010) (Applies if this Contract exceeds the threshold under FAR 15.403 and is not otherwise exempt.)

52.215-14 Integrity of Unit Prices (OCT 2010) (Applies if this Contract exceeds \$150,000. Delete paragraph (b) of the clause.)

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.)

52.215-16 Facilities of Capital Cost of Money (JUN 2003) (Applies only if this Contract is subject to the Cost Principles at FAR Subpart 31.2, SELLER proposed facilities capital cost of money (FCCM) in its offer, and FCCM is allowable under the prime contract.)

52.215-17 Waiver of Facilities Capital Cost of Money (OCT 1997) (Applies if Contract is subject to FAR Subpart 31.2 cost principles and SELLER did not propose facilities capital cost of money in its offer.)

52.215-18 Reversion or Adjustment of Plans for Post-Retirement Benefits Other than Pensions (JUL 2005) (Applicable if this Contract meets the applicability requirements of FAR 15.408(j). Note 5 applies.)

52.215-19 Notification of Ownership Changes (OCT 1997) (Applies if this Contract meets the applicability requirements of FAR 15.408(k). Note 5 applies.)

52.215-20 Requirements for Certified Cost or Pricing Data or Information Other than Cost or Pricing Data (OCT 2010) (Note 2 applies in paragraph (a)(1).)

52.215-21 Requirements for Certified Cost or Pricing Data or Information Other Than Cost or Pricing Data – Modifications (OCT 2010) (Note 2 applies in paragraphs (a)(1) and (b).)

52.215-23 Limitations on Pass-Through Charges (OCT 2009) (Applies if this is a cost-reimbursement subcontract in excess of \$150,000, except if the prime contract to which this contract relates is with DoD, then the clause applies to both cost-reimbursement subcontracts and fixed-price subcontracts that exceed \$750,000, except those identified in FAR 15.408(n)(2)(i)(B)(2). Notes 4 and 6 apply.)

52.219-8 Utilization of Small Business Concerns (OCT 2018) (Applies if SELLER will be awarding subcontracts. Note 8 applies.)

52.219-9 Small Business Subcontracting Plan (AUG 2018) (Applies if this Contract exceeds \$700,000 except the clause does not apply if SELLER is a small business concern. Note 8 applies and Note 2 is applicable to paragraph (c) only. SELLER’s subcontracting plan is incorporated herein by reference. Further, does not apply where the prime contract contains the clause at 52.212-5, Contract Terms and Conditions Required to Implement Statutes or Executive Orders—Commercial Items, or where SELLER provides a commercial item subject to the clause at 52.244-6, Subcontracts for Commercial Items.)

52.222-4 Contract Work Hours and Safety Standards Act – Overtime Compensation (MAY 2018) (Applies if the Contract may require or involve the employment of laborers and mechanics. Note 8 applies.)

52.222-17 Nondisplacement of Qualified Workers (MAY 2014) (Applies if this Contract is for services and exceeds \$150,000, in which case paragraph (b) through (c) apply and SELLER will provide ROLLS-ROYCE the information needed to comply with paragraphs (d) and (e) of the clause.)

52.222-19 Child Labor – Cooperation with Authorities and Remedies (JAN 2018)52.222-20 Contracts for Materials, Supplies, Articles, and Equipment Exceeding \$15,000 (MAY 2014) (Applies if this Contract exceeds \$15,000. Note 8 applies.)

52.222-21 Prohibition of Segregated Facilities (APR 2015) (Note 8 applies.)

52.222-26 Equal Opportunity (SEP 2016) (Note 8 applies.)

52.222-35 Equal Opportunity for Veterans (OCT 2015) (Applies if this Contract is for \$150,000 or more. Note 8 applies.)

52.222-36 Affirmative Action for Workers with Disabilities (JUL 2014) (Applies if this Contract exceeds \$15,000. Note 8 applies.)

52.222-37 Employment Reports On Veterans (FEB 2016) (Applies if this Contract is for \$150,000 or more. Note 8 applies.)

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52.222-40 Notification of Employee Rights under the National Labor Relations Act (DEC 2010) (Applies if this Contract exceeds \$10,000. Note 8 applies.)

52.222-41 Service Contract Labor Standards (AUG 2018) (Applies if this Contract is for services subject to the Service Contract Act. The clause does not apply if this Contract has been administratively exempted by the Secretary of Labor or exempted by 41 U.S.C. 356, as interpreted in Subpart C of 29 CFR Part 4. Note 8 applies.)

52.222-50 Combating Trafficking in Persons (MAR 2015) (Note 2 applies. In paragraph (e), Note 3 applies.)

52.222-53 Exemption from Application of the Service Contract Act to Contracts for Certain Services—Requirements (MAY 2014)

52.222-54 Employment Eligibility Verification (OCT 2015) (Applies if this Contract exceeds \$3,500 except for commercial services that are part of the purchase of a COTS item performed by the COTS provider, and are normally provided for that COTS item. Note 8 applies.)

52.222-55 Minimum Wages Under Executive Order 13568 (DEC 2015) (Applies if Contract includes FAR 52.222-41. Note 8 applies.)

52.222-62 Paid Sick Leave Under Executive Order 13706 (JAN 2017) (Applies regardless of dollar value of Contract if it is subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, and is to be performed in whole or in part in the United States.)

52.223-3 Hazardous Material Identification and Material Safety Data (JAN 1997) (Applies if this Contract involves hazardous material. Notes 2 and 3 apply, except for paragraph (f) where Note 4 applies.)

52.223-7 Notice Of Radioactive Materials (JAN 1997) (Applies to Work containing covered radioactive material meeting the criteria in paragraph (a) of the clause. In the blank insert “30.” Notes 1 and 2 apply.)

52.223-11 Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons (JUN 2016) (Applies if the Work was manufactured with or contains ozone-depleting substances.)

52.223-18 Encouraging Contractor Policies to Ban Text Messaging While Driving (AUG 2011) (Applies if this Contract exceeds \$3,500. Note 8 applies.)

52.225-1 Buy American Act—Supplies (MAY 2014) (Applies if the Work contains other than domestic components. Note 2 applies to the first time “Contracting Officer” is mentioned in paragraph (c).)

52.225-3 Buy American Act—North American Free Trade Agreement—Israeli Trade Act (MAY 2014)

52.225-5 Trade Agreements (AUG 2018) (Applies if the procurement acquisition value exceeds \$191,000 or more, if the acquisition is covered by the WTO GPA (FAR Subpart 25.4), and the Work contains other than U.S. made or designated country end products as specified in the clause.)

52.225-8 Duty Free Entry (OCT 2010) (Applies if Work will be imported into the Customs Territory of the United States. Note 2 applies.)

52.225-13 Restrictions on Certain Foreign Purchases (JUN 2008)

52.227-1 Authorization and Consent (DEC 2007) (Applies only if the Prime Contract contains this clause. Notes 2 and 4 apply.)

52.227-1 Authorization and Consent ALT I (APR 1984) (This ALT I applies if the Prime Contract contains this clause and the Contract is for research and development.)

52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (DEC 2007) (Applies if this Contract exceeds \$150,000. Notes 2 and 4 apply.)

52.227-3 Patent Indemnity (APR 1984) (Applies only if the prime contract contains this clause. Note 3 applies.)

52.227-9 Refund of Royalties (APR 1984) (Applies when reported royalty exceeds \$250. Note 1 applies except for the first two times “Government” appears in paragraph (d). Note 2 applies.)

52.227-10 Filing of Patent Applications—Classified Subject Matter (DEC 2007) (Applies if the Work or any patent application may cover classified subject matter.)

52.227-11 Patent Rights—Ownership by the Contractor (MAY 2014) (Applies if this Contract includes, at any tier, experimental, developmental, or research Work and SELLER is a small business concern or domestic nonprofit organization. Reports required by this clause shall be filed with the agency identified in this Contract. If no agency is identified, contact the ROLLS-ROYCE Buyer identified in the Contract. FAR 52.227-13 applies in lieu of this clause if SELLER is not located in the United States or does not have a place of business located in the United States or is subject to the control of a foreign government.)

52.227-13 Patent Rights—Ownership by the Government (DEC 2007) (Applies if this Contract is for experimental, developmental or research work and SELLER is not located in the United States or does not have a place of business located in the United States or is subject to the control of a foreign government. Paragraph (g) is deleted. If not otherwise included

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in this Contract, the name and address of the contracting officer may be obtained from the ROLLS-ROYCE Buyer.)

52.227-14 Rights in Data - General (MAY 2014) (Does not apply if DFARS 252.227-7013 applies.)

52.228-5 Insurance—Work on a Government Installation (JAN 1997) (Applies if the Contract requires Work on a government installation.)

52.230-2 Cost Accounting Standards (OCT 2015) (Applies only when referenced in this Contract that full CAS coverage applies. “United States” means “United States or ROLLS-ROYCE.” Delete paragraph (b) of the clause.)

52.230-3 Disclosure And Consistency Of Cost Accounting Practices (OCT 2015) (Applies only when referenced in this Contract that modified CAS coverage applies. “United States” means “United States or ROLLS-ROYCE.” Delete paragraph (b) of the clause.)

52.230-4 Disclosure And Consistency Of Cost Accounting Practices For Contracts Awarded To Foreign Concerns (OCT 2015) (Applies if the Contract exceeds \$750,000 and when referenced in this Contract.)

52.230-6 Administration of Cost Accounting Standards (JUN 2010) (Applies if FAR 52.230-2, FAR 52.230-3, FAR 52.230-4 or FAR 52.230-5 applies.)

52.232-17 Interest (MAY 2017) (Note 4 applies and paragraphs (c) and (d) are deleted.)

52.232-40 Providing Accelerated Payments To Small Business Subcontractors (DEC 2013) (Applies if SELLER is a small business concern. Note 1 applies. This clause does not apply if ROLLS-ROYCE does not receive accelerated payments under the prime contract.)

52-233-3 Protest After Award Alt 1 (JUN 1985) (In the event ROLLS-ROYCE’s customer has directed it to stop performance of the Work under the Prime Contract under which this Contract is issued pursuant to FAR 33.1, ROLLS-ROYCE may, by written order, direct Contractor to stop performance of the Work called for by this Contract. In paragraph (b)(2), “20 days” is substituted for “30 days.” Note 1 applies except the first time “Government” appears in paragraph (f). In paragraph (f), add the following after “33.104(h)(1)”: “and recovers those costs from ROLLS-ROYCE.”)

52.234-1 Industrial Resources Developed Under Defense Production Act Title III (SEP 2016) (Notes 1 and 2 apply.)

52.242-13 Bankruptcy (JUL 1995) (Notes 1 and 2 apply.)

52.242-15 Stop-Work Order (AUG 1989) and Alternate I (AUG 1984) (Notes 1 and 2 apply.)

52.243-1 Changes - Fixed Price (AUG 1987) (Notes 1 and 2 apply. Alternate I applies if this Contract is for services. Alternate II applies if this Contract is for supplies and services.)

52.243-6 Change Order Accounting (APR 1984) (Applies if the Prime Contract requires Change Order Accounting. Note 2 applies.)

52.243-7 Notification of Changes (JAN 2017)

52.244-5 Competition In Subcontracting (DEC 1996)

52.244-6 Subcontracts for Commercial Items (OCT 2018)

52.245-1 Government Property (JAN 2017) with ALT I (APR 2012) (“Contracting Officer” means “ROLLS-ROYCE” except in the definition of Property Administrator and in paragraphs (h)(1)(iii) where it is unchanged, and in paragraphs (c) and (h)(4) where it includes ROLLS-ROYCE. “Government” is unchanged in the phrases “Government property” and “Government furnished property” and where elsewhere used except in paragraph (d)(1) where it means “ROLLS-ROYCE” and except in paragraphs (d)(2) and (g) where the term includes “ROLLS-ROYCE.” The following is added as paragraph (n): “SELLER shall provide immediate notice to ROLLS-ROYCE if the Government or other customer of SELLER (i) revokes its assumption of risk of loss under any direct contracts with SELLER, or (ii) makes a determination that SELLER’s property management practices are inadequate, and/or present an undue risk, or that SELLER has failed to take corrective action when required.”)

52.246-2 Inspection Of Supplies - Fixed Price (AUG 1996) (Note 2 applies. Note 3 applies, except in paragraph (b) the second time “Government” appears, and (f), (h), (j), and (l) where Note 1 applies.)

52.246-4 Inspection Of Services - Fixed Price (AUG 1996) (Note 3 applies, except in paragraphs (e) and (f) where Note 1 applies.)

52.246-11 Higher-Level Contract Quality Requirement (DEC 2014) (Applies if this clause is included in the Prime Contract, and insert the title, number, date and tailoring (if any) of the specified higher-level quality standards.)

52.247-63 Preference for U.S.-Flag Air Carriers (JUN 2003) (Applies if this Contract involves international air transportation.)

52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels (FEB 2006)

52.248-1 Value Engineering (OCT 2010) (Applies if this Contract exceeds \$150,000. Note 1 applies, except in paragraphs (c)(5), where Note 3 applies and except in (b)(3) where Note 4 applies, and where “Government” precedes “cost” throughout. Note 2 applies. In paragraph (m) “Government” is unchanged.)

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Also, “Government” does not mean “ROLLS-ROYCE” in the phrase “Government costs.”)

52.249-2 Termination For Convenience Of The Government (Fixed-Price) (APR 2012) (Notes 1 and 2 apply. Note 4 applies to the first time “Government” appears in paragraphs (b)(4) and (b)(6) and it applies to all of paragraph (b)(8) and to the second time “Government” appears in paragraph (d). In paragraph (n) “Government” means “ROLLS-ROYCE and the Government.” In paragraph (c) “120 days” is changed to “60 days.” In paragraph (d) “15 days” is changed to “30 days,” and “45 days” is changed to “60 days.” In paragraph (e) “1 year” is changed to “6 months.” Paragraph (j) is deleted. In paragraph (l) “90 days” is changed to “45 days.” Settlements and payments under this clause may be subject to the approval of the Contracting Officer.)

52.249-8 Default (Fixed-Price Supply And Service) (APR 1984) (Notes 1 and 2 apply, except Note 1 is not applicable to paragraph (c). Note 4 applies to the second and third time “Government” appears in paragraph (e). Timely performance by SELLER is a material element of this Contract.)

B. The following DFARS Clauses are applicable if this Order is placed under a Department of Defense prime contract and if the stipulation in the relevant parenthetical applies:

252.203-7001 Prohibition On Persons Convicted Of Fraud Or Other Defense Contract-Related Felonies (DEC 2008) (Applies if this Contract exceeds \$150,000. The terms “contract,” “contractor,” and “subcontract” shall not change in meaning in paragraphs (a) and (d). In paragraph (e), the remedies described in subparagraphs (2) and (3) are available to ROLLS-ROYCE not the Government. In paragraph (f), Note 5 applies. Delete paragraph (g).)

252.203-7002 Requirement to Inform Employees of Whistleblower Rights (SEP 2013)

252.203-7003 Agency Office Of The Inspector General (OCT 2016) (Applies when FAR 52.203-13 applies to this Contract.)

252.203-7004 Display Of Fraud Hotline Poster(s) (OCT 2015) (Applies in lieu of FAR 52.203-14.)

252.204-7000 Disclosure of Information (OCT 2016)

252.204-7008 Compliance with Safeguarding Covered Defense Information Controls (OCT 2016) (“Offeror” means SELLER.)

252.204-7009 Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information (OCT

2016) (Applies to this Contract if it is for services that include support for the Government’s activities related to safeguarding covered defense information and cyber incident reporting.)

252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting (OCT 2016) (This clause applies if the Contract involves operationally critical support or will involve a covered contractor information system that processes, stores, or transmits covered defense information as those terms are defined in the clause. Reports required under paragraph (c) shall be made through ROLLS-ROYCE. SELLER shall notify ROLLS-ROYCE of requests pursuant to paragraph (b)(2)(ii)(B) of the clause.)

252.204-7014 Limitations On The Use Or Disclosure Of Information By Litigation Support Contractors (MAY 2016)

252.204-7015 Notice Of Authorized Disclosure Of Information For Litigation Support (MAY 2016)

252.209-7004 Subcontracting with Firms that are Owned or Controlled by the Government of a Country that is a State Sponsor of Terrorism (OCT 2015)

252.211-7003 Item Unique Identification And Valuation (MAR 2016) (Applies if this Contract requires the Work to contain a “unique item identifier.” Items subject to unique item identification are identified elsewhere in this Contract. All reports required to be submitted under this clause shall be submitted to ROLLS-ROYCE.)

252.211-7007 Reporting of Government-Furnished Property (AUG 2012)

252.217-7003 Changes (DEC 1991) (Substitute “ROLLS-ROYCE Buyer” for Contracting Officer throughout this clause.)

252.219-7003 Small Business Subcontracting Plan (DoD Contracts) (APR 2018) (Applies if FAR 52.219-9 applies to this Contract.)

252.222-7000 Restrictions on Employment of Personnel (MAR 2000) (Applies only if this clause is in the Prime Contract, and involves service contract performance within the non-contiguous states identified in DFARS 222.7001.)

252.222-7006 Restriction On The Use Of Mandatory Arbitration Agreements (DEC 2010) (The certification in paragraph (b)(2) applies to both SELLER in its own capacity and to SELLER’s covered subcontractors. The clause prohibitions do not apply where SELLER’s or its subcontractor’s agreements with employees or independent contractors are not enforceable in a court of the United States.)

252.223-7001 Hazard Warning Labels (DEC 1991) (Applies if this Contract requires the delivery of hazardous materials.)

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252.223-7002 Safety Precautions For Ammunition And Explosives (MAY 1994) (Applies only if the articles furnished under this Contract contain ammunition or explosives, including liquid and solid propellants. Notes 2, 3, and 5 apply to paragraphs (g)(1)(i) and (e)(1)(ii). Note 3 applies. Delete “prime” in (g)(1)(ii) and add “and ROLLS-ROYCE’s Buyer.” In (g)(1)(ii), delete “substituting its name for references to the Government.”)

252.223-7003 Change In Place Of Performance - Ammunition And Explosives (DEC 1991) (Applies if DFARS 252.223-7002 applies to this Contract. Notes 2 and 4 apply.)

252.223-7008 Prohibition of Hexavalent Chromium (JUN 2013) (Note 2 applies.)

252.225-7001 Buy American And Balance Of Payments Program (DEC 2017) (Applies if the Work contains other than domestic components. Applies in lieu of FAR 52.225-1.)

252.225-7004 Report of Intended Performance Outside the United States and Canada—Submission after Award (OCT 2015) (Applies if included in Prime Contract and SELLER will perform any part of this Contract outside the U.S. and Canada that exceeds \$700,000 in value and which could be performed inside the U.S. and Canada. Substitute “ROLLS-ROYCE Buyer” for “Contracting Officer” throughout the clause and delete (c)(5).)

252.225-7007 Prohibition On Acquisition Of United States Munitions List Items From Communist Chinese Military Companies (SEP 2006) (Applies if SELLER is supplying items covered by the U.S. Munitions List.)

252.225-7008 Restriction on Acquisition of Specialty Metals (MAR 2013) (Applies if this Contract is for delivery to the Government of specialty metal as defined in the clause.)

252.225-7009 Restriction On Acquisition Of Certain Articles Containing Specialty Metals (OCT 2014) (Applies if the Work to be furnished contains specialty metals. Paragraph (d) is deleted.)

252.225-7012 Preference For Certain Domestic Commodities (DEC 2017)

252.225-7013 Duty-Free Entry (MAY 2016) (Notes 1 and 2 apply in subparagraph (c). Applies in lieu of FAR 52-225-8 if supplies will be imported into the Customs territory of the United States and duty will exceed \$200 per item. Contact the ROLLS-ROYCE Buyer for the Prime Contract number and identity of the Contracting Officer.)

252.225-7016 Restrictions on Acquisition of Ball and Roller Bearings (JUN 2011) (Applies if Work supplied under this Contract contains ball or roller bearings. Note 1 applies to subparagraph (a)(2).)

252.225-7021 Trade Agreements (DEC 2017) (Applies if the Contract exceeds the Trade Agreements threshold, if the

acquisition is covered by the WTO GPA (FAR Subpart 25.4), and the Work contains other than U.S.-made, qualifying country, or designated country end products. Applies in lieu of FAR 52.225-5.)

252.225-7033 Waiver of United Kingdom Levies (APR 2003) (Applies if SELLER is a United Kingdom company.)

252.225-7040 Contractor Personnel Authorized to Accompany U.S. Armed Forces Deployed Outside the United States (OCT 2015) (Applies if SELLER personnel are supporting U.S. Armed Forces deployed outside the U.S. in contingency operations, peace operations, or certain other military operations or exercises as designated by DoD.)

252.225-7043 Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States (JUN 2015) (Applies where SELLER will be performing or traveling outside the U.S. under this Contract. For paragraph (c), see applicable information cited in DFARS 225.7401.)

252.225-7046 Exports by Approved Community Members in Response to the Solicitation. (June 2013) (Applies if SELLER intends to use the Defense Trade Cooperation (DTC) Treaties in connection with the Contract. Exclude the representation at paragraph (g).)

252.225-7047 Exports by Approved Community Members in Performance of the Contract (June 2013) (Applies if the Contract may require exports or transfers of qualifying defense articles for deliveries.)

252.225-7048 Export Controlled Items (JUN 2013)

252.226-7001 Utilization Of Indian Organizations, Indian-Owned Economic Enterprises And Native Hawaiian Small Business Concerns (SEP 2004) (Applies if this Contract exceeds \$500,000. Note 2 applies to paragraph (c) the first time “Contracting Officer” appears. In subparagraph (f)(1) “Contractor” shall mean “ROLLS-ROYCE.” ROLLS-ROYCE shall have no liability to SELLER for any incentive payment under this clause unless and until the Government provides said incentive payment to ROLLS-ROYCE.)

252.227-7013 Rights in Technical Data – Noncommercial Items (FEB 2014) (Applies in lieu of FAR 52.227-14.)

252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (FEB 2014) (Applies in lieu of FAR 52.227-14.)

252.227-7015 Technical Data – Commercial Items (FEB 2014) (Applies when SELLER will be required to deliver technical data pertaining to commercial items, components or processes.)

252.227-7016 Rights in Bid or Proposal Information (JAN 2011)

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252.227-7019 Validation of Asserted Restrictions—Computer Software (SEP 2016)

252.227-7025 Limitations on the Use or Disclosure of Government-Furnished Information Marked With Restrictive Legends (MAY 2013) (For paragraph (c)(1), Note 3 applies.)

252.227-7026 Deferred Delivery of Technical Data or Computer Software (APR 1988) (Note 1 applies.)

252.227-7027 Deferred Ordering of Technical Data or Computer Software (APR 1988) (Note 1 applies to the first sentence.)

252.227-7028 Technical Data Or Computer Software Previously Delivered To The Government (JUN 1995) (The definitions for “contract” and “subcontract” shall not apply, except for the first reference to Contract. Note 4 applies.)

252.227-7030 Technical Data – Withholding of Payment (MAR 2000) (Notes 1 and 2 apply to (a). Note 4 applies to (b).)

252.227-7037 Validation of Restrictive Markings on Technical Data (SEP 2016)

252.227-7038 Patent Rights – Ownership by the Contractor (Large Business) (JUN 2012) (Applies if (1) SELLER is not small business or nonprofit organization subject to FAR 52.227-11, and (2) the Contract is for experimental, developmental, or research work.)

252.228-7005 Accident Reporting And Investigation Involving Aircraft, Missiles, And Space Launch Vehicles (DEC 1991) (In paragraph (a) Note 5 applies. In paragraph (b) Note 3 applies.)

252.231-7000 Supplemental Cost Principles (DEC 1991)

252.235-7003 Frequency Authorization - Basic (MAY 2014) (Applies if this Contract requires developing, producing, constructing, testing, or operating a device requiring a frequency authorization. Note 2 applies.)

252.239-7010 Cloud Computing Services (OCT 2016) (Applies if the Contract involves or may involve cloud computing services.)

252.243-7001 Pricing Of Contract Modifications (DEC 1991) (Applies if this is a fixed price contract.)

252.243-7002 Requests for Equitable Adjustment (DEC 2012) (Applies if the Contract exceeds \$150,000.)

252.244-7000 Subcontracts for Commercial Items and Commercial Components (JUN 2013)

252.246-7001 Warranty of Data (MAR 2014) (Applies if this clause is included in the Prime Contract or higher level subcontract. Note 2 applies.)

252.246-7003 Notification of Potential Safety Issues (JUN 2013) (Applies if this Contract is for (i) parts identified as critical safety items; (ii) systems and subsystems, assemblies, and subassemblies integral to a system; or (iii) repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system. SELLER shall provide notifications to ROLLS-ROYCE and the contracting officer identified to SELLER.)

252.246-7006 Warranty Tracking of Serialized Items (MAR 2016) (In paragraph (b)(3), “Contracting Officer” and “Contracting Officer Representative” shall mean ROLLS-ROYCE Buyer.)

252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System (AUG 2016) (Paragraphs (a) through (e) apply if this Contract is for electronic parts or assemblies containing electronic parts. To the extent this clause conflicts with other provisions of this Contract, this clause shall prevail. In paragraph (c)(2) Note 3 applies. In paragraph (c)(6) Note 6 applies.)

252.246-7008 Sources of Electronic Parts (MAY 2018) (Applies if this Contract is for electronic parts or assemblies containing electronic parts, unless the SELLER is the original manufacturer.)

252.247-7023 Transportation Of Supplies By Sea - Basic (APR 2014) (Applies in lieu of FAR 52.247-64 in all contracts for ocean transportation of supplies. In the first sentence of paragraph (g), insert a period after “Contractor” and delete the balance of the sentence. Paragraphs (f) and (g) shall not apply if this Contract is at or below \$150,000. Notes 1 and 2 apply to paragraph (g).)

252.247-7024 Notification Of Transportation Of Supplies By Sea (MAR 2000) (Notes 1 and 2 apply.)

252.249-7002 Notification Of Anticipated Contract Termination Or Reduction (OCT 2015) (Applies if this Contract exceeds \$700,000. Note 2 applies. Delete paragraph (d)(1) and the first five words of paragraph (d)(2).)

Section IV - FIXED PRICE REDETERMINABLE If an Order contains a U.S. Government Prime Contract Number then, in addition to the applicable clauses listed above, the following FAR and DFARS Clauses are also applicable.

FEDERAL ACQUISITION REGULATION (FAR) AND DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT (DFARS) FLOWDOWN PROVISIONS FOR FIRM FIXED PRICE SUBCONTRACTS OR PURCHASE ORDERS WITH PROSPECTIVE PRICE REDETERMINATION FOR NONCOMMERCIAL ITEMS UNDER A UNITED STATES DEPARTMENT

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OF DEFENSE PRIME CONTRACT OR SUBCONTRACT, INCLUDING

- **FIXED PRICE WITH PROSPECTIVE PRICE
REDETERMINATION**

In addition to the applicable clauses stated above, the following U.S. Government clauses are applicable to any Order with line items specifying the following codes: ZGC02, ZGC02GRSA, ZGC07, ZGC08, ZGC11, ZGC12, ZGC13, ZGC14, ZGC18, ZGC19, ZGC24, ZGC27, ZGC30, ZGC37, ZGC38, ZGC41, ZGC92, ZGC525, ZGC700 or any Order placed by Rolls-Royce Marine North America, Inc. ADDITIONALLY, THESE CLAUSES ARE APPLICABLE IF SPECIFICALLY REFERENCED ELSEWHERE IN THE PURCHASE ORDER.

A. The Following FAR clauses are applicable as identified below if the stipulation in the relevant parenthetical applies:

Reserved

B. The following DFARS Clauses are applicable if this Order is placed under a Department of Defense prime contract and if the stipulation in the relevant parenthetical applies:

Reserved

Section V - COST TYPE CONTRACTS If an Order contains a U.S. Government Prime Contract Number then, in addition to the applicable clauses listed above, the following FAR and DFARS Clauses are also applicable.

FEDERAL ACQUISITION REGULATION (FAR) AND DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT (DFARS) FLOWDOWN PROVISIONS FOR COST-REIMBURSEMENT SUBCONTRACTS OR PURCHASE ORDERS FOR NONCOMMERCIAL ITEMS UNDER A UNITED STATES DEPARTMENT OF DEFENSE PRIME CONTRACT OR SUBCONTRACT, INCLUDING:

- **COST-SHARING CONTRACTS**
- **COST-PLUS-FIXED-FEE CONTRACTS**
- **COST-PLUS-INCENTIVE-FEE CONTRACTS**
- **COST-PLUS-AWARD-FEE**

In addition to the applicable clauses stated above, the following U.S. Government clauses are applicable to any Order with line items specifying the following codes: ZGC02, ZGC02GRSA, ZGC07, ZGC08, ZGC11, ZGC12, ZGC13, ZGC14, ZGC18, ZGC19, ZGC24, ZGC27, ZGC30, ZGC37, ZGC38, ZGC41, ZGC92, ZGC525, ZGC700 or any Order place by Rolls-Royce Marine North America, Inc. ADDITIONALLY, THESE CLAUSES ARE APPLICABLE IF SPECIFICALLY REFERENCED ELSEWHERE IN THE PURCHASE ORDER.

A. The Following FAR clauses are applicable as identified below if the stipulation in the relevant parenthetical applies:

52.216-7 Allowable Cost and Payment (JUN 2013) (Note 1 applies except in paragraphs (a)(3) and (b)(1)(ii)(F) where Note 3 applies. Note 2 applies except in paragraph (g) where Note 7 applies. The blank in paragraph (a)(3) is completed with “the 30th” unless otherwise specified in this Contract. Paragraphs (a)(2), (b)(4), and (d)(4) are deleted. In paragraph (h) “six years” is changed to “5 years.” The references to government entities in paragraph (d) are unchanged. For time and materials contracts, applies to the material portion of the contract. This clause does not apply to labor hour contracts.)

52.216-8 Fixed Fee (JUN 2011) (Applies only if this Contract includes a fixed fee. Notes 1 and 2 apply. Delete the last two sentences of the clause. This clause does not apply if this is a labor hour or time and materials contract.)

52.216-10 Incentive Fee (JUN 2011) (Applies only if this Contract includes an incentive fee. Notes 1 and 2 apply, except in paragraphs (e)(4)(v) and (e)(4)(vi) where “Government” is unchanged. Subparagraph (e)(4)(iv) and the last two sentences of paragraph (c)(2) are deleted. The amounts in paragraph (e) are set forth on the face of the Contract. This clause does not apply if this is a labor hour or time and materials contract.)

52.216-11 Cost Contract—No Fee (APR 1984) (Applies only if this Contract is placed on a cost reimbursement - no fee basis. Notes 1 and 2 apply. This clause does not apply if this is a labor hour or time and materials contract.)

52.222-2 Payment for Overtime Premiums (JUL 1990) (Notes 2 and 3 apply. Insert Zero in the blank.)

52.243-2 Changes – Cost Reimbursement (AUG 1987) (Notes 1 and 2 apply.)

52.246-3 Inspection of Supplies – Cost Reimbursement (MAY 2001) (Note 1 applies, except in paragraphs (b), (c), and (d) where Note 3 applies, and in paragraph (k) where the term is unchanged. In paragraph (e), change “60 days” to “120 days”, and in paragraph (f) change “6 months” to “12 months.”)

52.246-5 Inspection of Services – Cost Reimbursement (APR 1984) (Note 3 applies in paragraphs (b) and (c). Note 1 applies in paragraphs (d) and (e).)

52.247-67 Submission Of Transportation Documents For Audit (FEB 2006) (Applies if transportation will be reimbursed as a direct charge to the Contract. Note 5 applies. Delete subparagraph (a)(2).)

52.249-6 Termination (Cost-Reimbursement) (MAY 2004) (Notes 1 and 2 apply. Substitute “90 days” for “120 days” and “90-days” for “120-days” in paragraph (d). Substitute “180 days”

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for “1 year” in paragraph (f). In paragraph (j) any reference to “appeal” shall mean the right to proceed under the “Disputes” clause of this Contract. Settlements and payments under this clause may be subject to the approval of the Contracting Officer.)

52.249-14 Excusable Delays (APR 1984) (Note 2 applies. Note 1 applies to (c). In paragraph (a)(2) delete “or contractual.”)

B. The following DFARS Clauses are applicable if this Order is placed under a Department of Defense prime contract and if the stipulation in the relevant parenthetical applies:

Reserved

Section VI - TIME & MATERIAL TYPE CONTRACTS If an Order contains a U.S. Government Prime Contract Number then, in addition to the applicable clause listed above, the following FAR and DFARS Clauses are also applicable.

FEDERAL ACQUISITION REGULATION (FAR) AND DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT (DFARS) FLOWDOWN PROVISIONS FOR TIME & MATERIALS SUBCONTRACTS OR PURCHASE ORDERS FOR NONCOMMERCIAL ITEMS UNDER A UNITED STATES DEPARTMENT OF DEFENSE PRIME CONTRACT OR SUBCONTRACT, INCLUDING:

- **TIME and MATERIALS CONTRACTS**
- **LABOR HOUR CONTRACTS**

In addition to the applicable clauses stated above, the following U.S. Government clauses are applicable to any Order with line items specifying the following codes or any Order placed by Rolls-Royce Marine North America, Inc.: ZGC02, ZGC02GRSA, ZGC07, ZGC08, ZGC11, ZGC12, ZGC13, ZGC14, ZGC18, ZGC19, ZGC24, ZGC27, ZGC30, ZGC37, ZGC38, ZGC41, ZGC92, ZGC525, ZGC700. ADDITIONALLY, THESE CLAUSES ARE APPLICABLE IF SPECIFICALLY REFERENCED ELSEWHERE IN THE PURCHASE ORDER.

A. The Following FAR clauses are applicable as identified below if the stipulation in the relevant parenthetical applies:

52.216-7 Allowable Cost and Payment (JUN 2013) (Note 1 applies except in paragraphs (a)(3) and (b)(1)(ii)(F) where Note 3 applies. Note 2 applies except in paragraph (g) where Note 7 applies. The blank in paragraph (a)(3) is completed with “the 30th” unless otherwise specified in this Contract. Paragraphs (a)(2), (b)(4), and (d)(4) are deleted. In paragraph (h) “six years” is changed to “5 years.” The references to government entities in paragraph (d) are unchanged. For time and materials contracts, applies to the material portion of the contract. This clause does not apply to labor hour contracts.)

52.216-8 Fixed Fee (JUN 2011) (Applies only if this Contract includes a fixed fee. Notes 1 and 2 apply. Delete the last two sentences of the clause. This clause does not apply if this is a labor hour or time and materials contract.)

52.216-11 Cost Contract—No Fee (APR 1984) (Applies only if this Contract includes an incentive fee. Notes 1 and 2 apply, except in paragraphs (e)(4)(v) and (e)(4)(vi) where “Government” is unchanged. Subparagraph (e)(4)(iv) and the last two sentences of paragraph (c)(2) are deleted. The amounts in paragraph (e) are set forth on the face of the Contract. This clause does not apply if this is a labor hour or time and materials contract.)

52.222-2 Payment for Overtime Premiums (JUL 1990) (Notes 2 and 3 apply. Insert zero in the blank.)

52.232-7 Payments Under Time-And-Materials And Labor-Hour Contracts (AUG 2012) (Applies if this is a labor hour or time and materials Contract. Notes 1 and 2 apply. The third sentence of paragraph (a)(8) is deleted. In paragraph (f) “one year” is changed to “six months,” and in paragraph (g)(2), “6 years” is changed to “five years.” Paragraphs (c) and (i) are deleted.)

52.232-20 Limitation Of Cost (APR 1984) (Applies if this is a fully funded cost reimbursement Contract. Notes 1 and 2 apply.)

52.232-22 Limitation Of Funds (APR 1984) (Applies if this Contract is an incrementally funded cost reimbursement Contract. Notes 1 and 2 apply.)

52.243-2 Changes – Cost Reimbursement (AUG 1987) (Notes 1 and 2 apply.)

52.243-3 Changes – Time-And-Materials Or Labor-Hours (SEP 2000) (Notes 1 and 2 apply. Applies if this is a labor hour or time and materials contract.)

52.246-3 Inspection of Supplies – Cost Reimbursement (MAY 2001) (Note 1 applies, except in paragraphs (b), (c), and (d) where Note 3 applies, and in paragraph (k) where the term is unchanged. In paragraph (e), change “60 days” to “120 days”, and in paragraph (f) change “6 months” to “12 months.”)

52.246-5 Inspection of Services – Cost Reimbursement (APR 1984) (Note 3 applies in paragraphs (b) and (c). Note 1 applies in paragraphs (d) and (e).)

52.246-6 Inspection Time-And-Material And Labor-Hour (MAY 2001) (Applies if this is a labor hour or time and material contract. In paragraphs (b), (c), and (d), Note 3 applies. In paragraphs (e), (f), (g), and (h), Note 1 applies.)

52.246-20 Warranty of Services (MAY 2001) (Applies if Contract is for Services. Notes 1 and 2 apply.)

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52.247-67 Submission Of Transportation Documents For Audit (FEB 2006) (Applies if transportation will be reimbursed as a direct charge to the Contract. Note 5 applies. Delete subparagraph (a)(2).)

52.249-6 Termination (Cost-Reimbursement) (MAY 2004) (Notes 1 and 2 apply. Substitute “90 days” for “120 days” in paragraph (d). Substitute “180 days” for “1 year” in paragraph (f). In paragraph (j) any reference to “appeal” shall mean the right to proceed under the “Disputes” clause of this Contract. Settlements and payments under this clause may be subject to the approval of the Contracting Officer.)

52.249-14 Excusable Delays (APR 1984) (Note 2 applies. Note 1 applies to (c). In paragraph (a)(2) delete “or contractual.”)

B. The following DFARS Clauses are applicable if this Order is placed under a Department of Defense prime contract and if the stipulation in the relevant parenthetical applies:

Reserved