

Fifth Gait Technologies, Inc.

5053 N 30th Street• Colorado Springs • Colorado • 80919

719-463-0640

Purchase Order Terms and Conditions

The following requirements apply to Purchase Orders (POs) received from Fifth Gait Technologies, Inc. as indicated below.

Fifth Gait Technologies Inc. is referred to as "Buyer" and [name of Seller] is referred to as "Seller" herein.

Section I – Applies to all Fifth Gait Contracts/POs:

FG QUAL 8/20 - QUALITY REQUIREMENTS FLOWDOWN

Seller shall require lower-tier Sellers to comply with quality assurance requirements comparable to those contained in this Purchase Order. Seller shall assume responsibility for the quality of all procured material and workmanship. Seller shall include this clause in its subcontracts with lower-tier Sellers and require lower-tier Sellers to flow down this clause to their lower-tier Sellers.

FG CERT 8/20 - CERTIFICATIONS

Seller must ensure that individual parameters within a given specification have been met. Certifications must reflect that all applicable manufacturing and process specifications called for on the engineering requirements have been met.

FG CHG 8/20 - CHANGES

Any change to the requirements, as stated on the Purchase Order, must be approved by the Buyer's representative prior to acting on those proposed changes. Seller's failure to notify Buyer of any change within fifteen (15) days may result in forfeiture of Seller's entitlement to an equitable adjustment in the Purchase Order's price, schedule, or other terms.

Buyer shall have the right by written notice to suspend or stop work or to make changes from time to time in the services to be rendered or the goods to be furnished by Seller hereunder or the delivery schedule. If such suspension, stoppage, or changes cause an increase or decrease in the cost of performance of this Purchase Order or in the time required for its performance, an equitable adjustment shall be negotiated promptly, and the Purchase Order shall be modified in writing accordingly. Any claim by Seller for adjustment must be asserted in writing within twenty (20) days from the date of receipt by Seller of notification of the change or suspension and shall be followed as soon as practicable with specification of the amount claimed and supporting cost figures. Failure to agree to any such change shall be resolved in

accordance with Disputes and Governing laws established by the State of Colorado (without resort to the choice of law principals thereof).

FG PERS COMP 8/20 - PERSONNEL COMPETENCY

The Buyer may specify qualifications for personnel performing required tasks. In the event Buyer specifies such personnel qualifications in a Purchase Order, strict compliance with such qualifications shall constitute a material term of this agreement.

FG PERS COMM 8/20 - PERSONNEL COMMUNICATION

Seller is required to ensure that all personnel are informed of and agree to the following:

- Their contribution to product or service conformity to requirements;
- Their contribution to product safety;
- The importance of ethical behavior.

Seller shall comply with the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status, or disability. Also, to the extent applicable, the employee notice requirements set forth in 29 CFR, part 471, Appendix A to subpart A are hereby incorporated by reference into this contract, subcontract, or purchase order.

FG ACK 8/20 – SELLER'S ACKNOWLEDGEMENT OF ORDER

(a) For DPAS rated orders, Seller must immediately acknowledge acceptance of this PO.

(b) For order not rated under DPAS, commencement of the work called for by this PO in the absence of seller's written acknowledgement, thereof, shall be deemed acceptance of this PO as written.

(c) By acknowledging this purchase order, you (Seller), hereby certify that you, and / or any of your principals, are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts or other benefits by any federal agency.

FG TERM 8/20 - TERMINATION FOR CONVENIENCE

(a) Buyer may, by written notice, terminate this Purchase Order for convenience, in whole or in part, at any time, and such termination shall not constitute default. In the event of partial termination, Seller is not excused from performance of the non-terminated balance of work under the Purchase Order.

(b) In the event of termination for convenience by Buyer, Seller shall be reimbursed for actual, reasonable, substantiated, and allocable costs, plus a reasonable profit for work acceptably performed to date of termination. Any termination settlement proposal shall be submitted to

Buyer promptly, but no later than ninety (90) days from the effective date of the termination. In no event shall the amount of any settlement be in excess of the Purchase Order value. Buyer may take immediate possession of all Deliverable Work Product resulting from services upon written notice of termination to Seller.

FG WARR 8/20 - WARRANTY

(a) Seller warrants that the goods shall be: (i) new; (ii) free from defects in workmanship, materials, and design and; (iii) in accordance with all the requirements of this Purchase Order. Seller further warrants that the performance of work and services shall conform with the requirements of this Purchase Order and to high professional standards.

(b) Unless the Buyer expressly identifies the goods that are procured under this Purchase Order as non- technical and for Buyer's internal use only, Seller warrants without limitation as to time that the goods delivered pursuant to this Purchase Order shall: (i) be and only contain materials obtained directly from the Original Component Manufacturer (OCM) or the Original Equipment Manufacturer (OEM) (collectively, the Original Manufacturer (OM)) or an authorized OM reseller or distributor (collectively, an Authorized Distributor); (ii) not be or contain Counterfeit Items or Suspect Counterfeit Items, as defined below; and (iii) contain only authentic, unaltered OM labels and other markings. Seller shall obtain and retain all documentation required to fully trace the distribution and sale of the goods delivered hereunder back to the relevant OM, and, on request of Buyer, shall provide such authenticating documentation. Counterfeit Item means an unlawful or unauthorized reproduction, substitution, alteration, or the false identification of grade, serial number, lot number, date code, or performance characteristic, that has been knowingly mismarked, misidentified, or otherwise misrepresented as an authentic, unmodified item from the OM, an Authorized Distributor, or an Aftermarket Manufacturer as defined in SAE AS5553 "Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition" (Authorized Aftermarket Manufacturer). A Suspect Counterfeit Item means an item for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the item is authentic. Seller warrants that it will not act as or engage an independent distributor, non-authorized distributor, non-franchised distributor, non-authorized supplier, or non-authorized reseller (collectively, Broker), to assist it in delivering goods pursuant to this Purchase Order, unless the Buyer provides prior written approval to do so. Any Seller request to procure from a Broker shall include complete and compelling support for such request and shall include all actions completed by Seller to ensure the goods thus procured are not Counterfeit Items. When so authorized by Buyer, Seller shall be responsible for counterfeit risk mitigation testing and providing traceability identifiers (i.e., Date Code / Lot Code, Serial Number) for Broker procured parts, and identifying items delivered to Buyer that contain such parts. Seller shall include the substance of this this section FG WARR – 8/20, including this flowdown requirement, in procurements for goods at all tiers.

(c) Unless the Buyer expressly identifies the goods that are procured under this Purchase Order as non-technical and for Buyer's internal use only, Seller further warrants that it has and shall maintain a Counterfeit Item risk mitigation process, internally and with its supplier (reference SAE AS5553 and AS6174) for goods delivered hereunder, and in accordance with the standards or instructions set forth in this Purchase Order. Buyer shall have the right to audit, inspect, and /

or approve the processes at any time before or after delivery of the goods ordered hereunder. Seller shall provide evidence of the Seller's risk mitigation process to Buyer upon request. Buyer shall have the right to require changes to the processes to conform with Buyer's defined standards, if any. Failure of the Seller, or any of its subcontractors, to conform to the above process specifications and provisions may result in the termination of this Purchase Order. Seller and Seller's subcontractors that are allowed access to the US Government Industry Data Exchange Program (GIDEP) shall participate in monitoring GIDEP reports, and Seller shall act on GIDEP reports that affect product delivered to Buyer. Seller shall immediately notify Buyer with the pertinent facts, if Seller becomes aware of or suspects that items delivered for the Purchase Order are, or contain, suspect or confirmed counterfeit items. If a good delivered hereunder is discovered to be a Counterfeit Item or Suspect Counterfeit Item, Buyer shall have the right to quarantine the good for further investigation. Buyer's investigation may include the participation of third parties or governmental investigative agencies as required by law or regulations by Buyer's customer, or by Buyer, in its sole discretion. The Seller and/or the Seller's subcontractors shall cooperate in good faith with any investigation conducted by Buyer. Upon Buyer's request, Seller shall provide Buyer certificates of conformance with respect to the goods delivered. Buyer shall not be required to return the goods during the investigation process and thereafter, if not found to be authentic. Buyer shall not be liable for payment to Seller of the price of any Suspect Counterfeit Items until determined to be authentic. If Buyer determines in its sole discretion that there is credible evidence that a good delivered under this Purchase Order constitutes a Counterfeit Item or Suspect Counterfeit Item, Seller, or its subcontractor, shall, if directed by Buyer to do so, issue a GIDEP alert and shall ensure suspect or confirmed Counterfeit Items are not delivered to Buyer. Buyer reserves its right to issue its own GIDEP alert if Buyer concludes, in its sole estimation, that a good is a Counterfeit Item or Suspect Counterfeit Item. Seller shall include FG WARR 8/20, including this flowdown requirement, in procurements for goods at all tiers.

(d) Seller warrants without limitation as to time that any hardware, software and firmware goods delivered under this Purchase Order: (i) shall not contain any viruses, malicious code, Trojan horse, worm, time bomb, self-help code, back door, or other software code or routine designed to: (1) damage, destroy or alter any software or hardware; (2) reveal, damage, destroy, or alter any data; (3) disable any computer program automatically; or (d) permit unauthorized access to any software or hardware; (ii) shall not contain any third party software (including software that may be considered free software or open source software) that (1) may require any software to be published, accessed or otherwise made available without the consent of Buyer, or (2) may require distribution, copying or modification of any software free of charge; and (iii) shall not infringe any patent, copyright, trademark, or other proprietary right of any third party or misappropriate any trade secret of any third party.

(e) These warranty entitlements shall inure to the benefit of both Buyer and Buyer's customers. As used in this Purchase Order, Buyer's customer(s) shall include its direct and indirect customers such as direct sale end-users, higher-tier subcontractors, prime contractors and the ultimate user under relevant prime contract(s).

(f) Seller shall be liable for and hold Buyer harmless from any loss, damage, or expense that Buyer

may suffer from as a result of breach of any of these warranties. Remedies shall be at Buyers' election, including, but not limited to, the prompt repair, replacement, or reimbursement of the purchase price of nonconforming goods and in the case of services, either the prompt correction of the defective services at no cost or reimbursement of the amounts paid for such services. Return to Seller of defective or nonconforming goods and redelivery to Buyer of repaired or replaced goods shall be at Seller's expense. Goods or services required to be corrected, repaired, or replaced shall be subject to this Section and the Inspection Section of this Purchase Order in the same manner and to the same extent as goods or services originally delivered under this Purchase Order, but only as to the repaired or replaced goods or parts thereof or the corrected service thereof. Seller shall promptly comply with Buyer's direction to: (i) repair, rework, or replace the goods; (ii) furnish any material or parts and installation required to successfully correct the defect or nonconformance; or (iii) successfully correct the defective or nonconforming service.

FG INFO 8/20 - INFORMATION TECHNOLOGY ASSURANCE

Seller shall maintain data protection processes and systems sufficient to adequately protect specifications, information, data, drawings, software, and other items which are: (i) supplied to Seller by Buyer, or (ii) obtained or developed by Seller in the performance of this Purchase Order or paid for by Buyer (collectively, "Buyer Data"), and to comply with DFARS Subpart 204.7500 with respect to Cybersecurity Maturity Model Certification ("CMMC") requirements. If an event occurs whereby Seller knows, or reasonably believes, that Buyer or Government Data has been actually or potentially disclosed to, or accessed or acquired by an unauthorized individual or individuals ("Security Incident"), Seller shall (i) use its best efforts to investigate, contain, and remediate the Security Incident, and (ii) notify Buyer in writing promptly, but not later than seventy-two (72) hours after discovering the Security Incident.

FG DATA 8/20 - DATA MANAGEMENT

The Seller shall maintain records of work performed for the buyer. Records shall include the COC provided to the buyer as well as records that support the certificate. Records must be available to the buyer upon request. Records must be maintained for a minimum of seven (7) years (contract dependent). Disposition requirements are as follows: a) hard copy records – shred, b) electronic/digital files – delete.

FG INFO 7/25 – INFORMATION TECHNOLOGY REQUIREMENTS

Seller shall maintain data protection processes and systems sufficient to adequately protect specifications, information, data, drawings, software, and other items which are (i) supplied to Seller by Buyer, or (ii) obtained or developed by Seller in the performance of this Purchase Order or paid for by Buyer (collectively, "Buyer Data"), and to comply with any applicable laws or regulations, including NIST SP 800-171 where required.

If Seller will process, store, transmit, or otherwise have access to Controlled Unclassified Information (CUI) in the performance of this Purchase Order, the following clauses shall apply and are hereby incorporated by reference:

- DFARS 252.204-7012, Safeguarding Covered Defense Information and Cyber Incident Reporting

- DFARS 252.204-7019, Notice of NIST SP 800-171 DoD Assessment Requirements
- DFARS 252.204-7020, NIST SP 800-171 DoD Assessment Requirements
- DFARS 252.204-7021, Cybersecurity Maturity Model Certification Requirements Seller agrees to:

1. Safeguard Buyer Data in accordance with NIST SP 800-171, where applicable.
2. Maintain a current NIST SP 800-171 assessment score in SPRS, if CUI is handled.
3. Maintain any required Cybersecurity Maturity Model Certification (CMMC) level applicable to the scope of work.
4. Report any cybersecurity incident involving Buyer Data within seventy-two (72) hours of discovery, including as required by DFARS 252.204-7012.
5. Flow down these requirements to any subcontractors that process, store, or transmit Buyer Data or CUI.
6. Provide evidence of compliance upon request, if CUI is handled (e.g., SPRS assessment score, CMMC level, FedRAMP compliance letters).
7. Third-party audit certifications such as ISO 27001, SOC 2 Type II, FedRAMP, NIST 800-53, or equivalent may be accepted as evidence of compliance for vendors handling CUI.

Applicability Self-Certification

Seller shall indicate whether the products or services provided under this Purchase Order will process, store, or transmit CUI:

☐ NO CUI HANDLED – DFARS cybersecurity clauses and CMMC requirements do not apply.

☐ CUI HANDLED – Seller acknowledges and agrees to comply with the DFARS clauses listed above, maintain any required CMMC/FedRAMP levels, and provide compliance.

FG ITAR 8/20 - EXPORT/IMPORT CONTROLS

(a) Seller hereby certifies that it will comply with U.S. export and import control laws and regulations, including but not limited to the International Traffic in Arms Regulations ("ITAR") (22 CFR 120 et seq.), the Export Administration Regulations (EAR) (15 CFR Part 730-774), the regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) (31 CFR Part 500-598), the regulations administered by the U.S. Department of Justice, Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) found in 27 CFR Chapter II, and all other applicable U.S. Government regulations relating to the importation of goods into the United States (including, but not limited to, the regulations administered by U.S. Customs and Border Protection (CBP) at 19 CFR 0 et seq. and other import regulations promulgated by other U.S. agencies which may be enforced by CBP), collectively "U.S. export and import control laws and regulations". If Seller engages in the United States in the business of either manufacturing, exporting, or brokering in ITAR-controlled defense articles or furnishing ITAR-controlled defense services, or produces or maintains technical data related to the foregoing, Seller hereby certifies that it is currently registered with the U.S. Department of State Directorate of Defense Trade Controls (DDTC).

(b) Seller shall control the disclosure, export, reexport, transfer and retransfer of, and access to, any hardware, software, controlled technical data, technology, and/or services, collectively referred to as "items", received under this PO to ensure that any such disclosure, export, reexport, transfer or retransfer is undertaken in accordance with U.S. export control laws and regulations. Seller agrees that no items controlled under U.S. export and import control laws and regulations provided by Buyer in connection with this Purchase Order shall be provided to any person or entity, including non-U.S. person employees, subsidiaries, or affiliates, unless the transfer is expressly permitted by a U.S. Government license or other authorization, or is otherwise in accordance with applicable laws and regulations.

(c) Seller shall notify Buyer if any deliverable under this PO, for which the Buyer is not the design authority, is subject to U.S. export and import control laws and regulations. Before providing Buyer any deliverable subject to the EAR or the ITAR, Seller shall provide in writing to the Buyer's Procurement Representative the export classification of any such item or controlled data. After this initial disclosure, Seller shall timely notify the Buyer's Procurement Representative in writing of any changes to the export classification information of the item or controlled data.

(d) Seller hereby warrants that neither Seller, nor any parent, subsidiary, affiliate, or lower-tier subcontractor is listed on any Restricted Party List of an agency of the U.S. Government, any applicable non-U.S. Government, or international organization, or any applicable state, local government, or municipality, nor are their export privileges denied, suspended or revoked. For purposes of this provision, "Restricted Party List" is defined to include the U.S. Government's Denied Persons List, Unverified List, Entity List, Nonproliferation Sanctions List, AECA Debarred List, Specially Designated Nationals (SDN) List, Sectoral Sanctions Identifications (SSI) List, Foreign Sanctions Evaders List, Excluded Parties List, Palestinian Legislative Council (PLC) List, or other similar lists issued by the U.S. Government or a non-U.S. government, or international organization, or any state or local government, or municipality that relates to export controls, economic sanctions, or anti-corruption. Seller shall immediately notify Buyer if Seller, or any parent, subsidiary, affiliate, or lower-tier Subcontractor is added to any such Restricted Party List or if any of their export privileges become denied, suspended, or revoked. Seller shall not deal with any Restricted Party in relation to this purchase order.

(e) If the items provided by Seller are shipped from outside the United States, they may also be subject to the export and import control laws and regulations of the exporting country. Seller shall abide by all applicable export and import control laws and regulations of that country to the extent consistent with U.S. law.

(f) Unless this PO provides otherwise, for any goods imported into the United States pursuant to this PO, Seller shall obtain all necessary import and/or export authorizations and is responsible for complying with all relevant import laws and regulations to the extent consistent with U.S. law, including Customs clearance, payment of any and all duties, taxes, and fees, and ensuring that imported goods were not produced wholly or in part with convict labor, forced labor, and/or indentured labor (including forced or indentured child labor). Unless this PO provides otherwise, Buyer shall not serve as Importer of Record. If Buyer seeks any import and/or export authorizations for the goods or items into which the goods are incorporated or seeks to confirm compliance with applicable laws and regulations, Seller will provide Buyer with appropriate information, information, as necessary.

(g) Seller shall promptly notify Buyer of any known or suspected violation of export or import control laws or regulations, or the initiation or existence of any U.S. Government investigation into same. Seller shall comply with requests from Buyer for additional information regarding any changed circumstance, known or suspected violation, or U.S. Government investigation.

(h) If this PO forms the whole or a part of a sale by the Buyer of defense articles or defense services being sold commercially to or for the use of the armed forces of a foreign country or international organization, Seller shall confirm acceptance of this Order, or within ten (10) days of being requested by Buyer to do so, with respect to all Purchase Orders received by the Seller's legal entity to date in relation to the Fifth Gait Technologies Customer Contract or Solicitation Number related to the PO as stipulated in Part 130 of the ITAR, 22 C.F.R. §§130.9 and 130.10.

(i) Seller shall not engage in any subcontracts relating to this PO except as compliant with U.S. export and import controls laws and regulations, and any authorizations granted thereunder. If Seller is authorized by Buyer to engage in subcontracting for procurements related to this PO, Seller shall incorporate into its subcontract provisions requiring compliance with U.S. and other applicable export and import control laws and regulations.

(j) Seller shall indemnify Buyer for all liabilities, penalties, losses, damages, costs or expenses that may be imposed on or incurred by Buyer in connection with any violations of non-U.S. or U.S. export or import control laws and regulations, by Seller, its officers, employees, agents, Sellers or subcontractors at any tier.

Section II – Applies to Purchase Orders with Deliverable Product or Materials

FG PACK 8/20 - PACKING AND SHIPPING

Seller must prepare/package product using best commercial practices to prevent shipping damage and deterioration.

(a) Seller shall be responsible for ensuring the proper packaging of goods hereunder. No charges will be allowed for packing, crating, freight, local cartage, and/or any other services unless so specified in this Purchase Order.

(b) Seller shall at all times comply with Buyer's written shipping instructions. Unless otherwise directed, all items shipped on the same day from and to a single location must be consolidated on one bill of lading or air waybill, as appropriate. Seller shall submit all required shipping papers to Buyer prior to final payment. Title to goods furnished under this Purchase Order shall pass to Buyer upon formal acceptance, regardless of when or where Buyer takes physical possession, unless the Purchase Order specifically provides for earlier passage of title.

(c) For goods purchased F.O.B. Origin (as "F.O.B. the place of shipment" is described in the Uniform Commercial Code Section 2-319), Seller shall bear the expense of and risk of loss of, or damage to the goods, until the goods are put into the possession of the carrier designated by Buyer. Seller shall not insure or declare a value except when transportation rates are based on "released value," in which instance Seller shall annotate on the bill of lading the lowest released value provided in applicable tariffs.

(d) For goods purchased F.O.B. Destination (as "F.O.B. the place of destination" is described in the Uniform Commercial Code Section 2-319) Seller shall bear the expense of, transport of, and risk of loss or damage to the goods to the named place.

(e) Purchase Order number(s) must appear on all correspondence, shipping labels, and shipping documents, including all packing sheets, bills of lading, air waybills, and invoices.

(f) Shipments or deliveries as specified in the buyer's PO shall be in accordance with the specified quantities and the specified schedules. Seller is encouraged to notify the buyer of any anticipated or actual delay.

Section III –Applies to Purchase Orders With Customer or Fifth Gait Furnished/Owned Material Provided

FG CFM 8/20 - CUSTOMER FURNISHED MATERIALS

Management of furnished property must conform to regulations set forth in FAR 52.245-1.

(a) An asset's identity, quantity, and material condition shall be inspected immediately upon delivery and verified against its packing slip and original order when receiving it under the subcontractor's custody to ensure that all property was acquired consistent with its engineering, production planning, and property control operations.

(b) A Receiving Document with unique document identifier shall be created. The minimum information to document property at the time of receipt to meet record requirements are:

(1.) Quantity received (or fabricated), issued, and balance-on-hand,

(2.) Unit acquisition cost,

(3.) Unique item identifier or equivalent (if available and necessary for individual item tracking),

(4.) Unit of measure,

(5.) Accountable contract number or equivalent code designation,

(6.) Location,

(7.) Disposition,

(8.) Posting reference and date of transaction,

(9.) Date placed in service (if required in accordance with the terms and conditions of the contract).

Discrepancies including but not limited to overages, shortages, and damages, and hardware anomalies discovered upon receipt shall be recorded in this document. Government-furnished property discrepancies shall be reported to the Property Administrator in writing within two (2) business days of receipt.

(a) The asset shall be identified based on the accountable contract number and labeled in a manner appropriate to the type of property (Government-Furnished, Contractor-acquired, Fifth Gait owned). Assets that cannot be individually marked due to size or other constraint, the packing or box it which it is received/stored be marked.

(b) The required asset information shall be entered, and associated documents (quote, purchase order, packing slip, receiving document, etc.) filed by the subcontractor within two (2) business days of receipt.

FG INV 8/20 - ASSET AND INVENTORY TRACKING

Management and tracking of furnished property must conform to regulations set forth in FAR 52.245-1.

(a) Requirements related to assets in the contract data requirements list (CDRL) shall be generated within the timeframe requirement of the contract.

(b) All storage facilities and areas where assets are held shall be inspected at least annually by the property administrator or an authorized delegate and properly maintained to prevent accelerated depreciation and deterioration of assets. Results of this inspection shall be recorded and filed. All areas must be secured at all times, and access must be granted in writing on an as needed basis by the property administrator.

(c) Asset transactions including receiving, moving, disposing, and transferring in/out shall be completed in the internal inventory database within two (2) business days of the transaction.

(d) All Receiving Requirements shall be followed by individuals performing receiving transactions.

(e) A receipt shall be generated when performing an asset move or transfer transaction in the internal inventory database to be signed by the temporary custodian and filed.

(f) A transaction report shall be generated in the defined asset system and reviewed monthly by the Lab Manager, Property Custodian, and or an approved delegate to ensure continued accuracy.

(g) Physical inventory of all assets at all locations, shall be performed at least once annually during the second quarter by Property Custodian or approved delegate and recorded within 10 business days of completion, but no later than 30 June of that year.

(1) Physical inventory, audits, and self-assessments of assets purchased on or related to a specific contract shall be performed at intervals defined by the contract and/or federal acquisition regulations, and at the close of a contract by Property Custodian or approved delegate. Physical inventory, audits, and self-assessments shall be completed no less than annually and results are recorded within 10 business days of completion, but no later than 31 March of said year.

(2) Purchasing and utilization is completed on an as needed basis. As such, physical inventory of an individual asset shall be performed by the Lab Manager, Property Custodian, and or an approved delegate prior to any purchasing. Utilization review will also be completed during physical inventory. Completion shall be recorded in the internal inventory database, in the individual asset file. If excess is determined, no purchase request will be approved. In-house screening for continued utilization will be determined at a minimum during the annual physical inventory and during contract related inventories.

(3) Discrepancies in the physical inventory assessments and loss of property shall be investigated and reported to the Buyer within two (2) business days of the completed assessment, including losses that occur at subcontractor or alternate site locations.

Government-furnished property losses are to be reported within 5 days of completed investigation.

(a) Reports shall include at a minimum:
(i) Date of incident (if known),

(ii.) Data elements of the asset,

(iii.) Quantity,

(iv.) Accountable contract number,

(v.) A statement indicating current or future need,

(vi.) Unit acquisition cost, or if applicable, estimated sales proceeds, estimated repair or replacement costs,

(vii.) All known interests in commingled material,

(viii.) Cause and corrective action to take or to be taken to prevent recurrence.

(ix.) A statement that compensation will be received covering the loss of the property, in the event Fifth Gait was or will be reimbursed or compensated,

(x.) Copies of all supporting documentation,

(xi.) Last known location,

(xii.) A statement that the property did or did not contain sensitive, export controlled, hazardous, or toxic material, and that the appropriate agencies and authorities were notified.

Section II – Applies to Purchase Orders under Government Prime Contracts/POs)*

FG COUNTER 8/20 - SUSPECT AND COUNTERFEIT MATERIALS PROGRAM.

Seller is requested to protect the buyer from counterfeit parts / suspect unapproved parts being shipped to its facility.

Counterfeit Materials - By Seller's acceptance of this Purchase Order, Seller acknowledges its counterfeit risk mitigation obligations and that the goods to be delivered hereunder (i) are and only contain materials obtained directly from the Original Manufacturer (OM), an authorized distributor, or an authorized aftermarket manufacturer, and (ii) are not and do not contain counterfeit items or suspect counterfeit items: and (iii) contain only authentic, unaltered OM labels and other markings. Further, Seller shall notify Buyer in writing immediately in the event that any material to be delivered cannot be procured in accordance with this requirement, and Seller must obtain Buyer's prior written authorization if an alternate source is required and for any deviation from the counterfeit risk mitigation requirements applicable to this purchase order. The contents of this paragraph shall be flowed down to Seller's Sellers at all tiers.

FG DPAS 8/20 - PRIORITY RATING

If so identified, this PO is a "rated order" certified for national defense use and Seller shall follow all the requirements of the Defense Priorities and Allocation System (DPAS) Regulation (15 C.F.R. Part 700).

DPAS - if a DPAS rating is shown on the face or any line of this purchase order, then:

This is a "DPAS" rated" order certified for national defense use, and the seller is required to follow all the provisions of the defense priorities and allocations system regulation (15 CFR 700 et seq.). All "DPAS Rated" orders must be accepted or rejected as follows:

(a) "DO" rated POS must be accepted or rejected in writing (hardcopy), or in electronic format, within fifteen (15) working days after order receipt.

(b) "DX" rated POS must be accepted or rejected in writing (hardcopy), or in electronic format, within ten (10) working days after order receipt.

(c) Rejection of "DO" or "DX" orders must be in writing (hardcopy), or in electronic format, giving the specific reason for the rejection.

(d) If, after acceptance of this order, Seller subsequently finds that shipment or performance will be delayed, Seller must notify the Buyer immediately in writing (hardcopy), or in electronic format, give reasons for the delay, and advise of a new shipment or performance date.

Note: If both DPAS rated and unrated PO quantities are reflected in this order, the seller is only required to follow the DPAS regulation as it pertains to the DPAS rated quantities.

FG CON MATL 8/20 - CONFLICT MINERALS

If Seller is providing goods to Buyer under this purchase order, Seller shall use commercially reasonable efforts to:

(a) Identify whether such goods contain tantalum, tin, tungsten, or gold;

(b) Conduct a reasonable country of origin inquiry regarding the origin of such minerals in such goods to determine whether such minerals originated in covered countries, as defined in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act; and

(c) Conduct due diligence on the chain of custody of the source of any minerals originating in covered countries to identify the smelter of said minerals; and

(d) Assist Buyer in conducting reasonable due diligence concerning the smelters of such minerals. Seller shall include the substance of conflict minerals in any agreement between Seller and its lower tier Sellers. Seller shall provide Buyer with reasonable documentation of Seller's and its lower tier Sellers' due diligence efforts, in a format prescribed by Buyer, when requested by Buyer to enable disclosure to the securities and exchange commission.

FG-OCI 1/21 ORGANIZATIONAL CONFLICT OF INTEREST

To be flowed down to all subcontractors when OCI clause is flowed down to Fifth Gait Contract under which procurement is being made.

(a) Purpose: The primary purpose of this clause is to aid in ensuring that:

1. the (Sub-) Contractor's objectivity and judgment are not biased because of its present or planned interests which relate to work under this contract.
2. the Contractor does not obtain unfair competitive advantage by virtue of its access to non-public information regarding the United States Government's program plans and actual or anticipated resources; and
3. the Contractor does not obtain unfair competitive advantage by virtue of its access to proprietary information belonging to others.

(b) Scope: Organizational Conflict of Interest (OCI) rules, procedures and responsibilities as described in FAR Subpart 9.5 shall be applicable to this contract and any resulting subcontracts.

1. The general rules in FAR 9.505-1 through 9.505-4 and the restrictions described herein shall apply to performance or participation by this Contractor and any of its affiliates or their successors-in-interest (hereinafter collectively referred to as "Contractor") in the activities covered by this contract/PO as prime Contractor, subcontractor, co-sponsor, joint-venturer, consultant, or in any similar capacity.

(c) Access to and Use of Nonpublic Information: If the Contractor, in performance of this contract, obtains access to nonpublic information such as plans, policies, reports, studies, financial plans, or data which has not been released or otherwise made available to the public, the Contractor agrees that without prior written approval of Fifth Gait Purchasing Agent, it shall not:

1. use such information for any private purpose.
2. release such information.

(d) Access to and Protection of Proprietary Information: The Contractor agrees to exercise diligent effort to protect proprietary information from misuse or unauthorized disclosure in accordance with the provisions of FAR 9.505-4. The Contractor may be required to enter into a written non-disclosure agreement with the third party asserting proprietary restrictions.

(e) Subcontractors: Any Subcontractor shall include this clause in consulting agreements, teaming agreements, subcontracts, or other arrangements for provision of services or supplies of any tier. The terms "contract", "Contractor", and "Contracting Officer" shall be appropriately modified to preserve the Government's rights.

Section III – Applicable to POs for Calibration or Purchase of Test Equipment

FG CAL 10/20 - CALIBRATION SERVICES

Calibration of inspection equipment shall be performed traceable to National Institute of Standards and Technology (NIST) or other national or international standards. Certificates of Calibration shall be provided.

Note: Customer assets under customer control will be the responsibility of the customer.