

FLOW DOWN PROVISIONS For Subcontract and Purchase Orders

OCEANETICS, INC

GOVERNMENT SUBCONTRACT

This Contract is entered into by OCEANETICS and SELLER in support of a U.S. Government Contract.

As used in the clauses referenced below and otherwise in this Contract:

1. "Commercial Item" means a commercial item as defined in FAR 2.101 or DFARS 202.101.
2. "Contract" means this Contract.
3. "Contractor" means SELLER, acting as the immediate (first-tier) subcontractor to OCEANETICS.
4. "Prime Contract" means the contract between OCEANETICS and the U.S. Government or between OCEANETICS and its higher-tier contractor in support of a contract with the U.S. Government.
5. "Subcontract" means any contract placed by SELLER or lower-tier subcontractors under this Contract. In all clauses listed herein, the terms "Government," "Contracting Officer" and "Contractor" shall be revised to suitably identify the contracting parties herein and affect the proper intent of the clause or provision except where further clarified or modified below. However, the words "Government" and "Contracting Officer" do not change when 1) a right, act, authorization or obligation can be granted or performed only by the Government or prime contract Contracting Officer or duly authorized representative and/or when 2) title to property is to be transferred directly to the Government.
6. If any of the following clauses do not apply to this Subcontract/Purchase Order, as defined in the respective FAR, DFARS provision, such clauses are considered to be self-deleting. Seller shall incorporate, and require that each lower tier contractor supporting this Purchase Order incorporate, all applicable regulations in accordance with the flow down requirements specified in such clauses.

AMENDMENTS REQUIRED BY PRIME CONTRACT

SELLER shall, at the request of OCEANETICS, accept amendments to this Contract to incorporate additional clauses and provisions herein or to change clauses and provisions hereof, as OCEANETICS may reasonably deem necessary in order to comply with the clauses and provisions of the applicable Prime Contract or with the clauses and provisions of amendments to such Prime Contract. If any such amendment to this Contract causes an increase or decrease in the price 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 "Contract Direction/Changes" clause of this Contract.

PRESERVATION OF THE GOVERNMENT'S RIGHTS

If OCEANETICS furnishes designs, drawings, special tooling, equipment, engineering data or other technical or proprietary information (Furnished Items) to which the U.S. Government owns or has the right to authorize the use of, nothing herein shall be construed to mean that OCEANETICS, acting on its own behalf, may modify or limit any rights the Government may have to authorize the SELLER's use of such Furnished Items in support of other U.S. Government prime contracts.

FAR FLOWDOWN CLAUSES

In accordance with FAR 52.252-1 and 52.252-2, the following clauses and provisions are incorporated by reference and apply to this Contract as defined by the respective FAR clause or provision.

252.203-7001	Prohibition On Persons Convicted of Fraud or Other Defense- Contract-Related Felonies	DEC 2008
252.203-7002	Requirement to Inform Employees of Whistleblower Rights	SEP 2013
252.204-7000	Disclosure Of Information	OCT 2016
252.204-7012	Safeguarding Covered Defense Information and Cyber Incident Reporting	DEC 2019
252.204-7015	Notice of Authorized Disclosure of Information for Litigation Support	MAY 2016
252.222-7000	Restriction On Employment Of Personnel	MAR 2000
252.223-7006	Prohibition On Storage, Treatment, and Disposal of Toxic or Hazardous Materials	SEP 2014
252.223-7008	Prohibition of Hexavalent Chromium	JUN 2013
252.225-7001	Buy American And Balance Of Payments Program-- Basic	DEC 2017
252.225-7012	Preference For Certain Domestic Commodities	DEC 2017
252.225-7013	Duty-Free Entry	MAY 2016
252.225-7016	Restriction on Acquisition of Ball and Roller Bearings	JUN 2011
252.225-7021	Trade Agreements--Basic	SEP 2019
252.225-7030	Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate	DEC 2006
252.225-7043	Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States	JUN 2015
252.225-7048	Export-Controlled Items	JUN 2013

252.225-7993	Prohibition on Providing Funds to the Enemy	SEP 2015
252.225-7995	Contractor Personnel Performing in the United States Central Command Area	JAN 2015
252.226-7001	Utilization of Indian Organizations and Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns	APR 2019
252.227-7013	Rights in Technical Data--Noncommercial Items	FEB 2014
252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer	FEB 2014
252.227-7015	Technical Data--Commercial Items	FEB 2014
252.227-7016	Rights in Bid or Proposal Information	JAN 2011
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
252.227-7030	Technical Data--Withholding Of Payment	MAR 2000
252.227-7033	Rights in Shop Drawings	APR 1966
252.227-7037	Validation of Restrictive Markings on Technical Data	SEP 2016
252.237-7010	Prohibition on Interrogation of Detainees by Contractor Personnel	JUN 2013
252.244-7000	Subcontracts for Commercial Items	JAN 2021
252.245-7004	Reporting, Reutilization, and Disposal	DEC 2017
252.247-7023	Transportation of Supplies by Sea	FEB 2019
52.202-1	Definitions	JUNE 2020
52.203-12	Limitation On Payments To Influence Certain Federal Transactions	JUNE 2020
52.203-13	Contractor Code of Business Ethics and Conduct	NOV 2021
52.203-15	Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009	JUNE 2010
52.203-16	Preventing Personal Conflicts of Interest	JUNE 2020
52.203-17	Contractor Employee Whistleblower Rights and Requirement To Inform Employees of Whistleblower Rights	JUNE 2020
52.203-19	Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements	JAN 2017
52.203-3	Gratuities	APR 1984
52.203-6	Restrictions on Subcontractor Sales To The Government	JUNE 2020
52.203-7	Anti-Kickback Procedures	JUNE 2020
52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards	JUN 2020
52.204-2	Security Requirements	MAR 2021
52.204-21	Basic Safeguarding of Covered Contractor Information Systems	NOV 2021
52.204-23	Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities	NOV 2021
52.204-25	Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment	NOV 2021
52.204-9	Personal Identity Verification of Contractor Personnel	JAN 2011
52.209-6	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment	JUN 2020
52.211-15	Defense Priority and Allocation Requirements	APR 2008
52.215-10	Price Reduction for Defective Certified Cost or Pricing Data	AUG 2011
52.215-11	Price Reduction for Defective Certified Cost or Pricing Data—Modifications	JUN 2020
52.215-12	Subcontractor Certified Cost or Pricing Data	OCT 2010
52.215-12 (DEV)	Subcontractor Certified Cost or Pricing Data (Deviation 2018-O0015)	JUN 2020
52.215-13	Subcontractor Certified Cost or Pricing Data--Modifications	JUN 2020
52.215-15	Pension Adjustments and Asset Reversions	OCT 2010
52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other than Pensions	JUL 2005
52.215-19	Notification of Ownership Changes	OCT 1997
52.215-2	Audit and Records--Negotiation	JUN 2020

52.215-21	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data – Modifications	JUN 2020
52.215-23	Limitations on Pass-Through Charges	JUN 2020
52.219-8	Utilization of Small Business Concern	OCT 2022
52.222-1	Notice To The Government Of Labor Disputes	FEB 1997
52.222-10	Compliance with Copeland Act Requirements	FEB 1988
52.222-11	Subcontracts (Labor Standards)	MAY 2014
52.222-12	Contract Termination-Debarment	MAY 2014
52.222-14	Disputes Concerning Labor Standards	FEB 1988
52.222-2	Payment For Overtime Premiums	JUL 1990
52.222-21	Prohibition Of Segregated Facilities	APR 2015
52.222-26	Equal Opportunity	SEP 2016
52.222-35	Equal Opportunity for Veterans	JUN 2020
52.222-36	Equal Opportunity for Workers with Disabilities	JUN 2020
52.222-37	Employment Reports on Veterans	JUN 2020
52.222-4	Contract Work Hours and Safety Standards – Overtime Compensation	MAY 2018
52.222-40	Notification of Employee Rights Under the National Labor Relations Act	DEC 2010
52.222-41	Service Contract Labor Standards	AUG 2018
52.222-50	Combating Trafficking in Persons	NOV 2021
52.222-54	Employment Eligibility Verification	OCT 2015
52.222-55	Minimum Wages for Contractor Workers under Executive Order 14026	JAN 2022
52.222-6	Construction Wage Rate Requirements	AUG 2018
52.222-62	Paid Sick Leave Under Executive Order 13706	JAN 2022
52.222-7	Withholding of Funds	MAY 2014
52.222-8	Payrolls and Basic Records	AUG 2018
52.222-9	Apprentices and Trainees	JUL 2005
52.223-18	Encouraging Contractor Policies To Ban Text Messaging While Driving	JUN 2020
52.223-3	Hazardous Material Identification And Material Safety Data	FEB 2021
52.224-2	Privacy Act	APR 1984
52.224-3	Privacy Training	JAN 2017
52.225-13	Restrictions on Certain Foreign Purchases	FEB 2021
52.225-26	Contractors Performing Private Security Functions Outside the United States	OCT 2016
52.225-8	Duty-Free Entry	OCT 2010
52.225-9	Buy American--Construction Materials	MAY 2014
52.227-1	Authorization and Consent	JUN 2020
52.227-10	Filing Of Patent Applications--Classified Subject Matter	DEC 2007
52.227-11	Patent Rights--Ownership By The Contractor	MAY 2014
52.227-14	Rights in Data--General	MAY 2014
52.227-2	Notice And Assistance Regarding Patent And Copyright Infringement	JUN 2020
52.227-3	Patent Indemnity	APR 1984
52.228-3	Worker's Compensation Insurance (Defense Base Act)	JUL 2017
52.228-4	Worker's Compensation and War-Hazard Insurance Overseas	APR 1984
52.228-5	Insurance - Work On A Government Installation	JAN 1997
52.229-3	Federal, State And Local Taxes	FEB 2013
52.229-8	Taxes--Foreign Cost-Reimbursement Contracts	FEB 2013
52.232-27	Prompt Payment for Construction Contracts	JAN 2017
52.232-40	Providing Accelerated Payments to Small Business Subcontractors	NOV 2021

52.236-13	Accident Prevention	NOV 1991
52.237-2	Protection Of Government Buildings, Equipment, And Vegetation	APR 1984
52.237-7	Indemnification and Medical Liability Insurance	JAN 1997
52.242-13	Bankruptcy	JUL 1995
52.243-1	Alt I Changes Fixed Price	APR 1984
52.243-2	Alt I Changes--Cost-Reimbursement	APR 1984
52.244-5	Competition In Subcontracting	DEC 1996
52.244-6	Subcontracts for Commercial Items	NOV 2020
52.245-1	Government Property	JAN 2017
52.245-9	Use And Charges	APR 2012
52.247-63	Preference For U.S. Flag Air Carriers	JUN 2003
52.247-64	Preference for Privately Owned U.S.-Flag Commercial Vessels	NOV 2021
52.248-1	Value Engineering	JUN 2020
52.249-10	Default (Fixed-Price Construction)	APR 1984
52.249-2	Termination For Convenience Of The Government (Fixed- Price)	APR 2012
52.249-6	Termination (Cost Reimbursement)	MAY 2004
52.249-8	Default (Fixed-Price Supply & Service)	APR 1984
52.288-5	Insurance - Work On A Government Installation	JAN 1997

CLAUSES INCORPORATED BY FULL TEXT

DISPLAY OF HOTLINE POSTERS (AUG 2019)

(a) *Definition.* As used in this clause—

“United States” means the 50 States, the District of Columbia, and outlying areas.

(b) *Display of hotline poster(s).*

(1)(i) The Contractor shall display prominently the DoD fraud, waste, and abuse hotline poster prepared by the DoD Office of the Inspector General, in effect at time of contract award, in common work areas within business segments performing work under Department of Defense (DoD) contracts.

(ii) For contracts performed outside the United States, when security concerns can be appropriately demonstrated, the contracting officer may provide the contractor the option to publicize the program to contractor personnel in a manner other than public display of the poster, such as private employee written instructions and briefings.

(2) If the contract is funded, in whole or in part, by Department of Homeland Security (DHS) disaster relief funds and the work is to be performed in the United States, the DHS fraud hotline poster shall be displayed in addition to the DoD hotline poster. If a display of a DHS fraud hotline poster is required, the Contractor may obtain such poster from—

(i) DHS Office of Inspector General/MAIL STOP 0305, Attn: Office of Investigations – Hotline, 245 Murray Lane SW, Washington, DC 20528-0305; or

(ii) Via the internet at https://www.oig.dhs.gov/assets/Hotline/DHS_OIG_Hotline-optimized.jpg.

(c)(1) The DoD hotline poster may be obtained from: Defense Hotline, The Pentagon, Washington, D.C. 20301-1900, or is also available via the internet at <https://www.dodig.mil/Resources/Posters-and-Brochures/>.

(2) If a significant portion of the employee workforce does not speak English, then the poster is to be displayed in the foreign languages that a significant portion of the employees speak.

(3) Additionally, if the Contractor maintains a company website as a method of providing information to employees, the Contractor shall display an electronic version of the required poster at the website.

(d) *Subcontracts.* The Contractor shall include the substance of this clause, including this paragraph (d), in all subcontracts that exceed the threshold specified in Defense Federal Acquisition Regulation Supplement [203.1004](#) (b)(2)(ii) on the date of subcontract award, except when the subcontract is for the acquisition of a commercial item.

(End of clause)

RESTRICTIONS ON EMPLOYMENT OF PERSONNEL (MAR 2000)

(a) The Contractor shall employ, for the purpose of performing that portion of the contract work in _____, individuals who are residents thereof and who, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills to perform the contract.

(b) The Contractor shall insert the substance of this clause, including this paragraph (b), in each subcontract awarded under this contract.

(End of clause)

NOTIFICATION OF OWNERSHIP CHANGES (OCT 1997)

(a) The Contractor shall make the following notifications in writing:

(1) When the Contractor becomes aware that a change in its ownership has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify the Administrative Contracting Officer (ACO) within 30 days.

(2) The Contractor shall also notify the ACO within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership.

(b) The Contractor shall-

(1) Maintain current, accurate, and complete inventory records of assets and their costs;

(2) Provide the ACO or designated representative ready access to the records upon request;

(3) Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership changes; and

(4) Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership change.

(c) The Contractor shall include the substance of this clause in all subcontracts under this contract that meet the applicability requirement of FAR 15.408(k).

(End of clause)

EQUAL OPPORTUNITY FOR VETERANS (JUN 2020)

(a) *Definitions.* As used in this clause-

"Active duty wartime or campaign badge veteran," "Armed Forces service medal veteran," "disabled veteran," "protected veteran," "qualified disabled veteran," and "recently separated veteran" have the meanings given at Federal Acquisition Regulation (FAR) 22.1301.

(b) Equal opportunity clause. The Contractor shall abide by the requirements of the equal opportunity clause at 41 CFR 60-300.5(a), as of March 24, 2014. This clause prohibits discrimination against qualified protected veterans, and requires affirmative action by the Contractor to employ and advance in employment qualified protected veterans.

(c) Subcontracts. The Contractor shall insert the terms of this clause in subcontracts valued at or above the threshold specified in FAR 22.1303(a) on the date of subcontract award, unless exempted by rules, regulations, or orders of the Secretary of Labor. The Contractor shall act as specified by the Director, Office of Federal Contract Compliance Programs, to enforce the terms, including action

for noncompliance. Such necessary changes in language may be made as shall be appropriate to identify properly the parties and their undertakings.

(End of clause)

EQUAL OPPORTUNITY FOR WORKERS WITH DISABILITIES (JUN 2020)

(a) Equal opportunity clause. The Contractor shall abide by the requirements of the equal opportunity clause at 41 CFR 60-741.5(a), as of March 24, 2014. This clause prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by the Contractor to employ and advance in employment qualified individuals with disabilities.

(b) Subcontracts. The Contractor shall include the terms of this clause in every subcontract or purchase order in excess of the threshold specified in Federal Acquisition Regulation (FAR) 22.1408(a) on the date of subcontract award, unless exempted by rules, regulations, or orders of the Secretary, so that such provisions will be binding upon each subcontractor or vendor. The Contractor shall act as specified by the Director, Office of Federal Contract Compliance Programs of the U.S. Department of Labor, to enforce the terms, including action for noncompliance. Such necessary changes in language may be made as shall be appropriate to identify properly the parties and their undertakings.

(End of clause)