



**MERCURY SYSTEMS, INC. FLOWDOWN PROVISIONS FOR NON-COMMERCIAL ITEMS  
(FAR PART 15)**

**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 Subcontract. 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 or higher-tier subcontract 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 Subcontract, and the SELLER shall have no right of direct action against the U.S Government. Any reference to a "Disputes" clause shall mean the "Disputes" clause of this Subcontract, and not any FAR AND DFARS disputes clause.

**GOVERNMENT SUBCONTRACT**

(1) This Subcontract is entered into by the parties in support of a U.S. Government prime contract. The term "Subcontract" as used in the text of this document (including parenthetical instructions), *but not in the clauses listed herein*, includes subcontracts or purchase orders between MERCURY SYSTEMS and SELLER.

(2) In all clauses listed herein, terms shall be revised to suitably identify the party to establish SELLER's obligations to MERCURY SYSTEMS and to the Government, and to enable MERCURY SYSTEMS to meet its obligations under the prime contract. *In the clauses listed herein*, and without limiting the generality of the foregoing, and except where further clarified or modified below, the term "Government" and equivalent phrases shall mean MERCURY SYSTEMS, the term "Contracting Officer" shall mean MERCURY SYSTEMS's subcontracting or purchasing representative, the term "Contractor" or "Offeror" shall mean SELLER, "Subcontractor" shall mean SELLER'S subcontractor or supplier, and the term "Contract" shall mean this subcontract or purchase order. For the avoidance of doubt, the words "Government" and "Contracting Officer" do not change (a) when a right, act, authorization or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or duly authorized representative, or (b) when title to property is to be transferred directly to the Government. The listed FAR AND DFARS clauses are incorporated herein as if set forth in full text unless made inapplicable by their corresponding notes, if any. If any of the following FAR AND DFARS clauses do not apply to this subcontract, such clauses are considered to be self-deleting

**CLAUSES APPLICABLE TO SUBCONTRACTS WITHOUT REGARD TO DOLLAR VALUE:**

- FAR 52.203-15 Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009 (applies if the subcontract is funded under ARRA)
- FAR 52.203-18 Prohibition on Contracting with Entities that Require Certain Internal Confidentiality Agreements or Statements—Representation" (Applicable to solicitations when the clause is in Buyer's customer's solicitation.)
- FAR 52.203-19 Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (Pursuant to paragraph (f), the Contractor must include the substance of this clause, including the flowdown requirement, in subcontracts)
- FAR 52.204-2 Security Requirements (applicable to subcontracts that involve access to classified information)
- FAR 52.204-9 Personal Identity Verification of Contractor Personnel (applicable to subcontracts when

- FAR 52.204-21 SELLER's employees are required to have routine physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system)
- FAR 52.204-23 Basis Safeguarding of Covered Contractor Information Systems (Pursuant to paragraph (d), the Contractor must include the substance of this clause, including the flowdown provision, in all subcontracts, including subcontracts for the acquisition of commercial items).
- FAR 52.211-5 Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities (Pursuant to paragraph (d), the Contractor must include the substance of this clause, including the flowdown provision, in all subcontracts, including subcontracts for the acquisition of commercial items).
- FAR 52.211-14 Material Requirements
- FAR 52.211-15 Notice of Priority Rating for National Defense, Emergency Preparedness, and Energy Program Use
- FAR 52.215-9 Defense Priority and Allocation Requirements
- FAR 52.215-22 Changes or Additions to Make-or-Buy Program
- FAR 52.217-9 Limitations on Pass-Through Charges – Identification of Subcontract Effort (applicable to solicitations for subcontracts that will incorporate FAR 52.215-23 or 52.215-23 Alt I)
- FAR 52.219-8 Option to Extend Term of the Contract
- FAR 52.222-4 Utilization of Small Business Concerns
- FAR 52.222-41 Contract Work Hours and Safety Standards Act – Overtime Compensation (applicable to subcontracts that require or involve the employment of laborers and mechanics at any tier)
- FAR 52.222-50 & Alt I Service Contract Labor Standards (applicable to subcontracts for services)
- FAR 52.222-55 Combating Trafficking in Persons (Alternate I is applicable to subcontracts if it is included in the prime contract)
- FAR 52.222-62 Minimum Wages Under Executive Order 13658
- FAR 52.223-3 Paid Sick Leave Under Executive Order 13706
- FAR 52.223-5 Hazardous Material Identification and Material Safety Data ("Government" means "Government and MERCURY SYSTEMS" in this clause.)
- FAR 52.223-7 Pollution Prevention and Right-to-Know Information (applicable to subcontracts that provide for performance on a Federal facility)
- FAR 52.223-11 Notice of Radioactive Materials
- FAR 52.224-1 Ozone-Depleting Substances
- FAR 52.224-2 Privacy act Notification (applicable to subcontracts when the design, development, or operation of a system of records on individuals is required to accomplish an agency function)
- FAR 52.225-1 Privacy Act (applicable to subcontracts that require the design, development, or operation of any system of records on individuals that is subject to the Privacy Act)
- FAR 52.225-5 Buy American Act – Supplies
- FAR 52.225-8 Trade Agreements
- FAR 52.225-13 Duty-Free Entry
- FAR 52.227-9 Restrictions on Certain Foreign Purchases
- FAR 52.227-10 Refund of Royalties (applicable to subcontracts in which the amount of royalties reported during negotiation of the subcontract exceeds \$250)
- Filing of Patent Applications – Classified Subject



## MERCURY SYSTEMS, INC. FLOWDOWN PROVISIONS FOR NON-COMMERCIAL ITEMS (FAR PART 15)

|   |   |  |  |
|---|---|--|--|
| <p>FAR 52.227-11</p>  | <p>Matter (applicable to subcontracts that involve or are likely to involve classified subject matter)<br/>Patent Rights – Ownership by The Contractor (applicable to subcontracts for experimental, developmental, or research work to be performed by a small business concern or nonprofit organization)</p>   | <p>FAR 52.246-4<br/>FAR 52.246-8<br/><br/>FAR 52.246-9</p> | <p>education or at nonprofit institutions whose primary purpose is the conduct of scientific research)<br/>Inspection of Services – Fixed-Price<br/>Inspection of Research and Development – Cost Reimbursable<br/>Inspection of Research and Development (Short Form)</p>   |
| <p>FAR 52.227-13</p>  | <p>Patent Rights – Ownership by the Government (applicable to subcontracts for experimental, developmental or research work, and SELLER is not a U.S. business concern; Paragraph (g) is deleted)</p>   | <p>FAR 52.246-16<br/>FAR 52.247-63</p>                     | <p>Responsibility of Supplies<br/>Preference for U.S.-Flag Air Carriers (applicable to subcontracts that involve international air transportation)</p>   |
| <p>FAR 52.227-14<br/>FAR 52.227-19<br/>FAR 52.228-3</p>   | <p>Rights in Data – General<br/>Commercial Computer Software License<br/>Workers' Compensation Insurance (Defense Base Act)</p>   | <p>FAR 52.247-64<br/><br/>FAR 52.249-2</p>                 | <p>Preference for Privately Owned U.S.-Flag Commercial Vessels<br/>Termination for Convenience of the Government (Fixed-Price) (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 may be subject to Contracting Officer approval)</p> |
| <p>FAR 52.228-4<br/><br/>FAR 52.228-5<br/>FAR 52.232-40</p>   | <p>Workers' Compensation Insurance and War Hazard Insurance Overseas<br/>Insurance – Work on a Government Installation<br/>Providing Accelerated Payments to Small Business Subcontractors (applies if SELLER is a small business concern, but does <i>not</i> apply if MERCURY SYSTEMS does not receive accelerated payments under the prime contract or higher-tier subcontract)</p>  | <p>FAR 52.249-5<br/>FAR 52.249-8</p>                       | <p>Termination for Convenience of the Government (Educational and other Nonprofit Institutions)<br/>Default (Fixed-Price Supply and Service) (timely performance is a material element of this subcontract)</p>  |
| <p>FAR 52.233-3</p>   | <p>Protest After Award (MERCURY SYSTEMS may direct SELLER to stop work if MERCURY SYSTEMS is so directed by the government)</p>   | <p>FAR 52.251-1</p>  | <p>Government Supply Source (When the contracting officer authorizes use of Government supply sources for contract performance).</p>   |
| <p>FAR 52.234-1</p>   | <p>Industrial Resources Developed Under Defense Production Act Title III</p>  |  |  |
| <p>FAR 52.236-13</p>  | <p>Accident Prevention (applicable to fixed-price construction, fixed-price dismantling, demolition, or removal of improvements subcontracts)</p>   |  |  |
| <p>FAR 52.237-2</p>   | <p>Protection of Government Buildings, Equipment and Vegetation</p>   |  |  |
| <p>FAR 52.241-15<br/>FAR 52.242-13<br/>FAR 52.242-17<br/>FAR 52.243-1<br/>FAR 52.243-6<br/>FAR 52.244-5<br/>FAR 52.244-6<br/>FAR 52.245-1</p> | <p>Stop-Work Order<br/>Bankruptcy<br/>Government Delay of Work<br/>Changes – Fixed Price<br/>Change Order Accounting<br/>Competition in Subcontracting<br/>Subcontracts for Commercial Items<br/>Government Property (applicable to subcontracts issued under non DoD prime contracts containing FAR 52.245-1 without Alternate I and the subcontract is either a cost-reimbursement, time and materials, or labor-hour type, or is a fixed priced subcontract awarded on the basis of submission of certified cost or pricing data (reference FAR 45.104); under DoD prime contracts containing FAR 52.245-1 without Alternate I, in addition to the subcontract types listed at FAR 45.104, the clause is applicable to negotiated fixed-price subcontracts awarded on a basis other than submission of certified cost or pricing data)</p> |  |  |
| <p>FAR 52.245-1 Alt I</p>   | <p>Government Property (Alternate I) (applicable to subcontracts issued under prime contracts containing FAR 52.245-1 with Alternate I, and to subcontracts issued under prime contracts containing FAR 52.245-1 without Alternate I when the subcontract awarded is of a type other than those listed in FAR 45.104 or DFARS 245.104)</p>  |  |  |
| <p>FAR 52.245-1 Alt II</p>  | <p>Government Property (Alternate II) (applicable to subcontracts for the conduct of basic or applied research at nonprofit institutions of higher</p>  |  |  |

**CLAUSES APPLICABLE TO SUBCONTRACTS OVER THE MICRO-PURCHASE THRESHOLD (AS DEFINED AT FAR 2.101)**

**ALSO INCLUDE:**

FAR 52.223-18 Encouraging Contractor Policies to Ban Text Messaging While Driving

**CLAUSES APPLICABLE TO SUBCONTRACTS OVER \$10,000**

**ALSO INCLUDE:**

FAR 52.222-21 Prohibition of Segregated Facilities  
FAR 52.222-26 Equal Opportunity  
FAR 52.222-40 Notification of Employee Rights Under the National Labor Relations Act

**CLAUSES APPLICABLE TO SUBCONTRACTS OVER \$15,000**

**ALSO INCLUDE:**

FAR 52.222-20 Walsh-Healy Public Contracts Act  
FAR 52.222-36 Affirmative Action for Workers with Disabilities

**CLAUSES APPLICABLE TO SUBCONTRACTS OF \$30,000 OR MORE ALSO INCLUDE:**

FAR 52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards (applicable to subcontracts when MERCURY SYSTEMS is the prime contractor; the usual substitution of the parties is not applicable to this clause; SELLER shall report to MERCURY SYSTEMS the compensation information required under the clause, if not exempt)

**CLAUSES APPLICABLE TO SUBCONTRACTS OVER \$35,000**

**ALSO INCLUDE:**

FAR 52.209-6 Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment

**CLAUSES APPLICABLE TO SUBCONTRACTS OF \$100,000 OR**



**MERCURY SYSTEMS, INC. FLOWDOWN PROVISIONS FOR NON-COMMERCIAL ITEMS  
(FAR PART 15)**

**MORE ALSO INCLUDE:**

FAR 52.222-37 Employment Reports on Veterans

**CLAUSES APPLICABLE TO SUBCONTRACTS OVER \$150,000**

**ALSO INCLUDE:**

FAR 52.202-1 Definitions  
 FAR 52.203-3 Gratuities  
 FAR 52.203-7 Anti-Kickback Procedures (except subparagraph (c)(1) of the clause)  
 FAR 52.203-12 Limitation on Payments to Influence Certain Federal Transactions  
 FAR 52.203-16 Preventing Personal Conflicts of Interest (applicable to subcontracts that include a requirement for services that involve performance of acquisition functions closely associated with inherently governmental functions for, or on behalf of, a Federal Government agency or department)  
 FAR 52.222-35 Equal Opportunity for Veterans (unless exempted by rules, regulations, or orders of the Secretary of Labor)  
 FAR 52.222-54 Employment Eligibility Verification (applicable to subcontracts that (i) are for construction or services; (ii) include work performed in the United States); and (iii) have a performance period of 120 days or more)  
 FAR 52.248-1 Value Engineering  
 FAR 52.249-9 Default (Fixed-Price Research and Development)

**CLAUSES APPLICABLE TO SUBCONTRACTS OVER THE SIMPLIFIED ACQUISITION THRESHOLD (AS DEFINED AT FAR 2.101; CURRENTLY \$250,000) ALSO INCLUDE:**

FAR 52.203-5 Covenant Against Contingent Fees  
 FAR 52.203-6 Restrictions on Subcontractor Sales to the government  
 FAR 52.203-17 Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights  
 FAR 52.215-2 Audit and Records – Negotiations (applicable to subcontracts: (i) that are cost-reimbursement, incentive, time-and-materials, labor-hour, or price-redeterminable type, or any combination of these; (ii) for which certified cost or pricing data are required; or (iii) that require SELLER to furnish reports as discussed in paragraph (e) of the clause)  
 FAR 52.215-14 Integrity of Unit Prices (except paragraph (b))  
 FAR 52.215-23 & Alt I Limitations on Pass-Through Charges (include Alternate I if it is included in the prime contract) (applicable to cost-reimbursement subcontracts that exceed the simplified acquisition threshold, except if the contract is with the Department of Defense (DoD), then this clause is applicable to all cost-reimbursement subcontracts and fixed-price subcontracts, except those identified in FAR 15.408(n)(2)(i)(B)(2), that exceed the threshold for obtaining cost or pricing data in accordance with FAR 15.403-4)  
 FAR 52.227-1 Authorization and Consent (and Alt I) (include Alternate I if it is included in the prime contract)  
 FAR 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement

**CLAUSES APPLICABLE TO SUBCONTRACTS OVER \$5,000,000 ALSO INCLUDE:**

FAR 52.203-13 Contractor Code of Business Ethics and Conduct (In paragraph (b)(3)(i), the meaning of “agency

office of the Inspector General” and “Contracting Officer” does not change; in paragraph (b)(3)(ii) the meaning of “Government” does not change; and in paragraphs (b)(3)(iii) and (c)(2)(ii)(F), the meanings of “OIG of the ordering agency,” “IG of the agency,” “agency OIG” and “Contracting Officer” do not change; clause only applies if subcontract performance period is 120 days or longer)

FAR 52.203-14 Display of Hotline Poster(s)

**CLAUSES APPLICABLE TO SUBCONTRACTS OVER \$700,000**

**ALSO INCLUDE:**

FAR 52.219-9 Small Business Subcontracting Plan

**UNLESS OTHERWISE EXEMPT (SEE FAR 15.408),**

**SUBCONTRACTS MUST ALSO INCLUDE:**

FAR 52.215-10 Price Reduction for Defective Certified Cost or Pricing Data (Rights and obligations under this clause shall survive completion of the Work and final payment under this Subcontract)  
 FAR 52.215-11 Price Reduction for Defective Certified Cost or Pricing Data – Modifications (Rights and obligations under this clause shall survive completion of the Work and final payment under this Subcontract)  
 FAR 52.215-12 Subcontractor Certified Cost or Pricing Data  
 FAR 52.215-13 Subcontractor Certified Cost or Pricing Data – Modifications  
 FAR 52.215-15 Pension Adjustments and Asset Reversions  
 FAR 52.215-18 Reversion or Adjustment of Plans for Post-Retirement Benefits (PRB) Other Than Pensions  
 FAR 52.215-19 Notifications of Ownership Changes  
 FAR 52.215-20 Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data  
 FAR 52.215-21 Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data – Modifications

**COST REIMBURSEMENT, TIME & MATERIAL OR LABOR HOUR**

**SUBCONTRACTS MUST ALSO INCLUDE:**

FAR 52.215-16 Facilities Capital Cost Of Money  
 FAR 52.215-17 Waiver of Facilities Capital Cost of Money  
 FAR 52.216-7 Allowable Cost and Payment (SELLER agrees to execute assignment documents in order to comply with subsection (h); this clause is not applicable to labor-hour subcontracts)  
 FAR 52.216-8 Fixed Fee (applicable if this is a cost-plus-fixed-fee subcontract)  
 FAR 52.216-10 Incentive Fee (applicable if this is a cost-plus-incentive-fee subcontract)  
 FAR 52.216-11 Cost Contract – No Fee (applicable if this is a cost-no-fee subcontract)  
 FAR 52.216-12 Cost-Sharing Contract – No Fee (applicable if this is a cost-sharing, no fee subcontract)  
 FAR 52.222-2 Payment for Overtime Premiums (insert “0%” in paragraph (a) unless indicated otherwise in the subcontract)  
 FAR 52.232-7 Payments under Time-And-Materials and Labor-Hour Contracts (“schedule” means this subcontract, “voucher(s)” means invoice(s))  
 FAR 52.232-20 Limitation of Cost (applicable to fully-funded subcontracts)  
 FAR 52.232-22 Limitation of Funds (applicable to incrementally-funded subcontracts)  
 FAR 52.243-2 Changes – Cost-Reimbursement (applicable to



**MERCURY SYSTEMS, INC. FLOWDOWN PROVISIONS FOR NON-COMMERCIAL ITEMS  
(FAR PART 15)**

|   |  |                    |   |
|---|--|--------------------|---|
| FAR 52.243-3  | cost-reimbursement subcontracts)<br>Changes – Time-And-Materials or Labor-Hour Contracts (applicable to time-and-materials or labor-hour subcontracts)   | FAR 52.230-6       | Administration of Cost Accounting Standards   |
| FAR 52.244-2  | Subcontracts (paragraphs (g) and (h) only apply)   |                    |   |
| FAR 52.246-2  | Inspection of Supplies – Fixed-Price   |                    |   |
| FAR 52.246-3  | Inspection Of Supplies – Cost-Reimbursement (“Contracting Officer” means MERCURY SYSTEMS’s purchasing representative, and “Government” means MERCURY SYSTEMS and the Government, provided that an inspection system accepted by the Government will be deemed accepted by MERCURY SYSTEMS, and where “Government” first appears in paragraph (k) it means “Government and/or Buyer”; the provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to MERCURY SYSTEMS and the Government)           | DFARS 252-203-7002 | <b><u>CLAUSES APPLICABLE TO ALL SUBCONTRACTS WITHOUT REGARD TO DOLLAR VALUE:</u></b><br>Requirement to Inform Employees of Whistleblower Rights   |
|   |  | DFARS 252-203-7003 | Agency Office of the Inspector General Disclosure of Information (applicable to subcontracts when SELLER will have access to or generate unclassified information that may be sensitive and inappropriate for release to the public)  |
|   |  | DFARS 252.204-7000 | Export-Controlled Items   |
|   |  | DFARS 252.204-7008 | Limitations on the Use or Disclosure of Third Party Contractor Reported Cyber Incident Information  |
|   |  | DFARS 252.204-7009 | Safeguarding of Unclassified Controlled Technical Information (Applicable to Purchase Orders under DoD contracts awarded after October 20, 2016 for operationally critical support, or for which Purchase Order performance will involve covered defense information. Reports required under paragraph (d) shall be made through MERCURY SYSTEMS; insert “and MERCURY SYSTEMS” after “Contracting Officer” in paragraph (d)(5)) |
| FAR 52.246-5  | Inspection Of Services – Cost-Reimbursement (“Contracting Officer” means MERCURY SYSTEMS’s purchasing representative, and “Government” means MERCURY SYSTEMS and the Government, provided that an inspection system accepted by the Government will be deemed accepted by MERCURY SYSTEMS, and the provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to MERCURY SYSTEMS and the Government)   | DFARS 252.204-7012 | Notice of Authorized Disclosure of Information to Litigation Support Contractors  |
| FAR 52.246-6  | Inspection – Time-And-Materials And Labor-Hour (“Contracting Officer” means MERCURY SYSTEMS’s purchasing representative and “Government” means MERCURY SYSTEMS and the Government, provided that an inspection system accepted by the Government will be deemed accepted by MERCURY SYSTEMS, and where “Government” first appears in paragraph (k) it means Government and/or MERCURY SYSTEMS; the provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to MERCURY SYSTEMS and the Government) | DFARS 252.204-7015 | Intent To Furnish Precious Metals As Government-Furnished Material (applicable to subcontracts when the item being purchased contains precious metals)  |
|   |  | DFARS 252.208-7000 | Item Identification and Valuation (SELLER’s obligations under this clause are limited to cooperating with MERCURY SYSTEMS’s efforts to comply with the clause, including granting MERCURY SYSTEMS access to SELLER’s deliverables at its facilities and to appropriate property records)  |
|   |  | DFARS 252.211-7003 | Reporting Of Government-Furnished Property (applicable to subcontracts when FAR 52.245-1 is in the prime contract, and SELLER is in possession of Government Property; SELLER will comply with paragraph (d) of this clause)  |
| FAR 52.247-67   | Submission of Transportation Documents for Audit (provided transportation will be reimbursed as a direct charge to the contract)   | DFARS 252.211-7007 | Pricing Adjustments (applicable to subcontracts when FAR 52.215-11, FAR 52. 215-12 or FAR 52.215-13 applies to this Subcontract)  |
| FAR 52.249-6  | Termination (Cost-Reimbursement) (“Government” means MERCURY SYSTEMS and “Contracting Officer” means MERCURY SYSTEMS’s purchasing representative; in paragraph (e) change “15 days” and “45 days” to “30 days” and “90 days”, respectively; inn paragraph (f) change “1 year” to “six months”; Alternate IV is applicable to time-and-materials or labor-hour subcontracts only)   | DFARS 252.215-7000 | Allowability of Legal Costs Incurred in Connection with a Whistleblower Proceeding  |
| FAR 52.249-14   | Excusable Delays   | DFARS 252.216-7009 | Hazard Warning Labels (applicable to subcontracts for goods that require submission of hazardous material data sheets (see FAR 23.302(c))   |
|   |  | DFARS 252.223-7001 | Safety Precautions for Ammunition and Explosives (“Government” means the Government and/or MERCURY SYSTEMS)   |
|   |  | DFARS 252.223-7002 |   |
| <b><u>ADDITIONAL CLAUSES:</u></b>   |  |                    |   |
| <b><u>COST ACCOUNTING STANDARDS (applicable when stated in the subcontract)</u></b> |  |                    |   |
| FAR 52.230-2  | Cost Accounting Standards  |                    |   |
| FAR 52.230-3  | Disclosure and Consistency of Cost Accounting Practices  |                    |   |
| FAR 52.230-4  | Disclosure and Consistency of Cost Accounting Practices – Foreign Concerns   |                    |   |
| FAR 52.230-5  | Cost Accounting Standards – Educational Institution  |                    |   |



**MERCURY SYSTEMS, INC. FLOWDOWN PROVISIONS FOR NON-COMMERCIAL ITEMS  
(FAR PART 15)**

|                             |  |                    |  |
|-----------------------------|--|--------------------|--|
| DFARS 252.223-7003          | Change In Place Of Performance – Ammunition and Explosives   | DFARS 252.225-7025 | 52.225-5)  |
| DFARS 252.223-7006 & Alt. I | Prohibition On Storage And Disposal Of Toxic And Hazardous Materials (applicable to subcontracts that require, may require, or permit SELLER to treat or dispose of non-DoD-owned toxic or hazardous materials as defined in this clause; includes Alternate I if it is in the prime contract)                                   | DFARS 252.225-7027 | Restriction on Acquisition of Forgings   |
| DFARS 252.223-7007          | Safeguarding Sensitive Conventional Arms, Ammunition, And Explosives (applicable to subcontracts for (i) the development, production, manufacture, or purchase of arms, ammunition, and explosives (AA&E), or (ii) when AA&E will be provided to SELLER as Government-furnished property)  | DFARS 252.225-7028 | Restriction on Contingent Fees For Foreign Military Sales  |
| DFARS 252.223-7008          | Prohibition of Hexavalent CHROMIUM (applicable to all subcontracts for supplies, maintenance and repair services, or construction materials)   | DFARS 252.225-7030 | Exclusionary Policies and Practices of Foreign Governments   |
| DFARS 252.225-7001          | Buy American Act and Balance Of Payments Program   | DFARS 252.225-7031 | Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate   |
| DFARS 252.225-7002          | Qualifying Country Sources as Subcontractors   | DFARS 252.225-7039 | Secondary Arab Boycott of Israel   |
| DFARS 252.225-7007          | Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies (applicable to subcontracts for the acquisition of items covered by the United States Munitions List of the International Traffic in Arms Regulation)   | DFARS 252.225-7040 | Defense Contractors Performing Private Security Functions Outside of the United States   |
| DFARS 252.225-7008          | Restriction On Acquisition Of Specialty Metals (applicable to subcontracts for the delivery of specialty metals as end items to MERCURY SYSTEMS or SELLER to the extent necessary to ensure compliance of the end products that MERCURY SYSTEMS will deliver to the Government when DFARS 252.225-7009 is in the prime contract) | DFARS 252.225-7043 | Contractor Personnel Supporting U.S. Armed Forces Deployed Outside The United States (applicable to subcontracts that will be performed outside the United States in areas of combat and other significant military operations designated by the Secretary of Defense, contingency operations, humanitarian or peacekeeping operations, or other military operations or exercises designated by the Combatant Commander) |
| DFARS 252.225-7009          | Restriction on Acquisition of Certain Articles Containing Specialty Metals (excluding paragraph (d), applicable to subcontracts for items containing specialty metals to the extent necessary to ensure compliance of the end products that will be delivered to the Government)   | DFARS 252.225-7048 | Anti-Terrorism/Force Protections Policies for Defense Contractors Outside the United States (applies where SELLER will be performing or traveling outside the U.S.)  |
| DFARS 252.225-7010          | Commercial Derivative Military Article – Specialty Metals Compliance Certificate (applicable to solicitations for subcontracts that will incorporate DFARS 252.225-7009)   | DFARS 252.225-7993 | Export-Controlled Items  |
| DFARS 252.225-7012          | Preference for Certain Domestic Commodities  | DFARS 252.225-7994 | Dev 2015-O0016 Prohibition on Contracting with the enemy   |
| DFARS 252.225-7013          | Duty-Free Entry  | DFARS 252.227-7013 | Dev 2015-O0016 Additional access to Contractor and Subcontractor In the United States Central Command Theater of Operations  |
| DFARS 252.225-7015          | Restriction on Acquisition of Hand or Measuring Tools  | DFARS 252.227-7014 | Rights In Technical Data – Noncommercial Items (applicable to solicitations and resulting subcontracts when MERCURY SYSTEMS will be required to deliver ultimately to the Government SELLER's technical data pertaining to noncommercial items, or pertaining to commercial items for which the Government will have paid for any portion of the development costs)  |
| DFARS 252.225-7016          | Restriction on Acquisition of Ball and Roller Bearings   | DFARS 252.227-7015 | Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (applicable to solicitations and resulting subcontracts when SELLER's performance will require delivery of computer software or computer software documentation)   |
| DFARS 252.225-7021          | Trade Agreements (applies if the Work contains other than U.S.-made, qualifying country, or designated country end products, in lieu of FAR  | DFARS 252.227-7016 | Technical Data – Commercial Items (applicable whenever any technical data related to commercial items developed in any part at private expense will be provided under a subcontract for ultimate delivery to the Government)   |
|                             |  | DFARS 252.227-7017 | Rights in Bid or Proposal Information (applicable to solicitations and resulting subcontracts that will include DFARS 252.227-7013, 252.227-7014, or 252.227-7018)   |
|                             |  |                    | Identification and Assertion of Use,   |



## MERCURY SYSTEMS, INC. FLOWDOWN PROVISIONS FOR NON-COMMERCIAL ITEMS (FAR PART 15)

|                    |  |  |   |
|--------------------|--|--|---|
|                    | Release, Or Disclosure Restrictions (applicable to solicitations and resulting subcontracts that will include DFARS 252.227-7013, 252.227-7014, or 252.227-7018)   | DFARS 252.234-7004   | Cost and Software Data Reporting System (Applies as described in the CSDR contract plan)  |
| DFARS 252.227-7018 | Rights in Noncommercial Technical Data and Computer Software – Small Business Innovation Research (SBIR) Program   | DFARS 252.235-7003   | Frequency Authorization (applicable to subcontracts requiring the development, production, construction, testing, or operation of a device for which a radio frequency authorization is required)   |
| DFARS 252.227-7019 | Validation of Asserted Restrictions – Computer Software (applicable to all subcontracts when SELLER’s performance includes the furnishing of computer software that MERCURY SYSTEMS will furnish ultimately to the Government)   | DFARS 252.239-7010   | Cloud Computing Services” (Applicable to Purchase Orders that involve or may involve cloud services)  |
| DFARS 252.227-7025 | Limitation on the Use or Disclosure of Government-Furnished Information Marked With Restrictive Legends  | DFARS 252.239-7016   | Telecommunications Security Equipment, Devices, Techniques, And Services (applicable to subcontracts that require the securing of telecommunications)   |
| DFARS 252.227-7026 | Deferred Delivery of Technical Data or Computer Software   | DFARS 252.239-7017   | Notice of Supply Chain Risk ((Applies if this Subcontract involves the development or delivery of any information technology, whether acquired as a service or as a supply; insert “or MERCURY SYSTEMS” after “Government” throughout)  |
| DFARS 252.227-7027 | Deferred Ordering Of Technical Data or Computer Software   |  | Supply Chain Risk (Applies if this Subcontract involves the development or delivery of any information technology, whether acquired as a service or as a supply; insert “or MERCURY SYSTEMS” after “Government” throughout)   |
| DFARS 252.227-7028 | Technical Data or Computer Software Previously Delivered to the Government (applicable to solicitations and resulting subcontracts that will require SELLER to deliver technical data)   | DFARS 252.239-7018   | Pricing of Contract Modifications   |
| DFARS 252.227-7030 | Technical Data – Withholding of Payment (applicable to solicitations and resulting subcontracts that will include DFARS 252.227-7013 or 252.227-7018)  | DFARS 252.243-7001<br>DFARS 252.244-7000<br>DFARS 252.244-7001 | Subcontracts for Commercial Items<br>Contractor Purchasing System<br>Administration   |
| DFARS 252.227-7037 | Validation of Restrictive Markings on Technical Data (applicable to subcontracts requiring the delivery of technical data)   | DFARS 252-246-7000   | Material Inspection and Receiving Report  |
| DFARS 252.227-7038 | Patent Rights – Ownership by the Contractor (Large Business) (applicable to subcontracts for experimental, developmental, or research work if the SELLER is not a small business or nonprofit organization, unless a different patent rights clause is required by FAR 27.303) | DFARS 252.246-7001<br>DFARS 252.246-7003                       | Warranty of Data (applicable to solicitations and resulting subcontracts that will include DFARS 252.227-7013)<br>Notification Of Potential Safety Issues (applicable to subcontracts for (i) repairable or consumable 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) |
| DFARS 252.227-7039 | Patents – Reporting of Subject Inventions (applicable to solicitations and resulting subcontracts that will include the clause at FAR 52.227-11)   | DFARS 252.246-7007   | Contractor Counterfeit Electronic Part Detection And Avoidance System (applicable to solicitations and resulting subcontracts for (i) electronic parts; (ii) end items, component parts, or assemblies containing electronic parts; and (iii) services where the subcontractor will supply electronic parts or components, parts, or assemblies containing electronic parts as part of the service)   |
| DFARS 252.228-7001 | Ground And Flight Risk (applicable to solicitations and resulting subcontracts for the acquisition, development, production, modification, maintenance, repair, flight, or overhaul of aircraft unless an exception listed at DFARS 228.370(b)(1) applies)                     |  | Sources of Electronic Parts (JUL 2018) (Applies if this contract is for electronic parts or assemblies containing electronic parts, unless SELLER is the original manufacturer. Note 1 applies except in paragraph (d). Note 2  |
| DFARS 252.228-7005 | Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles   |  |   |
| DFARS 252.231-7000 | Supplemental Cost Principles (applicable to solicitations and resulting subcontracts that are subject to the principles and procedures described in FAR Subparts 31.1, 31.2, 31.6, or 31.7)  | DFARS 252.246-7008   |   |



**MERCURY SYSTEMS, INC. FLOWDOWN PROVISIONS FOR NON-COMMERCIAL ITEMS  
(FAR PART 15)**

DFARS 252.247-7024 applies.  
Notification of Transportation of Supplies by Sea

**ALSO INCLUDE:**

DFARS 252.211-7000 Acquisition Streamlining

**CLAUSES APPLICABLE TO SUBCONTRACTS OF \$30,000 OR MORE ALSO INCLUDE:**

DFARS 252.209-7004 Subcontracting With Firms That Are Owned or Controlled By the Government of a Terrorist Country

**J. CLAUSES APPLICABLE TO SUBCONTRACTS OVER \$2,000,000 ALSO INCLUDE:**

DFARS 252.215-7009 Proposal Adequacy Checklist  
DFARS 252.215-7010 REQUIREMENTS FOR CERTIFIED COST OR PRICING DATA AND OTHER DATA THAN CERTIFIED COST OR PRICING DATA (JAN 2018)  
This clause applies in lieu of FAR 52.215-20. Contracting Officer means "MERCURY SYSTEMS" Paragraph (b)(ii)(E) is deleted.

**CLAUSES APPLICABLE TO SUBCONTRACTS OF \$150,000 OR MORE ALSO INCLUDE:**

DFARS 252.249-7002 Notification of Anticipated Contract Terminations or Reductions (except paragraph (d)(1))

**CLAUSES APPLICABLE TO SUBCONTRACTS OVER THE SIMPLIFIED ACQUISITION THRESHOLD (AS DEFINED AT FAR 2.101; CURRENTLY \$250,000) ALSO INCLUDE:**

DFARS 252.203-7001 Prohibition on Persons Convicted Of Fraud or Other Defense-Contract-Related Felonies  
DFARS 252.247-7023 Transportation of Supplies by Sea (applies in lieu of FAR 52.247-64; 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 the subcontract is valued at or below the simplified acquisition threshold)

**CLAUSES APPLICABLE TO SUBCONTRACTS OVER \$5,000,000 ALSO INCLUDE:**

DFARS 252.203-7003 Agency Office of the Inspector General (applicable only if FAR 52.203-13 is included in this Subcontract)  
DFARS 252.203-7004 Display Of Fraud Hotline Poster(s) (applicable to all subcontracts except those that are for acquisition of commercial items, or that will be performed entirely outside the United States; if applicable, used in lieu of FAR 52.203-14 "Display of Hotline Poster(s)")

**CLAUSES APPLICABLE TO SUBCONTRACTS OVER \$500,000**

**ALSO INCLUDE:**

DFARS 252.226-7001 Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns

**CLAUSES APPLICABLE TO SUBCONTRACTS OVER \$700,000**

**ALSO INCLUDE:**

DFARS 252.219-7003 Small Business Subcontracting Plan (DoD Contracts (applicable to subcontracts under prime contracts that contain FAR 52.219-9; include Alternate I if it is included in the prime contract)  
DFARS 252.219-7004 Small Business Subcontracting Plan (Test Program) (applicable to subcontracts that offer further subcontracting possibilities)  
DFARS 252.225-7004 Quarterly Reporting of Actual Contract Performance Outside the United States (applicable to subcontracts when SELLER is a first-tier subcontractor)

**CLAUSES APPLICABLE TO SUBCONTRACTS OVER \$1,000,000**

**ALSO INCLUDE:**

DFARS 252.222-7006 Restrictions on the Use of Mandatory Arbitration Agreements (applicable to subcontracts issued under prime contracts containing the clause)  
DFARS 252.225-7033 Waiver of United Kingdom Levies (applicable to subcontracts where a lower-tier subcontract exceeding \$1 million with a U.K. firm is anticipated)

**CLAUSES APPLICABLE TO SUBCONTRACTS OVER \$1,500,000**