

ASSIGNMENT/SUBCONTRACTING

The Seller may not assign, or transfer its duties, interests, or obligations under this Purchase Order without obtaining the prior written approval of Buyer. Buyer reserves the right to assign or transfer part or all of its rights, powers, and privileges under this Purchase Order for any reason to: (1) any wholly-owned subsidiary of the Buyer; or (2) any successor in interest to Buyer by way of merger or consolidation or the acquisition of substantially all of its assets. Other than obtaining parts, material and services normally purchased by Seller required in fulfilling this Purchase Order, Seller may not subcontract for the goods or services required by this Purchase Order without Buyers prior written approval.

OWNERSHIP

Any design, system, drawings, reprints, specifications or technical information or data prepared by Seller in performance of the Purchase Order shall become the property of Buyer and shall be marked "Property of Alion Science and Technology". However, to the extent authorized by the U.S. Government by a direct contract with Seller for the manufacture of products for direct sale to the U.S. Government, and to the extent that such use will not interfere with Seller's performance of this or other orders from Buyer in effect at the time Seller enters into such direct contract with the Government, and upon prior written notice to Buyer of such Government authorization and the contract number, the Seller shall have the right to use any design systems, drawings and specifications which the Government owns or has the right to use or the right to authorize others to use. Seller warrants that use of the goods or services delivered under this Purchase Order will not infringe or otherwise violate the intellectual property rights of any third party. Seller agrees to defend, indemnify, and hold harmless Buyer and its customers from and against any claims, damages, losses, costs and expenses, including attorney's fees, arising out of any action by a third party that is based upon a claim that the goods or services delivered under this Purchase Order infringe or otherwise violate the intellectual property rights of any person or entity. This indemnity and hold harmless shall not be considered an allowable cost under any provisions of this Purchase Order.

DELIVERY

Transportation shall be F.O.B. at the point identified in the Purchase Order, freight prepaid. Buyer is not responsible for insurance or any transportation charges. Seller shall bear the risk of loss or damage to material until they are delivered in conformity with the Purchase Order. Unless stated otherwise, title shall pass to Buyer upon final acceptance, regardless of when or where Buyer takes physical possession of the goods.

INDEMNIFICATION

Seller shall fully and completely indemnify and hold Buyer harmless from any claim, demand, judgment, suit, loss, expense, damage, cause of action, or liability of every kind and nature including without limitation reasonable attorney's fees, arising from or out of any alleged or actual breach of Seller's obligations or warranties hereunder or from any other act or omission by Seller, its officers, agents, employees, subcontractors, or guests, howsoever caused, instituted by any party, including but not limited to persons or entities who purchased from Buyer or use part or all of the goods or services purchased from Seller. Seller will promptly inform Buyer of any claim, demand, judgment, suit, loss, expense, damage, cause of action, or liability to which this provision may apply. This indemnity and hold harmless shall not be considered an allowable cost under any provisions of this Purchase Order.

ADVERTISING

No advertising or publicity matter having or containing any reference to Buyer or any of its staff members shall be made by Seller or anyone in Seller's behalf without Buyer's prior written consent.

VARIATIONS

Seller acknowledges that time is of the essence with respect to performance of this Purchase Order. No variation in quantity, item specification, pricing, and/or delivery, as specified on this order will be accepted unless acknowledged in writing by the Buyer.

CHANGES

Buyer may at any time, by written order, make changes, within the general scope of this order, to any part of this Purchase Order. No conduct by Buyer other than a signed written change order or modification will constitute a change to the Purchase Order. Seller shall proceed immediately to perform this order as changed. If any such change causes an increase or decrease in the cost of or time required for the performance of any part of the work under this order, an equitable adjustment shall be made in the purchase price or delivery schedule or both and this order shall be modified in writing accordingly. Any claim by Seller for adjustment under this clause must be asserted within (20) days from date of receipt of such written change order. Nothing in this clause shall excuse Seller from proceeding with this order as changed, including failure to the parties to agree upon any adjustment to be made under this clause.

INSURANCE

Unless otherwise specified by Buyer in writing, Seller shall carry and maintain at its own cost, with such companies as are reasonably acceptable to Alion, all necessary liability insurance which shall include as a minimum the following requirements: (1) Workers' Compensation – Insurance for statutory obligations imposed by law including, where applicable, coverage under United States Longshoreman's and Harbor Workers' Act and PCForm 411.1
07/17/2014

Jones Act, and, as applicable, Defense Base Act for those employees working on a U.S. Military installation outside of the United States. (2) Employers Liability – Insurance with limits of \$1,000,000 for bodily injury by accident and \$1,000,000 for bodily injury by disease, including, if applicable, maritime coverage endorsement. (3) Property Liability Coverage – All risk of physical loss or damage for its full replacement value, naming Alion as loss payee, if Equipment is provided. Comprehensive General Liability insurance covering the full scope of this agreement with limits not less than \$1,000,000 per occurrence for Contractual Liability and Products Completed Operations and \$2,000,000 aggregate for personal or bodily injuries and \$1,000,000 per occurrence and aggregate for property damage. A combined single limit per occurrence of \$2,000,000 is acceptable. (4) Business Automobile Liability – Coverage for bodily injury and property damage liability for all owned, hired, or non-owned vehicles, with an each accident limit of \$1,000,000. (5) Professional Liability (If applicable) - \$1,000,000 per occurrence and aggregate providing coverage for claims arising out of the performance of professional services, resulting from any error, omission, or negligent act of the Seller. Seller shall also purchase and maintain an occurrence "Umbrella" form of excess liability insurance containing coverage no less restrictive than that required in the underlying policies specified above. The umbrella policies shall contain a minimum total occurrence and aggregate limit of \$2,000,000. Alion must be named as an additional insured and certificate holder on the Commercial General Liability, Automobile Liability, and Umbrella Liability policies. The policies shall stipulate that the insurance afforded to Alion as additional insured shall be primary insurance. Insurance certificates acceptable to Alion evidencing the above coverage are to be furnished to Alion by Seller or Seller's insurance company within ten (10) days after award of a Purchase Order or prior to performance of any work under this Purchase Order, whichever is sooner. Certificates shall indicate effective dates and dates of expiration of policies. An additional certificate evidencing continuation of all insurance coverage required to remain in force after final payment shall be submitted with the application for project completion, and neither final payment nor any remaining retained percentage under this Contract shall be due until such certificate has been submitted to Alion. It is the sole responsibility of the Seller to see that any and all of its Subcontractors or Vendors or their Subcontractors or Vendors carry insurance required herein to the extent Seller wishes to impose on its Subcontractor such liability insurance. Seller's obligation to obtain the foregoing insurance does not waive or release Seller's liabilities and duties to indemnify and hold Buyer harmless under this Purchase Order. Moreover, if this order covers performance in Buyer's plants or facilities, Seller agrees to indemnify and protect Buyer against all liabilities, claims, or demands for injuries or damages to any person or property growing out of the performance of this order.

ENTIRE AGREEMENT

This order is Buyer's offer to Seller and acceptance is expressly limited to its terms. Seller commencement of performance, or acknowledgement of this order, shall conclusively evidence such acceptance. Any additional or different terms of Seller are hereby objected to. Upon acceptance, this order is a complete and exclusive statement of the terms of the agreement between Seller and Buyer. No change of any kind or other modification to this order (including any additional terms in Seller's acceptance or invoice) shall be binding on Buyer unless agreed to in writing by Buyer.

COMPLIANCE WITH LAWS

Seller, at its sole expense, shall comply with all applicable Federal, state and local laws, executive orders, rules and regulations which may be applicable to the production of goods and performance of services under the Purchase Order. Additionally, Seller agrees to comply with the provisions of the Occupational Safety and Health Act of 1970 and the standards and regulations issued thereunder and warrant that all goods furnished under this order will conform to and comply with said standards and regulations. Seller further agrees to indemnify and hold harmless Buyer for all damages suffered by Buyer as a result of Seller's failure to comply with the Act and standards issued thereunder and for failure of the goods furnished under this order to so comply.

APPLICABLE LAW/JURISDICTION

This Purchase Order shall be interpreted and the rights and obligations of the parties shall be determined in accordance with the laws of the Commonwealth of Virginia without reference to that Commonwealth's conflicts of laws. Goods produced by Seller and delivered to Buyer under this Purchase Order shall be governed by the Uniform Commercial Code as adopted in the Commonwealth of Virginia. The statutory enactment of the code in Virginia and any interpretation thereof by Virginia courts constitutes the law governing this Purchase Order. Any dispute, controversy or claim arising out of or in connection with the Purchase Order which cannot be resolved through good faith negotiations within thirty (30) days or such longer period of time as may be mutually agreed between the parties, shall be submitted to and finally resolved by a court of competent jurisdiction in the Commonwealth of Virginia.

ORDER IDENTIFICATION

Buyer's Purchase Order number must be plainly marked on all acknowledgements, invoices, bills of lading, shipping orders, and the exterior of shipping cartons.

LICENSES

Buyer does not confer or grant, in any manner, to Seller any license or right under any

patent, trademark, trade secret, mask work, copyright or other intellectual property right held by Buyer, unless specifically set for in the Purchase Order. Any intellectual property license or other authorization extended by express grant from Buyer to Seller is limited by the terms of the express grant and such right shall terminate upon completion of the Purchase Order.

LIMITATION OF LIABILITY

IN ADDITION TO ANY OTHER LIMITATIONS ON BUYER'S LIABILITY SET FORTH HEREIN, IN NO EVENT SHALL BUYER, ITS EMPLOYEES, AGENTS OR REPRESENTATIVES BE LIABLE BY REASON OF BUYER'S BREACH OR TERMINATION OF THIS PURCHASE ORDER OR FOR ANY ACTS OR OMISSIONS OF BUYER IN CONNECTION WITH THIS PURCHASE ORDER FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OF ANY KIND, HOWEVER, CAUSED, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE, LOSS OF DATA, WORK INTERRUPTION, OR ANY CLAIMS OR DEMANDS AGAINST SELLER BY ANY OTHER ENTITY, WHETHER SUCH REMEDY IS SOUGHT IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. IN NO EVENT SHALL BUYER'S LIABILITY FOR DAMAGES IN ANY CIRCUMSTANCES SET FORTH IN THIS CLAUSE EXCEED THE PRICE PAYABLE FOR THE GOODS OR SERVICES TO BE PERFORMED BY SELLER UNDER THE PURCHASE ORDER. THIS PURCHASE ORDER SHALL NEITHER CREATE FOR NOR GIVE TO ANY THIRD PARTY ANY CLAIM OR RIGHT OF ACTION AGAINST SELLER OR BUYER WHICH WOULD NOT OTHERWISE ARISE WITHOUT THIS PURCHASE ORDER.

TERMS DISCOUNT

Discounts, if any, for payment of cash within a specified time must comport with the following: The period for computing a discount must begin with receipt of correct invoices or material, whichever is later; delays in receiving invoices, errors omissions on invoices, and acceptance will be considered just cause for withholding payment without losing any discount privileges. A separate invoice shall be issued for each shipment; and no payment shall be made prior to receipt of goods or services and correct invoice unless specified on the face of this Purchase Order.

INSPECTION/ACCEPTANCE

Inspection and acceptance will be at destination, unless otherwise provided on the face of this order, and will take place within a reasonable time after completion of order. Seller shall keep complete records of all inspection work and make such records available to Buyer or Buyer's customer upon request. Terms of payment will start at date of acceptance by Buyer. Buyer shall notify Seller if any goods delivered hereunder are rejected and at Seller's risk and expense, such goods shall be held by Buyer or returned to Seller. In the case of Seller's services performed, Buyer may also reject or deem unacceptable services. If this occurs, payment for said service will not be made until acceptable services are rendered. Final acceptance by Buyer of any goods or services shall not limit or affect any warranty or right of indemnity/hold harmless granted by Seller herein.

TERMINATION FOR DEFAULT

Buyer may cancel part or all of this Purchase Order if: (i) Seller fails to deliver the goods or perform the services by the time specified in this Purchase Order; (ii) fails to deliver goods or perform services that meet the specification, or otherwise breach any of the terms of this Purchase Order, including Warranties; or (iii) fails to make progress as to endanger performance. Buyer shall also have the right to cancel part or all of this Purchase Order in the event of: suspension of Seller's business; insolvency of Seller; institution of bankruptcy liquidation proceedings by or against Seller; appointment of a trustee or receiver for Seller's property or business; or any assignment, reorganization or arrangement by Seller for the benefit of creditors. If it is necessary for Buyer to procure any of the specified goods or services elsewhere, Seller will be liable for any re-procurement charges which exceed the amount which would have been due Seller if it had satisfactorily completed the Purchase Order. The remedy of re-procurement charges is cumulative and additional to any other or further remedies provided to Buyer in law or equity.

TERMINATION FOR CONVENIENCE

Buyer may, for its convenience, terminate work for goods or services under this Purchase Order in whole or in part at any time by giving notice to Seller in writing. Seller will thereupon immediately stop work on this Purchase Order or the terminated portion thereof and notify any subcontractors to do likewise. Seller shall be entitled to:

- i) Reimbursement for its actual costs incurred up to and including the date of termination, such costs to be determined in accordance with recognized accounting principles, and
- ii) A reasonable profit on the work done prior to termination at a rate not exceeding the rate used in establishing the original purchase price.; provided, however, if it appears Seller would have sustained a loss on the Purchase Order, no profit shall be allowed and reimbursement of costs shall be adjusted to reflect the indicated rate of loss.

In no event shall Buyer's obligations, as a consequence of termination, exceed the Purchase Order price of the portion terminated. At its election, Buyer shall have the right to direct the disposition of any or all work in process, parts and materials included in the Seller's reimbursed costs; Seller will comply with and be reimbursed for reasonable expenses incurred in effecting Buyer's directions. Prior to settlement of any termination claim, Seller grants to Buyer (i) the right to physically inspect any and all inventory included in the claim,

and (ii) the right for the Government to audit the directly pertinent books, records and documents, relating to the costs claimed for reimbursement.

STOP WORK ORDER

Buyer may at any time, by written order, require Seller to stop all or any part of the work called for by this Purchase Order for a period of up to ninety (90) days and for any further period to which the Parties may agree. Upon receipt of such an order, Seller shall comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. After the stop work order is cancelled, Seller shall resume work. An adjustment in the delivery schedule and/or price shall be made if the stop work order reasonably and directly results in an increase in the time required for performance or the costs to perform.

TAXES

Seller and Buyer agree that the prices set forth in this Purchase Order include all applicable Federal, state and local taxes, including, without limitation, any sales and use taxes. No liability shall accrue to Buyer for any such taxes.

WITHHOLDING

In addition to all other remedies provided by law and stated in the Purchase Order, Buyer may withhold payment of an invoice if Seller has not complied with any of its obligations under the Purchase Order and Buyer shall not be required to make payment until Seller completely satisfies the obligation(s) at issue. Seller is not entitled to interest on any withheld payments.

WARRANTIES

Seller warrants that all goods delivered under this order will conform to the requirements of this order, including all applicable descriptions, specifications, and drawings, and will be free from defects in material, workmanship, design, and fitness for intended purpose. Such warranty design and fitness for intended purpose shall not extend to elements manufactured pursuant to detailed designs furnished by Buyer, unless specifically and mutually agreed upon by the Buyer and Seller in writing. Seller's warranties shall be enforceable by Buyer's customers and any subsequent owner or operator of the goods, as well as by Buyer.

FORCE MAJEURE

Neither party shall be responsible for delays or failure in performance resulting from acts beyond the reasonable control of such party. Such acts include, but are not limited to, acts of God, strikes, acts of war, epidemics, Government regulations superimposed after the fact, fire, communication line failures, power failures, earthquakes, acts of terrorism, or other disasters.

INDEPENDENT CONTRACTOR

Nothing in this Purchase Order shall be deemed to represent that Seller or any of Seller's employees or agents are the agents, representatives, or employees of Buyer. Seller assumes full and sole responsibility for payment of all compensation, expenses, benefits (including but not limited to workers' compensation and medical benefits) of its employees and for all state and Federal income tax, unemployment insurance, social security, disability insurance, and other applicable withholdings or taxes. Seller and its agents are independent contractors for all purposes and at all times.

NONSOLICITATION

Neither party shall recruit, solicit or otherwise attempt to hire, or hire directly or indirectly, the employees of the other during the term of this Purchase Order without the prior written permission of the other party. This restriction shall not apply to any individual employee who voluntarily seeks employment with the other party on their own initiative or in response to public employment advertisement.

WAIVER

Buyer's failure to enforce any provision of this Purchase Order or to protest any breach or default of the Purchase order by Seller shall not be construed as a waiver of any of Seller's obligations or Buyer's rights. No right shall be deemed waived or released unless such waiver or release is in writing and signed by an authorized representative of Buyer.

U.S. GOVERNMENT CLAUSES

Performance of this Purchase Order is in support of a U.S. Government contract. Seller represents and warrants that it is not currently debarred, suspended, or proposed for debarment or suspension by any federal or state agency, and that any representations and certifications set forth by Seller in its proposal or otherwise submitted by Seller to Alion as part of this Purchase Order are current and accurate as of the date of award. Further, Seller certifies that it shall promptly disclose to Alion in writing should it be suspended, debarred proposed for debarment, or otherwise be declared ineligible for participation in federal or state procurement or non-procurement programs, or should there be any change in status with respect to the matters covered by and of the representations and certifications submitted by Seller to Alion.

In addition, certain clauses from the Federal Acquisition Regulation (FAR) and the Department of Defense FAR Supplement (DFARS) are required for inclusion in this Purchase Order. Without limiting the Purchase Order provisions, the FAR and DFARS clauses are incorporated by reference into this Purchase Order with the same force and effect as though set forth in full text. All FAR and DFARS clauses may be reviewed in full text at <http://www.acquisition.gov/far/index.html>. Except as specifically stated to the

contrary herein or where modification of the term(s) would otherwise render the use of the word in the clause or the United States Government's rights vis-à-vis the Seller meaningless, the term "Contract" means this Purchase Order, the terms "Contractor" or "Subcontractor" mean Seller, and the terms "Government" and "Contracting Officer" mean Buyer. Notwithstanding the preceding, nothing herein shall give, or be construed to give, Buyer the right of audit, inspection, or access, to or of Seller's facilities, or books, records, documents and data relating to Supplier pricing or performance. Furthermore, the terms "Government" and "Contracting Officer" do not change their meaning when a right, act, authorization or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or his duly authorized representative. If any FAR or DFARS clause incorporated herein refers specifically to another FAR, DFARS, or other provision as governing subcontract arrangements under the prime contract, then such other provision also is incorporated herein by reference and Seller and all lower-tier subcontractors shall comply with its terms.

Clause	Title	Effective Date
Federal Acquisition Regulation Clauses		
52.203-13	Contractor Code of Business Ethics and Conduct	APR 2010
	<i>(Above does not apply if the value of the Purchase Order is less than \$5,000,000 or has a performance period of less than 120 days)</i>	
52.203-15	Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009	JUN 2010
	<i>(Above does not apply unless the Purchase Order is funded under the Recovery Act)</i>	
52.219-8	Utilization of Small Business Concerns	MAY 2014
	<i>(Supplier must include the above clause in lower tier subcontracts that offer subcontracting opportunities if the Purchase Order exceeds \$650,000)</i>	
52.219-9	Small Business Subcontracting Plan	JUL 2013
	<i>(Above does not apply if Purchase Order is less than \$650,000 or is issued to a small business concern as defined by the FAR)</i>	
52.222-26	Equal Opportunity	MAR 2007
52.222-35	Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans	SEP 2010
	<i>(Above does not apply for Purchase Orders less than \$100,000)</i>	
52.222-36	Affirmative Action for Workers with Disabilities	OCT 2010
	<i>(Above does not apply for Purchase Orders less than \$15,000)</i>	
52.222-40	Notification of Employee Rights Under the National Labor Relations Act	DEC 2010
	<i>(Above does not apply for Purchase Orders less than \$10,000 and performance is wholly outside the United States)</i>	
52.222-50	Combating Trafficking in Persons	FEB 2009
52.225-5	Trade Agreements	MAY 2012
52.225-6	Trade Agreements Certificate	JAN 2005
52.225-26	Contractors Performing Private Security Functions Outside the United States	JUL 2013
52.247-64	Preference for Privately Owned U.S.-Flag Commercial Vessels	FEB 2006
Department of Defense FAR Supplement Clauses		
252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals (Excluding paragraph (d) of this clause)	JUN 2013
252.227-7015	Technical Data—Commercial Items	FEB 2014
252.236-7013	Requirement for Competition Opportunity for American Steel Producers, Fabricators, and Manufacturers	JUN 2013
252.244-7000	Subcontracts for Commercial Items and Commercial Components (DOD Contracts)	JUN 2013
252.246-7003	Notification of Potential Safety Issues	JUN 2013
252.247-7023	Transportation of Supplies by Sea	APR 2014
252.247-7024	Notification of Transportation of Supplies by Sea	MAR 2000