

Alternate 1 to APPENDIX “L” (L1)

Part I: Disclosure and Consistency of Cost Accounting Practices for Contracts Awarded to Foreign Concerns (Oct 2008)

(FAR 52.230-4, Revised to reflect changed parties)

The Seller agrees that it will consistently follow the cost accounting practices disclosed on FORM CASB DS-1, or other disclosure form as permitted by 48 CFR 9903.202-1(e), in estimating, accumulating, and reporting costs under this purchase order, and comply with the requirements of CAS 401, Consistency in Estimating, Accumulating, and Reporting Costs, and CAS 402, Consistency in Allocating Costs Incurred for the Same Purpose. In the event the Seller fails to follow such practices, or comply consistently with CAS 401 and 402, it agrees that the purchase order price shall be adjusted, together with interest, if such failure results in increased cost paid by the U.S. Government or Buyer. Interest shall be computed at the annual rate of interest established under section 6621(a)(2) of the Internal Revenue Code of 1986 (26 U.S.C.6621(a)(2)) from the time payment by the Buyer was made to the time adjustment is effected. The Seller agrees that the Disclosure Statement or other form permitted, pursuant to 48 CFR 9903.202-1(e) shall be available for inspection and use by authorized representatives of the United States Government.

Part II: Communication Procedures and Indemnity

Seller shall communicate and otherwise deal with the cognizant Contracting Officer to the extent practicable and permissible as to all matters relating to Cost Accounting Standards. Seller shall provide Buyer with copies of all communications between Seller and Contracting Officer respecting the clauses of this Appendix “L, Alternate 1”; provided, Seller shall not be required to disclose to Buyer such communications containing information which is privileged and confidential to Seller. SELLER AGREES TO INDEMNIFY AND HOLD BUYER HARMLESS TO THE FULL EXTENT OF ANY LOSS, DAMAGE, OR EXPENSE IF BUYER IS SUBJECTED TO ANY LIABILITY AS THE RESULT OF A FAILURE OF THE SELLER OR ITS SUBCONTRACTORS TO COMPLY WITH THE REQUIREMENTS OF PART I OF THIS APPENDIX “L, ALTERNATE 1.”