

Frontgrade Enterprise Proposal Assumptions and Exceptions

If negotiated terms exist between Frontgrade and your entity, the negotiated terms take precedence over the assumptions and exceptions below

- a. This proposal includes information that is proprietary to Frontgrade not subject to disclosure outside of Buyer or the U.S. Government and may not be disclosed, duplicated, or used, in whole or in part, for any purpose other than to evaluate this proposal and form the basis of a resulting award to Frontgrade.
- b. This proposal and each of its Attachments shall be made part of any resulting award.
- c. Should any of the assumptions listed in this document not be made a part of any resulting award Frontgrade shall have the option to update this proposal, including, but not limited to, changes in price and schedule.
- d. Payment Terms: NET 30 days; upon shipment and/or the issuance of an invoice.
- e. Shipping Terms: FCA Origin, specific to Frontgrade facility identified on the proposal from which the goods are offered or shipped - dock/ Incoterms 2020 apply. As such, proposal assumes that buyer will select carrier and provide carrier account# at time of order. Should alternate shipping terms be mutually agreed prior to order placement, Frontgrade will quote shipping charges.
- f. Early Delivery
Frontgrade assumes that early deliveries are acceptable for individual completed line items. If early delivery of individual line items is not acceptable, please state so on the first page of the purchase order.
- g. Partial Delivery
 - For domestic orders, Frontgrade's standard practice is to ship individual line items as they reach completion. Partial shipment within a line item is not permitted unless expressly authorized on the face of the purchase order.
 - For international orders, Frontgrade's standard practice is to ship complete purchase orders. Shipment of completed individual line items or partial delivery within a line item is not permitted unless expressly authorized on the face of the purchase order.
- h. Delivery schedules contained herein are tentative in nature due to the dependency on delivered parts from the customer, receipt of incoming material from suppliers, and manufacturing capacity at the time of order placement. Frontgrade will provide a revised delivery date at the time of order acknowledgement.
- i. Orders are scheduled only after receipt, review, and acceptance of purchase order or contract by Frontgrade. Frontgrade reserves the right to reject undefinitized POs and/or letter subcontracts.
- j. Pricing for this proposal is based on the assumption that any Engineering Change Notices (ECNs) requiring customer approval will be approved within ten (10) business days. Frontgrade will treat the delay as a change under the changes clause and may submit an equitable adjustment if there are impacts to cost or delivery schedule.
- k. This proposal provides pricing associated with the requirements provided in the Statement of Work (SOW), Assembly Drawings, Parts Lists, and any assumptions documented in this proposal. If the scope of work varies or deviates from the documented requirements or assumptions defined in this proposal, Frontgrade reserves the right to requote this effort.
- l. Technical Data Package, First Article Inspection, Government/ Customer Source Inspection, qualification testing, analysis reports, environmental testing, and data submissions are not included in this offer unless otherwise stated on the Proposed Pricing and Delivery Schedule.
- m. If any technology described in this proposal falls under the laws of export control; the products may require a U.S. Department of State/U.S. Department of Commerce license when export occurs within or outside the United States. Buyer is responsible for ensuring all export regulations are met. Frontgrade is bidding this effort with the understanding that the Buyer will comply with all ITAR, EAR, and any other such export regulation that may be applicable. Frontgrade will require specific end-use information to determine the export jurisdiction of this product. It is estimated that license approval can take 12-16 weeks after the application is received for the export license for this product. If Frontgrade is to apply for the U.S. Department of State validated export license on the customer's behalf, customer must provide the following: Name and address of end user, Specific program information, including application within program, Parts Control Plan generated by the end user that details how product would be handled at the customer site to avoid diversion of the product to another end use, List of appropriate carriers that would be used to transport the product from the United States to the end use location.
- n. If the purchase order does not clearly indicate the revision of the data sheet, Frontgrade reserves the right to ship devices to the latest revision of Frontgrade data sheet against this contract or purchase order placed in connection with this offer.
- o. Frontgrade cannot guarantee the "fitness for a particular purpose" as it relates to the system environment.
- p. Any possible cost, price, or schedule impact due to Diminishing Material Supply ("DMS") or parts obsolescence is not included in this proposal. In the event it becomes necessary to replace obsolete or unobtainable materials required for the manufacture of the products listed in this proposal, an equitable price and schedule adjustment will be made to any award resulting from this proposal.
- q. All pricing is quoted using current dollars and reasonably expected inflation for year over year pricing. Frontgrade reserves the right to adjust pricing if the annual United States Producer Price Index (PPI) for Aerospace product and parts manufacturing exceeds 4% for 12 consecutive months.
- r. All data pertaining to manufacturing inspections and/or testing, methods, processes or techniques and/or computer software or other data developed by Frontgrade, which is deemed proprietary and utilized under any resulting contract, shall remain the sole property of Frontgrade and Buyer waives any claim to such data or intellectual property. Buyer shall have no claim to Frontgrade existing or background technologies, or any future developments or modifications thereto. Any developments made by Buyer to Frontgrade intellectual property shall vest in Frontgrade. Buyer shall not reverse engineer or decompile any of Frontgrade intellectual property or any prototype, unit, or software product embodying Frontgrade proprietary information. No data rights shall be conveyed to Buyer and no technical data or software is deemed to be deliverable unless included in a resulting order as a mutually agreed CDRL/ SDRL.
- s. Due to current, worldwide supply chain strain (shortages and lead time fluctuations), it is not possible to lock in firm material quotes for more than 30 days. Should material prices or lead times at time of award change by more than 2% of what is currently proposed, Frontgrade reserves the right to reopen negotiations on lead time and material pricing.
- t. Frontgrade and its Principals as defined in FAR 2.101 are not debarred, suspended, or proposed for debarment by the Federal Government in accordance with FAR 52.209-6(c). In accordance with FAR 52.203-11 Limitation on Payments to Influence Certain Federal Transactions paragraphs (c) and (d), Frontgrade hereby certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid

or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on its behalf in connection with the awarding of this contract.

- u. Unless otherwise stated herein Government/Customer Furnished Property ("G/CFE") is not required. In the event C/GFE becomes required, an equitable price and schedule adjustment will be negotiated by Frontgrade and the Buyer and made to any award resulting from this proposal.
- v. Frontgrade has completed its Cybersecurity Maturity Model Certification (CMMC) Level 2 Self-Assessment in accordance with the requirements of DFARS Clause 252.204-7020 and the NIST SP 800-171 DoD Assessment Methodology. As part of the third-party assessment, it has implemented the 110 security controls required by NIST SP 800-171r2. The resulting assessment produced an SPRS score of 110.
- w. If a DD254 is required with an award resulting from this proposal, lead-time will not commence until Frontgrade has accepted the award and received the DD254.

This section applies to proposals associated with the Colorado Springs Standard Product Offerings, Plainview, and Hauppauge locations

- x. Any purchase order resulting from this quotation shall be non-cancelable and non-returnable, unless Buyer's order is in support of a U.S. Government contract, which is later terminated for convenience. In that case, the order shall be cancelable only to the extent Buyer's contract with the U.S. Government is also terminated, and settlement costs shall be pursuant to the termination language in FAR Part 12.
- y. Material Review Board (MRB) Authority: if a customer response is not received within seven (7) days of Frontgrade's submission, Frontgrade assumes it is acceptable to proceed with the path forward/ solution as presented.

This section applies to proposals associated with Hauppauge

- z. Buyer may not reschedule deliveries for 45 business days or less prior to the original scheduled delivery date for Prototypes, Military Temperature Range, Extended Industrial Temperature Range, or QML Q orders; and 60 business days prior to QML V and ASIC orders. Purchase Order line items may not be rescheduled more than 180 days beyond the originally scheduled delivery date. All other requests for delivery changes will be reviewed on an individual basis.

This section applies to proposals associated with Colorado Springs ASIC Products

- aa. Frontgrade performs the following as part of QML Q Screening and Technology Conformance Inspection: In-line Group A on memory products only; In-line Group B; Maintains Generic Group C; Maintains Generic Group D. Data is not supplied, unless the enhanced QML Q data pack is purchased. Frontgrade does provide a Certificate of Conformance.
- bb. Frontgrade performs the following as part of QML V screening and technology Conformance Inspection: In-line Group A; In-line Group B; Specific Group C on either inspection lot or wafer lot; Maintains Generic Group D. Data is not supplied, unless QML V data pack is purchased. Frontgrade does provide a Certificate of Conformance.
- cc. As a result of limited testing at the die level (25°C functional), Frontgrade warrants QML Q and QML V die to meet the applicable visual inspection criteria of MIL-STD-883, Method 2010. Seller disclaims all, and provides no AC, DC, or functional, yield guarantees in the customer's packaging application. Seller will not accept returns of die devices except for the breach of the warranties stated in this section.
- dd. Frontgrade standard prototype processing is strictly intended to permit the customer to determine the electrical functionality of the device in the customer's application in a controlled benign environmental condition. Frontgrade does not certify that these devices operate under any extended operating environmental conditions, nor in any radiation hardened environment. Prototype products do not receive any die or package level burn-in, or environmental screens to remove any early life (infant mortality) type failures. Frontgrade recommends that prototype devices not be used for anything other than evaluation and test in a controlled benign environment. The use of prototype devices in production applications presents an unquantifiable risk of failure and Frontgrade disclaims all responsibility for such failure.
- ee. The lead times quoted are for products from our finished goods inventory are subject to change if the inventory is no longer available. Frontgrade reserves the right to sell inventory devices based on first order received.