

## **SUBCONTRACTOR COST OR PRICING DATA**

The following provisions are hereby incorporated by reference in the Terms and Conditions (as defined below) for all Quantitative Orders where Buyer is required to obtain certified cost or pricing data from Seller regarding any Goods or Services covered by the Order. Capitalized terms have the meanings given to them in, and all cross references are to, AM General LLC Standard Terms and Conditions of Purchase in effect on the date of Seller's Order, a copy of which can be found <http://www.amgeneral.com/our-suppliers/military-programs-resources/> (the "**Terms and Conditions**").

1.1 *Price Reduction.* Should Buyer or the Government determine that any price, including profit or fee, negotiated with Seller in connection with this Order or any modification thereof was set at a higher price than it should have been because Seller or any of its subcontractors or prospective subcontractors furnished incomplete, inaccurate, or non-current information, then such price shall be reduced accordingly by Buyer and the Order shall be modified in writing by Buyer to reflect such adjustment. The Seller shall reimburse the Buyer for any overpayments and/or penalties assessed by the Government, inclusive of interest compounded daily, as set forth in FAR 52.215-10 and 52.215-11. Any dispute regarding a price reduction by Buyer pursuant to this section shall be subject to Section 27 of these Terms and Conditions.

1.2 *Submission.* Buyer may require Seller to submit other than certified cost or pricing data (as defined in FAR 2.101) in situations where submission of such data are not otherwise required if the Procuring Contracting Officer, Government contracting officer, authorize representative for the Prime Contract, or Buyer determines, in writing, that such data are necessary for the evaluation of the reasonableness of the price of the contract or subcontract or for an evaluation of cost realism.

1.3 *Indemnification.* In addition to any other indemnification provision of this Order, Seller shall indemnify, defend and hold harmless Buyer, its affiliates and subsidiaries, and their members, directors, officers, employees, and agents from and against any and all claims, liabilities, damages (including actual, special, consequential, punitive, and exemplary damages), settlements, judgments, losses, penalties, costs, and expenses, including legal fees, arising from any assertion by the Government that any cost, price, profit, or fee included in this Order or in Buyer's Prime Contract should be, will be, or has been reduced as a result of, or arising out of facts attributable to, (a) Seller not furnishing data requested by Buyer, or (b) data furnished by Seller or one of its subcontractors or prospective subcontractors that were not complete, accurate, or current.

Since the Order is subject to reduction under this clause by reason of defective cost or pricing or other data submitted in connection with certain subcontracts of Seller, it is expected that Seller may wish to include a clause in each such subcontract requiring the subcontractor to appropriately indemnify Seller. However, the inclusion of such a clause and the terms thereof are matters for negotiation and agreement between Seller and its subcontractor, provided that no provision shall be included therein giving Seller or any subcontractor at any tier hereunder any right of appeal under the "Disputes" clause of the Prime Contract or higher-tier subcontract. It is also expected that any subcontractor of Seller subject to such indemnification will generally require substantially similar indemnification for defective cost or pricing data required to be submitted by his lower-tier subcontractors.