

CHANGES MADE TO APPENDIX A – 26<sup>TH</sup> SERIES  
DATED 07 MAY 2001

**DFARs II, Part B, Clause 252.225.7027, has been modified. All underlined text has been added.**

252.225-7027

**Restriction on Contingent Fees for Foreign Military Sales (MAR 1998)** (Applicable for subcontracts issued under Buyer's prime contracts dated after December 1996. Countries listed in the prime contract(s) are incorporated herein by reference.) The DFARs clause is modified as follows: (a) Except as provided in paragraph (b) below, contingent fees, as defined in the Covenant Against Contingent Fees clause of the Federal Acquisition Regulation at 52.203-5, may be an allowable cost, provided the fees are paid to a bona fide employee of Seller or to a bona fide established commercial or selling agency maintained by Seller for the purpose of securing business, and the costs are otherwise allowable under this PO and all applicable cost allowability and allocability provisions. (b) For foreign military sales, unless the contingent fees have been identified and payment approved in writing by Buyer and the foreign customer before award of both the prime contract and PO award, contingent fees are unallowable under this PO, and Seller agrees that no such fee is included in the price or cost of this PO.