



1818 Brown Avenue
Norfolk, Virginia 23504
(757) 622-4661 FAX: Estimating (757) 622-8580

Lyon Shipyard, Inc.

DFARS Compliance and Controlled Unclassified Information (CUI) Acknowledgment

In consideration of Lyon Shipyard, Inc. permitting _____ (Company Name) (the "Subcontractor") access to information which may be considered Controlled Unclassified Information ("CUI"), Subcontractor agrees as follows:

1. MANDATORY DOD CYBER SECURITY COMPLIANCE

1.1) All contractors that provide goods and/or services in connection with U.S. Department Defense (DoD) programs are required by law to comply with Defense Federal Acquisition Regulation Supplement (DFARS) 252.204-7012, which mandates the protection of all Covered Defense Information (CDI) that are "collected, developed, received, transmitted, used, or stored by or on behalf of the contractor in support of the performance" of a DoD contract. This obligation is required to be flowed down to all subcontractors (including commercial items suppliers) at every tier. In addition to protecting controlled technical information, the DFARS clause expansively relies upon the National Archives' Controlled Unclassified Information (CUI) Registry to broadly include (for example) most export controlled data, cost and pricing data, law enforcement information, and personally identifiable information. The DFARS clause also specifically mandates that companies meet the IT security standards detailed in the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-171, and improves various prompt reporting obligations in the event of a cyber incident. This Acknowledgement is intended to ensure your company's awareness of these mandatory requirements, and to obtain confirmation that your company will comply with these obligations. Failure to timely respond to this verification request may result in your company being ineligible for continued business with Lyon Shipyard, Inc.

2. COMPANY REPRESENTATIONS (indicate where appropriate)

2.1) We have reviewed and understand these DoD requirements, and:

Our company is fully compliant today with the NIST controls, and we will comply with all of the DFARS 252.204-7012 obligations,

or

While not fully compliant today, our company will be fully compliant with the NIST controls by December 31, 2019, and we will comply with all of the DFARS 252.204-7012 obligations,

or

While our company will not be fully compliant with the NIST controls by December 31, 2019, we will have a System Security Plan (SSP) and Plan of Action and Milestones (POAM) in place to identify gaps and plans for remediation in order to comply with all of the DFARS 252-204-7012 obligations,

or

Our company is unable to comply with DFARS 252.204-7012.

2.2) We understand that these DFARS obligations include mandatory flow-downs to our suppliers, and:

Our company is working to verify that our next-tier suppliers are aware of and will comply with DFARS 252.204-7012,

or

Our company is not implementing such a supplier verification process.

2.3) The following Employees, Agents or Subcontractors are permitted to receive and/or provide CUI on behalf of Subcontractor subject to the conditions above: _____

IN WITNESS WHEREOF, Subcontractor has executed this Agreement as of the _____ day of _____, 2019.

Acknowledged and accepted on behalf of
Subcontractor:

Acknowledged and accepted on behalf of
Lyon Shipyard, Inc.:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____