

**Refund of Royalties (Exhibit 2D)**(Reference CD-0036)

- (a) The subcontract price includes specified amounts for royalties payable by the Seller and/or its subcontractors, which have been reported to the Company.
- (b) For the purposes of this clause, "royalties" include any costs or charges resembling royalties, such as license fees, patent or license amortization costs, or similar payments. These charges pertain to the use of, or rights in, patents and patent applications associated with the performance of this subcontract or any lower-tier subcontract. The term also encompasses costs or charges related to access to, use of, or rights in data asserted as proprietary or copyrighted, including costs incurred for reproducing such data.
- (c) Prior to final payment under this subcontract, the Seller shall provide the Company with a written statement listing all royalties paid or required to be paid in connection with this subcontract and any associated subcontracts, including the rationale for each payment
- (d) The Seller shall be compensated only for those royalties reported under paragraph (c) that (1) were included in the subcontract price and (2) are determined by the Department of Energy (DOE) to be properly chargeable to the Government and allocable to this subcontract. If any reported royalties were not actually paid or are found by DOE to be unallowable or unallocable, the subcontract price shall be reduced accordingly. Any required repayment or credit shall be provided to the Government as directed by DOE. DOE's approval of any specific royalty payment does not waive the Government's right to later contest the enforceability, validity, or scope of any related patent or data rights.
- (e) If, within three years after final payment under this subcontract, the Seller is relieved—wholly or in part—of the obligation to pay any of the royalties included in the final subcontract price as adjusted under paragraph (d), the Seller must promptly notify DOE and reimburse the Government in the corresponding amount.
- (f) The substance of this clause, including this paragraph (f), shall be included in all subcontracts where the amount of royalties reported during subcontract negotiations exceeds \$250.