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| AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT | | 1. CONTRACT ID CODE | PAGE OF PAGES 1 8 |
| 2. AMENDMENT/MODIFICATION NO. 0001 | 3. EFFECTIVE DATE 09/07/2012 | 4. REQUISITION/PURCHASE REQ. NO. | 5. PROJECT NO. (If applicable) |
| 6. ISSUED BY U.S.Merchant Marine Academy Division of Procurement USMMA-5206 300 Steamboat Road Kings Point NY 11024-1699 | CODE 00095 | 7. ADMINISTERED BY (If other than Item 6) U.S.Merchant Marine Academy Division of Procurement USMMA-5206 300 Steamboat Road Kings Point NY 11024-1699 | CODE 00095 |
| 8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) KALLIDUS TECHNOLOGIES, INC Attn: Divyang Patel 175 Cabot St Suite 300 Lowell MA 01854-3635 | | (x) | 9A. AMENDMENT OF SOLICITATION NO. |
| CODE 185964371 FACILITY CODE | | x | 9B. DATED (SEE ITEM 11) |
| | | | 10A. MODIFICATION OF CONTRACT/ORDER NO. DTMA-95-C-2012-0008 |
| | | | 10B. DATED (SEE ITEM 13) 07/29/2012 |

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended, is not extended.
Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

See Schedule

13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

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| CHECK ONE | A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A. |
| X | B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b). |
| | C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: |
| | D. OTHER (Specify type of modification and authority) |

E. IMPORTANT: Contractor is not, is required to sign this document and return 0 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

THE FOLLOWING THREE (3) FAR CLAUSES ARE INCORPORATED INTO THE CONTRACT:
52.232-99 -- Providing Accelerated Payment to Small Business Subcontractors (DEVIATION)
The contracting officer shall insert the following clause in all solicitations and resultant contracts.

Providing Accelerated Payment to Small Business Subcontractors (DEVIATION 2012-00014)
(August 2012)

This clause implements the temporary policy provided by OMB Policy Memorandum M-12-16,
Providing Prompt Payment to Small Business Subcontractors, dated July 11, 2012.

Continued ...

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

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| 15A. NAME AND TITLE OF SIGNER (Type or print) | | 16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Bruce Markman | |
| 15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign) | 15C. DATE SIGNED | 16B. UNITED STATES OF AMERICA  (Signature of Contracting Officer) | 16C. DATE SIGNED 09/07/2012 |

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|-----------------|--|-----------------|-------------|-------------------|---------------|
| | <p>(a) Upon receipt of accelerated payments from the Government, the contractor is required to make accelerated payments to small business subcontractors to the maximum extent practicable after receipt of a proper invoice and all proper documentation from the small business subcontractor.</p> <p>(b) Include the substance of this clause, including this paragraph (b), in all subcontracts with small business concerns.</p> <p>(c) The acceleration of payments under this clause does not provide any new rights under the Prompt Payment Act.</p> <p>(End of Clause)</p> <p>52.204-10 - Reporting Executive Compensation and First-Tier Subcontract Awards. As prescribed in 4.1403(a), insert the following clause:</p> <p>Reporting Executive Compensation and First-Tier Subcontract Awards (Aug 2012)</p> <p>(a) Definitions. As used in this clause:</p> <p>"Executive" means officers, managing partners, or any other employees in management positions.</p> <p>"First-tier subcontract" means a subcontract awarded directly by the Contractor for the purpose of acquiring supplies or services (including construction) for performance of a prime contract. It does not include the Contractor's supplier agreements with vendors, such as long-term arrangements for materials or supplies that would benefit multiple contracts and/or the costs of which are normally applied to a Contractor's general and administrative expenses or indirect cost.</p> <p>"Month of award" means the month in which a contract is signed by the Contracting Officer or the month in which a first-tier subcontract is signed by the Contractor.</p> <p>"Total compensation" means the cash and noncash dollar value earned by the executive during the Continued ...</p> | | | | |

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| | <p>Contractor's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):</p> <p>(1) Salary and bonus.</p> <p>(2) Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Financial Accounting Standards Board's Accounting Standards Codification (FASB ASC) 718, Compensation-Stock Compensation.</p> <p>(3) Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.</p> <p>(4) Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.</p> <p>(5) Above-market earnings on deferred compensation which is not tax-qualified.</p> <p>(6) Other compensation, if the aggregate value of all such other compensation (e.g., severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.</p> <p>(b) Section 2(d)(2) of the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. No. 109-282), as amended by section 6202 of the Government Funding Transparency Act of 2008 (Pub. L. 110-252), requires the Contractor to report information on subcontract awards. The law requires all reported information be made public, therefore, the Contractor is responsible for notifying its subcontractors that the required information will be made public.</p> <p>(c) Nothing in this clause required the disclosure of classified information.</p> <p>(d) (1) Executive compensation of the prime Continued ...</p> | | | | |

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| | <p>contractor. As a part of its annual registration requirement in the Central Contractor Registration (CCR) database (FAR clause 52.204-7), the Contractor shall report the names and total compensation of each of the five most highly compensated executives for its preceding completed fiscal year, if-</p> <p>(i) In the Contractor's preceding fiscal year, the Contractor received-</p> <p>(A) 80 percent or more of its annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants), cooperative agreements, and other forms of Federal financial assistance; and</p> <p>(B) \$25,000,000 or more in annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants), cooperative agreements, and other forms of Federal financial assistance; and</p> <p>(ii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at http://www.sec.gov/answers/execomp.htm .)</p> <p>(2) First-tier subcontract information. Unless otherwise directed by the contracting officer, or as provided in paragraph (g) of this clause, by the end of the month following the month of award of a first-tier subcontract with a value of \$25,000 or more, the Contractor shall report the following information at http://www.fsrs.gov for that first tier subcontract. (The Contractor shall follow the instruction at http://www.fsrs.gov to report the data.)</p> <p>(i) Unique identifier (DUNS Number) for the subcontractor receiving the award and for the subcontractor's parent company, if the subcontractor has a parent company.</p> <p>(ii) Name of the subcontractor. Continued ...</p> | | | | |

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| | <p>(iii) Amount of the subcontract award.</p> <p>(iv) Date of the subcontract award.</p> <p>(v) A description of the products or services (including construction) being provided under the subcontract, including the overall purpose and expected outcomes or results of the subcontract.</p> <p>(vi) Subcontract number (the subcontract number assigned by the Contractor).</p> <p>(vii) Subcontractor's physical address including street address, city, state, and country. Also include the nine-digit zip code and congressional district.</p> <p>(viii) Subcontractor's primary performance location including street address, city, state, and country. Also include the nine-digit zip code and congressional district.</p> <p>(ix) The prime contract number, and order number if applicable.</p> <p>(x) Awarding agency name and code.</p> <p>(xi) Funding agency name and code.</p> <p>(xii) Government contracting office code.</p> <p>(xiii) Treasury account symbol (TAS) as reported in FPDS.</p> <p>(xiv) The applicable North American Industry Classification System code (NAICS).</p> <p>(3) Executive compensation of the first-tier subcontractor. Unless otherwise directed by the Contracting Officer, by the end of the month following the month of award of a first-tier subcontract with a value of \$25,000 or more, and annually thereafter (calculated from the prime contract award date), the Contractor shall report the names and total compensation of each of the five most highly compensated executives for that first-tier subcontractor for the first-tier subcontractor's preceding completed fiscal year at https://www.fsrs.gov , if- Continued ...</p> | | | | |

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| | <p>(i) In the subcontractor's preceding fiscal year, the subcontractor received-</p> <p>(A) 80 percent or more of its annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants), cooperative agreements, and other forms of Federal financial assistance; and</p> <p>(B) \$25,000,000 or more in annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants), cooperative agreements and other forms of Federal financial assistance; and</p> <p>(ii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at http://www.sec.gov/answers/execomp.htm.)</p> <p>(e) The Contractor shall not split or break down first-tier subcontract awards to a value less than \$25,000 to avoid the reporting requirements in paragraph (d).</p> <p>(f) The Contractor is required to report information on a first-tier subcontract covered by paragraph (d) when the subcontract is awarded. Continued reporting on the same subcontract is not required unless one of the reported data elements changes during the performance of the subcontract. The Contractor is not required to make further reports after the first-tier subcontract expires.</p> <p>(g) (1) If the Contractor in the previous tax year had gross income, from all sources, under \$300,000, the Contractor is exempt from the requirement to report subcontractor awards.</p> <p>(2) If a subcontractor in the previous tax year had gross income from all sources under \$300,000, the Contractor does not need to report awards for that subcontractor Continued ...</p> | | | | |

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| | <p>(h) The FSRS database at http://www.fsrs.gov will be prepopulated with some information from CCR and FPDS databases. If FPDS information is incorrect, the contractor should notify the contracting officer. If the CCR database information is incorrect, the contractor is responsible for correcting this information.</p> <p>(End of clause)</p> <p>52.204-9 -- Personal Identity Verification of Contractor Personnel. As prescribed in 4.1303, insert the following clause: Personal Identity Verification of Contractor Personnel (Jan 2011)</p> <p>(a) The Contractor shall comply with agency personal identity verification procedures identified in the contract that implement Homeland Security Presidential Directive-12 (HSPD-12), Office of Management and Budget (OMB) guidance M-05-24, and Federal Information Processing Standards Publication (FIPS PUB) Number 201.</p> <p>(b) The Contractor shall account for all forms of Government-provided identification issued to the Contractor employees in connection with performance under this contract. The Contractor shall return such identification to the issuing agency at the earliest of any of the following, unless otherwise determined by the Government;</p> <p>(1) When no longer needed for contract performance.</p> <p>(2) Upon completion of the Contractor employee's employment.</p> <p>(3) Upon contract completion or termination.</p> <p>(c) The Contracting Officer may delay final payment under a contract if the Contractor fails to comply with these requirements.</p> <p>(d) The Contractor shall insert the substance of clause, including this paragraph (d), in all subcontracts when the subcontractor's employees are required to have routine physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system. It shall be the responsibility of the prime Contractor to return such identification to the issuing agency in accordance with the terms set forth in paragraph (b) of this section, Continued ...</p> | | | | |

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| | <p>unless otherwise approved in writing by the Contracting Officer. (End of Clause)</p> <p>LIST OF CHANGES: Reason for Modification : Other Administrative Action Total Amount for this Modification: \$0.00 New Total Amount for this Version: \$0.00 New Total Amount for this Award: \$10,357,000.00 Payment: MARAD A/P INVOICES P.O.BOX 25710 OKLAHOMA CITY OK 73125</p> <p>Douglas Pader, Contract Specialist DOT/MARAD U.S. Merchant Marine Academy Kings Point, New York 11024 telephone: (516)726-5840 e-mail: paderd@usmma.edu fax: (516)773-5131 DUNS 185964371</p> | | | | |