

EXHIBIT 2

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CONFIDENTIAL INFORMATION REDACTED

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Modification No. 4 to Subcontract No. P000043846 To Effectuate a Termination Settlement

This Modification No. 4 to Effectuate a Termination Settlement (the "Agreement"), effective as of February 26, 2025, is made by and between HII Mission Technologies Corp. ("HII"), a Delaware company with offices located at 8350 Broad St., Suite 1400, McLean, VA 22102, and Cyberlux Corporation ("Cyberlux"), a Nevada company with offices located at 800 Park Offices Drive, Suite 3209, Research Triangle Park, NC 27709 (each a "Party," and collectively, "the Parties").

WHEREAS, the Parties entered into Subcontract No. P000043846, dated August 29, 2023 (the "Subcontract"), issued under HII's Prime Task Order 47QFCA22F0039 and Technical Direction Letter 1-023 ("TDL 23") supporting the Department of the Navy and the General Services Administration, Federal Systems Integration and Management Center (each and collectively, the "Government");

WHEREAS, on December 22, 2023, the Government issued a Stop-Work Order on the TDL 23 work scope, and HII in turn issued a Stop-Work Order on the Subcontract to Cyberlux (the "SWO");

WHEREAS, the Government terminated the TDL 23 work scope for convenience on May 13, 2024, and HII subsequently exercised the termination provisions of Subcontract Section 32.1 on May 17, 2024; and

WHEREAS, Cyberlux has asserted entitlement to payment under Subcontract Section 32.1, and following negotiation, the Parties now wish to resolve any disagreement and reach a settlement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements exchanged herein and other good and valuable consideration, the Parties agree as follows:

1. Review and Approval.

- a. The Parties acknowledge that, pursuant to FAR 49.108-3, the Government expects HII to submit a subcontractor settlement to the Government Contracting Officer for review and approval. Accordingly, the Parties agree that Sections 3 through 6 of this Agreement shall become effective and enforceable only if and when the Government Contracting Officer approves of the Agreement.
- b. Following execution of the Agreement, HII will promptly submit the Agreement to the Government Contracting Officer as a contractor settlement. Thereafter, HII will promptly notify Cyberlux if the Government Contracting Officer approves of the Agreement. The Parties shall cooperate in good faith to obtain such approval. In furtherance of that effort, Cyberlux shall cooperate with any audit or other review directed or conducted by the Government in connection with its review of this Agreement, including by granting the Government or its designee access to all books, records, documents, and other information relating to the Subcontract.

2. **Stand Still.** During the period of the Government's review of the Agreement, neither Party shall file or otherwise pursue any judicial or other action for money damages against the other with respect to the Subcontract or termination, unless that Party first confers with the other in good faith to discuss options for resolution without such action.

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3. Description of CLINs 1001, 1002, 1003, and 1004.

CLIN 1001

Categories		Description
Drone Kits Delivered/Accepted Prior to SWO	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	<p>"Group A" refers to the 37 drone kits (K8-1 (12 kits); K8-2 (25 kits)) that Cyberlux has stated have passed HII-witnessed Flight Acceptance Testing ("FAT") and were only awaiting Government acceptance and shipment when the SWO was issued on December 22, 2023.</p>
Group B	[REDACTED]	<p>"Group B" refers to the 745 drones (K8-1 (248 drones); K8-2 (497 drones)) that Cyberlux has stated have completed quality control ("QC") and bench testing, but for which FAT has not occurred. The drones have not yet been placed into drone kit configuration.</p>
Group C	[REDACTED]	<p>"Group C" refers to the 526 Work in Progress drones that Cyberlux has stated had not undergone Cyberlux QC or bench testing. In addition, the drones have not undergone HII-witnessed FAT, nor have they yet been placed into drone kit configuration. Cyberlux stated that a number of these drones had been moved to a Tier 3 status between the issuance of the SWO (December 22, 2023) and the issuance of the Termination Notice (May 17, 2024). Group C has three subsets:</p> <ol style="list-style-type: none"> 1. Subset 1: 46 drones (K8-1 (16 kits); K8-2 (30 kits)) for which Cyberlux has provided to HII documentation indicating that assembly of the drone was initiated prior



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Categories	Amount	Description
	[REDACTED]	<p>to the SWO (December 22, 2023), consistent with Cyberlux's Group C categorization of July 24, 2024.</p> <p>2. Subset 2: 383 drones for which Cyberlux has not supplied to HII documentation indicating assembly of the drone was initiated prior to the SWO, consistent with Cyberlux's Group C categorization of July 24, 2024.</p> <p>3. Subset 3: 97 drones for which Cyberlux has provided to HII documentation indicating assembly of the drone was initiated after issuance of the SWO.</p>
Group D	[REDACTED]	<p>"Group D" refers to the components, parts and spares associated with 300 drone builds for which Cyberlux has stated that assembly had not been initiated prior to the SWO. Cyberlux provided an inventory of these components, parts and spares on September 13, 2024, as revised on September 20, 2024. Cyberlux has stated that these items are "not in any initial airframe assembly phase."</p>
Drone Training Kits	[REDACTED]	<p>60 drone training kits (each including two 5" Training Drones, Communications and control goggles and Controller, Replacement and Repair Parts, Laptop and a Mission Management Simulator unit) that were delivered and accepted prior to the SWO.</p>
Simulation Software	[REDACTED]	<p>Simulation software delivered and accepted prior to the SWO.</p>
Training Course Delivered	[REDACTED]	[REDACTED]
Insurance costs	[REDACTED]	<p>Related to shipments of drone kits prior to the SWO. Supported by provider invoice documented in Cyberlux Invoice 003 dated August 9, 2024.</p>
Trucking costs	[REDACTED]	<p>Related to shipments of drone kits prior to the SWO. Supported by provider invoice documented in Cyberlux Invoice 003 dated August 9, 2024.</p>
Less initial payment made at award	[REDACTED]	<p>Invoice 20230829-HII001 dated August 29, 2023.</p>

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Categories	Amount	Description
CLIN 1001 Total	[REDACTED]	[REDACTED]

CLINs 1002, 1003, 1004

CLIN	Amount	Description
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

4. **Delivery.** Subject to the Government's disposition instructions, the following delivery terms shall apply:
- a. Upon notification from HII to Cyberlux of the Government's disposition instructions, Cyberlux shall take the following actions in accordance with such instructions:
 - i. For Groups A, B, and C:

[REDACTED]

- ii. For Group D:
 - 1. HII and the Government take inventory of a representative sample of the Group D inventory.
 - 2. Cyberlux boxes and palletizes Group D and then ships the items in accordance with the Government's disposition instructions.

[REDACTED]

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P [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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agents, and employees, of and from any and all liabilities, obligations, claims, losses, appeals, and demands that it now has or hereafter may have, whether known or unknown, administrative, judicial, legal, or equitable, arising out of or in any way related to the stop-work or termination of the Subcontract; provided, however, that this section shall not limit or diminish the rights of the Parties under the Agreement, including any right to enforce the provisions of this Agreement.

11. **Binding Effect.** The Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties hereto, including any trustee or debtor-in-possession in bankruptcy, assignee for the benefit of creditors, state or federal receiver, or other fiduciary, successor, or assignor of a Party and/or its assets under applicable law.
12. **Entire Agreement, Modification, Survival.** The Parties hereby expressly agree that the Subcontract, as modified by this Agreement, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes and replaces any and all prior or contemporaneous negotiations, promises, understandings, and agreements, whether written or oral. To the extent any terms of this Agreement are inconsistent with the Subcontract's initial terms, including but not limited to the Subcontract's initial clauses concerning invoicing, payment, delivery, inspection/acceptance, warranty, and subcontractor closeout, this Agreement shall control. This Agreement may not be altered, amended, modified, revised, or otherwise changed except by a writing duly executed by both Parties. Sections 7-10 shall survive the termination of this Agreement.
13. **Execution.** This Agreement may be executed in counterparts, each of which will be deemed to be an original for the respective Parties, and all of which together shall be deemed to be one in the same agreement.
14. **Authority.** By their signatures below, the representative for each of the Parties represents that he or she has authority to enter into this Agreement on behalf of the respective Party, and the Party agrees to implement the terms and conditions set forth in this Agreement.
15. **Severability.** If any provision of this Agreement or the application thereof is held invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions herein, which shall be given full force and effect without the invalid or unenforceable provisions or applications. As such, the provisions of this Agreement are declared to be severable. In the event that any part, term, or provision of this Agreement is held void, illegal, unenforceable, or in conflict with any law or regulation, the Parties agree to negotiate in good faith for a replacement provision, construed to accomplish the Agreement's originally intended effect, that does not violate such law or regulation.

[signature page to follow]



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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

Richard M. Fiske

HII Mission Technologies Corp.
Printed Name:

Title: SVP Contracts

Date: 02/27/2025

Mark Schmidt

Cyberlux Corporation
Printed Name: Mark Schmidt

Title: CEO

Date: 02/26/2025

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