

Terms and Conditions for Purchase Orders

Issued by HDL Research Lab Inc

Revision F, December 31, 2015

1. Terms and Conditions that apply to all Purchase Orders issued by HDL Research Lab Inc as Buyer.

1.1. Warranty.

1.1.1. The Seller warrants to the Buyer and to Purchasers of the Buyer's products that at the time of delivery the goods called for by the Order will be free from defects in material and workmanship and will be suitable for the purpose intended whether expressed or reasonably implied. The Seller shall provide and assign to Buyer any and all Seller and vendor warranties as applicable and to which Seller is itself entitled to on items to be delivered under this Purchase Order.

1.1.2 Unless Buyer expressly identifies the goods that are procured under this Purchase Order are for Buyer's internal consumption only, Seller warrants without limitation as to time that the goods delivered pursuant to this Purchase Order shall (i) be and only contain materials obtained directly from the Original Component Manufacturer (OCM) or the Original Equipment Manufacturer (OEM) (collectively, the Original Manufacturer (OM)) or an authorized OM reseller or distributor (collectively, an Authorized Distributor); (ii) not be or contain Counterfeit Items or Suspect Counterfeit Items, as defined below; and (iii) contain only authentic, unaltered OM labels and other markings. Seller shall obtain and retain all documentation required to fully trace the distribution and sale of the goods delivered hereunder back to the relevant OM, and, on request of Buyer, shall provide such authenticating documentation. Counterfeit Item means an unlawful or unauthorized reproduction, substitution, alteration, or the false identification of grade, serial number, lot number, date code, or performance characteristic, that has been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified item from the OM, an Authorized Distributor, or an Aftermarket Manufacturer as defined in SAE AS5553 "Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition" (Authorized Aftermarket Manufacturer). A Suspect Counterfeit Item means an item for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the item is authentic. Seller warrants that it will not act as or engage an independent distributor, non-authorized distributor, non-franchised distributor, non-authorized supplier, or non-authorized reseller (collectively, Broker), to assist it in delivering goods pursuant to this Purchase Order unless the Buyer provides prior written approval to do so. Any Seller request to procure from a Broker shall include complete and compelling support for such request and shall include all actions completed by Seller to ensure the goods thus procured are not Counterfeit Items. Seller's supporting documentation shall include: (i) results of authentication test and analysis conducted (reference SAE AS5553), (ii) traceability with identification of all supply chain intermediaries wherever such traceability exists, and (iii) identification of and traceability to the source for any remarked or resurfaced material. Seller shall include the substance of this section in any purchase agreement between Seller and Seller's lower tier subcontractors, including in any agreement between Seller and Seller's Broker, and Seller shall cause Seller's lower tier subcontractors and Seller's Broker to include the substance of this section in all agreements with any of their lower tier subcontractors.

1.1.3 Unless Buyer expressly identifies the goods that are procured under this Purchase Order are for Buyer's internal consumption only, Seller, as OM, Authorized Distributor, Authorized Aftermarket Manufacturer, or Broker approved by Buyer, further warrants that it has and shall maintain a Counterfeit Item risk mitigation process, internally and with its suppliers, (reference SAE AS5553), for goods delivered hereunder, and in accordance with the standards or instructions set forth in any Buyer's specifications and other required provisions and specifications incorporated into this Purchase Order. Buyer shall have the right to audit, inspect, and / or approve the processes at any time before or after delivery of the goods ordered hereunder. Seller shall provide evidence of the Seller's risk mitigation process to Buyer upon request. Buyer shall have the right to require changes to the processes to conform with Buyer's defined standards, if any. Seller and Seller's lower-tier subcontractors that are allowed access to the US Government Industry Data Exchange Program (GIDEP) shall participate in monitoring GIDEP reports and Seller shall act on GIDEP reports that affect product delivered to Buyer. Seller shall immediately notify Buyer with the pertinent facts if Seller becomes aware of or suspects that

items delivered for the Purchase Order are, or contain, suspect or confirmed counterfeit items. Failure of the Seller or any of its lower-tier subcontractors to conform its processes with Buyer's defined standards may result in the termination of this Purchase Order in accordance with the termination provisions set forth herein. If, during Buyer's inspection procedures, a good delivered hereunder is discovered to be a Counterfeit Item or Suspect Counterfeit Item, Buyer shall have the right to quarantine the good for further investigation of its authenticity. Buyer's investigation may include the participation of third parties or governmental investigative agencies as required by law or regulations by Buyer's customer, or by Buyer, in its sole discretion. The Seller and/or the Seller's lower-tier subcontractors shall cooperate in good faith with any investigation conducted by Buyer, including, but not limited to, cooperation by Seller's or Seller's lower-tier subcontractor's staffs responsible for the maintenance and disclosure of all design, development, manufacturing, and traceability records with respect to the good in possession of Seller or Seller's lower-tier subcontractor. Upon Buyer's request, Seller shall provide Buyer certificates of conformance with respect to the goods delivered. Buyer shall not be required to return the good to the Seller during the investigation process or thereafter. Buyer shall not be liable for payment to Seller of the price of any Suspect Counterfeit Items under investigation. When so authorized by Buyer, Seller shall be responsible for counterfeit risk mitigation testing and providing traceability identifiers (i.e. Date Code / Lot Code, Serial number) for Broker procured parts, and identifying items delivered to Buyer that contain such parts. If Buyer determines in its sole discretion that there is credible evidence after visual inspection, testing, or other information that a good delivered under this Purchase Order may have been misrepresented by the Seller or Seller's lower-tier subcontractor and constitutes a Counterfeit Item or Suspect Counterfeit Item, Seller, or its lower-tier subcontractor, shall, if directed by Buyer to do so, issue a GIDEP alert and shall ensure suspect or confirmed Counterfeit Items are not delivered to Buyer. Buyer reserves its right hereunder, to issue its own GIDEP alert if, after investigation, Buyer concludes, in its sole estimation, that a good is a Counterfeit Item or Suspect Counterfeit Item. Seller shall include the substance of this section in any purchase agreement between Seller and Seller's lower tier subcontractors, including in any agreement between Seller and Seller's Broker, and Seller shall cause Seller's lower tier subcontractors and Seller's Broker to include the substance of this section in all agreements with any of their lower tier subcontractors.

1.1.4 Seller warrants without limitation as to time that any hardware, software and firmware goods delivered under this Purchase Order: (i) shall not contain any viruses, malicious code, Trojan horse, worm, time bomb, self-help code, back door, or other software code or routine designed to: (a) damage, destroy or alter any software or hardware; (b) reveal, damage, destroy, or alter any data; (c) disable any computer program automatically; or (d) permit unauthorized access to any software or hardware; (ii) shall not contain any third party software (including software that may be considered free software or open source software) that (a) may require any software to be published, accessed or otherwise made available without the consent of Buyer, or (b) may require distribution, copying or modification of any software free of charge; and (iii) shall not infringe any patent, copyright, trademark, or other proprietary right of any third party or misappropriate any trade secret of any third party.

1.2. Changes. No modification of the Order shall be binding on the Buyer unless made in writing by a formal Purchase Order modification or Purchase Order amendment. Buyer may at any time by written Order and without notice to sureties or assignees, make changes within the general scope of the Order, in any one or more of the following: (i) drawings, designs or specifications; (ii) method of shipping or packing, and (iii) place of delivery. The right to exercise an option to purchase an additional quantity of items consistent with the other terms of the Order, the schedule, and the price is reserved for a quantity of 50 to 100% of the original Order quantity. Such option can be exercised until such time that delivery of all items under the Order is complete.

1.3. Inspection.

1.3.1. The Seller shall comply with any specifications stated on the face of the Order, or included by reference or attachment to the Order and with applicable Army, Navy, Air Force and NASA specifications. Seller shall provide and maintain an inspection system acceptable to the Buyer. The Seller shall, upon request, furnish the Buyer with a report of details of material and workmanship inspections, certified by an authorized representative of the Seller. At a minimum, the inspection system shall meet the standards in the referenced prime contract. All measuring and test equipment utilized for acceptance purposes shall be currently calibrated and traceable to the National Bureau of Standards or its successor.

1.3.2. The Buyer and representatives of the Buyer's customers shall have the right to inspect and test all material and workmanship at all times and places including, when practicable, during manufacture.

1.3.3. The Buyer shall have the right to reject after inspection any of such goods which are defective. All such rejected items shall be returned to the Seller, for credit, refund, or replacement.

1.4. Assignment. Except as herein otherwise expressly provided, neither the Order nor any interest hereunder, nor any sums becoming due to the Seller by reason hereof shall be assignable by the Seller without the prior written consent of the Buyer; provided, however, that the claims for money due or to become due to the Seller from the Buyer arising out of the Order may be assigned to a bank, trust company, or other financing institution, including any federal lending agency, provided that any such assignment shall conform with each of the following conditions:

1.4.1. Such assignment shall be duly authorized, shall cover all amounts payable under the Order and not already paid, shall not be made to more than one party, shall not be subject to further assignment and shall be subject to reduction and setoff of any indebtedness or other claim which the Buyer may have against the Seller, however and whenever arising.

1.4.2. No such assignment shall be effective unless and until the assignee shall have filed written notice of the assignment together with a true copy of the instrument of assignment, with the Buyer, and with any other person entitled thereto by law, nor until the Seller (if a corporation) shall have furnished the Buyer with a certified copy of the resolution of Seller's board of directors, signed by the secretary, under the corporate seal authorizing such assignment, or (if the Seller is not a corporation) shall have furnished the Buyer with suitable documentary evidence of Seller's authority so to assign.

1.4.3. In no event shall copies of the Order or of any plans, specifications, or other similar documents relating to work under the Order, if marked "secret", "confidential", "restricted", and/or "proprietary" be furnished to any assignee of any claim arising under the Order to any person not entitled to receive the same; provided that a copy of any part or all of the Order so marked may be furnished, or any information contained herein may be disclosed to such assignee upon the prior written authorization of the Buyer and the cognizant contracting officer. [This requirement shall be extended to cover the provisions of Section 2.2 hereof when the Purchase Order is related to work associated with the U.S. Government as outlined in Section 1.20.](#)

1.5 Buyer retains title to any and all data delivered or transmitted to Seller and furthermore Seller shall return such data, upon written request from Buyer. The Seller shall limit the use of this data to the performance of the Order and shall not disclose the contents thereof to any person outside of the Seller's organization, except as provided for herein.

1.6. Patent indemnity.

1.6.1. The Seller agrees to indemnify and save harmless the Buyer and each subsequent Purchaser or user of the goods sold to the Buyer under the Order, except as to goods manufactured according to a design furnished by the Buyer from any suit or action alleging that the manufacture, use, or sale of said goods infringes any United States patent. The Buyer agrees to give the Seller notice of any such suit or action promptly after notice is received by the Buyer and the Seller agrees to conduct, at its own expense, the entire defense thereof; provided, however, that the Buyer may, at its own election and expense, at any time take over from the Seller any such defense and the Seller shall thereby be released from its obligation under this condition 1.6.

1.6.2. If the Order indicates that it is placed under a United States Government contract, the indemnification set forth in this condition 1.6.1 above shall extend to the United States of America only if and to the extent that the United States of America is required to be indemnified by the Buyer.

1.7. Cancellation. HDL retains the right to cancel the Order by either of the following methods, as applicable (a) by mutual written agreement of the parties hereto; or (b) unilaterally by HDL at any time prior to shipment of all of the items covered hereby. HDL may terminate the Order in whole or in part, by written, telegraphic, facsimile or electronic notice. Payment and liability shall be limited to all items Ordered and heretofore shipped, the proportion of the Purchase price applicable thereto, less previous payments thereon and all unshipped items Ordered hereby, the proportionate Purchase value of the work

actually theretofore completed for work-in-process and the cost of special order material and special parts which are not normally used in Seller's business less any previous payments thereon, following which Seller shall transfer title to all unshipped items. There will be no restocking charge for items not actually shipped to Buyer.

1.8 Delivery. In the event that delivery as stated in the Purchase Order cannot be met, Seller is required to notify Buyer and submit a revised delivery schedule with an explanation for approval within ten (10) days of when it first anticipates late delivery. The Buyer reserves the right to terminate the Order, without any liability, for default, if either the new schedule is unacceptable, the delay inexcusable, or if the Seller fails to notify the Buyer of the delay in delivery prior to delivery being due. In the event that materials are not promptly delivered to Seller by lower tier vendors, Seller shall request of Buyer procurement assistance. The only excusable delays are those recognized under FAR 52.249-8(c) & (d).

1.9. Subcontracting. Seller agrees it will not enter into a subcontract for the procurement of items covered by the Order in completed or substantially completed form without first obtaining the written approval of the Buyer. Distributors are excluded from this requirement. [This requirement shall be extended to cover the provisions of Section 2.2 hereof when the Purchase Order is related to work associated with the U.S. Government as outlined in Section 1.20.](#)

1.10. Material and equipment.

1.10.1. If provision is made on the face of the Order for the furnishing by the Buyer to the Seller of any materials to be used in connection with the performance of the Order, such materials will be delivered to the Seller in sufficient time as stated by Buyer to enable Seller to meet the delivery dates for the articles to be furnished to the Buyer under the Order. The Buyer shall have no liability to the Seller by reason of any delay in delivery or failure to deliver such materials; provided, however, that if as a result of such delay or failure, the Buyer shall terminate the Order, it shall be terminated for the convenience of the Buyer and settlement shall be made as provided in paragraph 1.7 hereof.

1.10.2. Title to any materials furnished by the Buyer to the Seller shall remain in the Buyer. The Seller is directed not to carry insurance (nor to include the premiums thereon as an element in the price of the articles to be furnished to the Buyer) against loss or damage to the Buyer's interest in such materials by reason of fire, extended coverage, riot or civil commotion. The risk of loss or damage to such materials from any other cause from the time of delivery to the Seller to the time of redelivery to the Buyer shall be borne by the Seller.

1.10.3. The Seller shall not be required to account to the Buyer for the proceeds from the sale of scrap generated during the performance of the Order by the processing of materials furnished by the Buyer; provided, however, that the Seller shall replace by Purchase from Buyer at the Buyer's prices, then current, any materials lost or damaged because of spoilage, breakage, or defective workmanship in excess of any allowance made therefore by the Buyer. Upon completion of the Order any of the materials furnished by the Buyer and not consumed in performance of the Order shall be disposed of in accordance with instructions from the Buyer.

1.10.4. Nothing in this paragraph 1.10 shall apply to machinery, tools, or other capital equipment that may have been loaned or leased by the Buyer to the Seller.

1.10.5. When the Buyer furnishes any material, in whole or in part for the manufacture of parts or assemblies, the Seller shall not substitute material from any other source nor shall the Seller alter its physical or chemical properties except in accordance with applicable Buyer specifications or except with the Buyer's written approval.

1.10.6. Seller shall ensure that Counterfeit Work is not delivered to Buyer. Seller shall only purchase products to be delivered or incorporated as Work to Buyer from the OCM/OEM (Original Component Manufacturer/Original Equipment Manufacturer) or through an authorized distributor. Seller shall immediately contact Buyer with any facts if Seller becomes aware or suspects that it has provided Counterfeit Work to Buyer. In the event that Work delivered under this contract constitutes or includes Counterfeit Work, Seller shall, at its expense, promptly replace the Counterfeit Work with Genuine Work.

1.10.7 Seller shall provide notice to Buyer of any change to the material, process(es) used to produce the material, or obsolescence of the material. A notice of obsolescence shall be provided as soon as practical but not less than 60 days before product discontinuation unless a suitable alternative is made commercially available.

1.10.7.1 For Non-Commercial Off The Shelf (Non-COTS) items only. Seller agrees that the Work produced internally and/or the Work procured from sub-tier suppliers under this Contract shall comply with the following requirements unless a documented request for change is approved by the Buyer.

- a. Work shall not be moved from the original location of manufacture to another location
- b. Where first article inspection is required, work shall not be moved from the original location where the Work was produced at the time of first article inspection acceptance.
- c. No changes shall be made to the design, manufacturing processes, materials or activities that affect form, fit or function.
- d. A form, fit or function analysis shall be performed and included with any request for change.

1.10.7.2 For Non-Commercial Off The Shelf (Non-COTS) items only. Seller agrees to deliver, at Buyer's request, all data which seller uses to manufacture the item(s) in the event that the Seller discontinues the manufacture of the item(s) deliverable under this purchase order for any reason, including the same or dissolution of his business. For the purpose of this provision, data means all drawings, prints, specifications and the design and manufacturing data packages. These obligations shall survive the completion of this purchase order.

1.11. Compliance. The Seller shall warrant that the goods called for by the Order have been or will be produced in compliance with the Fair Labor Standards Act of 1938 (29 U.S. Code 201-219) and any amendments thereto and so far as applicable to the Order, the Walsh-Healey Public contracts act (41 U.S. Code 35-45) and any amendments thereto, as well as with the provision of any other Federal law with respect to labor relations, minimum wages and hours of employment now in effect or hereafter enacted including p.l.87-581 Work Hours Act of 1962-overtime compensation, and with any and all rules and regulations issued under each and every such act. The Seller agrees that this warranty may be considered as the certificate contemplated by the amendment dated October 26, 1949, to the Fair Labor Standards Act of 1938. Seller of machinery or equipment herein listed on this Purchase Order asserts and warrants to the Buyer that the machinery and/or equipment used complies with all applicable standards of the William-Steiger Occupational Safety and Health Act of 1970. Seller shall comply with applicable federal, state, or local Laws, rulings, regulations, and Orders pertaining thereto in effect on the date of the Order.

1.12. Indemnification. To the fullest extent permitted by law, the Seller shall indemnify and hold harmless the Buyer from and against claims, damages, losses and expenses, including, but not limited to, attorney's fees arising out of or resulting from the items under this Purchase Order the extent caused in whole or in part by intentional or negligent acts or omissions of the Seller, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Seller shall defend, protect, indemnify and save harmless the Contractor from and against all claims, liabilities, losses, damages or expenses, including attorney's fees arising out of any actual or alleged infringement of any patent or license covering any article purchased hereunder. Seller waives all rights of subrogation against Contractor.

1.13. Other rights and remedies and applicable law. The rights and remedies herein reserved to the Buyer shall be cumulative and additional to any other or further rights and remedies provided in law or equity and all the rights and obligations of the parties shall be governed and construed by the laws of the State of Texas without regards to conflicts of law's provisions. Venue shall be exclusively in Washington County for state court or in federal court in the United States District Court for the Western District of Texas. At the sole election of Buyer, any dispute will be decided by binding arbitration under the American Arbitration Association. All AAA hearings will be held in Brenham, Texas. If litigation has already been filed, Seller agrees to abate such action upon written notification of Buyer's election. Buyer is entitled to attorney's fees for the successful defense of any action.

1.14. Release of information and advertising. Seller shall not, without prior written consent of the Buyer make any disclosure, news release or public announcement, denial or confirmation of same, of any part

of the subject matter of the Order, or in any manner advertise or publish the fact that the Seller has supplied or contracted supply to the Buyer the items mentioned herein except as may be required to perform the Order. Disclosure of price and schedule for new direct Orders to authorized government sources are exempt from this restriction unless otherwise indicated by Buyer.

1.15. Shipping and Billing Instructions.

1.15.1. Seller shall not make any separate charges for packaging, packing, boxing, or freight as the Buyer will not allow such charges unless expressly agreed to in writing. Such costs are included in the price contained in the order.

1.15.2. Seller shall clearly and legibly mark the number of this Purchase Order on all containers for goods shipped pursuant to the Order and on all packing slips and bills of lading relating hereto.

1.15.3. When shipping, Seller shall make no declaration of value to the carrier, except where shipment is subject to released value ratings. In these cases, release shipment at lowest rating. Buyer shall reject all charges associated with Seller's non-compliance with this requirement.

1.15.4. Seller shall render a separate invoice in duplicate no earlier than the day of each shipment made pursuant to the Order and indicate thereon the number of the Order.

1.16. Order of precedence. In the event of an inconsistency in the Purchase Order, and/or with any referenced provision, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following Order: (a) the purchase order schedule, (b) the terms and conditions, (c) the other provisions of the Purchase Order whether incorporated by reference or otherwise, and (d) the specifications or drawings.

1.17 This Purchase Order is intended by the Buyer and Seller as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of their agreement. No course of prior dealings between the Buyer and Seller and no usage of the trade shall be relevant to supplement or explain any terms used in this Purchase Order.

1.18 Acceptance or acquiescence in a course of performance rendered under this Purchase Order shall not be relevant to determine the meaning of the Purchase Order even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity for objection, unless the purchase order is modified in writing by formal modification to change the provision.

1.19 The Purchase Order, including these terms and conditions, and all referenced documents, becomes a binding contract, as defined herein, when it is accepted either by acknowledgment, commencement of effort, or delivery and represents the entire contract.

If noted on the face of the Purchase Order, the transaction is exempt from sales tax, Permit 1-74-1963264-5.

1.20 If marked "***", the Purchase Order is a Rated Order Certified for National Defense use, and you are required to follow all the provisions of the Defense Priorities and Allocations System Regulation, (15 CFR Part 700.) The DMS Rating and applicable Government Contract Number (GCN) are listed on the face of the Order. [This purchase order shall also be subject to the additional terms and conditions required by the U.S. Government as outlined in Section 2 hereof.](#)

1.21 Delivery. Time is of the essence in the performance of the Order.

1.22 Acceptance of this Purchase Order is expressly limited to the terms of this Purchase order pursuant to Texas Business and Commerce Code, Section 2.207(b). No additional terms in any invoice or any other form other than this Purchase Order will become part of the agreement between HDL and the Seller unless agreed to in writing by HDL in the form of a formal amendment to this Purchase Order. Seller agrees that any terms or conditions on Seller's documents will be null and void until specifically incorporated into this Purchase Order by written amendment.

1.23 [Seller shall maintain general records relating to this Purchase Order for a minimum period of seven \(7\) years after completion of final delivery of materials, goods or services pursuant to this Purchase](#)

Order or for such longer period as required by statute or as may be specified elsewhere in this Purchase Order. In order to assess Seller's work quality, conformance with Buyer's specifications and compliance with this Purchase Order, and Seller's overall financial condition, Buyer or its authorized agents and representatives shall have the right at any time during normal business hours of Seller and with adequate notice to Seller to inspect all relevant (i) records relating to any of Seller's obligations under this Purchase Order, (ii) materials and services related in any way to the goods, including purchased tooling, (iii) furnished property, and (iv) required tooling.

1.24 If any provision of this Purchase Order or application thereof is found invalid, illegal or unenforceable by law, the remainder of this Purchase Order will remain valid, enforceable and in full force and effect, and the Parties will negotiate in good faith to substitute a provision of like economic intent and effect.

1.25 Seller's obligations that by their very nature must survive expiration, termination or completion of this Purchase Order, including but not limited to obligations under the Termination for Convenience, Termination for Default, Proprietary Rights, Release of Information, Warranty, Infringement, Taxes and Drawback, Compliance with Law, Responsibility and Insurance, Indemnity Against Claims, Export/Import Controls, Electronic Transmissions, and Buyer's Access to Seller Records and Facilities provisions of this Purchase Order, shall survive expiration, termination or completion of this Purchase Order.

2. Additional Terms and Conditions that apply to all Purchase Orders issued by HDL Research Lab Inc as Buyer when related to a contract associated with a U.S. Government order.

2.1. Special U.S. Government Provisions. If the Order is placed pursuant to a Government prime contract or subcontract referenced by a number or otherwise denoted(GOVT) in this Purchase Order, in addition to those requirements set forth in Section 1, hereof, the following Contract clauses are incorporated herein and are applicable hereto by this reference except for those contract clauses which are not applicable under FAR or because of the language of the clauses themselves because of the dollar value of the Order. Where necessary to make the context of these clauses applicable to the Order, the term "Contractor" shall mean "Seller", the term "Contract" shall mean the Order and the terms "Government", "Contracting Officer" and equivalent phrases shall mean "Buyer". All referenced FAR paragraph numbers refer to current revisions in effect as of the date of the respective Government prime contract including any modifications to the prime contract in effect at the time of this Purchase Order. Copies of the FAR may be obtained from the Government Printing Office, Washington, D.C.

2.2. Export / Import Controls.

2.2.1 If Seller is a U.S. company that engages in the business of either manufacturing or exporting defense articles or furnishing defense services Seller hereby certifies that it has registered with the U.S. Department of State Directorate of Defense Trade Controls and understands its obligations to comply with International Traffic in Arms Regulations ("ITAR") and the Export Administration Regulations ("EAR").

2.2.2 Seller shall control the disclosure of and access to technical data, information and other items received under this Purchase Order in accordance with U.S. export control laws and regulations, including but not limited to the ITAR. Seller agrees that no technical data, information or other items provided by Buyer in connection with this Purchase Order shall be provided to any foreign persons or to a foreign entity, including without limitation, a foreign subsidiary of Seller, without the express written authorization of Buyer and Seller's obtaining of the appropriate export license, technical assistance agreement or other requisite documentation for ITAR-controlled technical data or items. It shall be the sole responsibility of Seller to determine whether the information provided by Buyer is technical data as outlined in the ITAR (22 CFR 120-130) prior to any release to a third party abiding by the terms outlined herein. Seller shall indemnify Buyer for all liabilities, penalties, losses, damages, costs or expenses that may be imposed on or incurred by Buyer in connection with any violations of non-U.S. or U.S. export or import control laws and regulations, by Seller, its officers, employees, agents, Sellers or subcontractors at any tier.

- 2.2.3 Seller shall immediately notify Buyer if it is or becomes listed on any Excluded or Denied Party List of an agency of the U.S. Government or its export privileges are denied, suspended or revoked.
- 2.2.4 Should Seller's products or services originate from a foreign location, those products may also be subject to the export control laws and regulations of the country in which the articles or services originate. Seller agrees to abide by all applicable export control laws and regulations of that originating country. Seller shall indemnify Buyer for all liabilities, penalties, losses, damages, costs or expenses that may be imposed on or incurred by Buyer in connection with any violations of such laws and regulations by Seller. Buyer shall be responsible for complying with any laws or regulations governing the importation of the articles into the United States of America.
- 2.2.5 Buyer may be required to obtain information concerning citizenship or export status of Seller's personnel. Seller agrees to provide such information as necessary and certifies the information to be true and correct.

2.3. Claims pursuant to FAR 52.249-2 shall be submitted not later than three (3) months from the effective date of termination and termination inventories shall be due in thirty (30) days.

2.4. FAR Clauses. The following clauses are applicable to this Purchase Order to the extent specified in the FAR. The date of the clause is the date in effect at the time the Purchase order is entered into, unless the Purchase Order provides for a different version.

2.4.1 When materials, and products ("goods") or services, including the products resulting from services hereby ordered are for use in connection with a United States Government ("Government") prime contract or higher-tier subcontract, in addition to the General Provisions, the following FAR clauses and provisions shall apply, as required by the terms of the prime contract or by operation of law or regulation. The effective version of each FAR provision shall be the same version as that which appears in Buyer's prime contract, or higher-tier subcontract under which this Purchase Order is a subcontract. In the event of a conflict between these FAR provisions and the General Provisions, the FAR provisions shall control.

2.4.2 The following clauses set forth in the FAR in effect as of the date of the prime contract or higher-tier subcontract are incorporated herein by reference. In all clauses listed herein, terms shall be revised to suitably identify the party to establish Seller's obligations to Buyer and to the Government, and to enable Buyer to meet its obligations under the prime contract. Without limiting the generality of the foregoing, and except where further clarified or modified below, the term "Government" and equivalent phrases shall mean "Buyer", the term "Contracting Officer" shall mean "Buyer's Purchasing Representative", the term "Contractor" or "Offeror" shall mean "Seller", "Subcontractor" shall mean "Seller's Subcontractor" under this Purchase Order, and the term "Contract" shall mean this "Purchase Order". For the avoidance of doubt, the words "Government" and "Contracting Officer" do not change: when a right, act, authorization or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or duly authorized representative, for example in FAR 52.227-1 or FAR 52.227-2, or when title to property is to be transferred directly to the Government. The listed FAR clauses are incorporated herein as if set forth in full text unless made inapplicable by their corresponding notes, if any. If any of the following FAR clauses do not apply to this Purchase Order, such clauses are considered to be self-deleting. Seller shall incorporate into each lower tier contract issued in support of this Purchase Order all applicable FAR clauses in accordance with the flow down requirements specified in such clauses.

A. APPLICABLE TO PURCHASE ORDERS WITHOUT REGARD TO DOLLAR VALUE:

1. 52.204-2 "Security Requirements" (Applicable to Purchase Orders that involve access to classified information.)
2. 52.204-9 "Personal Identity Verification of Contractor Personnel" (Applicable to Purchase Orders when Seller's employees are required to have routine physical access to a Federally- controlled facility and / or routine access to a Federally-controlled information system.)
3. 52.211-5 "Material Requirements"

4. 52.211-15 “Defense Priority and Allocation Requirements”
5. 52.215-22 “Limitations on Pass-Through Charges – Identification of Subcontract Effort” (Applicable to solicitations for Purchase Orders that will incorporate FAR clause 52.215-23 or 52.215-23 Alt I.)
6. 52.215-23 & Alt I “Limitations on Pass-Through Charges” (Include Alternate I if it is included in the prime contract.) (Applicable to cost-reimbursement Purchase Orders that exceed the simplified acquisition threshold, except if the contract is with the Department of Defense (DoD), then this clause is applicable to all cost-reimbursement Purchase Orders and fixed-price Purchase Orders, except those identified in FAR 15.408(n)(2)(i)(B)(2), that exceed the threshold for obtaining cost or pricing data in accordance with FAR 15.403-4.)
7. 52.219-8 “Utilization of Small Business Concerns”
8. 52.222-4 “Contract Work Hours and Safety Standards – Overtime Compensation” (Applicable to Purchase Orders that require or involve the employment of laborers and mechanics at any tier.)
9. 52.222-41 “Service Contract Labor Standards” (Applicable to Purchase Orders that are subject to the Service Contract Labor Standards statute.)
10. 52.222-50 & Alt 1 “Combating Trafficking in Persons” (Alternate 1 is applicable to Purchase Orders if it is included in the prime contract.)”
11. 52.222-54 “Employment Eligibility Verification” (Applicable to Purchase Orders for (i) for construction or commercial or noncommercial services (except commercial services that are part of a purchase of a COTS item or an item that would be a COTS item, but for minor modifications, performed by the COTS provider, and that are normally provided for that COTS item); (ii) has a value more than \$3,000 or the dollar threshold in effect as of the date of the prime contract; and (iii) includes work performed in the United States.)
12. 52.222-55 “Minimum Wages Under Executive Order 13658” (Applicable to Purchase Orders regardless of dollar value, that are subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, and are to be performed in whole or in part in the United States.)
13. 52.223-3 “Hazardous Material Identification and Material Safety Data” (“Government” means “Government and Buyer” in this clause.)
14. 52.223-5 “Pollution Prevention and Right-to-Know Information” (Applicable to Purchase Orders that provide for performance on a Federal facility.)
15. 52.223-7 “Notice of Radioactive Materials”
16. 52.223-11 “Ozone-Depleting Substances”
17. 52.224-1 “Privacy Act Notification” (Applicable to Purchase Orders when the design, development, or operation of a system of records on individuals is required to accomplish an agency function.)
18. 52.224-2 “Privacy Act” (Applicable to Purchase Orders that require the design, development, or operation of any system of records on individuals that is subject to the Privacy Act.)
19. 52.225-1 “Buy American – Supplies”
20. 52.225-5 “Trade Agreements”
21. 52.225-8 “Duty-Free Entry” (Applicable to Purchase Orders including supplies that may be imported into the United States.)
22. 52.225-13 “Restrictions on Certain Foreign Purchases”
23. 52.225-26 “Contractors Performing Private Security Functions Outside the United States” (Applicable to Purchase Orders issued under (i) DoD contracts that that will be performed in areas of contingency operations, combat operations, as designated by the Secretary of Defense, or other significant military operations, as designated by the Secretary of Defense upon agreement of the Secretary of State or (ii) non-DoD contracts that will be

performed in areas of Combat operations, as designated by the Secretary of Defense, or other significant military operations, upon agreement of the Secretaries of Defense and State that the clause applies in that area.)

24. 52.227-9 "Refund of Royalties" (Applicable to Purchase Orders in which the amount of royalties reported during negotiation of the Purchase Order exceeds \$250.)
25. 52.227-10 "Filing of Patent Applications-Classified Subject Matter" (Applicable to Purchase Orders that cover or likely to cover classified subject matter.)
26. 52.227-11 "Patent Rights – Ownership by the Contractor" (Applicable to Purchase Orders for experimental, developmental, or research work to be performed by a small business concern or nonprofit organization.)
27. 52.227-14 "Rights in Data – General"
28. 52.227-19 "Commercial Computer Software License"
29. 52.228-3 "Workers' Compensation Insurance" (Defense Base Act)
30. 52.228-4 "Workers' Compensation and War Hazard Insurance Overseas"
31. 52.228-5 "Insurance-Work on a Government Installation"
32. 52.232-39 "Unenforceability of Unauthorized Obligations"
33. 52.232-40 "Providing Accelerated Payments to Small Business Subcontractors" (Applicable to Purchase Orders awarded after December 26, 2013 to small business when Buyer receives Accelerated Payments under its prime contract.)
34. 52.234-1 "Industrial Resources Developed Under Defense Production Act Title III"
35. 52.236-13 "Accident Prevention" (Applicable to fixed-price construction, fixed-price dismantling, demolition, or removal of improvements Purchase Orders.)
36. 52.237-2 "Protection of Government Buildings, Equipment and Vegetation"
37. 52.242-13 "Bankruptcy"
38. 52.243-6 "Change Order Accounting"
39. 52.244-5 "Competition in Subcontracting"
40. 52.244-6 "Subcontracts for Commercial Items"
41. 52.245-1 "Government Property" (Applicable to Purchase Orders issued under non DoD prime contracts containing FAR 52.245-1 without Alternate I and the Purchase Order is either a cost- reimbursement, time and materials, or labor hour type, or is a fixed priced Purchase Order awarded on the basis of submission of certified cost or pricing data (reference FAR 45.104). Under DoD prime contracts containing FAR 52.245-1 without Alternate I, in addition to the Purchase Order types listed at FAR 45.104, the clause is applicable to negotiated fixed-price Purchase Orders awarded on a basis other than submission of certified cost or pricing data.)
42. 52.245-1 Alt I "Government Property" (Alternate I – Applicable to Purchase Orders issued under prime contracts containing FAR 52.245-1 with Alternate I, and to Purchase Orders issued under prime contracts containing FAR 52.245-1 without Alternate I when the Purchase Order awarded is of a type other than a Purchase Order type listed in FAR 45.104 or DFARS 245.104.)
43. 52.245-1 Alt II "Government Property" (Applicable to Purchase Orders for the conduct of basic or applied research at nonprofit institutions of higher education or at nonprofit institutions whose primary purpose is the conduct of scientific research.)
44. 52.246-2 "Inspection of Supplies – Fixed-Price"
45. 52.247-63 "Preference for U.S.-Flag Air Carriers" (Applicable to Purchase Orders that involve international air transportation.)
46. 52.247-64 "Preference for Privately Owned U.S.-Flag Commercial Vessels"
47. 52.249-2 "Termination for Convenience of the Government" (Fixed-Price) – (The usual

substitution of the parties in which "Government" means "Buyer", "Contracting Officer" means "Buyer's Purchasing Representative", and "Contractor" means "Seller" is applicable to this clause except that any express obligation to transfer or assign title to property shall be modified such that "Government" means "Government or Buyer".) (In paragraph (d) the term "45 days" is changed to "90 days." The term "one-year" in paragraph (e) is changed to "six months." The term "90 days" in paragraph (l) is changed to "forty-five days.")

- B. PURCHASE ORDERS OVER THE MICRO-PURCHASE THRESHOLD (AS DEFINED AT FAR 2.101 IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
 - 1. 52.223-18 "Encouraging Contractor Policies to Ban Text Messaging while Driving"
- C. PURCHASE ORDERS OVER \$10,000 (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
 - 1. 52.222-21 "Prohibition of Segregated Facilities"
 - 2. 52.222-26 "Equal Opportunity"
 - 3. 52.222-40 "Notification of Employee Rights Under the National Labor Relations Act" (Applicable to Purchase Orders issued under prime contracts resulting from solicitations issued after December 12, 2010.)
- D. PURCHASE ORDERS OVER \$15,000 (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
 - 1. 52.222-20 "Contracts for Materials, Supplies, Articles and Equipment Exceeding \$15,000"
 - 2. 52.222-36 "Equal Opportunity for Workers with Disabilities"
- E. PURCHASE ORDERS OF \$25,000 OR MORE (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
 - 1. 52.204-10 "Reporting Executive Compensation and First-Tier Subcontract Awards" (Applicable to Purchase Orders when Buyer is the Prime Contractor.) (The usual substitution of the parties is not applicable to this clause. Seller shall report to Buyer the information required under the clause.)
- F. PURCHASE ORDERS OVER \$30,000 (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
 - 1. 52.209-6 "Protecting the Government's Interest when Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment"
- G. PURCHASE ORDERS OF \$100,000 OR MORE (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
 - 1. 52.222-35 "Equal Opportunity for Veterans"
 - 2. 52.222-37 "Employment Reports on Veterans"
- H. PURCHASE ORDERS OVER \$150,000 (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
 - 1. 52.203-7 "Anti-Kickback Procedures" (Excepting subparagraph (c)(1) of the clause.)
 - 2. 52.203-12 "Limitation on Payments to Influence Certain Federal Transactions"
 - 3. 52.203-16 "Preventing Personal Conflicts of Interest" (Applicable to Purchase Orders that include a requirement for services that involve performance of acquisition functions closely associated with inherently governmental functions for, or on behalf of, a Federal agency or department.)
 - 4. 52.248-1 "Value Engineering"
- I. PURCHASE ORDERS OVER THE SIMPLIFIED ACQUISITION THRESHOLD (AS DEFINED AT FAR 2.101 IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**

1. 52.203-5 "Covenant Against Contingent Fees"
 2. 52.203-6 "Restrictions on Subcontractor Sales to the Government"
 3. 52.203-17 "Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights" (Applicable to Purchase Orders under contracts awarded by civilian agencies other than NASA and the Coast Guard.)
 4. 52.215-2 "Audit and Records – Negotiation" (Applicable to Purchase orders: (i) that are cost- reimbursement, incentive, time-and-materials, labor-hour, or price-redeterminable type or any combination of these, (ii) for which certified cost or pricing data are required; or (iii) that require Seller to furnish reports as discussed in paragraph (e) of the clause.)
 5. 52.215-14 "Integrity of Unit Prices" (less paragraph (b))
 6. 52.227-1 "Authorization and Consent and Alternate I" (Include Alternate 1 if it is included in the prime contract.)
 7. 52.227-2 "Notice and Assistance Regarding Patent and Copyright Infringement"
 8. 52.222-17 "Nondisplacement of Qualified Workers" (Applicable to Purchase Orders when services are to be performed by Seller (1) under service contracts, as defined at 22.001, (2) that succeed purchase orders for performance of the same or similar work at the same location and (3) that are not exempted by 22.1203-2 or waived in accordance with 22.1203-3.) (Seller to furnish information needed by Buyer to comply with paragraphs d and e of this clause.)
- J. PURCHASE ORDERS OVER \$650,000 (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
1. 52.219-9 "Small Business Subcontracting Plan"
- K. UNLESS OTHERWISE EXEMPT (SEE FAR 15.408), PURCHASE ORDERS ALSO INCLUDE:**
1. 52.215-10 "Price Reduction for Defective Certified Cost or Pricing Data"
 2. 52.215-11 "Price Reduction for Defective Certified Cost or Pricing Data – Modifications"
 3. 52.215-12 "Subcontractor Certified Cost or Pricing Data"
 4. 52.215-13 "Subcontractor Certified Cost or Pricing Data – Modifications"
 5. 52.215-15 "Pension Adjustments and Asset Reversions"
 6. 52.215-18 "Reversion or Adjustment of Plans for Post-retirement Benefits (PRB) Other Than Pensions"
 7. 52.215-19 "Notification of Ownership Changes"
 8. 52.215-20 "Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data"
 9. 52.215-21 "Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data – Modifications"
- L. PURCHASE ORDERS OVER \$5,000,000 (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
1. 52.203-14 "Display of Hotline Poster(s)"
- M. PURCHASE ORDERS THAT HAVE A VALUE OF MORE THAN \$5,000,000 (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT); AND THAT HAVE A PERFORMANCE PERIOD OF MORE THAN 120 DAYS ALSO INCLUDE:**
1. 52.203-13 "Contractor Code of Business Ethics and Conduct" (In paragraph (b)(3)(i), the meaning of "agency office of the Inspector General" and "Contracting Officer" does not change, in paragraph (b)(3)(ii) the meaning of "Government" does not change and in paragraphs (b)(3)(iii) and (c)(2)(ii)(F), the meaning of "OIG of the ordering agency" "IG of the agency", "agency OIG" and "Contracting Officer" do not change.)
- N. COST REIMBURSEMENT, TIME & MATERIAL OR LABOR HOUR PURCHASE ORDERS ALSO INCLUDE:**

1. 52.215-16 "Facilities Capital Cost of Money"
2. 52.216-7 "Allowable Cost and Payment" (Seller agrees to execute assignment documents in order to comply with subsection (h).) (This clause is not applicable to Labor Hour Purchase Orders.)
3. 52.216-8 "Fixed Fee" (Applicable if this is a cost plus fixed fee Purchase Order.)
4. 52.216-10 "Incentive Fee" (Applicable if this is a cost plus incentive fee Purchase Order.)
5. 52.216-11 "Cost Contract -No Fee" (Applicable if this is a cost no fee Purchase Order.)
6. 52.216-12 "Cost Sharing Contract- No Fee" (Applicable if this is a cost sharing, no fee Purchase Order.)
7. 52.222-2 "Payment for Overtime Premiums" – Insert "0%" in paragraph (a) unless indicated otherwise in the Purchase Order.
8. 52.232-7 "Payments under Time-and-Materials and Labor-Hour Contracts" – ("schedule" means this Purchase Order, "voucher(s)" means invoice(s).
9. 52.232-20 "Limitation of Cost" (Applicable to fully funded Purchase Orders.)
10. 52.232-22 "Limitation of Funds" (Applicable to incrementally funded Purchase Orders.)
11. 52.243-2 "Changes – Cost-Reimbursement" (Applicable to cost-reimbursement Purchase Orders.)
12. 52.243-3 "Changes – Time and Material or Labor-Hours" (Applicable to time and material or labor hour Purchase Orders.)
13. 52.244-2 "Subcontracts" (paragraphs (g) and h) only apply)
14. 52.246-3 "Inspection of Supplies (Cost-Reimbursement)" – ("Contracting Officer" means Buyer's Purchasing Representative and "Government" means Buyer and "Government" (provided that an inspection system accepted by the Government will be deemed accepted by the Buyer), and where "Government" first appears in paragraph (k) it shall mean "Government and/or Buyer". The provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government.)
15. 52.246-5 "Inspection of Services (Cost Reimbursement)" – ("Contracting Officer" means Buyer's Purchasing Representative" and "Government" means "Buyer and Government" (provided that an inspection system accepted by the Government will be deemed accepted by the Buyer). The provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government.)
16. 52.246-6 "Inspection of Time and Material and Labor Hour" – ("Contracting Officer" means Buyer's Purchasing Representative and "Government" means "Buyer and Government" (provided that an inspection system accepted by the Government will be deemed accepted by the Buyer), and where "Government" first appears in paragraph (k) it shall mean "Government and/or Buyer".) (The provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government.)
17. 52.249-6 "Termination (Cost-Reimbursement)" – ("Government" means "Buyer" and "Contracting Officer" means Buyer's Purchasing Representative. In paragraph (e) Change "15 days" and "45 days" to "30 days" and "90 days", respectively. In paragraph (f) change "1 year" to "six months".) (Alternate IV is applicable to time and material or labor hour orders only.)
18. 52.249-14 "Excusable Delays"

2.4.3 Certifications. The Offeror, by signing its offer, hereby certifies compliance with the following clauses and is, therefore, eligible for award.

- A. 52.203-11 "Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions" (Applicable to offers and Purchase Orders over \$150,000 or the dollar

threshold in effect as of the date of the prime contract.)

- B.** 52.209-5 “Certification Regarding Responsibility Matters” (Applicable to offers and Purchase Orders over \$30,000 or the dollar threshold in effect as of the date of the prime contract.)
- C.** 52.222-22 “Previous Contracts and Compliance Reports” (Applicable to offers and Purchase Orders over \$10,000 or the dollar threshold in effect as of the date of the prime contract.2.4.4

2.4.4 Additional Clauses.

A. COST ACCOUNTING STANDARDS (Applicable when stated in the Purchase Order)

- 1. 52.230-2 “Cost Accounting Standards”
- 2. 52.230-3 “Disclosure and Consistency of Cost Accounting Practices”
- 3. 52.230-5 “Cost Accounting Standards – Educational Institution”
- 4. 52.230-6 “Administration of Cost Accounting Standards”

Seller shall communicate and otherwise deal directly with the Contracting Officer to the extent practicable and permissible as to all matters relating to Cost Accounting Standards. Seller shall provide Buyer with copies of all communications between Seller and the Contracting Officer respecting the applicable Cost Accounting Standards clause, and the Administration of Cost Accounting Standards clause, provided Seller shall not be required to disclose to Buyer such communications containing information confidential to the Seller. In addition to any other remedies provided by law or under this Purchase Order, Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage, or expense if Buyer is subjected to any liability as the result of a failure of the Seller or its lower-tier subcontractors to comply with the requirements of FAR 52.230-2, 52.230-3, 52.230-4, 52.230-5 or 52.230-6. Paragraph (b) is deleted in each of the foregoing clauses, except in FAR 52.230-6.

B. TRUTHFUL COST OR PRICING DATA

Unless exempt, Seller shall submit a FAR Part 15 compliant cost proposal inclusive of appropriate updates throughout the negotiation process. At the conclusion of negotiations, and regardless of any prior certification, Seller must certify as to the accuracy, currency and completeness of its information in accordance with the FAR required Certificate of Current Cost or Pricing Data.

1. Indemnification

If any price (including profit or fee) negotiated in connection with the prime contract between the Government and the Buyer or any cost that is reimbursable under said contract is reduced because cost or pricing data furnished by the Seller in connection with any proposal submitted by the Buyer relating to said contract or in connection with this Purchase Order was not accurate, complete, or current, the Seller shall indemnify the Buyer in the amount of said reduction.

The phrase “cost or pricing data” as used herein shall be deemed to include any such data which related to a lower-tier prospective or actual subcontract, at any level, which was submitted by the Seller or which it procured by submission of, in connection with the aforesaid proposal or this Purchase Order in support of its cost estimate.

If any reduction in the contract price under this clause reduces the price of items for which payment was made prior to the date of the modification reflecting the price reduction, the Seller shall be liable and shall pay the Buyer at the time such overpayment is repaid:

- a. Simple interest on the amount of such overpayment to be computed from the date(s) of overpayment to the Seller to the date the Buyer is repaid by the Seller at the applicable underpayment rate effective for each quarter prescribed by the Secretary of the Treasury under 26 U.S.C. 6621(a)(2); and

- b. For Department of Defense contracts only, a penalty equal to the amount of the overpayment, if the Seller knowingly submitted cost or pricing data which were incomplete, inaccurate, or non-current.

2. Cost or Pricing Data for Changes

Prior to the pricing of any change or other modification to this Purchase Order which involves increases and/or decreases in costs plus applicable profit expected to exceed the threshold for submission of cost or pricing data, subcontractors shall submit cost or pricing data and shall certify that the data, as defined in Federal Acquisition Regulation 15.406-2, submitted either actually or by specific identification in writing are accurate, complete, and current as of the date of completion of negotiations.

When required to obtain cost or pricing data from its subcontractors, pursuant to the provisions of this Purchase Order, Seller shall obtain such data.

2.4.5 Disputes – Government Contracts. Any reference to “Disputes” in any applicable FAR Clause contained herein shall mean this paragraph, Disputes -- Government Contracts.

- A.** Any dispute arising under this Purchase Order relating to any decision of the Contracting Officer under the prime contract shall be resolved in accordance with Paragraph (B) below. All other disputes will be resolved by the Disputes and Governing Law Section in the General Terms and Conditions of Purchase.
- B.** 1. Notwithstanding any other provisions in this Purchase Order, any decision of the Contracting Officer under the prime contract which binds Buyer shall bind both Buyer and Seller to the extent that it relates to this Purchase Order, provided that:
 - a. The Buyer notifies with reasonable promptness the Seller of such decision and
 - b. The Buyer, at its sole discretion, authorizes in writing the Seller to appeal in the name of the Buyer such decision at its own expense, or
 - c. If Buyer should appeal such decision, Buyer at its sole discretion offers to the Seller the opportunity at its own expense to join Buyer in such appeal.
- 2. Any decision upon such appeal, when final, shall be binding upon the Seller and Seller shall have no recourse against Buyer for any damages that allegedly resulted from the decision of the Contracting Officer.
- 3. The Seller shall keep Buyer informed of any appeal it makes by providing copies of all pertinent documents to Buyer.
- 4. The Seller shall indemnify and save harmless Buyer from any and all liability of any kind incurred by or imputed to Buyer under Section 5, “Fraudulent Claims,” of the Contract Disputes Act of 1978, as amended, (41 U.S.C. 7103 (c)(2), Fraudulent Claims) if Seller is unable to support any part of its claim and it is determined that such inability is attributable to fraud or misrepresentation of fact on the part of Seller.
- C.** Pending any prosecution, appeal, or final decision or settlement of any dispute arising under this Purchase Order, the Seller shall proceed diligently, as directed by Buyer, with the performance of this Purchase Order.
- D.** Nothing in this Section 5 nor any authorization or offer that may be made shall be deemed to constitute acceptance or acknowledgment by Buyer of the validity of Seller’s claim or any part thereof, nor be deemed to limit or in any way restrict Buyer from taking any actions, including available remedies, it deems appropriate to protect its own interests.
- E.** As used in this Section 5, the word “appeal” means an appeal taken under the Contract Disputes Act of 1978, as amended.

2.5 DFAR Clauses. The following clauses are applicable to this Purchase Order to the extent specified in the DFAR. The date of the clause is the date in effect at the time the Purchase order is entered into, unless the Purchase Order provides for a different version.

2.5.1 When the materials, and products ("goods") or services, including the products resulting from services are for use in connection with a United States Government ("Government") Department of Defense prime contract or higher-tier subcontract, in addition to the General Provisions and the Federal Acquisition Regulation (FAR) provisions, the following Department of Defense FAR Supplement (DFARS) clauses and provisions, shall apply, as required by the terms of the prime contract or by operation of law or regulation. The effective version of each DFARS provision shall be the same version as that which appears in Buyer's prime contract, or higher-tier subcontract under which this Purchase Order is a subcontract. In the event of a conflict between these DFARS provisions and the General Provisions or the FAR provisions, the DFARS provisions shall control.

2.5.2 The following clauses set forth in the DFARS in effect as of the date of the prime contract or higher- tier subcontract are incorporated herein by reference. In all clauses listed herein, terms shall be revised to suitably identify the party to establish Seller's obligations to Buyer and to the Government, and to enable Buyer to meet its obligations under the prime contract. Without limiting the generality of the foregoing, and except where further clarified or modified below, the term "Government" and equivalent phrases shall mean "Buyer", the term "Contracting Officer" shall mean "Buyer's Purchasing Representative", the term "Contractor" or "Offeror" shall mean "Seller", "Subcontractor" shall mean "Seller's Subcontractor" under this Purchase Order, and the term "Contract" shall mean this "Purchase Order". For the avoidance of doubt, the words "Government" and "Contracting Officer" do not change: when a right, act, authorization or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or duly authorized representative or when title to property is to be transferred directly to the Government. The listed DFARS clauses are incorporated herein as if set forth in full text unless made inapplicable by their corresponding notes, if any. If any of the following DFARS clauses do not apply to this Purchase Order, such clauses are considered to be self-deleting. Seller shall incorporate into each lower tier contract issued in support of this Purchase Order all applicable DFARS clauses in accordance with the flow down requirements specified in such clauses. The Seller, by signing its offer, hereby certifies compliance with the following clauses and is, therefore, eligible for award. With respect to any applicable DFARS clauses incorporated into this Purchase Order relating to rights in noncommercial technical data and noncommercial computer software and noncommercial computer software documentation, the Seller grants to Buyer the right to use, disclose, modify, combine, integrate or make derivative works of any noncommercial technical data, noncommercial computer software and/or noncommercial computer software documentation delivered under this Purchase Order to the extent necessary, and for such period as is required, for Buyer to complete its performance under the Buyer's U.S. Government programs.

A. APPLICABLE TO ALL PURCHASE ORDERS WITHOUT REGARD TO DOLLAR VALUE:

1. 252.203-7002 "Requirement to Inform Employees of Whistleblower Rights"
2. 252.204-7000 "Disclosure of Information" (Applicable to Purchase Orders when the seller will have access to or generate unclassified information that may be sensitive and inappropriate for release to the public.)
3. 252.204-7012 "Safeguarding of Unclassified Controlled Technical Information" (Applicable to Purchase Orders under DoD contracts awarded after November 17, 2013 and before August 26, 2015.)
4. 252.204-7012 "Safeguarding Covered Defense Information and Cyber Incident Reporting" (Applicable to Purchase Orders under DoD contracts awarded after August 25, 2015 and before October 8, 2015.)
5. 252.204-7012 "Safeguarding Covered Defense Information and Cyber Incident Reporting" (DEVIATION 2016-O0001) (Applicable to Purchase Orders under DoD contracts awarded after October 7, 2015.)

6. 252.204-7015 “Disclosure Of Information To Litigation Support Contractors”
7. 252.208-7000 “Intent to Furnish Precious Metals as Government-Furnished Material”(Applicable to Purchase Orders when the item being purchased contains precious metals.)
8. 252.209-7004 “Subcontracting with Firms That Are Owned or Controlled by the Government of a Terrorist Country”
9. 252.211-7003 “Item Identification and Valuation” (Seller’s obligations under this clause are limited to cooperating with Buyer’s efforts to comply with this clause, including granting Buyer access to Seller’s deliverables at its facilities and to appropriate property records.)
10. 252.211-7007 “Reporting of Government-Furnished Property” (Applicable to Purchase Orders when FAR Clause 52.245-1 is contained in the prime contract and Seller is in possession of Government Property. Seller will comply with paragraph (d) of this clause.)
11. 252.223-7001 “Hazard Warning Labels” (Applicable to Purchase Orders for goods that require submission of hazardous material data sheets (see FAR 23.302(c).)
12. 252.223-7002 “Safety Precautions for Ammunition and Explosives” (“Government” means “Government and/or Buyer”.)
13. 252.223-7003 “Change in Place of Performance – Ammunition and Explosives”
14. 252.223-7006 & Alt I “Prohibition on Storage and Disposal of Toxic and Hazardous Materials” (Includes Alt I if it is in the prime contract) (Applicable to Purchase Orders that require, may require, or permit a Seller or its lower tier subcontractors access to a DoD installation.)
15. 252.223-7007 “Safeguarding Sensitive Conventional Arms, Ammunition and Explosives” (Applicable to Purchase Orders for (i) the development, production, manufacture, or purchase of arms, ammunition, and explosives (AA&E), or (ii) when AA&E will be provided to the Seller as Government-furnished property.)
16. 252.223-7008 “Prohibition of Hexavalent Chromium” (Applicable to all Purchase Orders for supplies, maintenance and repair services, or construction materials.)
17. 252.225-7001 “Buy American Act and Balance of Payments Program”
18. 252.225-7002 “Qualifying Country Sources as Subcontractors”
19. 252.225-7007 “Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies” (Applicable to Purchase Orders for the acquisition of items covered by the United States Munitions List of the International Traffic in Arms Regulation.)
20. 252.225-7008 “Restriction on Acquisition of Specialty Metals” (Applicable to Purchase Orders for the delivery of specialty metals as end items to Buyer or Seller to the extent necessary to ensure compliance of the end products that Buyer will deliver to the Government when DFARS clause 252.225-7009 is in the prime contract.)
21. 252.225-7009 “Restriction on Acquisition of Certain Articles Containing Specialty Metals” (excluding paragraph (d) and paragraph (e)(1) which are deleted from this clause.) (Applicable to Purchase Orders for items containing specialty metals to ensure compliance of the end products that Buyer will deliver to the Government under prime contracts awarded or modified to include the clause after July 28, 2009 according to the clause.)
22. 252.225-7010 “Commercial Derivative Military Article – Specialty Metals Compliance Certificate” (Applicable to solicitations for Purchase Orders that will incorporate DFARS clause 252.225-7009.)
23. 252.225-7012 “Preference for Certain Domestic Commodities”
24. 252.225-7013 “Duty-Free Entry”
25. 252.225-7014 & Alt. I “Preference for Domestic Specialty Metals and Alternate I”

(Applicable to Purchase Orders for items containing specialty metals that the Buyer will deliver to the Government under prime contracts awarded before July 29, 2009 and that do not specifically incorporate a different specialty metals clause.)

26. 252.225-7014 (Dev. No. 2006-O0004) & Alt. I (Dev. No. 2006-O0004) "Preference for Domestic Specialty Metals" (DEVIATION No. 2006-O0004) and Alternate I (DEVIATION No. 2006-O0004) (Applicable to Purchase Orders for items containing specialty metals that the Buyer will deliver to the Government under prime contracts awarded after November 15, 2006 and before October 26, 2007 and that do not specifically incorporate a different specialty metals clause.)
27. 252.225-7014 (Dev. No. 2007-O0011) & Alt. I (Dev. No. 2007-O0011) "Preference for Domestic Specialty Metals" (DEVIATION No. 2007-O0011) and Alternate I (DEVIATION No. 2007-O0011) (Applicable to Purchase Orders for items containing specialty metals that the Buyer will deliver to the Government under prime contracts awarded after October 25, 2007 and before January 29, 2008 and that do not specifically incorporate a different specialty metals clause.)
28. 252.225-7014 (Dev. No. 2008-O0002) & Alt. I (Dev. No. 2008-O0002) "Preference for Domestic Specialty Metals" (DEVIATION No. 2008-O0002) and Alternate I (DEVIATION No. 2008-O0002) (Applicable to Purchase Orders for items containing specialty metals that the Buyer will deliver to the Government under prime contracts awarded after January 28, 2008 and before July 29, 2009 and that do not specifically incorporate a different specialty metals clause.)
29. 252.225-7015 "Restriction on Acquisition of Hand or Measuring Tools"
30. 252.225-7016 "Restriction on Acquisition of Ball and Roller Bearings"
31. 252.225-7025 "Restriction on the Acquisition of Forgings"
32. 252.225-7027 "Restriction on Contingent Fees for Foreign Military Sales"
33. 252.225-7028 "Exclusionary Policies and Practices of Foreign Governments"
34. 252.225-7030 "Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate"
35. 252.225-7031 "Secondary Arab Boycott of Israel"
36. 252.225-7040 "Contractor Personnel Authorized to Accompany U.S. Armed Forces Deployed Outside the United States" (Applicable to Purchase Orders that will be performed when Seller's personnel or Seller's subcontractors are supporting U.S. Armed Forces deployed outside the United States in contingency operations, peace operations consistent with Joint Publication 3-07.3, or other military operations or military exercises, when designated by the Combatant Commander or as directed by the Secretary of Defense.)
37. 252.225-7048 "Export-Controlled Items"
38. 252.227-7013 "Rights in Technical Data – Noncommercial Items" (Applicable to solicitations and resulting Purchase Orders when Buyer will be required to deliver to the Government Seller's technical data pertaining to noncommercial items, or pertaining to commercial items for which the Government will have paid for any portion of the development costs.)
39. 252.227-7014 "Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation" (Applicable to solicitations and resulting Purchase Orders when Seller's performance will require delivery of computer software or computer software documentation.)
40. 252.227-7015 "Technical Data – Commercial Items" (Applicable whenever any technical data related to commercial items developed in any part at private expense will be provided under this Purchase Order for delivery to the Government.)
41. 252.227-7016 "Rights in Bid or Proposal Information" (Applicable to solicitations and resulting Purchase Orders that will include DFARS clause 252.227-7013, 252.227-7014, or 252.227-7018.)
42. 252.227-7017 "Identification and Assertion of Use, Release, or Disclosure Restrictions"

(Applicable to solicitations and resulting Purchase Orders that will include DFARS clause 252.227-7013, 252.227-7014, or 252.227-7018.)

43. 252.227-7019 "Validation of Asserted Restrictions – Computer Software" (Applicable to all Purchase Orders when Seller's performance includes the furnishing of computer software that Buyer will furnish to the Government.)
44. 252.227-7025 "Limitation on the Use or Disclosure of Government Furnished Information Marked with Restrictive Legends"
45. 252.227-7026 "Deferred Delivery of Technical Data or Computer Software"
46. 252.227-7027 "Deferred Ordering of Technical Data or Computer Software"
47. 252.227-7028 "Technical Data or Computer Software Previously Delivered to the Government" (Applicable to solicitations for Purchase Orders when the resulting Purchase Order will require the Seller to deliver technical data.)
48. 252.227-7030 "Technical Data – Withholding of Payment" (Applicable to solicitations and resulting Purchase Orders that will include DFARS clause 252.227-7013 or 252.227-7018.)
49. 252.227-7037 "Validation of Restrictive Markings on Technical Data" (Applicable to Purchase Orders requiring the delivery of technical data.)
50. 252.227-7038 "Patent Rights – Ownership by the Contractor (Large Business)" (Applicable to Purchase Orders for experimental, developmental, or research work if the Seller is not a small business or nonprofit organization, unless a different patent rights clause is required by FAR 27.303.)
51. 252.227-7039 "Patents – Reporting of Subject Inventions" (Applicable to solicitations and resulting Purchase Orders that will include the clause at FAR 52.227-11.)
52. 252.228-7001 "Ground and Flight Risk" (Applicable to solicitations and resulting Purchase Orders for the acquisition, development, production, modification, maintenance, repair, flight, or overhaul of aircraft unless an exception listed at DFARS 228.370(b)(1) applies.)
53. 252.228-7005 "Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles"
54. 252.231-7000 "Supplemental Cost Principles" (Applicable to solicitations and resulting Purchase Orders that are subject to the principles and procedures described in FAR subparts 31.1, 31.2, 31.6, or 31.7.)
55. 252.235-7003 "Frequency Authorization" (Applicable to Purchase Orders requiring the development, production, construction, testing, or operation of a device for which a radio frequency authorization is required.)
56. 252.239-7010 "Cloud Computing Services" (Applicable to Purchase Orders that involve or may involve cloud services.)
57. 252.239-7016 "Telecommunications Security Equipment, Devices, Techniques, and Services" (Applicable to Purchase Orders which require securing telecommunications.)
58. 252.239-7018 "Supply Chain Risk" (Applicable to Purchase Orders involving the development or delivery of any information technology under DoD contracts awarded after November 18, 2013.)
59. 252.244-7000 "Subcontracts for Commercial Items and Commercial Components (DoD Contracts)"
60. 252.246-7001 "Warranty of Data" (Applicable to solicitations and resulting Purchase Orders that will include DFARS clause 252.227-7013.)
61. 252.246-7003 "Notification of Potential Safety Issues" (Applicable to Purchase Orders for (i) parts defined as critical safety items in accordance with this clause; (ii) systems and subsystems, assemblies, and subassemblies integral to a system; and (iii) repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system.)

62. 252.246–7007 “Contractor Counterfeit Electronic Part Detection and Avoidance System” (Applicable to Purchase Orders when the goods or services include electronic parts or assemblies containing electronic parts. This clause applies to all Sellers, at all tiers, without regard to whether the Seller itself is subject to CAS.)
63. 252.247-7023 “Transportation of Supplies by Sea”
64. 252.247-7024 “Notification of Transportation of Supplies by Sea”
- B. PURCHASE ORDERS OF \$150,000 OR MORE (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
 1. 252.249-7002 “Notification of Anticipated Contract Terminations or Reductions (less paragraph (d)(1))”
- C. PURCHASE ORDERS OVER THE SIMPLIFIED ACQUISITION THRESHOLD (AS DEFINED AT FAR 2.101 IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
 1. 252.203-7001 “Prohibition on Persons Convicted of Fraud or Other Defense Contract Related Felonies”
- D. PURCHASE ORDERS OVER \$500,000 (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
 1. 252.226-7001 “Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns”
- E. PURCHASE ORDERS OVER \$650,000 (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
 1. 252.219-7003 “Small Business Subcontracting Plan (DoD Contracts)” (Include Alternate 1 if it is included in the prime contract) (Applicable to Purchase Orders under prime contracts which contain FAR clause 52.219-9.)
 2. 252.219-7004 “Small Business Subcontracting Plan (Test Program)” (Applicable to Purchase Orders that offer subcontracting possibilities.)
- F. PURCHASE ORDERS OVER \$1,000,000 (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
 1. 252.222-7006 “Restricting the Use of Mandatory Arbitration Agreements” (Applicable to Purchase Orders issued under prime contracts containing the clause and awarded after June 17, 2010.)
CERTIFICATION Regarding Compliance with DFARS 252.222-7006 (If this clause is included in Buyer’s prime contract or higher tier subcontract, this certification is applicable to Purchase Orders over \$1,000,000 issued after June 17, 2010, under DoD contracts except Purchase Orders for the acquisition of commercial items or commercially available off-the-shelf items.):

By Seller’s acceptance of this Purchase Order:

- a. Seller certifies that it shall not enter into, and shall not take any action to enforce any provision of, any agreement with any of its employees or independent contractors performing work related to this Purchase Order, that requires, as a condition of employment, that the employee or independent contractor agree to resolve through arbitration any claim under Title VII of the Civil Rights Act of 1964, or any tort related to or arising out of a sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention; and
- b. Seller certifies that it requires each of its lower tier subcontractors, which performs work under this Purchase Order and which is a “covered subcontractor” as defined in DFARS 252.222-7006, to agree not to enter into, and not take any action to enforce any provision of, any agreement with any of its employees or independent contractors performing work related to this Purchase Order, that requires, as a condition of employment, that the employee or independent contractor agree to resolve through arbitration any claim under Title VII of the Civil Rights Act of 1964,

or any tort related to or arising out of a sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention.

2. 252.225-7033 "Waiver of United Kingdom Levies" (Applicable to Purchase Orders where a lower-tier subcontract exceeding \$1 million with a U.K. firm is anticipated.)

G. PURCHASE ORDERS OVER \$1,500,000 (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:

1. 252.211-7000 "Acquisition Streamlining"

H. PURCHASE ORDERS OVER \$5,000,000 (OR THE THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:

1. 252.203-7004 "Display of Fraud Hotline Poster(s)" (Applicable to all Purchase Orders except Purchase Orders that are for acquisition of a commercial item, or that will be performed entirely outside the United States, in lieu of FAR 52.203-14 Display of Hotline Poster(s).)

2. Business Systems Rule:

Seller shall communicate and otherwise deal directly with the United States Government Contracting Officer to the extent practicable and permissible as to all matters relating to any of Seller's business systems under any of the following applicable Business Systems clauses: 252.215-7002 "Cost Estimating System Requirements", 252.234-7002 "Earned Value Management System", 252.242-7004 "Material Management and Accounting System", 252.242-7006 "Accounting System Administration", 252.244-7001 "Contractor Purchasing System Administration", 252.245-7003 "Contractor Property Management System Administration" (hereinafter referred to collectively as "Business Systems clauses"). Seller shall provide Buyer with copies of communications with the United States Government respecting significant deficiencies in any of Seller's business systems under the applicable Business Systems clauses, provided Seller shall not be required to disclose to Buyer such communications containing information confidential to the Seller. In addition to any other remedies provided by law or under this Purchase Order, Seller hereby indemnifies and holds Buyer harmless to the full extent of any loss, damage, or expense including without limitation any withholds under 252.242-7005 "Contractor Business Systems" incurred by Buyer that result from any government action, claim, withhold or similar action against Buyer that results in a Buyer loss or expense of any type, including lost profit or fee, legal costs, interest, indirect cost markups, because of a failure of Seller or its lower-tier subcontractors to comply with any of the Business Systems clauses.

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END OF DOCUMENT