



R. E. DYE MANUFACTURING CORPORATION

Purchase Order Terms and Conditions

Revised, August 19, 2015

Buyer hereby buys and Seller hereby sells those goods and services set forth on the face hereof subject to the terms and conditions set forth thereon, together with the additional terms and conditions set forth below. Terms "purchase order" and "subcontract" are synonymous hereon; except where a purposeful distinction is made clear.

SECTION A - INSTRUCTIONS TO SELLER

A. PURCHASE ORDER NUMBER: Seller shall include Buyer's purchase order number, including any change, modification, or revision designation or controlling blanket agreement number, on all invoices (or vouchers), packing lists, bills of lading, packages, containers, and correspondence processed under this order.

B. PACKING LIST: A packing list shall accompany each shipment of goods and, if such shipment completes the purchase order, shall show thereon: "This shipment completes this order."

C. PACKAGING AND INSURANCE: No extra charge for packaging or insurance shall be allowed unless specifically noted herein. Goods shall (i) be packaged to ensure safe arrival at destination, (ii) be described to conform to carrier's classification rules so as to obtain lowest transportation cost, and (iii) not be insured nor show declared value for shipment beyond FOB point.

D. INVOICES (OR VOUCHERS): Invoices must be submitted in accordance with instruction provided within the Purchases Order, and reference the full purchase order no. If the remittance information on your invoice does not match the information previously provided and maintained within your official supplier record, your payment may be delayed. If you are uncertain of the information we currently have on record for your company, you should contact the buyer or procurement office as soon as possible.

- 41. Improper Designation
42. Suspect/Counterfeit Parts
43. Warranty Of Authenticity
44. Disputes
45. Order of Precedence
46. Access to Records

CLAUSE NO. 1 - SELLER ACCEPTANCE: This purchase order is to be accepted in writing by Seller. If, however, for any reason Seller should fail to accept in writing, any conduct by Seller which recognizes the existence of a contract pertaining to the subject matter hereof shall constitute acceptance by Seller of this purchase order and all of its terms and conditions.

Any terms proposed in Seller's acceptance of Buyer's offer which add to, vary from, or conflict with the terms herein are hereby objected to. Any such proposed terms shall be void and the terms herein shall constitute the complete and exclusive statement of the terms and conditions of the contract between the parties and may hereafter be modified only by written instrument executed by the authorized representatives of both parties.

If this purchase order has been issued by Buyer in response to an offer, and if any of the terms herein are additional to or different from any terms of such offer, then the issuance of this purchase order by Buyer shall constitute an acceptance of such offer subject to the express conditions that Seller assent to such additional and different terms herein and acknowledge that this purchase order constitutes the entire agreement between Buyer and Seller with respect to the subject matter hereof and the subject matter of such offer, and Seller shall be deemed to have so assented and acknowledged unless Seller notifies Buyer to the contrary in writing within 10 calendar days of receipt of this purchase order. All requirements pertaining to this purchase, whether stated or included by your agreement with our customer, shall pertain to and flow down to all sub-tier suppliers.

CLAUSE NO. 2 - DELIVERY: Time is of the essence in the performance of this purchase order by Seller. Delivery is to be made both in quantities and at times specified herein. If Seller's delivery shall fail to meet schedule, Buyer, without limiting its other rights or remedies, may direct expedited routing, and any excess cost incurred thereby shall be debited to Seller's account. Buyer shall not be liable for Seller's commitments or production arrangements in excess of the amount, or in advance of the time, necessary to meet Buyer's delivery schedule. Goods delivered in advance of schedule may, at Buyer's option, (i) be returned at Seller's expense for proper delivery, (ii) have payment therefore withheld by Buyer until the date that goods are actually scheduled for delivery, or (iii) be placed in storage for Seller's account until delivery date specified herein.

CLAUSE NO. 3 - INSPECTION AND TEST: All goods ordered hereunder shall be subject to inspection and test by Buyer to the extent practicable at all times and places, including the period of manufacture if the goods are to be specifically manufactured for Buyer in accordance with drawings, designs, or specifications furnished by Buyer, and in any event prior to acceptance. Such goods shall be subject to final inspection and to acceptance by Buyer after delivery to Buyer. If the goods are specifically manufactured for Buyer in accordance with drawings,

SECTION B - STANDARD CLAUSES

CLAUSE INDEX:

- 1. Seller Acceptance
2. Delivery
3. Inspection and Test
4. Non-Conforming Goods
5. Warranty of Goods and Services
6. Drawings and Specification Review
7. Proprietary Drawings and Data
8. Use of Information
9. Disclosure of Information
10. Tooling and Other Articles
11. Export Related Requirements
12. Indemnification
13. Buyer's Property
14. Compliance with Laws
15. Relationship of the Parties
16. Seller's Employees
17. Badges and Plant Security
18. Conflict of Interest
19. Insurance
20. Service Rates and Invoicing
21. Limitation of Payments
22. Taxes
23. Remedies
24. Assignment
25. Notice of Labor Disputes
26. Governing Law
27. Buyer Excusable Delay
28. Termination for Convenience
29. Termination for Default
30. Patents and Design Rights
31. Clause Modification Required by Buyer's Customer
32. Changes
33. Stop-Work Order
34. Entire Agreement
35. Limitation of Buyer's Liability/Statute of Limitations
36. Warranty of Price and Prospective Adjustment
37. U.S. Persons Status
38. Certified Screening for Alcohol and Drug Abuse
39. Negotiated Terms
40. Waiver of Jury Trial, Jurisdictions



R. E. DYE MANUFACTURING CORPORATION

Purchase Order Terms and Conditions

Revised, August 19, 2015

designs, or specifications furnished by Buyer: (1) Seller shall provide and maintain an inspection and quality control system acceptable to Buyer and provide access to Seller's facilities including all subcontractors' facilities used in performance of this order at all reasonable times for inspection by Buyer's agents or employees, and shall provide all tools, facilities, and assistance reasonably necessary for inspection relating to the performance of this purchase order; and (2) Seller shall maintain adequate and authenticated inspection and test documents which relate to work performed under this purchase order for a period of three years after completion of this purchase order or as otherwise specified in this purchase order, and shall make such records available to Buyer upon request; (3) Seller shall supply Buyer with inspection and test reports, affidavits, certifications, or any other documents as may reasonably be requested by Buyer. Such inspection and test may be performed by U.S. Government representatives on behalf of Buyer; (4) Supplier shall notify Buyer in writing of any changes in product and/or process definition and obtain Buyer's written approval prior to proceeding; and (5) Seller shall include the substance of this clause in all applicable purchase orders or subcontracts issued in the performance of this order.

CLAUSE NO. 4 - NON-CONFORMING GOODS: If the goods ordered herein fail to meet the specifications, or otherwise do not conform to the requirements of this purchase order, Buyer shall have the right to reject such goods. Goods that have been delivered and rejected may be returned to Seller for replacement, correction, reimbursement, or credit as Buyer may direct. If, after notice, Seller fails to promptly replace or correct such rejected items, same may be replaced or corrected (without thereby exercising wrongful ownership) by Buyer at the expense of Seller. Any goods rejected by Buyer shall be at Seller's risk and expense, and such goods shall not thereafter be tendered for acceptance unless the former rejection or requirement for correction is disclosed. Packaging and handling expense incidental thereto and applicable transportation cost shall be charged to Seller's account. Upon non-acceptance, repudiation or rejection of any goods, Buyer shall not be liable for any profit Seller would have made, nor for incidental damages. For non-conformances discovered prior to shipment or delivery, Seller shall contact Buyer as soon as the non-conformance is known, to determine if a Supplier Information Request (SIR) should be completed to facilitate the disposition of identified non-conformances. Unless otherwise expressly granted in writing by Buyer, no relief in the established delivery schedule shall accrue by virtue of Seller having notified Buyer of the non-conformance. **Other administrative fees may apply.**

CLAUSE NO. 5 - WARRANTY OF GOODS AND SERVICES: Seller expressly warrants that all goods and services covered by this purchase order shall conform to the specifications, drawings, samples or other description upon which this purchase order is based, shall be fit and sufficient for the purposes intended, merchantable, of good material and workmanship, and free from defects, and shall be free of any claim of any third party. Inspection, test, acceptance or use of the goods furnished hereunder shall not affect the Seller's obligation under these warranties, and such warranties shall survive inspection, test, acceptance and use. None of the remedies available to Buyer for the breach of any of the foregoing warranties may be limited, except to the extent and in the manner

agreed upon by Buyer in a separate agreement specifically designating such limitation and signed by an authorized representative of Buyer. Buyer's inspection and/or acceptance of and/or payment for goods and/or services shall not constitute a waiver by it of any warranties. These warranties shall run to Buyer, its successors, assigns, and customers, and users of its products, and will be valid for thirty-six (36) months after delivery to Buyer's customers.

CLAUSE NO. 6 - DRAWINGS AND SPECIFICATION REVIEW: If, during the term of this purchase order, Buyer representatives review drawings, specifications, or other data developed by Seller in connection with this purchase order and make suggestions or comments or approve such documents and data, such action is only an expression of opinion by Buyer and shall not serve to relieve Seller of any responsibility for the reliability, quality, rate of output, cost, delivery, performance, or any other requirements of this purchase order.

CLAUSE NO. 7 - PROPRIETARY DRAWINGS AND DATA: Seller shall keep confidential all information, drawings, specifications, or data and return, upon request, all documents furnished by Buyer, and shall not divulge or use such information, drawings, specifications, or data for the benefit of any other party. Except as required for the efficient performance of this purchase order, Seller shall not make copies or permit copies to be made without the prior written consent of Buyer. Seller shall thereafter make no further use, either directly or indirectly, of any such data or any information derived therefrom without obtaining Buyer's written consent. The obligations of this clause shall survive the completion, cancellation, or termination of this purchase order.

CLAUSE NO. 8 - USE OF INFORMATION: Seller agrees (i) that all information heretofore or hereafter furnished or disclosed to Buyer by Seller, in connection with the placing or filling of this purchase order, is furnished or disclosed as a part of the consideration for this purchase order; (ii) that such information is not, unless otherwise agreed to by Buyer in writing, to be treated as confidential or proprietary; and (iii) that Seller shall assert no claims (other than for patent infringement) by reason of the use or disclosure of such information by Buyer, its assigns, or its customers. No employee of Buyer has the authority to make an agreement providing for the confidential treatment of, or limiting the use or disclosure of, information so furnished or disclosed, unless such agreement is made in writing and signed by Buyer's cognizant general manager. However, in the event that this clause should conflict with the provisions of any patent rights or data rights clause of this purchase order, the latter shall prevail.

Any unpatented knowledge or information concerning Seller's products, methods, or manufacturing processes which Seller may disclose to Buyer incident to the manufacture of goods covered by this purchase order shall, unless otherwise specifically agreed in writing, be deemed to have been disclosed as part of the consideration for this purchase order, and Seller agrees not to assert any claim against Buyer by reason of Buyer's use or alleged use thereof and, if this purchase order involves research or development work, Seller agrees to grant to Buyer an irrevocable, exclusive, royalty-free license to make, have made, use, and sell any inventions resulting from that work under this purchase order.

CLAUSE NO. 9 - DISCLOSURE OF INFORMATION: Seller shall not in any manner advertise or publish the fact that it has furnished, or contracted to furnish, Buyer the



R. E. DYE MANUFACTURING CORPORATION

Purchase Order Terms and Conditions

Revised, August 19, 2015

goods or services herein described without prior written consent of Buyer. Seller shall not disclose any details in connection with this purchase order to any party except as may be otherwise provided.

CLAUSE NO. 10 - TOOLING AND OTHER ARTICLES: Unless otherwise specified in this purchase order, all tooling and all other articles required for the performance hereof shall be furnished by Seller and shall be properly maintained and replaced when necessary at Seller's expense.

If Buyer agrees to pay Seller for such tooling and other articles, either separately or as a stated part of the unit price of goods purchased herein, title to same shall pass to Buyer upon (i) commencement of processing for use in performance of this purchase order, or (ii) Buyer payment therefore, whichever occurs first.

Any such tooling and other articles which are Buyer's property shall be used only in the performance of this purchase order unless otherwise provided in writing by Buyer. Seller agrees to follow normal industrial practice in the preparation and maintenance of pertinent property control records, and shall make such records available for inspection by Buyer at all reasonable times. After completion or termination of this purchase order and upon the request of Buyer, Seller shall furnish a list of such Buyer's property in the form requested by Buyer and shall make such available for disposition by Buyer. Buyer may, at its sole discretion and by written notice, divest itself of title in favor of Seller.

CLAUSE NO. 11 - EXPORT RELATED REQUIREMENTS:

a. Export Compliance. Subcontractor is advised that its performance of this Subcontract may involve the use of or access to articles, technical data or software that is subject to export controls under 22 United States Code 2778 – 2794 (Arms Export Control Act) and 22 Code of Federal Regulations 120-130 (International Traffic in Arms Regulations) or 50 United States Code 2401 – 2420 (Export Administration Act) and 15 Code of Federal Regulations 730 – 774 (Export Administration Regulations) and their successor and supplemental laws and regulations (collectively hereinafter referred to as the "Export Laws and Regulations"). Subcontractor represents and warrants that it is either 1) a U.S. Person as that term is defined in the Export Laws and Regulations, or 2) that it has disclosed to Buyer's Representative, in writing, the country in which it is incorporated or otherwise organized to do business, or if a natural person, all citizenships and US immigration status. Subcontractor shall comply with any and all Export Laws and Regulations, and any license(s) issued thereunder.

b. Foreign Persons. Subcontractor shall not give any Foreign Person access to Technical Data or software as those terms are defined in the applicable Export Laws and Regulations without the prior written consent of Buyer. Any request for such consent must state the intended recipient's citizenship(s), and status under 8 U.S.C. 1101 and 8 U.S.C. 1324 (the "Immigration and Naturalization Act"), and such other information as Buyer may reasonably request. No consent granted by R. E. Dye Manufacturing Corporation in response to Subcontractor's request under this paragraph b shall relieve Subcontractor of its obligations to comply with the provisions of paragraph a or the Export Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of

paragraph a, nor constitute consent for Subcontractor to violate any provision of the Export Laws and Regulations.

c. Indemnification. Seller shall indemnify and save harmless R. E. Dye Manufacturing Corporation from and against any and all damages, liabilities, penalties, fines, costs, and expenses, including attorneys fees, arising out of claims, suit, allegations or charges of Seller's failure to comply with the provisions of this Clause No. 11 and breach of the warranty set forth in paragraph a. Any failure of Seller to comply with the requirements or any breach of the warranty contained in this Clause No. 11 shall be a material breach of this Order.

d. If Seller is a U.S. entity and is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, Seller represents that it is registered with the Office of Defense Trade Controls, as required by the ITAR and it maintains an effective export and import compliance program in accordance with the ITAR.

e. Subcontracts. The substance of this Clause No. 11 shall be incorporated into any lower tier subcontract entered into by the Seller for the performance of any part of the work under this Order.

CLAUSE NO. 12 - INDEMNIFICATION: Seller shall hold harmless and unconditionally indemnify Buyer, its directors, officers and employees to the full extent of any liability, loss, cost, claim, damage or expense including, but not limited to, reasonable attorneys' fees for the defense of all liabilities, costs, claims, damages, and expenses by reason of any alleged or actual property damage or personal injury arising out of, as a result of, or in connection with the work performed hereunder due to any act or omission of Seller or its employees, agents, subcontractors, or lower tier subcontractors.

CLAUSE NO. 13 - GOVERNMENT AND BUYER PROPERTY FURNISHED TO SELLER

A (1) The Buyer or Government shall retain title to all Buyer or Government furnished property, as applicable. (2) Title to all property purchased by Seller for which Seller is entitled to be reimbursed as a direct item of cost under this Purchase Order shall pass to and vest in the Government/Buyer upon the vendor's delivery of such property. (3) Title to all other property, the cost of which is reimbursable to Seller, shall pass to and vest in the Government/Buyer upon

- (i) Issuance of the property for use in Purchase Order performance;
- (ii) Commencement of processing of the property or use in Purchase Order performance; or
- (iii) Reimbursement of the cost of the property by Buyer, whichever occurs first.

(4) All Government furnished property, all property acquired by Seller, title to which vests in the Government under this paragraph (collectively referred to as "Government property"), and all Buyer furnished property is subject to the provision of this clause. Title to Buyer furnished property or Government property shall not be affected by its incorporation into or attachment to any property not owned by Buyer or the Government, nor shall Government or Buyer furnished property become a fixture or lose its identity as personal property by being attached to any real property.

B If, in connection with the performance of this purchase order, any property is furnished to Seller by Buyer or by the Government, Seller shall assume the risk of, and



R. E. DYE MANUFACTURING CORPORATION

Purchase Order Terms and Conditions

Revised, August 19, 2015

be responsible for, any loss, theft, destruction of or damage to the property while in Seller's possession or control except to the extent that this purchase order provides for the relief of Seller from such liability. In the absence of such approval, Seller shall return all such property in as good a condition as when received except for reasonable wear and tear for the utilization of such property in accordance with the provisions of the prime contract. As indicated, Seller shall establish and maintain a system in accordance with the property provisions listed below. Seller shall also notify Buyer if its property system is deemed inadequate or the Risk of Loss provision has been withdrawn by the Government.

- C The Buyer and/or a Buyer representative from the Property organization may request information periodically to satisfy inventory and/or financial requirements of the Customer. Buyer and/or the R. E. Dye Manufacturing Corporation Property organization will request Seller to appoint an individual as Point of Contact to enable communication regarding Property, as required. R. E. Dye Manufacturing Property oversight will be dependent upon: Adequacy of Seller's documented property procedures, Seller/Buyer history, Seller's Property Management System reviews and Seller's ability to provide R. E. Dye Manufacturing timely and accurate inventory and property reports.
- D Unless specifically provided in this Purchase Order, Seller warrants that the estimated cost set forth in this Purchase Order does not include as a direct charge the cost of any special tooling, special test equipment, or equipment as are defined in FAR Part 2 and/or 52.245-1. Any such special tooling, special test equipment or equipment to be acquired/fabricated in the performance of or charged to this order, will be brought to the Buyer's immediate attention and as required, will be covered by a separate purchase order.
- E The Seller shall have a process to create and provide reports of Property: (1) Discrepancies incident to shipment and the receipt; (2) Loss, Damage or Destruction (LDD); (3) Periodic Physical Inventory Reports and related discrepancies to be submitted in accordance with FAR 52.245-1 (f)(iv) as required; (4) Government written notification of System Adequacy (Summary of Findings) or Inadequate System Rating and Corrective Actions, if applicable; (5) As property becomes excess a list of property and/or material will be provided to R. E. Dye Manufacturing (R. E. Dye Manufacturing will provide template when required); and (6) Any specific reports as required by the Buyer's Property Management organization. (7) If an LDD is required for Government or Buyer furnished property, the Buyer shall be notified in writing within a reasonable period of time with a preliminary report and/or as soon as the facts become known a formal LDD report will be submitted to the Buyer in accordance with FAR 52.245-1 (1)(vi)(B).
- F The Buyer and/or a Buyer's representative from the Property organization shall have the right, at all reasonable times, to visit the Seller's plant or such parts thereof as may be engaged in work relating to this purchase order, for the purpose of verification and/or determining continued adequacy of the Seller's Property Management System. Seller shall receive prior notice of any visit made pursuant to this clause.

CLAUSE NO. 14 - COMPLIANCE WITH LAWS: Seller warrants that it shall comply with all applicable federal,

state, or local laws, rules, and regulations in the performance of this Agreement. Seller shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin.

CLAUSE NO. 15 - RELATIONSHIP OF THE PARTIES:

The relationship of Seller to Buyer shall be that of an independent contractor and nothing herein contained shall be construed as creating any employer/employee, agency, or other relationship of any kind. Seller's employees, agents or representatives (hereinafter "Employees") performing Services under this Order shall at all times be under Seller's direction and control. Seller shall pay all wages, salaries, and other amounts due its Employees in connection with this Order and shall be responsible for all reports and obligations for its Employees, including, but not limited to, social security and income tax withholdings, unemployment compensation, worker's compensation, and equal employment opportunity reporting.

CLAUSE NO. 16 - SELLER'S EMPLOYEES:

All personnel assigned by Seller to perform the Services to be furnished hereunder shall be capable, skilled, qualified and competent to perform such Services. Buyer may require Seller to remove from its or customer's premises any employee, agent, or representative of Seller, or any of its subcontractors, Buyer deems incompetent, careless or negligent.

CLAUSE NO. 17 - BADGES AND PLANT SECURITY:

If this Order requires Seller's personnel to enter Buyer's or Buyer's customer's premises, Seller agrees to abide by and comply with, and require its Employees to abide by and comply with, such rules and regulations pertaining to plant security as may be prescribed by Buyer and/or the Buyer's Customer.

CLAUSE NO. 18 - CONFLICT OF INTEREST:

It is understood and agreed that the Seller, under the terms of this Purchase Order, or through the performance of the Statement of Work made a part of this Purchase Order, is neither obligated nor expected to deliver or provide material or perform work, which will place the Seller in an Organizational Conflict of Interest, which could serve as a basis for excluding the Seller from supplying products or services to the U.S. Government customer. Further, during the course of this Purchase Order R. E. Dye Manufacturing's cognizant Buyer will not knowingly unilaterally direct the Seller to perform work, in contravention of the above understanding. It will be the Seller's responsibility to identify any situation in which the potential for an Organizational Conflict of Interest exists. However, prior to the execution of any task order or amendment thereto, if the cognizant Buyer discerns the potential for an Organizational Conflict of Interest insofar as the work to be performed there under is understood to involve the preparation of a complete specification of materials leading directly, predictably and without delay to a Statement of Work which will be used in the competitive procurement of a system, Seller will be notified and the parties will mutually take action to resolve any potential organizational conflict of interest.

CLAUSE NO. 19 - INSURANCE:

(Clause is applicable only if, and then only to the extent, work under this purchase order is to be performed by Seller on property under ownership, possession, or control of Buyer or Buyer's customer.) Seller shall maintain the following insurances: (1) Worker's or Workmen's Compensation Insurance within statutory limits and in accordance with the law of the relevant state, including All State and Voluntary Compensation



R. E. DYE MANUFACTURING CORPORATION

Purchase Order Terms and Conditions

Revised, August 19, 2015

endorsement; (2) Employer's Liability Insurance with a limit of \$1,000,000; (3) Comprehensive General Liability Insurance, including (i) Operations and Premises Liability (with elevator liability), (ii) Contractor's Protective Liability, (iii) Completed Operations and Product Liability (maintained in effect for a period of five years after the date of final payment), (iv) Personal Injury Liability, (v) Contractual Liability, and (vi) Broad Form Property Damage Liability (including for completed operations), on an occurrence basis in an amount of a combined single limit of not less than \$1,000,000 per occurrence; and (4) Comprehensive Automobile Liability Insurance, including (i) personal injury and (ii) property damage, to cover (a) owned automobiles, (b) automobiles under long-term lease, (c) hired automobiles, (d) employer's non-ownership liability, (e) medical payments, and uninsured motorists, in the amount of a combined single limit of not less than \$1,000,000 per occurrence.

Such insurance coverage as is required under this purchase order shall be in a form and with insurance carriers satisfactory to Buyer and without additional cost to Buyer as a price adjustment, unless otherwise expressly provided for elsewhere within this purchase order. Such insurance shall protect (i) Seller, (ii) Buyer, (iii) any other party expressly designated by Buyer elsewhere within this purchase order, from claims that arise out of or result from operations by (i) Seller under this purchase order, or (ii) any lower-tier subcontractor(s) of Seller, or (iii) anyone directly or indirectly employed by any of them, or (iv) anyone for whose acts any of them may be liable.

Seller shall have all liability insurance required under this purchase order amended or endorsed to name Buyer as an additional insured and to indicate that, with respect to the additional insured, there shall be severability of interest. As evidence of said coverage, Seller shall forward certificates of insurance, or copies of insurance policies, to Buyer, which instruments shall contain a provision requiring notification of Buyer in writing of any cancellation or non-renewal of said coverage not less than thirty days before its affectivity.

If Seller fails to purchase or maintain liability insurance required under this purchase order, Buyer may, but is not obligated to, purchase such insurance on Seller's behalf and shall be entitled to be repaid for any premiums paid therefore by Buyer.

CLAUSE NO. 20 - SERVICE RATES AND INVOICING:

The rates for straight time and overtime work, which Seller will bill Buyer, for Services furnished under this Order, shall be those set forth in this Order. Buyer shall make no payment for work performed during holiday, or other overtime periods, unless such work is expressly authorized by Buyer. Seller represents that the rates set forth in this Order include all profit, wages, salaries, overhead, taxes, and other costs and expenses. Travel where expressly authorized in the Purchase Order, shall be reimbursed in accordance with the Federal Travel Regulations (FTR) and FAR 31.205.46. Unless otherwise specified, Seller shall submit an invoice in duplicate to Buyer's procurement representative at the location identified on the face of this Order and shall include: Purchase Order number, Purchase Order type, item number, part number (if applicable), and a brief description of the Service or Product. Seller shall also provide such evidence as Buyer may reasonably require in support of the invoice. No invoice shall be issued prior to completion of Services or shipment of Products. Payment due dates, including discount periods, will be calculated from the date of acceptance of Service or Product, or receipt of correct invoice, whichever is later.

Payment of invoice shall not constitute approval or acceptance of Services or Products rendered. At any time prior to final payment under this Order, Buyer may have invoices audited as to validity. Payment of Seller's invoices shall be subject to adjustment for any amounts found upon audit or otherwise to have been improperly invoiced.

CLAUSE NO. 21 - LIMITATION OF PAYMENTS (Applicable to Time and Materials Orders Only):

Seller shall not exceed the total funded ceiling amount of this order unless increased in writing by buyer. Seller shall not supply services for any period beyond that authorized by buyer in writing. All work performed beyond the stated expiration date of the order will be at the suppliers "own risk". No legal liability on the part of R. E. Dye Manufacturing Corporation may arise until the Seller receives written notice from the Buyer that the period of performance has been extended and funding is available. Buyer shall not be obligated to pay Seller for any amount of work not performed by personnel in the labor categories set forth within the purchase order.

CLAUSE NO. 22 - TAXES: Seller's prices shall be exclusive of any federal, state, or local sales, use, or excise taxes levied upon, or measured by, the sale, the sales price, or use of goods required in the performance of this purchase order. Seller shall list separately on its invoice (or voucher) any such tax lawfully applicable to any such goods, and payable by Buyer, with respect to which Buyer does not furnish to Seller lawful evidence of exemption. Seller shall comply with any reasonable request by Buyer regarding payments under protest, and regarding any refunds, claims, litigation, or proceedings with respect to any such taxes and shall make appropriate adjustments to afford Buyer the benefit of any refund or reduction in such taxes.

CLAUSE NO. 23 - REMEDIES: Each of the rights and remedies reserved by Buyer in this purchase order shall be cumulative and additional to any other or further remedies provided in law or equity or in this purchase order. A waiver of a breach of any provision hereof shall not constitute a waiver of any other breach.

CLAUSE NO. 24 - ASSIGNMENT: This purchase order or any interest therein, including any claims for monies due or to become due with respect thereto, may only be assigned upon the written consent of Buyer. Any payment to any assignee of any claim under this purchase order, as a result of such consent, shall be subject to set-off, recoupment, or other reduction for any claim that Buyer may have against Seller.

CLAUSE NO. 25 - NOTICE OF LABOR DISPUTES: Whenever Seller has knowledge that any actual or potential labor dispute is delaying, or threatens to delay, the timely performance of this purchase order, Seller shall immediately give written notice thereof, including all relevant information with respect thereto, to Buyer.

CLAUSE NO. 26 - GOVERNING LAW: This purchase order, and the acceptance thereof, shall be a contract made in the state of Buyer's office address as shown on the face of this purchase order, and shall be governed by and construed according to the laws thereof as if to be wholly performed within such state.

CLAUSE NO. 27 - EXCUSABLE DELAY: A delay in the performance by the Seller of any obligations under the Order that is caused by an event which: (i) is an act of God, act of Government, fire, riot, war, terrorism or any other event which constitutes a superior force, and is beyond the reasonable control of the Seller; and without any fault on the part of the Seller and interferes with the performance



R. E. DYE MANUFACTURING CORPORATION

Purchase Order Terms and Conditions

Revised, August 19, 2015

of Seller's obligations; and (ii) the effects of which could not reasonably have been avoided by the Seller will, subject to the provisions of this Clause, constitute an Excusable Delay.

In addition to the events described in paragraph (A), a delay caused by the default of a subcontractor of the Seller may constitute an Excusable Delay if the event causing the default of such subcontractor is an event that meets the criteria set out in paragraph (A) and such delay has not been contributed to by the Seller, unless the subcontracted supplies or services were obtainable from other sources in sufficient time for the Seller to meet the required delivery schedule.

Except as otherwise as otherwise provided herein, the following will not be considered as events beyond the reasonable control of the Seller: (i) lack of financial resources of the Seller or its subcontractors; or (ii) any labor disturbances including strikes/lock-outs experienced by the Seller or its subcontractors;

To claim an Excusable Delay, the Seller must, by written notice to the Buyer, describe in detail any excusable delay and provide the Buyer with an acceptable "work-around" plan within ten (10) calendar days of such facts coming to the attention of Seller. The Buyer may accept or reject such "work-around" plan in writing and, if accepted, the Seller must promptly implement such "work-around" plan at Seller's expense.

In the event of an Excusable Delay, any affected delivery date will be postponed for such period as is reasonably necessary to offset the effects of the Excusable Delay. In no event will the delivery date be extended by a time period longer than the time period in that the Excusable Delay was in effect. No adjustment will be made to the Order price; adjustment to the delivery schedule is the exclusive remedy of the Seller in the case of an Excusable Delay.

Notwithstanding the above, after an Excusable Delay has continued for a period of thirty (30) calendar days in the aggregate the Buyer may, in the Buyer's absolute discretion, terminate the Order. In the event of such termination, the rights and obligations of Buy and Seller shall be determined in accordance with the provisions of the Termination for Convenience clause herein.

CLAUSE NO. 28 - TERMINATION FOR CONVENIENCE:

Notwithstanding any other provisions of the Order, the Buyer may by written notice terminate for its convenience the whole or any part of the Order upon providing ten (10) calendar days notice thereof, except that the Buyer may immediately terminate for its convenience the whole or any part of the Order in those instances in which such action is reasonably required as a result of Buyer's customer taking action affecting all or part of the performance of work under the prime contract. Upon receipt of such notice, the Seller must immediately cease work, including, but not limited to the manufacture and procurement of materials for the fulfillment of the terminated portion of the Order.

Buyer's only obligation shall be to pay Seller a percentage of the price reflecting the percentage of the work performed prior to the notice of termination. Seller shall not be paid for any work performed or costs incurred that reasonably could have been avoided.

In no event shall Buyer be liable for lost or anticipated profits, unabsorbed indirect costs or overhead, or any amount in excess of the total Order price.

Seller shall continue all work not terminated.

In the event Seller has a claim for adjustment, it must notify Buyer in writing of its intent to file a claim within

fifteen (15) calendar days from the effective date of termination. Seller's final termination claim must be submitted to Buyer within sixty (60) calendar days from the date that Seller's intent to file a claim was submitted to Buyer. Seller shall have no other remedies after this period.

CLAUSE NO. 29 - TERMINATION FOR DEFAULT: If the Seller fails to comply with any of the terms of the Order, fails to make progress so as to endanger performance of the Order, fails to provide adequate assurance of future performance, files or has filed against it a petition in bankruptcy or becomes insolvent or suffers a material adverse change in financial condition, the Buyer shall, prior to termination of the whole or part of the Order, give the Seller notice of default. The Seller shall have ten (10) calendar days (or more if authorized in writing from the Buyer) from the date of receipt of such notice in which to cure the default or to satisfy the Buyer that such default shall be cured within a period of time acceptable to the Buyer. Upon failure to cure the default, Buyer may give the Seller written notice of Termination for Default.

Upon termination, the Seller will have no claim for further payment other than as provided in this Clause, but will be liable to the Buyer for all direct losses and direct damage which may be suffered by the Buyer by reason of the default, including any increase in the costs incurred by the Buyer in procuring the Articles from another source. Nothing in this Clause affects any obligation of the Buyer under the law to mitigate damages and Seller must proceed with the portion of the Order not terminated under the provisions of the Clause.

If the Order is termination for default, the Buyer may require the Seller to transfer the title and deliver, as directed by the Buyer any (i) completed Articles, and (ii) Manufacturing Materials, that the Seller and its subcontractors have specifically produced or acquired for the portion of the Order under notice of Termination for Default. Upon direction of the Buyer, the Seller shall also protect and preserve property in its possession in which the Buyer has an interest.

The Buyer shall pay the Order price for completed Articles delivered and accepted. The Seller and Buyer will agree on the amount of payment for Manufacturing Materials delivered and accepted. Failure to agree will be a dispute under the Despites clause. The Buy may withhold from these amounts any sum the Buyer determines to be necessary to protect the Buyer against loss because of outstanding liens or claims of former lien holders and Buyer's estimate of re-procurement costs due Buyer. If, after termination, it is determined that the Seller was not in default, or that the default was excusable, as defined in the Excusable Delay clause, the rights and obligations of the parties will be the same as if the termination had been issued for the convenience of the Buyer and the provisions of the Termination for Convenience clause, will apply.

The rights and remedies of the Buyer in this clause or in any other clause of the Order are in addition to any other rights and remedies provided to Buyer by the law or under these Terms and Conditions.

CLAUSE NO. 30 - PATENTS AND DESIGN RIGHTS:

Seller agrees, at its own expense, to defend any suit or action against Buyer or against those selling or using the goods or services covered by this purchase order for alleged infringement of patent or invention rights arising from the sale or use of such goods or services, and to indemnify and save Buyer harmless from any damages, liabilities, claims, losses, and expenses (including



R. E. DYE MANUFACTURING CORPORATION

Purchase Order Terms and Conditions

Revised, August 19, 2015

attorneys' fees) paid or incurred by Buyer in connection with any such suit or action, whether against Buyer or against those selling or using the goods or services covered by this purchase order.

Seller as part consideration for this purchase order and without further cost to Buyer hereby grants and agrees to grant to Buyer an irrevocable non-exclusive, royalty-free right and license to use, sell, manufacture and cause to be manufactured products embodying any and all inventions and discoveries made, conceived or actually reduced to practice in connection with Seller's performance of this purchase order and Seller hereby grants to Buyer a license to repair, rebuild or relocate and to have repaired, rebuilt or relocated the goods purchased by Buyer under this purchase order. Seller agrees that if this purchase order covers research and development work, and any discoveries, inventions or patents result therefrom, the entire right, title and interest in and to such discoveries, inventions and patents shall belong to Buyer.

CLAUSE NO. 31 - CLAUSE MODIFICATION REQUIRED BY BUYER'S CUSTOMER: Seller agrees to incorporate into this purchase order any revised clause or additional clause as Buyer may reasonably deem necessary to enable Buyer to comply with the provisions of the higher-tier contract and any modifications thereto. If any such revised clause or additional clause causes any increase or decrease in the cost of or time required for performance of the purchase order work, an equitable adjustment shall be made in accordance with the procedures of the Changes clause hereof.

CLAUSE NO. 32 - CHANGES: Buyer may at any time, by a written order, make changes within the general scope of this purchase order for compliance by Seller, in any one or more of the following: (i) drawings, designs, or specifications, where the supplies or services to be furnished are to be specifically manufactured or produced for Buyer in accordance therewith; (ii) method of shipment or packing; (iii) place of delivery; (iv) reasonable adjustments in quantities or delivery schedules or both; (v) place of inspection; and (vi) place of acceptance.

If any such change causes an increase or decrease in the cost of or the time required for the performance of any part of the work under this purchase order (whether or not changed by such written order), an equitable adjustment shall be made in the purchase order price or delivery schedule and period of performance, or both, and the purchase order shall be modified in writing accordingly. Any claim by Seller for equitable adjustment under this clause shall be asserted within 10 days from the date of receipt by Seller of the notification of change.

CLAUSE NO. 33 - STOP-WORK ORDER: The Buyer may, at any time, by written order to the Seller, require the Seller to stop all, or any part, of the work called for by this purchase order for a period of 180 days after the written order is delivered to the Seller, and for any further period to which the parties may agree. The order shall be specifically identified as a stop-work order issued under this clause. Upon receipt of the stop-work order, the Seller shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 180 days after a stop-work order is delivered to the Seller, or within any extension of that period to which the parties shall have agreed, the Buyer shall either (1) cancel the stop-work order; or (2) terminate the work covered by the stop-work

order as provided for in Clause No. 28 or 29 of this purchase order.

If a stop-work order issued under this clause is canceled or the period of that order or any extension thereof expires, the Seller shall resume work. The Buyer shall make an equitable adjustment in the delivery schedule or contract price, or both, and the purchase order shall be modified in writing accordingly if (1) the stop-work order results in an increase in the time required for, or in the Seller's cost properly allocable to, the performance of any part of this purchase order; and (2) the Seller asserts its rights to the adjustment within 10 days after the end of the period of work stoppage.

If a stop-work order is not canceled and the work covered by the stop-work order is terminated for the convenience of the Buyer, the Buyer shall allow reasonable costs resulting from the stop-work order in arriving at the termination settlement. If a stop-work order is not canceled and the work covered by the order is terminated for default, the Buyer shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-work order.

CLAUSE NO. 34 - ENTIRE AGREEMENT: The Order, including attachments hereto, constitutes the entire understanding and agreement between the parties with respect to the subject matter hereof and supersedes all prior representations and understandings, whether oral or written. However, nothing herein will be construed as a limitation or exclusion of any right or remedy available to Buyer by law.

If any provision of the Order is invalid or is prohibited by applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions, terms or conditions of or such Order.

The provision of the Order which by their nature are intended to survive the termination, cancellation, completion or expiration of the Order, including any indemnities, warranties and expressed limitations of or releases from liability, shall continue as valid and enforceable obligations of the parties notwithstanding any such termination, cancellation, completion or expiration.

CLAUSE NO. 35 - LIMITATION OF BUYER'S LIABILITY/ STATUTE OF LIMITATIONS: In no event shall Buyer be liable for anticipated profits or for incidental, punitive or consequential damages. Buyer's liability on any claim of any kind for any loss or damage arising out of or connected with or resulting from this purchase order or from the performance or breach thereof shall, in no case, exceed the price allocable to the goods or services or unit thereof which gives rise to the claim. Buyer shall not be liable for penalties of any description. Any action resulting from any breach on the part of Buyer as to the goods or services delivered hereunder must be commenced within one year after the cause of action has accrued.

CLAUSE NO. 36 - WARRANTY OF PRICE AND PROSPECTIVE ADJUSTMENT: Seller warrants that the price(s) for the goods or services sold to Buyer under this purchase order are not less favorable than those currently extended to any other customer for the same or like goods or services in equal or smaller quantities. Further, in the event Seller reduces its price(s) for such during the term of this purchase order, Seller agrees to reduce the price(s) hereof correspondingly.

CLAUSE NO. 37 - U.S. PERSONS STATUS: (Clause may be invoked in writing by Buyer (i) at any time/s within performance of this purchase order, and (ii) without



R. E. DYE MANUFACTURING CORPORATION

Purchase Order Terms and Conditions

Revised, August 19, 2015

adjustment of any other terms and condition of this purchase order.) Persons assigned under this order to work in any of Buyer's facilities need to have original documents sufficient to establish identity and their status as a U.S. Person as that term is defined by the ITAR regulations.

CLAUSE NO. 38 - CERTIFIED SCREENING FOR ALCOHOL AND DRUG ABUSE: (Clause may be invoked in writing by Buyer (i) at any time/s within performance of this purchase order, and (ii) without adjustment of any other terms and conditions of this purchase order.) Seller agrees, and shall certify in writing, that each of its employees and consultants to perform work under this purchase order on the property of the Buyer or its customer shall have passed a generally recognized alcohol and drug abuse test within sixty days (or any other period of time agreed to in writing by the Buyer) preceding the commencement of such work thereby (unless excused in writing by the Buyer).

CLAUSE NO. 39 - NEGOTIATED TERMS: All terms of this purchase order were negotiated between the parties at arm's length. The parties agree that in the event a dispute arises in connection with this purchase order, the terms contained in this purchase order shall be given their plain meaning, and that no term shall be construed in favor of one party over the other by virtue of one party having drafted a term in this purchase order.

CLAUSE NO. 40 - WAIVER OF JURY TRIAL, JURISDICTION: Seller and Buyer expressly acknowledge that by signing this purchase order they are giving up their respective right to a jury trial with respect to any claims regarding, relating to or arising out of this purchase order. Each party hereto irrevocably and unconditionally (i) agrees that any suit, action or other legal proceeding arising out of or in connection with this purchase order shall be brought exclusively in Courts of General Jurisdiction of the State of Texas in the County of Tarrant or, if such court does not have jurisdiction or will not accept jurisdiction, venue of any court of general jurisdiction in the County of Tarrant, Texas; (ii) consents to the jurisdiction and venue of any such court in any suit, action or legal proceeding; and (iii) waives any objection which such party may have to the laying of venue of any such suit, action or proceeding in any such court. Pending any decision, appeal, or judgment, or the settlement of any dispute arising under, out of, or in connection with this purchase order (except with respect to any cancellation or termination of any work covered by this purchase order), Seller shall proceed diligently with the performance of this purchase order.

CLAUSE NO. 41 - IMPROPER DESIGNATION: In the event that Buyer is subject to any liability, damage or expense, including without limitation attorneys' fees or Government withholding of payments, due to a finding or determination by the Contracting Officer that an item designated herein as a commercial item is not a commercial item as defined in FAR 2.101, then Seller agrees to indemnify and hold Buyer harmless to the full extent of any such liability, damage or expense resulting in whole or in part from such finding or determination, and agrees that all mandatory FAR/DFARS clauses contained in the prime contract of Buyer will be considered a part of this purchase order and be applicable to the Seller.

CLAUSE NO. 42 - SUSPECT/COUNTERFEIT PARTS: Seller represents and warrants that it has policies and procedures in place to ensure that none of the supplies or materials furnished under this Purchase Order are "suspect/counterfeit parts" and certifies, to the best of its knowledge and belief, that no such parts have been or are

being furnished to Buyer by Seller. "Suspect/counterfeit parts" are parts that may be of new manufacture, but are misleadingly labeled to provide the impression they are of a different class or quality or from a different source than is actually the case. They also include refurbished parts, complete with false labeling, that are represented as new parts or any parts that are designated as suspect by the U.S. Government, such as parts listed in alerts published by the Defense Contract Management Agency under the Government-Industry Data Exchange Program (GIDEP). If Buyer reasonably determines that Seller has supplied suspect/counterfeit parts to Buyer, Buyer shall promptly notify Seller and Seller shall immediately replace the suspect/counterfeit parts with parts acceptable to Buyer. Notwithstanding any other provision contained herein, Seller shall be liable for all costs incurred by Buyer to remove and replace the suspect/counterfeit parts, including without limitation Buyer's external and internal costs of removing such a counterfeit parts, of reinserting replacement parts and of any testing necessitated by the reinstallation of Seller's goods after counterfeit parts have been exchanged. In addition, Buyer may unilaterally terminate this order for Convenience depending on the impact of the delivery of Suspect/Counterfeit parts on the Seller's overall performance on this order. Seller's warranty against suspect/counterfeit parts shall survive any termination or expiration of this Purchase Order. This clause must be flowed down to all of the Supplier's sub-tier Suppliers. No Supplier in the Supply Chain shall be except from this clause.

CLAUSE NO. 43 - WARRANTY OF AUTHENTICITY: "Supplier warrants that all products delivered under this order are new and in their original packaging. No substitutions are to be supplied without the Buyer's prior written consent. Supplier certifies that the products are genuine products authorized by the Manufacturer and are entitled to the full Manufacturer's warranty and service."

CLAUSE NO. 44 – DISPUTES

In the event of a dispute arising between Buyer and Seller, which is not disposed of by agreement, Seller must request a final written decision from Buyer's Procurement Manager. If the parties can't agree on a dispute resolution process or otherwise resolve a dispute, the said dispute may be filed in the proper court for disposition pursuant to the Waiver of Jury Trial, Jurisdiction clause hereof.

Pending final resolution of any dispute or appeal hereunder, the Seller shall proceed diligently with the performance of the Order as directed by the Buyer. If dispute arises out of a difference in interpretation between the parties as to the performance requirements of the Order, then Seller shall continue performance as determined by the Buyer.

CLAUSE NO. 45 – ORDER OF PRECEDENCE

In the event of any inconsistency between any parts of this Order, the inconsistency shall be resolved by giving precedence in the following order:

- A. Change Order Document;
- B. Purchase Order Document;
- C. Purchase Order Terms and Conditions;
- D. FAR/DFARS clauses;
- E. Statement of Work;
- F. Specifications/Drawings;
- G. Other documents, exhibits, and attachments to the Order.



R. E. DYE MANUFACTURING CORPORATION

Purchase Order Terms and Conditions

Revised, August 19, 2015

CLAUSE NO. 46 – ACCESS TO RECORDS

Seller shall provide right of access to facilities and records involved in this order to the buyer, their customer, and any regulatory agencies. Notification of nonconforming materials will be made to buyer for review by customer material review.

SECTION C - SUPPLIER REPRESENTATIONS AND CERTIFICATIONS

The following representations and certifications, as determined to individually apply per the scoping provision following the title, pertain to the Offeror (pre-award), and to the Seller (post-award) as constituting part of any resulting purchase order. Required representations and certifications will be considered in connection with a pre-award determination of the Offeror's responsibility. If any required representation cannot be made in whole or in any part, the Offeror should prior to or with its offer provide written notification and detail to the Buyer for a determination of Offeror's eligibility for award, pending which no purchase order shall exist. Representations and certifications hereunder include compliance warranties. For purposes hereof, "Offeror" includes "Quoter" and "offer" includes "quotation."

CLAUSE INDEX:

1. Certificate of Established Catalog or Market Prices of Commercial Items
2. Supplier Representation Regarding Non-Segregated Facilities
3. Supplier Previous Contracts and Compliance Reports Representation
4. Supplier Affirmative Action Compliance Representation

A. Representations and Certifications Applicable to this Purchase Order Irrespective of Amount Thereof (subject to any scoping provision per individual clause)

CLAUSE NO. 1 - CERTIFICATE OF ESTABLISHED CATALOG OR MARKET PRICES OF COMMERCIAL ITEMS:

(Clause is applicable only if and to the extent Seller's quoted price(s) resulting in this purchase order was/were represented as either (i) established catalog or market price(s) or (ii) reasonably based on established catalog or market price(s), as further defined below.)

By Seller's acceptance of this purchase order, (i) Seller hereby certifies that Seller's price(s) quoted thereunder was/were either (a) established catalog or market price(s) or (b) reasonably based on established catalog or market price(s) (with the product similarity having been explained and any differences in price(s) identified and justified along with that quotation), for commercial item(s) sold in substantial quantities to the general public (as defined at FAR 2.101); and (ii) that such quoted price(s) was/were no higher than charged to any other customer under similar circumstances (except as was expressly stipulated and explained along with that quotation).

Seller's certification is given for the purpose of enabling Buyer to establish that the quoted price(s) was/were fair and reasonable based upon commercial market constraints. In the event that it should be subsequently established that this certification was in whole or in part invalid, Seller hereby agrees to indemnify Buyer for any loss or damage it may suffer (including any legal fees involved) by reason of having accepted and relied upon this certification.

CLAUSE NO. 2 - SUPPLIER REPRESENTATION REGARDING OF NON-SEGREGATED FACILITIES: (Clause is applicable only if (i) Equal Opportunity clause at Section D, FAR 52.222-

26, is determined to apply to this purchase order, and (ii) this purchase order exceeds or will exceed \$10,000.)

"Segregated facilities" as used in this provision, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis or race, color, religion, sex, national origin because of written or oral policies or employee customs. The term does not include separate or single-user restrooms or necessary dressing or sleeping areas provided to assure privacy between the sexes.

Offeror agrees that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit any of its employees to perform their services at any location under its control where segregated facilities are maintained.

CLAUSE NO. 3 - SUPPLIER PREVIOUS CONTRACTS AND COMPLIANCE REPORTS REPRESENTATION:

(Clause is applicable only if Equal Opportunity clause at Section D, FAR 52.222-26, is determined to apply to this purchase order.) Relating to the associated clause at Section D, FAR 52.222-26, of this form:

Offeror represents that in connection with a previous contract or subcontract subject to either the Equal Opportunity clause of FAR 52.222-26, the clause originally contained in Section 310 of Executive Order 10925, or the clause contained in Section 201 of Executive Order 11114: (i) it has filed all required compliance reports, and (ii) it will secure signed representation indicating submission of the required compliance reports before any subcontract award (at lower tiers).

CLAUSE NO. 4 - SUPPLIER AFFIRMATIVE ACTION COMPLIANCE REPRESENTATION:

(Clause is applicable only if (i) Equal Opportunity clause at Section D, FAR 52.222-26, is determined to apply to this purchase order, and (ii) Offeror has (a) 50 or more employees, or (b) a U.S. Government contract or subcontract of \$50,000 or more [including any purchase order resulting from this solicitation], or (c) U.S. Government bills of lading (GBL) that in any 12-month period total, or can be reasonably expected to total \$50,000 or more.) Relating to the associated clause at Section D, FAR 52.222-26, of this form:

Offeror represents that it has developed and has on file, at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2).

SECTION D – FAR AND DFARS CLAUSES

If the Order contains a U.S. Government Prime Contract Number or if any of the Articles to be supplied under the Order (or any other Orders placed under the Agreement under which the Order is placed) are to be used on a U.S. Government contract, the FAR and, as applicable, DFARS clauses listed in the Flow-Down Attachments below by contract type and dollar threshold are incorporated herein by reference and made a part of these Terms and Conditions. The Parties agree that Flow-Down Attachments I or II, as appropriate, shall be incorporated in all Orders in support of a U.S. Government Prime Contract until Seller provides sufficient documentation that the



R. E. DYE MANUFACTURING CORPORATION

Purchase Order Terms and Conditions

Revised, August 19, 2015

Article(s)/Services qualifies for Commercial Item status in accordance with FAR 2.101. If and when Buyer determines the Article(s)/Services to be a Commercial Item, then Flow-Down Attachment III will be incorporated into all Orders for that particular Article/Service.

The dates of the FAR/DFARS clauses are the dates in effect in the U.S. Government Prime Contract, or subcontract, issued to Buyer. Seller agrees to negotiate with Buyer to incorporate additional provisions beyond those identified in the flow-downs or to change provisions as Buyer reasonably deems necessary to comply with the applicable Prime Contract, or with amendments or modifications to the applicable Prime Contract. Seller shall accept mandatory flow-down clauses in Buyer's Prime Contract, and/or subcontract or modifications thereto, at no additional cost to Buyer.

Where necessary to derive proper meaning in a subcontract situation from these clauses, "Contractor" means "Seller," "Contracting Officer" means "Buyer," "Contract" means this Order, and "Government" means "Buyer or the Government." However, 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.

Purchase Order Terms and Conditions

Flow-Down Attachment I

Revised November 2012



FAR Contract Clauses – FFP Supply (check all that apply)

FAR 52.252-2	Clauses Incorporated by Reference
	This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es): farsite.hill.af.mil acq.osd.mil

Required

FAR 52.211-5	Material Requirements
FAR 52.222-21	Prohibition of Segregated Facilities
FAR 52.222-26	Equal Opportunity
FAR 52.222-50	Combating Trafficking in Persons
FAR 52.225-13	Restrictions on Certain Foreign Purchases
FAR 52.225-25	Prohibition on Engaging in Sanctioned Activities Relating to Iran – Certification

Classified Information

FAR 52.204-2	Security Requirements
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Rated Order

FAR 52.211-15	Defense Priority and Allocation Requirements
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Over \$3,000 (Micro Purchase Threshold)

FAR 52.219-28	Post-Award Small Business Program Representation
FAR 52.222-19	Child Labor – Cooperation with Authorities and Remedies
FAR 52.223-18	Contractor Policy to Ban Text Messaging While Driving

Over \$15,000

FAR 52.222-20	Walsh-Healey Public Contracts Act
FAR 52.222-36	Affirmative Action for Workers with Disabilities

Over \$30,000

FAR 52.209-6	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment
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Purchase Order Terms and Conditions
Flow-Down Attachment I
 Revised November 2012



Over \$100,000

FAR 52.222-35	Equal Opportunity for Veterans
FAR 52.222-37	Employment Reports on Veterans

Over \$150,000 (Simplified Acquisition Threshold)

FAR 52.202-1	Definitions
FAR 52.203-5	Covenant Against Contingent Fees
FAR 52.203-6	Restrictions on Subcontractor Sales to the Government
FAR 52.203-7	Anti-Kickback Procedures
FAR 52.215-14	Integrity of Unit Prices
FAR 52.219-8	Utilization of Small Business Concerns
FAR 52.222-54	Employment Eligibility Verification
FAR 52.225-8	Duty-Free Entry
FAR 52.242-13	Bankruptcy

Over \$650,000

FAR 52.219-9	Small Business Subcontracting Plan
FAR 52.219-16	Liquidated Damages – Subcontracting Plan

Over \$700,000

FAR 52.230-2	Cost Accounting Standards
FAR 52.230-3	Disclosure and Consistency in Cost Accounting Practices
FAR 52.230-4	Disclosure and Consistency of Cost Accounting Practices – Foreign Concerns
FAR 52.230-6	Administration of Cost Accounting Standards

Over \$5,000,000 (and 120 day performance period)

FAR 52.203-13	Contractor Code of Business Ethics and Conduct
FAR 52.203-14	Display of Hotline Poster(s)

Purchase Order Terms and Conditions
Flow-Down Attachment I
 Revised November 2012



DFARS Contract Clauses – FFP Supply (check all that apply)

Required

DFARS 252.243-7001	Pricing of Contract Modifications
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Classified Information

DFARS 252.204-7005	Oral Attestation of Security Responsibilities
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Over \$150,000 (Simplified Acquisition Threshold)

DFARS 252.209-7004	Subcontracting with Firms that are Owned or Controlled by the Government of a Terrorist Country
DFARS 252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals
DFARS 252.225-7010	Commercial Derivative Military Article – Specialty Metals Compliance Certificate
DFARS 252.243-7002	Requests for Equitable Adjustment
DFARS 252.244-7000	Subcontracts for Commercial Items and Commercial Components (DOD Contracts)

Over \$650,000

DFARS 252.219-7003	Small Business Subcontracting Plan (DOD Contracts)
DFARS 252.242-7005	Contractor Business Systems

Over \$700,000 (Cost or Pricing Data)

DFARS 252.215-7002	Cost Estimating System Requirements
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Purchase Order Terms and Conditions
Flow-Down Attachment II
 Revised November 2012



FAR Contract Clauses – Firm Fixed Price (FFP) Service (check all that apply)

FAR 52.252-2	Clauses Incorporated by Reference
	This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es): farsite.hill.af.mil acq.osd.mil

Required

FAR 52.222-50	Combating Trafficking in Persons
FAR 52.225-13	Restrictions on Certain Foreign Purchases
FAR 52-244-6	Subcontracts for Commercial Items
FAR 52.245-1	Government Property
FAR 52.246-15	Certificate of Conformance

As Applicable Clauses

Equal Opportunity

FAR 52.222-21	Prohibition of Segregated Facilities
FAR 52.222-26	Equal Opportunity

Multi-Year Contract

FAR 52.217-2	Cancellation Under Multi-Year Contracts
FAR 52.217-8	Option to Extend Services
FAR 52.217-9	Option to Extend the Term of the Contract
FAR 52.222-43	Fair Labor Standards Act and Service Contract Act – Price Adjustment (Multiple Year and Option Contracts)

Rated Order (DPAS)

FAR 52.211-15	Defense Priority and Allocation Requirements
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Security (Classified)

FAR 52.204-2	Security Requirements
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Purchase Order Terms and Conditions
Flow-Down Attachment II
 Revised November 2012



Over \$2,500 (Service Contract Act of 1965)

FAR 52.222-41	Service Contract Act of 1965
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Over \$3,000 (Micro Purchase Threshold)

FAR 52.219-28	Post-Award Small Business Program Representation
FAR 52.223-18	Contractor Policy to Ban Text Messaging While Driving

Over \$15,000

FAR 52.222-36	Affirmative Action for Workers with Disabilities
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Over \$25,000

FAR 52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards
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Over \$30,000

FAR 52.209-6	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment
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Over \$100,000

FAR 52.222-35	Equal Opportunity for Veterans
FAR 52.222-37	Employment Reports on Veterans

Over \$150,000 (Simplified Acquisition Threshold)

FAR 52.202-1	Definitions
FAR 52.203-5	Covenant Against Contingent Fees
FAR 52.203-6	Restrictions on Subcontractor Sales to the Government
FAR 52.203-7	Anti-Kickback Procedures
FAR 52.215-2	Audit and Records - Negotiation
FAR 52.219-8	Utilization of Small Business Concerns
FAR 52.222-4	Contract Work Hours and Safety Standards Act – Overtime Compensation
FAR 52.222-44	Fair Labor Standards Act and Service Contract Act – Price Adjustment
FAR 52.222-54	Employment Eligibility Verification
FAR 52.242-13	Bankruptcy
FAR 52.244-5	Competition in Subcontracting

Over \$650,000 (Cost Accounting Standards (CAS))

FAR 52.230-2	Cost Accounting Standards
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Purchase Order Terms and Conditions

Flow-Down Attachment II

Revised November 2012



FAR 52.230-3	Disclosure and Consistency of Cost Accounting Practices
FAR 52.230-6	Administration of Cost Accounting Standards

Over \$650,000 (Small Business (SB) Plan)

FAR 52.219-9	Small Business Subcontracting Plan
ALT II	(Submit with proposal)
FAR 52.219-16	Liquidated Damages – Subcontracting Plan

Over \$700,000 (Cost or Pricing Data)

FAR 52.215-12	Subcontractor Certified Cost or Pricing Data
FAR 52.215-13	Subcontractor Certified Cost or Pricing Data – Modifications
FAR 52.215-15	Pension Adjustments and Asset Reversions
FAR 52.215-21	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data – Modifications

Over \$5,000,000 / > 120 Day Performance Period

FAR 52.203-13	Contractor Code of Business Ethics and Conduct
FAR 52.203-14	Display of Hotline Poster(s)

DFARS Contract Clauses – FFP Service (check all that apply)

Required

DFARS 252.203-7000	Requirements Relating to Compensation of Former DOD Officials
DFARS 252.203-7002	Requirement to Inform Employees of Whistleblower Rights
DFARS 252-243-7001	Pricing of Contract Modifications

Required Unless Excepted

DFARS 252.215-7000	Pricing Adjustments
DFARS 252.245-7003	Contractor Property Management System Administration

Classified Information

DFARS 252.204-7005	Oral Attestation of Security Responsibilities
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Over \$150,000 (Simplified Acquisition Threshold)

DFARS 252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies
DFARS 252.209-7004	Subcontracting with Firms that are Owned or Controlled by the Government of a Terrorist Country
DFARS 252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty

Purchase Order Terms and Conditions

Flow-Down Attachment II

Revised November 2012



	Metals
DFARS 252.225-7010	Commercial Derivative Military Article – Specialty Metals Compliance Certificate
DFARS 252.225-7012	Preference for Certain Domestic Commodities
DFARS 252.243-7002	Requests for Equitable Adjustment
DFARS 252.244-7000	Subcontracts for Commercial Items and Commercial Components (DOD Contracts)

Over \$650,000

DFARS 252.219-7003	Small Business Subcontracting Plan (DOD Contracts)
DFARS 252.242-7005	Contractor Business Systems

Over \$700,000 (Cost or Pricing Data)

DFARS 252.215-7002	Cost Estimating System Requirements
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Purchase Order Terms and Conditions
Flow-Down Attachment III
 Revised November 2012



FAR Contract Clauses – Commercial Items (check all that apply)

Required

FAR 52.203-6	Restrictions on Subcontractor Sales to the Government
FAR 52.212-4	Contract Terms & Conditions – Commercial Items
FAR 52.212-5	Contract Terms & Conditions Required to Implement Statutes or Executive Orders – Commercial Items (Only checked items apply.)
	<p>As prescribed in 12.301(b)(4), insert the following clause: CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS—COMMERCIAL ITEMS</p> <p>(a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clauses, which are incorporated in this contract by reference, to implement provisions of law or Executive orders applicable to acquisitions of commercial items:</p> <p>(1) 52.222-50, Combating Trafficking in Persons (22 U.S.C. 7104(g)). ___ Alternate I (AUG 2007) of 52.222-50 (22 U.S.C. 7104(g)).</p> <p>(2) 52.233-3, Protest After Award (AUG 1996) (31 U.S.C. 3553).</p> <p>(3) 52.233-4, Applicable Law for Breach of Contract Claim (OCT 2004) (Pub. L. 108-77, 108-78).</p> <p>(b) The Contractor shall comply with the FAR clauses in this paragraph (b) that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items: [<i>Contracting Officer check as appropriate.</i>]</p> <p>___ (1) 52.203-6, Restrictions on Subcontractor Sales to the Government (SEPT 2006), with Alternate I (OCT 1995) (41 U.S.C. 253g and 10 U.S.C. 2402).</p> <p>___ (2) 52.203-13, Contractor Code of Business Ethics and Conduct (APR 2010) (Pub. L. 110-252, Title VI, Chapter 1 (41 U.S.C. 251 note)).</p> <p>___ (3) 52.203-15, Whistleblower Protections under the American Recovery and Reinvestment Act of 2009 (JUNE 2010) (Section 1553 of Pub. L. 111-5). (Applies to contracts funded by the American Recovery and Reinvestment Act of 2009.)</p> <p>___ (4) 52.204-10, Reporting Executive Compensation and First-Tier Subcontract Awards (JUL 2010) (Pub. L. 109-282) (31 U.S.C. 6101 note).</p> <p>___ (5) 52.204-11, American Recovery and Reinvestment Act—Reporting Requirements (JUL 2010) (Pub. L. 111-5).</p> <p>___ (6) 52.209-6, Protecting the Government’s Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (DEC 2010) (31 U.S.C. 6101 note). (Applies to contracts over \$30,000). (Not applicable to subcontracts for the acquisition of commercially available off-the-shelf items).</p> <p>___ (7) 52.219-3, Notice of Total HUBZone Set-Aside or Sole-Source Award (JAN 2011) (15 U.S.C. 657a).</p> <p>___ (8) 52.219-4, Notice of Price Evaluation Preference for HUBZone Small Business Concerns (JAN 2011) (if the offeror elects to waive the preference, it shall so indicate in its offer) (15 U.S.C. 657a).</p> <p>___ (9) [Reserved]</p>

Purchase Order Terms and Conditions

Flow-Down Attachment III

Revised November 2012



- ___ (10)(i) [52.219-6](#), Notice of Total Small Business Set-Aside (JUNE 2003) ([15 U.S.C. 644](#)).
- ___ (ii) Alternate I (OCT 1995) of [52.219-6](#).
- ___ (iii) Alternate II (MAR 2004) of [52.219-6](#).
- ___ (11)(i) [52.219-7](#), Notice of Partial Small Business Set-Aside (JUNE 2003) ([15 U.S.C. 644](#)).
- ___ (ii) Alternate I (OCT 1995) of [52.219-7](#).
- ___ (iii) Alternate II (MAR 2004) of [52.219-7](#).
- ___ (12) [52.219-8](#), Utilization of Small Business Concerns (JAN 2011) ([15 U.S.C. 637\(d\)\(2\)](#) and (3)).
- ___ (13)(i) [52.219-9](#), Small Business Subcontracting Plan (JAN 2011) ([15 U.S.C. 637\(d\)\(4\)](#)).
- ___ (ii) Alternate I (OCT 2001) of [52.219-9](#).
- ___ (iii) Alternate II (OCT 2001) of [52.219-9](#).
- ___ (iv) Alternate III (JUL 2010) of [52.219-9](#).
- ___ (14) [52.219-14](#), Limitations on Subcontracting (DEC 1996) ([15 U.S.C. 637\(a\)\(14\)](#)).
- ___ (15) [52.219-16](#), Liquidated Damages—Subcontracting Plan (JAN 1999) ([15 U.S.C. 637\(d\)\(4\)\(F\)\(i\)](#)).
- ___ (16)(i) [52.219-23](#), Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns (OCT 2008) ([10 U.S.C. 2323](#)) (if the offeror elects to waive the adjustment, it shall so indicate in its offer).
- ___ (ii) Alternate I (JUNE 2003) of [52.219-23](#).
- ___ (17) [52.219-25](#), Small Disadvantaged Business Participation Program—Disadvantaged Status and Reporting (DEC 2010) (Pub. L. 103-355, section 7102, and [10 U.S.C. 2323](#)).
- ___ (18) [52.219-26](#), Small Disadvantaged Business Participation Program— Incentive Subcontracting (OCT 2000) (Pub. L. 103-355, section 7102, and [10 U.S.C. 2323](#)).
- ___ (19) [52.219-27](#), Notice of Total Service-Disabled Veteran-Owned Small Business Set-Aside (MAY 2004) ([15 U.S.C. 657 f](#)).
- ___ (20) [52.219-28](#), Post Award Small Business Program Rerepresentation (APR 2009) ([15 U.S.C. 632\(a\)\(2\)](#)).
- ___ (21) [52.219-29](#) Notice of Total Set-Aside for Economically Disadvantaged Women-Owned Small Business (EDWOSB) Concerns (APR 2011).
- ___ (22) [52.219-30](#) Notice of Total Set-Aside for Women-Owned Small Business (WOSB) Concerns Eligible Under the WOSB Program (APR 2011).
- ___ (23) [52.222-3](#), Convict Labor (JUNE 2003) (E.O. 11755).
- ___ (24) [52.222-19](#), Child Labor—Cooperation with Authorities and Remedies (JUL 2010) (E.O. 13126).
- ___ (25) [52.222-21](#), Prohibition of Segregated Facilities (FEB 1999).
- ___ (26) [52.222-26](#), Equal Opportunity (MAR 2007) (E.O. 11246).
- ___ (27) [52.222-35](#), Equal Opportunity for Veterans (SEP 2010) ([38 U.S.C. 4212](#)).
- ___ (28) [52.222-36](#), Affirmative Action for Workers with Disabilities (OCT 2010) ([29 U.S.C. 793](#)).
- ___ (29) [52.222-37](#), Employment Reports on Veterans (SEP 2010) ([38 U.S.C. 4212](#)).
- ___ (30) [52.222-40](#), Notification of Employee Rights Under the National

Purchase Order Terms and Conditions

Flow-Down Attachment III

Revised November 2012



Labor Relations Act (DEC 2010) (E.O. 13496).

___ (31) [52.222-54](#), Employment Eligibility Verification (JAN 2009). (Executive Order 12989). (Not applicable to the acquisition of commercially available off-the-shelf items or certain other types of commercial items as prescribed in [22.1803](#).)

___ (32)(i) [52.223-9](#), Estimate of Percentage of Recovered Material Content for EPA-Designated Items (MAY 2008) ([42 U.S.C. 6962\(c\)\(3\)\(A\)\(ii\)](#)). (Not applicable to the acquisition of commercially available off-the-shelf items.)

___ (ii) Alternate I (MAY 2008) of [52.223-9](#) ([42 U.S.C. 6962\(i\)\(2\)\(C\)](#)). (Not applicable to the acquisition of commercially available off-the-shelf items.)

___ (33) [52.223-15](#), Energy Efficiency in Energy-Consuming Products (DEC 2007) ([42 U.S.C. 8259b](#)).

___ (34)(i) [52.223-16](#), IEEE 1680 Standard for the Environmental Assessment of Personal Computer Products (DEC 2007) (E.O. 13423).

___ (ii) Alternate I (DEC 2007) of [52.223-16](#).

___ (35) [52.223-18](#), Contractor Policy to Ban Text Messaging While Driving (SEP 2010) (E.O. 13513).

___ (36) [52.225-1](#), Buy American Act—Supplies (FEB 2009) ([41 U.S.C. 10a-10d](#)).

___ (37)(i) [52.225-3](#), Buy American Act—Free Trade Agreements—Israeli Trade Act (JUNE 2009) ([41 U.S.C. 10a-10d](#), [19 U.S.C. 3301](#) note, [19 U.S.C. 2112](#) note, [19 U.S.C. 3805](#) note, Pub. L. 108-77, 108-78, 108-286, 108-302, 109-53, 109-169, 109-283, and 110-138).

___ (ii) Alternate I (JAN 2004) of [52.225-3](#).

___ (iii) Alternate II (JAN 2004) of [52.225-3](#).

___ (38) [52.225-5](#), Trade Agreements (AUG 2009) ([19 U.S.C. 2501](#), *et seq.*, [19 U.S.C. 3301](#) note).

___ (39) [52.225-13](#), Restrictions on Certain Foreign Purchases (JUNE 2008) (E.O.'s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury).

___ (40) [52.226-4](#), Notice of Disaster or Emergency Area Set-Aside (NOV 2007) ([42 U.S.C. 5150](#)).

___ (41) [52.226-5](#), Restrictions on Subcontracting Outside Disaster or Emergency Area (NOV 2007) ([42 U.S.C. 5150](#)).

___ (42) [52.232-29](#), Terms for Financing of Purchases of Commercial Items (FEB 2002) ([41 U.S.C. 255\(f\)](#), [10 U.S.C. 2307\(f\)](#)).

___ (43) [52.232-30](#), Installment Payments for Commercial Items (OCT 1995) ([41 U.S.C. 255\(f\)](#), [10 U.S.C. 2307\(f\)](#)).

___ (44) [52.232-33](#), Payment by Electronic Funds Transfer—Central Contractor Registration (OCT 2003) ([31 U.S.C. 3332](#)).

___ (45) [52.232-34](#), Payment by Electronic Funds Transfer—Other than Central Contractor Registration (MAY 1999) ([31 U.S.C. 3332](#)).

___ (46) [52.232-36](#), Payment by Third Party (FEB 2010) ([31 U.S.C. 3332](#)).

___ (47) [52.239-1](#), Privacy or Security Safeguards (AUG 1996) ([5 U.S.C. 552a](#)).

___ (48)(i) [52.247-64](#), Preference for Privately Owned U.S.-Flag Commercial Vessels (FEB 2006) ([46 U.S.C. Appx. 1241\(b\)](#) and [10 U.S.C. 2631](#)) ___ (ii) Alternate I (Apr

Purchase Order Terms and Conditions

Flow-Down Attachment III

Revised November 2012



2003) of [52.247-64](#).

(c) The Contractor shall comply with the FAR clauses in this paragraph (c), applicable to commercial services, that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

[Contracting Officer check as appropriate.]

___ (1) [52.222-41](#), Service Contract Act of 1965 (Nov 2007) ([41 U.S.C. 351](#), *et seq.*).

___ (2) [52.222-42](#), Statement of Equivalent Rates for Federal Hires (MAY 1989) ([29 U.S.C. 206](#) and [41 U.S.C. 351](#), *et seq.*).

___ (3) [52.222-43](#), Fair Labor Standards Act and Service Contract Act—Price Adjustment (Multiple Year and Option Contracts) (SEP 2009) ([29 U.S.C. 206](#) and [41 U.S.C. 351](#), *et seq.*).

___ (4) [52.222-44](#), Fair Labor Standards Act and Service Contract Act—Price Adjustment (SEP 2009) ([29 U.S.C. 206](#) and [41 U.S.C. 351](#), *et seq.*).

___ (5) [52.222-51](#), Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment—Requirements (NOV 2007) ([41 351](#), *et seq.*).

___ (6) [52.222-53](#), Exemption from Application of the Service Contract Act to Contracts for Certain Services— Requirements (FEB 2009) ([41 U.S.C. 351](#), *et seq.*).

___ (7) [52.226-6](#), Promoting Excess Food Donation to Nonprofit Organizations (MAR 2009) (Pub. L. 110-247).

___ (8) [52.237-11](#), Accepting and Dispensing of \$1 Coin (SEPT 2008) ([31 U.S.C. 5112\(p\)\(1\)](#)). (d) *Comptroller General Examination of Record*.

The Contractor shall comply with the provisions of this paragraph (d) if this contract was awarded using other than sealed bid, is in excess of the simplified acquisition threshold, and does not contain the clause at [52.215-2](#), Audit and Records—Negotiation.

(1) The Comptroller General of the United States, or an authorized representative of the Comptroller General, shall have access to and right to examine any of the Contractor's directly pertinent records involving transactions related to this contract.

(2) The Contractor shall make available at its offices at all reasonable times the records, materials, and other evidence for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in FAR [Subpart 4.7](#), Contractor Records Retention, of the other clauses of this contract. If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement. Records relating to appeals under the disputes clause or to litigation or the settlement of claims arising under or relating to this contract shall be made available until such appeals, litigation, or claims are finally resolved.

(3) As used in this clause, records include books, documents, accounting procedures and practices, and other data, regardless of type and regardless of form. This does not require the Contractor to create or maintain any record that the Contractor does not maintain in the ordinary course of business or pursuant to a provision of law.

Purchase Order Terms and Conditions

Flow-Down Attachment III

Revised November 2012



(e)(1) Notwithstanding the requirements of the clauses in paragraphs (a), (b), (c), and (d) of this clause, the Contractor is not required to flow down any FAR clause, other than those in this paragraph (e)(1) in a subcontract for commercial items. Unless otherwise indicated below, the extent of the flow down shall be as required by the clause—

- (i) [52.203-13](#), Contractor Code of Business Ethics and Conduct (APR 2010) (Pub. L. 110-252, Title VI, Chapter 1 ([41 U.S.C. 251 note](#))).
- (ii) [52.219-8](#), Utilization of Small Business Concerns (DEC 2010) ([15 U.S.C. 637\(d\)\(2\)](#) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$650,000 (\$1.5 million for construction of any public facility), the subcontractor must include [52.219-8](#) in lower tier subcontracts that offer subcontracting opportunities.
- (iii) [Reserved]
- (iv) [52.222-26](#), Equal Opportunity (MAR 2007) (E.O. 11246).
- (v) [52.222-35](#), Equal Opportunity for Veterans (SEP 2010) ([38 U.S.C. 4212](#)).
- (vi) [52.222-36](#), Affirmative Action for Workers with Disabilities (OCT 2010) ([29 U.S.C. 793](#)).
- (vii) [52.222-40](#), Notification of Employee Rights Under the National Labor Relations Act (DEC 2010) (E.O. 13496). Flow down required in accordance with paragraph (f) of FAR clause [52.222-40](#).
- (viii) [52.222-41](#), Service Contract Act of 1965 (NOV 2007) ([41 U.S.C. 351](#), *et seq.*).
- (ix) [52.222-50](#), Combating Trafficking in Persons (FEB 2009) ([22 U.S.C. 7104\(g\)](#)).
- ___Alternate I (AUG 2007) of [52.222-50](#) ([22 U.S.C. 7104\(g\)](#)).
- (x) [52.222-51](#), Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment-Requirements (NOV 2007) ([41 U.S.C. 351](#), *et seq.*).
- (xi) [52.222-53](#), Exemption from Application of the Service Contract Act to Contracts for Certain Services-Requirements (FEB 2009) ([41 U.S.C. 351](#), *et seq.*).
- (xii) [52.222-54](#), Employment Eligibility Verification (JAN 2009).
- (xiii) [52.226-6](#), Promoting Excess Food Donation to Nonprofit Organizations (MAR 2009) (Pub. L. 110-247). Flow down required in accordance with paragraph (e) of FAR clause [52.226-6](#).
- (xiv) [52.247-64](#), Preference for Privately Owned U.S.-Flag Commercial Vessels (FEB 2006) ([46 U.S.C. Appx. 1241\(b\)](#) and [10 U.S.C. 2631](#)). Flow down required in accordance with paragraph (d) of FAR clause [52.247-64](#).

(2) While not required, the contractor may include in its subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

FAR 52.225-13	Restrictions on Certain Foreign Purchases
FAR 52.225-25	Prohibition on Engaging in Sanctioned Activities Relating to Iran-Certification

Purchase Order Terms and Conditions
Flow-Down Attachment III
 Revised November 2012



Over Micro Purchase Threshold (\$3,000)

FAR 52.219-28	Post-Award Small Business Program Representation
FAR 52.223-18	Contractor Policy to Ban Text Messaging While Driving

Over \$25,000

FAR 52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards
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Over \$150,000

FAR 52.225-8	Duty-Free entry
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Over \$500,000

FAR 52.209-7	Information Regarding Responsibility Matters
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Over \$650,000

FAR 52.219-9	Small Business Subcontracting Plan
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DFARS Contract Clauses – Commercial Item (check all that apply)

Required

DFARS 252.203-7000	Requirements Relating to Compensation of Former DOD Officials
DFARS 252.203-7002	Requirements to Inform Employees of Whistleblower Rights
DFARS 252.212-7001	Contract Terms and Conditions Required to Implement Statutes or Executive Orders Applicable to Defense Acquisitions of Commercial Items

Over \$150,000 (Simplified Acquisition Threshold)

DFARS 252.209-7004	Subcontracting with Firms that are Owned or Controlled by the Government of a Terrorist Country
DFARS 252.212-7000	Offerors Representations and Certifications – Commercial Items
DFARS 252.243-7002	Requests for Equitable Adjustment

Over \$650,000

DFARS 252.219-7003	Small Business Subcontracting Plan (DOD Contracts)
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