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| Specification | Precision Hermetic Technology Inc. | No. | PHTS0032 |
| | | Issue No. | Rev. A |
| | | Date | 12/8/2023 |

FAR/DFARS FLOW DOWN CLAUSES

A. Scope

The Federal Acquisition Regulation (FAR) and Department of Defense Federal Acquisition Regulation Supplement (DFARS) clauses shall be applicable to all Purchase Orders (“Order(s)”) placed by Precision Hermetic Technology, Inc. (PHT), unless otherwise specified on the face of an Order. Once accepted by Seller, these clauses form a valid and enforceable contract between PHT issuing the Order and the Seller.

B. Incorporation of FAR and DFARS Clauses

When the products or services furnished under an Order are furnished in connection with a U.S. Government prime contract or subcontract, the following FAR and DFARS clauses identified below shall also apply to the Order, as required by terms of the prime contractor by operation of law or regulation. Said FAR and DFARS clauses are incorporated into the Order by reference, with the same force and effect as if they were given in full text. The effective version of each FAR or DFARS clause shall be the same version as appears in PHT’s prime contract, or higher-tier subcontract under which the Order is issued. In the event there is no such equivalent clause in PHT’s prime contract or higher-tier subcontract, the date shall be the regulatory date in effect as of the date of the Order.

The applicability and interpretation of each clause are subject to any specific parenthetical statement following its title. In the event of a conflict between these FAR or DFARS provisions and the terms of the main body of the Order, the terms in the main body of the Order shall control. The Contracts Disputes Act shall have no application to the Order. Any reference to a “Disputes” clause shall mean the “Disputes” clause of the governing terms and conditions. Identification of applicable clause thresholds and further flow down requirements is informational only and is not to be construed as determinative. The Seller remains responsible for determining and complying with all clause flow down requirements.

Seller agrees to negotiate in good faith with PHT to amend and incorporate into the Order any additional clauses as PHT may deem necessary to comply with the clauses of its prime contract, subcontract, or higher tier subcontract. If any such amendment causes an increase or decrease in the cost of, or the time required for, performance of any part of the Order, an equitable adjustment shall be made by PHT pursuant to the “Changes” clause of the governing terms and conditions.

C. Certifications and Representations

Seller acknowledges that PHT will rely upon Seller’s certifications and representations, including representations as to business size and socio-economic status as applicable, contained in these clauses, any written offer, proposal or quote, or company profile submission, which results in award of a contract to PHT. By entering such contract, PHT republishes the certifications and representations submitted with its written offer, including company profile information, and oral offers/quoting made at the request of PHT, and PHT makes those certifications and representations set forth below. The Seller shall immediately notify PHT of any change of status regarding any certification or representation.

D. Interpretation

In all FAR and DFARS clauses listed below, the terms “Government”, “Contractor”, and “Contracting Officer” shall be revised to suitably identify PHT and Seller and affect the proper intent of the clause, except where further clarified or modified in the parenthetical that follows each clause. Notwithstanding the foregoing, nothing herein shall be construed to mean that PHT may modify or limit any rights the United States Government may have as set forth in the FAR and DFARS clauses below. Nor shall anything herein be construed to provide Seller with rights that only the United States Government has the authority to grant or perform, such as in FAR 52.227-1 and FAR 52.227-2. All Seller contact with the prime contract or any higher-tier subcontractor relating to this Order shall be through or coordinated with PHT.

1. FAR Clauses

In accordance with 52.252-2, the following clauses are incorporated by reference and apply as defined by the respective FAR clause:

(a) The following FAR clauses apply to all Orders:

- 52.202-1 Definitions
- 52.203-19 Prohibition on Requiring Certain Internal Confidentiality Agreements of Statements
- 52.204-2 Security Requirements
- 52.204-9 Personal Identity Verification of Contractor Personnel

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| 52.204-21 | Basic Safeguarding of Covered Contractor Information Systems |
| 52.204-23 | Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities |
| 52.204-24 | Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment |
| 52.204-25 | Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment |
| 52.204-26 | Covered Telecommunications Equipment or Services-Representation |
| 52.208-8 | Required Sources for Helium and Helium Usage Data |
| 52.211-5 | Material Requirements |
| 52.211-14 | Notice of Priority Rating for National Defense, Emergency Preparedness, and Energy Program Use |
| 52.211-15 | Defense Priority and Allocation Requirements |
| 52.216-7 | Allowable Cost and Payment |
| 52.216-8 | Fixed Fee |
| 52.216-10 | Incentive Fee |
| 52.216-11 | Cost Contract – No Fee |
| 52.216-12 | Cost-Sharing Contract – No Fee |
| 52.219-8 | Utilization of Small Business Concerns |
| 52.219-9 | Small Business Subcontracting Plan |
| 52.219-16 | Liquidated Damages-Subcontracting Plan |
| 52.222-1 | Notice to Government of Labor Dispute |
| 52.222-26 | Equal Opportunity |
| 52.222-41 | Service Contract Labor Standards |
| 52.222-50 | Combating Trafficking in Persons |
| 52.222-51 | Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment--Requirements |
| 52.222-53 | Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services--Requirements |
| 52.222-55 | Minimum Wages under Executive Order 13658 |
| 52.222-56 | Certification Regarding Trafficking in Persons Compliance Plan (as prescribed in FAR 22.1705(b)) |
| 52.222-62 | Paid Sick Leave under Executive Order 13706 |
| 52.223-3 | Hazardous Material Identification and Material Safety Data |
| 52.223-5 | Pollution Prevention and Right-to-Know Information |
| 52.223-6 | Drug-Free Workplace |
| 52.223-7 | Notice of Radioactive Materials |
| 52.223-11 | Ozone-Depleting Substances |
| 52.223-18 | Encouraging Contractor Policies to Ban Text Messaging While Driving |
| 52.224-1 | Privacy Act Notification |
| 52.224-2 | Privacy Act |
| 52.224-3 | Privacy Training |
| 52.225-1 | Buy American – Supplies |
| 52.225-5 | Trade Agreements |
| 52.225-8 | Duty-Free Entry |
| 52.225-13 | Restrictions on Certain Foreign Purchases |
| 52.225-26 | Contractors Performing Private Security Functions Outside the United States |
| 52.227-9 | Refund of Royalties |
| 52.227-10 | Filing of Patent Applications – Classified Subject Matter |
| 52.227-11 | Patent Rights-Ownership by the Contractor |
| 52.227-13 | Patent Rights-Ownership by the Government |
| 52.227-14 | Rights in Data-General |
| 52.227-16 | Additional Data Requirements |
| 52.227-19 | Commercial Computer Software License |
| 52.228-3 | Workers Compensation Insurance |
| 52.228-5 | Insurance – Work on a Government Installation |

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- 52.232-20 Limitation of Cost
- 52.232-22 Limitation of Funds
- 52.232-39 Unenforceability of Unauthorized Obligations
- 52.232-40 Providing Accelerated Payments to Small Business Subcontractors
- 52.233-4 Applicable Law for Breach of Contract Claim
- 52.234-1 Industrial Resources Developed Under Defense Production Act Title III
- 52.237-2 Protection of Government Buildings, Equipment and Vegetation
- 52.242-1 Notice of Intent to Disallow Costs
- 52.242-3 Penalties for Unallowable Costs
- 52.242-4 Certification of Final Indirect Costs
- 52.242-13 Bankruptcy
- 52.242-15 Stop-Work Order
- 52.243-1 Changes – Fixed Price
- 52.243-2 Changes -- Cost Reimbursement
- 52.243-3 Changes-Time and Material or Labor-Hours
- 52.243-6 Change Order Accounting
- 52.243-7 Notification of Changes
- 52.244-2 Subcontracts
- 52.244-5 Competition in Subcontracting
- 52.244-6 Subcontracts for Commercial Items
- 52.245-1 Government Property
- 52.245-9 Use and Charges
- 52.246-2 Inspection of Supplies-Fixed Price
- 52.246-3 Inspection of Supplies -- Cost-Reimbursement
- 52.246-4 Inspection of Supplies-Fixed Price
- 52.246-5 Inspection of Services-Cost-Reimbursement
- 52.246-15 Certificate of Conformance
- 52.246-26 Reporting Nonconforming Items
- 52.247-63 Preference for U.S.-Flag Air Carriers
- 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels
- 52.249-2 Termination for Convenience of the Government (Fixed-Price)
- 52.249-5 Termination for Convenience of the Government (Educational and other Nonprofit Institutions)
- 52.249-6 Termination (Cost Reimbursement)
- 52.249-8 Termination for Default (Fixed-Price Supply and Service)
- 52.249-14 Excusable Delays

(b) Additional clauses apply as defined by the respective FAR clause if the value of the Order is over \$3,500.00:

- 52.222-54 Employment Eligibility Verification

(c) Additional clauses apply as defined by the respective FAR clause if the value of the Order exceeds \$10,000:

- 52.222-19 Child Labor-Cooperation with Authorities and Remedies
- 52.222-21 Prohibition of Segregated Facilities
- 52.222-22 Previous Contracts and Compliance Reports
- 52.222-25 Affirmative Action Compliance
- 52.222-40 Notification of Employee Rights under the National Labor Relations Act

(d) Additional clauses apply as defined by the respective FAR clause if the value of the Order exceeds \$15,000:

- 52.222-20 Contracts for Materials, Supplies, Articles, and Equipment Exceeding \$15,000 (Walsh-Healy Act)
- 52.222-36 Equal Opportunity for Workers with Disabilities

(e) Additional clause applies if the Buyer is the Prime Contractor with the USG, and the Order exceeds \$30,000:

- 52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards

(f) Additional clauses apply as defined by the respective FAR clause if the Order exceeds \$35,000:

- 52.209-6 Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment

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(g) Additional clauses apply as defined by the respective FAR clause if the Order exceeds \$150,000:

- 52.222-4 Contract Work Hours and Safety Standards -- Overtime Compensation
- 52.222-35 Equal Opportunity for Veterans
- 52.222-37 Employment Reports on Veterans
- 52.225-5 Trade Agreements

(h) Additional clauses apply as defined by the respective FAR clause if the value the Order exceeds \$250,000:

- 52.203-2 Certificate of Independent Price Determination
- 52.203-3 Gratuities
- 52.203-5 Covenant Against Contingent Fees
- 52.203-6 Restrictions on Subcontractor Sales to the Government
- 52.203-7 Anti-Kickback Procedures (except subparagraph (c)(1) of the clause)
- 52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity
- 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity
- 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
- 52.203-12 Limitation on Payments to Influence Certain Federal Transactions
- 52.203-15 Whistleblower Protections Under the American Recovery and Investment Act of 2009.
- 52.203-16 Preventing Personal Conflicts of Interest
- 52.203-17 Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights
- 52.209-7 Information Regarding Responsibility Matters
- 52.209-9 Updates of Publicly Available Information Regarding Responsibility Matters
- 52.215-2 Audit and Records-Negotiation
- 52.215-14 Integrity of Unit Prices (excluding paragraph (b))
- 52.215-23 Limitations on Pass-Through Charges
- 52.217-8 Option to Extend Services
- 52.217-9 Option to Extend the Term of the Contract
- 52.222-2 Payment for Overtime Premiums (insert "0%" in paragraph (a) unless indicated otherwise in the order)
- 52.222-17 No displacement of Qualified Workers
- 52.223-99 Ensuring Adequate COVID-19 Safety Protocols for Federal Contractors
- 52.227-1 Authorization and Consent
- 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement
- 52.244-5 Competition in Subcontracting
- 52.232-17 Interest
- 52.248-1 Value Engineering (except as specified in FAR 48.201(a))

(i) Additional clauses apply as defined by the respective FAR clause if the Order exceeds \$750,000:

- 52.219-9 Small Business Subcontracting Plan
- 52.230-1 Cost Accounting Standards Notices and Certification
- 52.230-2 Cost Accounting Standards
- 52.230-3 Disclosure and Consistency of Cost Accounting Practices
- 52.230-6 Administration of Cost Accounting Standards

(j) Additional clauses apply as defined by the respective FAR clauses if the Order exceeds \$2,000,000:

- 52.214-26 Audit and Records-Sealed Bidding
- 52.214-27 Price Reduction for Defective Cost or Pricing Data-Modifications
- 52.214-28 Subcontractor Certified Cost or Pricing Data-Modifications
- 52.215-10 Price Reduction for Defective Certified Cost or Pricing Data
- 52.215-11 Price Reduction for Defective Certified Cost or Pricing Data-Modifications
- 52.215-12 Subcontractor Certified Cost or Pricing Data
- 52.215-13 Subcontractor Certified Cost or Pricing Data-Modifications
- 52.215-15 Pension Adjustments and Asset Reversions
- 52.215-16 Facilities Capital Cost of Money
- 52.215-17 Waiver of Facilities Capital Cost of Money

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- 52.215-18 Reversion or Adjustment of Plans for Post-retirement Benefits (PRB) Other than Pensions
- 52.215-19 Notification of Ownership Changes
- 52.215-20 Requirements for Certified Cost or Pricing Data or Information Other than Cost or Pricing Data
- 52.215-21 Requirements for Certified Cost or Pricing Data or Information Other than Cost or Pricing Data-
Modifications
- 52.215-23 Limitations on Pass-Through Charges (see exceptions in FAR 15.408(n)(2)(i)(B)(2))
- 52.230-2 Cost Accounting Standards
- 52-230-3 Disclosure and Consistency of Cost Accounting Practices
- 52.230-4 Disclosure and Consistency of Cost Accounting Practices-Foreign Concerns
- 52.230-5 Cost Accounting Standards – Educational Institutions (except paragraph (b) of this clause)
- 52.230-6 Administration of Cost Accounting Standards (applies with 52.203-2, 52.203-3, 52.203-4 or 52-203-5
apply)

(k) Additional clauses apply as defined by the respective FAR clause if the Order exceeds \$5,500,000:

- 52.203-13 Contractor Code of Business Ethics and Conduct
- 52.203-14 Display of Hotline Posters

2. DFARS Clauses (applicable to Department of Defense (DoD).)

The following DFARS clauses are incorporated by reference and apply to Buyer's Order as defined by the respective DFARS clause:

(a) The following DFARS clauses apply as defined by the respective DFARS clause regardless of dollar value:

- 252.203-7002 Requirement to Inform Employees of Whistleblower Rights
- 252.204-7000 Disclosure of Information
- 252.204-7002 Payment for Contract Line or Subline Items Not Separately Priced
- 252.204-7003 Control of Government Personnel Work Product
- 252.204-7004 Antiterrorism Awareness Training for Contractors
- 252.204-7006 Billing Instructions
- 252.204-7007 Alternate A, Annual Representations and Certifications
- 252.204-7008 Compliance with Safeguarding Covered Defense Information Controls
- 252.204-7009 Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information
- 252.204-7010 Requirement for Contractor to Notify DoD if the Contractor's Activities are Subject to Reporting Under the
U.S.-International Atomic Energy Agency Additional Protocol.
- 252.204-7012 Safeguarding of Covered Defense Information and Cyber Incident Reporting
- 252.204-7014 Limitations on the Use or Disclosure of Information by Litigation Support Contractors
- 252.204-7015 Notice of Authorized Disclosure of Information to Litigation Support
- 252.204-7016 Covered Defense Telecommunications Equipment or Services – Representation
- 252.204-7017 Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services -
Representation
- 252.204-7018 Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services
- 252.204-7019 Notice of NIST SP 800-171 DoD Assessment Requirements
- 252.204-7020 NIST SP 800-171 DoD assessment Requirements
- 252.204-7021 Cybersecurity Maturity Model Certification Level Requirement
- 252.204-7022 Expediting Contract Closeout
- 252.204-7023 Reporting Requirements for Contracted Services
- 252.204-7024 Notice on the Use of the Supplier Performance Risk System
- 252.208-7000 Intent to Furnish Precious Metals as Government-Furnished Material
- 252.209-7004 Subcontracting with Firms That Are Owned or Controlled by the Government of a Country that is a State
Sponsor of Terrorism
- 252.211-7003 Item Unique Identification and Valuation
- 252.211-7007 Reporting of Government-Furnished Property
- 252.215-7002 Cost Estimating System Requirements
- 252.223-7001 Hazard Warning Labels
- 252.223-7002 Safety Precautions for Ammunition and Explosives

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- 252.223-7003 Change in Place of Performance – Ammunition and Explosives
- 252.223-7006 Prohibition on Storage, Treatment, and Disposal of Toxic or Hazardous Materials
- 252.223-7007 Safeguarding Sensitive Conventional Arms, Ammunition and Explosives
- 252.223-7008 Prohibition of Hexavalent Chromium
- 252.225-7001 Buy American and Balance of Payments Program
- 252.225-7002 Qualifying Country Sources as Subcontractors
- 252.225-7007 Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies
- 252.225-7008 Restriction on Acquisition of Specialty Metals
- 252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals
- 252.225-7013 Duty-Free Entry
- 252.225-7016 Restriction on Acquisition of Ball and Roller Bearings
- 252.225-7021 Trade Agreements
- 252.225-7025 Restriction on the Acquisition of Forgings
- 252.225-7028 Exclusionary Policies and Practices of Foreign Governments
- 252.225-7030 Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate
- 252.225-7031 Secondary Arab Boycott of Israel
- 252.225-7033 Waiver of United Kingdom Levies
- 252.225-7036 Buy American—Free Trade Agreements--Balance of Payments
- 252.225-7040 Contractor Personnel Supporting U.S. Armed Forces Deployed Outside the United States
- 252.225-7043 Anti-Terrorism/Force Protection for Defense Contractors outside the United States
- 252.225-7048 Export-Controlled Items
- 252.227-7012 Preference for Certain Domestic Commodities
- 252.227-7013 Rights in Technical Data -- Noncommercial Items
- 252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation
- 252.227-2015 Technical Data -- Commercial Items
- 252.227-7016 Rights in Bid or Proposal Information
- 252.227-7017 Identification and Assertion of Use, Release, or Disclosure Restrictions
- 252.227-7019 Validation of Asserted Restrictions-Computer
- 252.227-7025 Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends
- 252.227-7026 Deferred Delivery of Technical Data or Computer Software
- 252.227-7027 Deferred Ordering of Technical Data or Computer Software
- 252.227-7028 Technical Data or Computer Software Previously Delivered to the Government
- 252.227-7030 Technical Data-Withholding of Payment
- 252.227-7037 Validation of Restrictive Markings on Technical Data
- 252.227-7038 Patent Rights-Ownership by the Contractor
- 252.227-7039 Patents-Reporting of Subject Inventions
- 252.228-7001 Ground and Flight Risk
- 252.228-7005 Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles
- 252.231-7000 Supplemental Cost Principles
- 252.235-7003 Frequency Authorization
- 252.236-7013 Requirement for Competition Opportunity for American Steel Producers, Fabricators, and Manufacturers (Pub. L. 110-329, Division E, Section 108)
- 252.239-7010 Cloud Computing Services
- 252.239-7016 Telecommunications Security Equipment, Devices, Techniques, and Services
- 252.239-7018 Supply Chain Risk
- 252.244-7000 Subcontracts for Commercial Items
- 252.246-7001 Warranty of Data
- 252.246-7003 Notification of Potential Safety Issues
- 252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System
- 252.246-7008 Sources of Electronic Parts

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- 252.247-7023 Transportation of Supplies by Sea
- 252.247-7024 Notification of Transportation of Supplies by Sea

(b) Additional clauses apply as defined by the respective DFARS clause if the Order exceeds (\$250,000):

- 252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense Contract Related Felonies
- 252.209-7004 Subcontracting with Firms that are Owned or Controlled by the Government of a Country that is a State Sponsor of Terrorism
- 252.215-7010 Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data
- 252.223-7999 Ensuring Adequate COVID-19 Safety Protocols for Federal Contractors
- 252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals
- 252.225-7012 Preference for Certain Domestic Commodities
- 252.225-7015 Restriction on Acquisition of Hand or Measuring Tools
- 252.225-7052 Restriction on the Acquisition of Certain Magnets and Tungsten.
- 252.249-7002 Notification of Anticipated Contract Termination or Reduction

(c) Additional clause applies as defined by the respective DFARS clause if the Order exceeds \$500,000:

- 252.226-7001 Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns

(d) Additional clauses apply as defined by the respective DFARS clause if the Order exceeds \$700,000:

- 252.219-7003 Small Business Subcontracting Plan
- 252.219-7004 Small Business Subcontracting Plan

(e) Additional clause applies as defined by the respective DFARS clause if the Order exceeds \$1,000,000:

- 252.222-7006 Restrictions on the Use of Mandatory Arbitration Agreements

(f) Additional clause applies as defined by the respective DFARS clause if the Order exceeds \$1,500,000:

- 252.211-7000 Acquisition Streamlining

(g) Additional clauses apply as defined by the respective DFARS clause if the Order exceeds \$5,500,000:

- 252.203-7003 Agency Office of the Inspector General
- 252.203-7004 Display of Fraud Hotline Poster(s)

3. Additional Requirements

(a) **For orders issued under the American Recovery and Reinvestment Act**, the Seller shall comply with the reporting requirements of FAR 52.204-11, American Recovery and Reinvestment Act Reporting Requirements and FAR 52.203-15, Whistleblower Protections under ARRA, and shall ensure compliance with the Buy American provisions cited in the Quality Terms cited in the Order.

(b) Notwithstanding any other clauses in the Buyer's Order, Seller shall not impose any restrictions on the Government's use of tooling, designs, and/or drawings provided or received during the performance of Buyer's Order that the Government independently owns or has a right to use.

(c) Notwithstanding any other clauses in the Buyer's Order, in no event shall the Seller acquire any direct claim or course of action against the U. S. Government.

(d) Seller shall flow down all required FAR and DFARS clauses to Seller's subcontractors, suppliers, and vendors in accordance with the applicable FAR and DFARS requirements.

4. Government Inspection

The Government has the right to perform Government quality assurance at Seller's plant as may be necessary to determine conformance with the requirements specified for all services and/or supplies ordered under Buyer's Order.

5. Government-Owned Facilities

If Government-owned facilities are to be used by Seller to perform work prescribed in Buyer's Order, the Seller shall provide two (2) prices: one based on rent-free use and one based on rental payments (applicable to request for quote only).

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