



Navistar Defense, LLC
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NAVISTAR DEFENSE STANDARD TERMS AND CONDITIONS AND SUBCONTRACTOR FLOWDOWNS

The Navistar Inc Terms and Conditions found at <http://www.navistarsupplier.com> are incorporated herein as if fully stated herein, as well as the following terms and conditions also apply:

- 1. ACCEPTANCE; ORDER CONSTITUTES ENTIRE AGREEMENT.** This Order constitutes Navistar Defense LLC's ("Navistar Defense" and/or "Navistar") offer to purchase Products only in accordance with the terms and conditions contained herein. Any document of Supplier containing additional or different terms and conditions or any attempt by Supplier to vary to any degree, any of the terms and conditions expressed in this Contract shall not operate as a rejection of this contract, but shall be deemed a material alteration thereof and this contract shall be deemed accepted by Supplier without such additional or different terms and conditions. All such different and/or additional terms and conditions which may be contained in any document furnished by Supplier in accepting this contract are hereby objected to and rejected and shall have no force and effect unless otherwise agreed to in writing by Navistar. This order may be accepted by Supplier by the commencement of work, shipment of goods, furnishing of services or by any written confirmation or acknowledgement made by Supplier, such acceptance or confirmation being expressly conditioned on these terms and conditions. **Except as may be expressly set forth in these terms and conditions and with the U.S. Government Contracting Officer's express consent, the subcontractor shall not acquire any direct claim or direct course of action against the U.S. Government. Seller shall include in each lower-tier subcontract the appropriate flow down clauses as required by FAR and DFARS. Nothing in these Terms and Conditions shall be construed or interpreted to limit or in any way restrict the rights of the Government in regard to data, tooling and other information it owns or has a right to use, including the right to authorize use, including the right to authorize the supplier's use of such data, tooling or other information in direct contracts between the supplier and the government.**

- 2. PAYMENT.**

(A) Standard payment terms are sixty (60) days from date of receipt of a correct invoice from Supplier, or the date of receipt of the Products by Navistar, whichever is later, unless otherwise agreed to in writing. Navistar neither guarantees nor is responsible for any liabilities incurred by any Third Party Designees under this Contract.

(B) PAYMENT SPECIFIC TO TRUCK EQUIPMENT MANUFACTURERS: Specific to Truck Equipment Manufacturers (TEMs), the payment obligations of Navistar Defense shall be incurred only upon **inspection and acceptance by Navistar Defense and / or** by the United States Government or state, provincial, local, or foreign government of the completed Navistar Defense vehicle(s) with the TEM-provided materials and / or services. Acceptance **will be demonstrated either** by the receipt **by Navistar Defense of a Form DD250 from the United States Government (or equivalent form from such other government unit) with respect to the vehicle(s) and / or** by the signature date on the approved Final Inspection Report (FIR) applicable to the vehicle(s) with the TEM provided materials and/or services. Accordingly, Navistar Defense shall have the agreed payment terms number of days from the date of the approved FIR, or

from the date of its receipt of the Form DD250 (or equivalent form from such other government unit) to pay TEMs for materials and / or services provided with respect to such vehicle(s).

3. **SPECIFICATION CHANGES.** Navistar reserves the right at any time to make changes or modifications to drawings and specifications as to any Products, materials, or work covered by this Contract. The parties will agree upon and equitably adjust any difference in price or time for performance resulting from such changes, and modify the Contract in writing accordingly. Navistar will issue such change in writing ("Change Order"). Any increase or decrease in price or time for performance resulting from such changes shall be equitably adjusted, and the Contract shall be modified in writing accordingly. Supplier must assert its right to an adjustment under this provision in writing, delivered to Navistar's contracting representative within fifteen (15) days from Supplier's receipt of the written Change Order. Failure to agree on the adjustment shall be deemed a dispute under this Contract and such dispute will not excuse the Supplier from continuing performance as changed.
4. **STOP WORK ORDER.** Navistar may at any time and by written order to Supplier r require the Supplier to stop all, or any part of, the work being performed hereunder for a period not to exceed ninety (90) days, or for such period as the Navistar and its government customer may agree under the prime contract ("Stop Work Order"). Upon receipt of the Stop Work Order Supplier will immediately comply with the terms of the Stop Work Order and will take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the Stop Work Order. Within the ninety day period (or such other period as agreed to between Navistar and its customer) the Navistar will either (i) cancel the Stop Work Order; or (ii) terminate the work covered as provided in the Termination provisions of the Contract. If the Stop Work Order is canceled or the ninety day period expires, the Supplier shall resume work and an equitable adjustment as to cost and/or schedule shall be made in accordance with the Changes provision.
5. **GOVERNMENT FURNISHED EQUIPMENT.** The contractor shall properly maintain Government property. The Contractor's maintenance program shall enable the identification, disclosure, and performance of normal and routine prevent maintenance and repair. The Contractor shall disclose and report to the Property Administrator the need for replacement and/or capital rehabilitation FAR 52.245-1

Title to all property, including equipment, furnished at no charge to Supplier by Navistar or the United States Government ("GFE") for Supplier's performance of its obligations under this Contract, shall at all times vest in Navistar or in the United States Government in the case of GFE, and Supplier assumes all liability for any loss, damage, or shortage and/or for Supplier's failure to return such property to Navistar on request. Supplier shall promptly notify Navistar of any such loss, damage, or shortage.

6. **CONFIDENTIAL INFORMATION.** Supplier agrees not to disclose to any third party, or use, except in connection with the furnishing of the Product or service under this Contract, any confidential information relating to Navistar's business, including business and marketing plans, processes, products, equipment, or trade secrets, as well as confidential information resulting from the performance of this Contract. Any information not available to the public shall be considered confidential for the purposes of this Contract; but should any of this information be published or otherwise made available to the public by Navistar or by third parties without breach of this Contract, Supplier shall be free to use for its own purposes only that information which is actually publicly available. Confidential information that is owned by the U.S. Government or in which the U.S. has

the right to use and which is provided to Supplier either by Navistar or by the U.S. Government under this Contract and unless otherwise directed in writing, shall be used by Supplier only in performance of its obligations pursuant to this Contract. All rights title and interest in said confidential information shall remain with and vest in the U.S. Government. Supplier will have no ownership rights in said confidential information nor shall Supplier have any right to license or sublicense such confidential information without the expressed prior permission of the U.S. Government.

7. **TERMINATION.**

(A) TERMINATION FOR DEFAULT: Navistar may terminate, either in whole or in part, this Contract by written notice to Supplier in the event Supplier fails to (i) deliver the Products within the time specified or in accordance with the specifications, (ii) makes progress so as to endanger performance under this Contract, or (iii) perform any of the other provisions of the Contract. Navistar may terminate this Contract if Supplier does not cure such failure within ten (10) days after receipt of written notice of default. In the event Navistar terminates this Contract in accordance with this subparagraph, Supplier may be liable to Navistar for any costs associated with Navistar's purchase of Products similar to those terminated. In the case of a partial termination for default, Supplier will continue with performance of the un-terminated portion of this Contract.

(B) TERMINATION FOR CONVENIENCE: Navistar shall have the right at any time, and for any reason, without any penalty, to terminate, in whole or in part, this Contract or the deliveries specified and the authorizations contained in any shipping schedule given to Supplier by Navistar, provided Navistar shall provide Supplier thirty (30) days notice of such termination, whereupon this Contract shall automatically terminate immediately after the 30th day. Supplier will immediately proceed to stop all work, place no further subcontracts or orders for materials, services or facilities except as reasonably necessary to complete the continued un-terminated portion of this Subcontract and shall continue performance of the work not terminated. Supplier will take all reasonable precautions including as directed by Navistar, for the preservation and protection of the terminated work. Except as otherwise set forth in this provision, Navistar will have no further liability to Supplier for said termination.

Within forty-five (45) days following receipt of the termination notice, Supplier will prepare and submit to Navistar, Supplier's termination inventory schedules. The disposition of, but not limited to, inventory, work in process and finished goods of the terminated work will be at the direction of the Navistar. Further, Supplier shall use all reasonable efforts as directed by Navistar, to sell, use or otherwise dispose of all goods or materials remaining in inventory the proceeds of which, will be applied to reduce any payments to be made by the Navistar under this Contract. Within ninety (90) days of receipt of the termination notice, or as may be extended by mutual agreement between the parties, the Supplier will submit to Navistar its final termination cost proposal. If the Supplier fails to submit the proposal within the time allowed, the Navistar may reasonably determine on the basis of information available, the amount, if any, due Supplier because of the termination and shall pay the amount determined.

Subject to the foregoing Supplier and Navistar representatives may agree upon the whole or any part of the amount to be paid or remaining to be paid because of the termination. The amount may include a reasonable allowance for profit on work done. However, the agreed amount, whether under this sub-paragraph may not exceed the total contract price as reduced by (i) the amount of payments previously made and (ii) the contract price of work not terminated. This Contract shall be so modified, and the Supplier shall be paid the agreed amount. This sub-paragraph shall not limit, restrict, or affect the amount that may be agreed upon to be paid under this paragraph.

If the Supplier and the Navistar fail to agree on the whole amount to be paid because of the termination of work, the Navistar shall pay the Supplier the amounts determined by Navistar as follows, but without duplication of any amounts agreed on above, (i) the Contract price for completed Product accepted by the Navistar not previously paid for, (ii) adjusted for any saving of freight and other charges, and, (iii) the total of the costs incurred in the performance of the work terminated, including initial costs and preparatory expense allocable thereto, but excluding, any costs attributable to supplies or services paid or to be paid elsewhere in this provision and, the total of (a) the reasonable cost of settling and preparing the termination settlement proposals under this Contract provided, however, they are properly chargeable to the terminated portion of this Contract; and (ii) a sum, as profit, of this subparagraph reasonably determined by the Navistar and as originally calculated by Supplier in its subcontract pricing, however, if it appears that the Supplier would have sustained a loss on the entire subcontract had it been completed, Navistar will allow no profit under this sub-clause and shall reduce the settlement to reflect the indicated rate of loss.

8. **U.S. Export Regulations.** EAR REGULATIONS and ITAR REGULATIONS: Certain technical data, technology, software, defense services, defense articles, and commodities (collectively “Export-Controlled Material”) are controlled by either the International Traffic in Arms Regulations (“ITAR”, 22 CFR 120-130) or the Export Administration Regulations (“EAR”, 15 CFR 730-774) and may require a valid license or other approval from the U.S. Department of State or Department of Commerce prior to export, transfer, reexport, or retransfer to a “Foreign National” or “Foreign Person” (as these terms are defined at EAR § 734.2(b)(2)(ii) and ITAR § 120.16, respectively). An export, transfer, reexport, or retransfer includes the provision of defense services, or the disclosure or transmission (including oral or visual disclosure) of technical data, technology, or software to a Foreign National or Foreign Person, whether such activity takes place in the U.S. or in another country. Export-Controlled Material provided by NAVISTAR to COMPANY will identify the regulations applicable to these Export-Controlled Material.

Prior to any temporary or permanent export, transfer, reexport, or retransfer of Export-Controlled Materials to a third party, COMPANY must secure written approval from NAVISTAR for such export, transfer, reexport, or retransfer. When requesting approval from NAVISTAR for any export, transfer, reexport, or retransfer, COMPANY shall provide to NAVISTAR a copy of, or reference to, the valid U.S. Department of State or Department of Commerce license or other approval authorizing the export, transfer, reexport, or retransfer.

If the COMPANY receives NAVISTAR Export-Controlled Material under the authority of export authorization(s), COMPANY agrees to comply with all disclosed riders, conditions, provisos, and other limitations of the authorization, and must promptly notify NAVISTAR, in writing, if NAVISTAR-origin Export-Controlled Material was transferred to an unauthorized Foreign National or Foreign Person.

9. **APPLICABLE LAW AND JURISDICTION.** This Contract and all conflicts, disputes or actions arising out of or as a result of the respective rights and obligations of the parties as herein contained, shall be governed by the laws of the State of Illinois except its choice of law provisions. All disputes and actions shall be brought before a State or Federal court of competence located in the State of Illinois. The Supplier consents to the venue and jurisdiction of a State or Federal court located in the State of Illinois and waives any claim of forum non conveniens and a trial by jury.
10. **ASSIGNMENT.** This Contract nor the rights and obligations of the Supplier as contained herein, will not be assigned without the express prior permission of Navistar.
11. **ENTIRE AGREEMENT.** These terms and conditions and those contained on the purchase order into which these terms and conditions are incorporated by reference, contain the entire agreement and

understandings of the parties and supersedes all prior understandings or agreements or the parties, whether written or oral. No modification or amendment to this Contract will be made without the prior written consent of the duly authorized representatives of both the Navistar and Supplier.

12. **ADVERTISING.** Supplier shall not, without first obtaining the written consent of Navistar, in any manner advertise or publish the fact that Supplier has furnished or contracted to furnish Navistar with the Products as described herein.
13. **ORDER OF PRECEDENCE.** Conflicting provisions hereof, if any, shall prevail in the following descending order of precedence; (1) the mandatory FARS and DFARS provisions referenced and incorporated in this document; (2) the provisions on the face of Navistar Defense's Order; (3) Navistar Defense's purchase order attachments, including these terms and conditions and the provisions and clause referenced and incorporated in this document; (4) other specifications or documents incorporated by reference; (5) the statement of work referenced on the face of the purchase order. In the event of a conflict between the Navistar Defense Terms and Conditions and the Navistar, Inc. Terms and Conditions incorporated by reference in this document, the Navistar Defense Terms and Conditions shall prevail.
14. **CORRUPTION PREVENTION AND TRADE COMPLIANCE.** Supplier will conduct its business operations in accordance with all applicable laws and regulations including, but not limited to, the United States Foreign Corrupt Practices Act, the UK Bribery Act, U.S. Foreign Asset Control Laws, and U.S. Export Control Laws, and will not attempt to directly or indirectly improperly obtain any benefit by payments, the giving of anything of value or other actions contrary to any applicable law or regulation; and

Supplier has not made and will not make, directly or indirectly, any payment of funds (a) to any foreign governmental official or any representative or employee of a foreign governmental entity, (b) to any employee or representative of any purchaser, or (c) which is illegal under any applicable law inside or outside of the country in which Supplier will provide the goods or Services including but not limited to, the U.S. Foreign Corrupt Practices Act and UK Bribery Act, all as may be amended from time to time; and

Supplier has not requested the return, and will not accept the return, directly or indirectly, of any portion of the funds paid to it by Navistar or paid by any end purchaser of Navistar Products or Services, nor will any director, officer, or employee of the Supplier so request or accept any such funds.

Neither Supplier nor any employee, agent, or principal of Supplier nor any of their immediate families is or will be (a) a foreign governmental official or any employee or representative of a foreign governmental entity, or (b) an officer or employee or representative of or holder of a beneficial interest in any end purchaser of Navistar products or the Services sold by Supplier pursuant to this Agreement and any resulting subcontract agreement and/or Statement of Work; and

No government entity or end purchaser of Navistar Products has or will have a beneficial interest in Supplier's business; and

If Supplier assists in the actual sale of Navistar Products, Supplier will investigate the identity of the end-user of the Products to be sold and will provide documentation as requested by Navistar regarding the ultimate end-user and the use of Products to be sold; and

Supplier hereby agrees that it will put into place for itself and for all related companies, policies, procedures, and guidelines with respect to all applicable laws and regulations including, but not limited to the U.S. Foreign Asset Control Laws, U.S. Export Control Laws, the UK Bribery Act, and

the U.S. Foreign Corrupt Practices Act (“FCPA”) and that Supplier will provide compliance and corruption prevention training to its employees and representatives as well as employees and representatives of all related companies on an as-needed basis and not less than annually. Supplier further acknowledges that Navista shall have the right to terminate this Agreement if Supplier fails to institute such policies, procedures, and guidelines within sixty (60) days of the Effective Date of this Agreement or if Supplier fails to provide the above-referenced training on an annual basis.

Supplier acknowledges that Navista’s corporate policy prohibits payments made to induce a foreign government official to perform a routine duty or service, commonly referred to as “facilitating payments,” and Supplier agrees that no such payments will be made or offered by Supplier to carry out its obligations in connection with this Agreement and any resulting subcontract agreement.

Supplier shall obtain and maintain any and all licenses, concessions, and permits Supplier is required to obtain under any applicable law or regulation for Supplier to carry out its obligations in connection with this Agreement and any resulting subcontract agreement and/or Statement of Work; and,

Supplier has not been convicted of, pleaded guilty to or been charged with any offense involving fraud, export violations, corruption, or bribery in any jurisdiction or country; and

Supplier shall keep accurate books and records and shall preserve all books, records, data, and evidence of procedures and policies relating to the Supplier’s compliance with the foregoing and shall make all books, records, data, and evidence of procedures and policies relating to compliance with the foregoing available for examination and audit by upon request of Navistar or any Government including the U.S. Government and shall provide the reasonable assistance of Seller’s employees with knowledge of compliance efforts in connection with any such examination or audit.

Supplier will execute a certificate containing the above representations and warranties as reasonably requested by Navistar throughout the term of this Agreement and any resulting subcontract agreement and/or Statement of Work.

Navistar shall have the right to terminate this Agreement immediately upon forming a reasonable belief that Supplier has defaulted or has otherwise failed in the performance any of the requirements of this Corruption Prevention and Trade Compliance Section as set forth above.

- 15. Background and Drug Checks.** Supplier represents and warrants that each of its employees stationed at Navistar for more than thirty (30) calendar days and performing Services pursuant to this Agreement: (a) has taken a five panel hair drug test (the “Drug Test”) and (b) has been subjected to and passed a background check including, but not limited to, an Office of Foreign Assets Control (OFAC) Restricted and Denied Parties List screening (the “Background Check”) while employed by Supplier. For the purposes of this Agreement, “passing” a Background Check shall consist of, but not be limited to, not having any convictions for the past seven (7) years for financial crimes, violence, drugs, or theft. Prior to any employee performing Services for Supplier under this Agreement, Supplier shall furnish a certification (the “Supplier Certification”) to Navistar indicating that employees of Suppliers performing Services under this Agreement shall have passed the Drug Test and the Background Check (including a specific certification that such employees have not had any convictions for the past 7 years for financial crimes, violence, drugs, or theft). In the event that Supplier becomes aware that any of Supplier’s employees no longer meet the requirements of the Drug Test and/or Background Check, Supplier shall not permit such employees to perform Services for Navistar under this Agreement.

16. Contractor Counterfeit Electronic Part Detection and Avoidance System

- a. The following definitions apply to this clause:

"Counterfeit Electronic Part" means an unlawful or unauthorized reproduction, substitution, or alteration that has been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified electronic part from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used electronic parts represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics.

"Electronic Part" means an integrated circuit, a discrete electronic component (including, but not limited to, a transistor, capacitor, resistor, or diode), or a circuit assembly (section 818(f)(2) of Pub. L. 112-81). The term "electronic part" includes any embedded software or firmware.

"Suspect Counterfeit Electronic Parts" an electronic part for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the electronic part is authentic. The Supplier shall not deliver Counterfeit Electronic Parts or Suspect Counterfeit Electronic Parts to Navistar under this Contract.

- b. The Supplier shall not deliver Counterfeit Electronic Parts or Suspect Counterfeit Electronic Parts to Navistar under this Contract
- c. The Supplier shall only purchase products to be delivered or incorporated as Work to Navistar directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. The Supplier may use another source only if (i) the foregoing sources are unavailable, (ii) the Supplier's inspection and other counterfeit risk mitigation processes will be employed to ensure the authenticity of the parts.
- d. The Supplier shall maintain counterfeit risk mitigation processes in accordance with industry recognized standards and with any other specific requirements identified in this Contract
- e. The Supplier shall immediately notify Navistar with the pertinent facts if the Supplier becomes aware that it has delivered Counterfeit Electronic Parts or Suspect Counterfeit Electronic Parts. When requested by Navistar, the Supplier shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM. The Supplier at its expense, shall provide reasonable cooperation to Navistar in conducting any investigation regarding the delivery of Counterfeit Electronic Parts or Suspect Counterfeit Electronic Parts under this Contract.
- f. This clause applies in addition to and is not altered, changed, or superseded by any quality provision, specification, statement of work, regulatory flowdown, or other provision included in this Contract addressing the authenticity of parts.
- g. In the event that parts delivered under this Contract constitutes or includes Counterfeit Electronic Parts, the Supplier shall, at its expense, promptly replace such Counterfeit Electronic Parts with genuine parts conforming to the requirements of this Contract. Notwithstanding any other provision in this Contract, the Supplier shall be liable for all costs relating to the removal and replacement of Counterfeit Electronic Parts, including without limitation Navistar's costs of removing the Counterfeit Electronic Parts, of installing replacement parts and of any testing necessitated by the reinstallation of parts after the Counterfeit Electronic Parts have been exchanged. The remedies contained in this

paragraph are in addition to any remedies Navistar may have at law, equity or under other provisions of this Contract.

- h. The Supplier shall include paragraphs (a) through (f) and this paragraph (h) of this clause or equivalent provisions in lower tier subcontracts for the delivery of electronic parts that will be included in or ultimately furnished to Navistar.

(A) GOVERNMENT SUBCONTRACT

This Contract is entered into by the parties in support of a U.S. Government contract. As used in the FAR clauses referenced below and otherwise in this Contract:

1. "Commercial Item" means a commercial item as defined in FAR 2.101.
2. "Contract" means this contract.
3. "Contracting Officer" shall mean the U.S. Government Contracting Officer for PRIME 4. CONTRACTOR's government prime contract under which this Contract is entered.
5. "Contractor" and "Offeror" means the Supplier, as defined in this Contract, acting as the immediate (first tier) subcontractor to PRIME CONTRACTOR.
6. "Prime Contract" means the contract between PRIME CONTRACTOR and the U.S. Government or between PRIME CONTRACTOR and its higher-tier contractor who has a contract with the U.S. Government.
7. "Subcontract" means any contract placed by the contractor or lower-tier subcontractors under this Contract.

(B) NOTES

1. Substitute "PRIME CONTRACTOR" for "Government" or "United States" throughout this clause.
2. Substitute "PRIME CONTRACTOR Procurement Representative" for "Contracting Officer", "Administrative Contracting Officer", "Contract Administration Office", and "ACO" throughout this clause.
3. Insert "and PRIME CONTRACTOR" after "Government" throughout this clause.
4. Insert "or PRIME CONTRACTOR" after "Government" throughout this clause.
5. Communication/notification required under this clause from/to the Contractor to/from the Contracting Officer shall be through PRIME CONTRACTOR.
6. Insert "and PRIME CONTRACTOR" after "Contracting Officer" throughout the clause.
7. Insert "or PRIME CONTRACTOR PROCUREMENT REPRESENTATIVE" after "Contracting Officer" throughout the clause.
8. Insert "and PRIME CONTRACTOR" after "agency head" throughout the clause.
9. Insert "and PRIME CONTRACTOR'S RIGHTS" after "Government's rights" throughout the clause.

(C) Modifications Required By Prime Contract

Contractor agrees that upon the request of PRIME CONTRACTOR it will negotiate in good faith with PRIME CONTRACTOR relative to modifications to this Contract to incorporate additional provisions herein or to change provisions hereof, as PRIME CONTRACTOR may reasonably deem necessary in order to comply with the provisions of the applicable Prime Contract or with the provisions of modifications to such Prime Contract. If any such modification to this Contract causes an increase or decrease in the cost of, or the time required for, performance of any part of the Work under this Contract, an equitable adjustment shall be made pursuant to the "Changes" clause of this Contract.

(D) Preservation Of The Government's Rights

If PRIME CONTRACTOR furnishes designs, drawings, special tooling, equipment, engineering data, or other technical or proprietary information ("Furnished Items") which the U.S. Government owns or has the right to authorize the use of, nothing herein shall be construed to mean that PRIME CONTRACTOR, acting on its own behalf, may modify or limit any rights the Government may have

to authorize the Contractor's use of such Furnished Items in support of other U.S. Government prime contracts.

17. Defense Priority and Allocation System (DPAS). Defense Priorities and Allocations System (DPAS) ratings are assigned to Federal Government Contracts for national defense, emergency preparedness and/or energy program use. DPAS rated contracts, and their respective materials and services requests, are communicated through purchase orders and EDI communications. Supplier shall follow all of the requirements of the {DPAS} regulation (15 CFR part 700).

1. Seller shall include in each lower-tier subcontract the appropriate flow down clauses as required by FAR and DFARS.
2. Nothing in these Terms and Conditions shall be construed or interpreted to limit or in any way restrict the rights of the Government in regard to data, tooling and other information it owns or has a right to use, including the right to authorize the supplier's use of such data, tooling or other information in direct contracts between the supplier and the Government.
3. Except as may be expressly set forth in this document with the U.S. Government Contracting Officer's express consent, the subcontractor shall not acquire any direct claim or direct course of action against the U.S. Government.

18. 2.232-40 Providing Accelerated Payments to Small Business Subcontractors (Mar 2023)

(a)

(1) In accordance with 31 U.S.C. 3903 and 10 U.S.C. 3801, within 15 days after receipt of accelerated payments from the Government, the Contractor shall make accelerated payments to its small business subcontractors under this contract, to the maximum extent practicable and prior to when such payment is otherwise required under the applicable contract or subcontract, after receipt of a proper invoice and all other required documentation from the small business subcontractor.

(2) The Contractor agrees to make such payments to its small business subcontractors without any further consideration from or fees charged to the subcontractor.

(b) The acceleration of payments under this clause does not provide any new rights under the Prompt Payment Act.

FAR/DFAR	Description	Date
52.202-1	Definitions	Jun 2020
52.203-3	Gratuities	Apr 1984
52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions	Sep 2007
52.203-12	Limitation on Payments to Influence Certain Federal Transactions	Jun 2020

52.204-2	Security Requirements	Mar 2021
52.204-9	Personal Identity Verification of Contractor Personnel	Jan 2011
52.217-9	Option to Extend the Term of the Contract	Mar 2000
52.219-8	Utilization of Small Business Concerns	Oct 2018
52.222-1	Notice of Government Labor Disputes	Feb 1997
52.222-3	Convict Labor	Jun 2003
52.222-18	Certification Regarding Knowledge of Child Labor for Listed Products	Feb 2021
52.222-19	Child Labor-Cooperation with Authorities and Remedies	Jan 2022
52.222-20	Walsh-Healy Public Contracts Act	Jun 2020
52.222-21	Prohibition of Segregated Facilities	Apr 2015
52.222-26	Equal Opportunity	Sep 2016
52.222-41	Service Contract Act of 1965, as Amended	Aug 2018
52.222-50	Combating Trafficking in Persons	Nov 2021
52.222-51	Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration or Repair of Certain Equipment—Requirements	May 2014
52.222-53	Exemption from Application of the Service Contract Act to Contracts for Certain Services—Requirements	May 2014
52.223-11	Ozone-Depleting Substances	Jun 2016
52.223-15	Energy Efficiency in Energy-Consuming Products	May 2020
52.223-18	Contractor Policy to Ban Text Messaging While Driving	Jun 2020
52.224-2	Privacy Act	Apr 1984
52.225-1	Buy American Act – Supplies	Nov 2021
52.225-5	Trade Agreements	Oct 2019
52.225-8	Duty-Free Entry	Oct 2010
52.225-13	Restrictions on Certain Foreign Purchases	Feb 2021
52.225-19	Contractor Personnel in a Designated Operational Area or Supporting a Diplomatic or Consular Mission Outside the United States	May 2020
52.225-20	Prohibition on Conducting Restricted Business Operations in Sudan—Certification	Aug 2009
52.227-19	Commercial Computer Software License	Dec 2007
52.244-6	Subcontracts for Commercial Items	Jan 2022

52.245-1	Government Property	Sep 2021
52.245-2	Government Property Installation Operation Services	Apr 2012
52.245-9	Use and Charges	Apr 2012
52.246-2	Inspection of Supplies—Fixed-Price	Aug 1996
52.246-4	Inspection of Services—Fixed-Price	Aug 1996
52.246-15	Certificate of Conformance	Apr 1984
52.246-16	Responsibilities for Supplies	Apr 1984
52.246-17	Warranty of Supplies of a Noncomplex Nature	Jun 2003
52.246-18	Warranty of Supplies of a Complex Nature	May 2001
52.246-20	Warranty of Services	May 2001
52.247-64	Preference for Privately Owned U.S.-Flag Commercial Vessels	Nov 2021
52.249-1	Termination for Convenience of the Government - Fixed-Price, Short Form	Apr 1984
52.249-2	Termination for Convenience of the Government - Fixed-Price	Apr 2012
52.249-4	Termination for Convenience of the Government - Services, Short Form	Apr 1984
252.204-7000	Disclosure of Information	Oct 2016
252.209-7002	Disclosure of Ownership or Control by a Foreign Government	Jun 2010
252.225-7013	Duty-free Entry	May 2022
252.225-7031	Secondary Arab Boycott of Israel	Jun 2005
252.226-7001	Utilization of Indian Organizations and Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns	Apr 2019
252.246-7007	Contractor Counterfeit Electronic Part Detection And Avoidance System	Aug 2016
252.247-7023	Transportation of Supplies by Sea	Feb 2019

<u>Additional requirements for subcontracts that exceed \$15,000</u>		
52.222-36	Equal Opportunity for Workers With Disabilities	Jun 2020

<u>Additional requirements for subcontracts that exceed \$35,000</u>		
52.209-6	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment	Nov 2021

<u>Additional requirements for subcontracts that exceed \$150,000</u>		
52.203-6	Restrictions on Subcontractor Sales to Government	Jun 2020
52.219-8	Utilization of Small Business Concerns	Oct 2018
52.222-35	Equal Opportunity for Veterans	Jun 2020
52.222-37	Employment Reports on Veterans	Jun 2020
52.222-40	Notification of Employee Rights Under the National Labor Relations Act	Dec 2010
52.222-54	Employment Eligibility Verification	May 2022
52.227-1	Authorization and Consent	Jun 2020
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement	Jun 2020
52.227-3	Patent Indemnity	Apr 1984
52.248-1	Value Engineering	Jun 2020
252.225-7008	Restriction on Acquisition of Specialty Metals	Mar 2013
252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals	Dec 2019

<u>Additional requirements for subcontracts that exceed \$5,500,000</u>		
52.203-13	Contractor Code of Business Ethics and Conduct	Nov 2021

<u>Additional requirements for subcontracts that exceed \$700,000</u>		
52.219-9	Small Business Subcontracting Plan	Nov 2021
52.219-16	Liquidated Damages – Subcontracting Plan)	Sep 2021

<u>In addition to the before mentioned far and dfars clauses, the following clauses apply to <u>non-commercial</u> specific items</u>		
52.203-5	Covenant Against Contingent Fees	May 2014
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	May 2014
52.203-10	Price of Fee Adjustment for Illegal or Improper Activity	May 2014
52.211-5	Material Requirements	Aug 2000
52.222-22	Previous Contracts and Compliance Reports	Feb 1999
52.223-3	Hazardous Material Identification and Material Safety Data	Feb 2021

52.227-9	Refund of Royalties	Apr 1984
52.227-10	Filing of Patent Applications—Classified Subject Matter	Dec 2007
52.227-11	Patent Rights—Ownership by the Contractor	May 2014
52.227-13	Patent Rights—Ownership by the Government	Dec 2007
52.227-14	Rights in Data—General	May 2014
52.227-16	Additional Data Requirements	Jun 1987
52.227-17	Rights in Data—Special Works	Dec 2007
52.227-18	Rights in Data—Existing Works	Dec 2007
52.227-21	Technical Data Declaration, Revision, and Withholding of Payment—Major Systems	May 2014
52.227-22	Major System—Minimum Rights	Jun 1987
52.227-23	Rights to Proposal Data (Technical)	Jun 1987
52.228-3	Worker’s Compensation	Jul 2014
52.228-4	Worker’s Compensation and War-Hazard Insurance Overseas	Apr 1984
52.228-5	Insurance—Work on a Government Installation	Jan 1997
52.229-3	Federal, State, and Local Taxes	Feb 2013
52.229-4	Federal, State, and Local Taxes (State and Local Adjustments)	Feb 2013
52.229-6	Taxes-Foreign Fixed-Price Contracts	Feb 2013
52.229-7	Taxes—Fixed-Prices Contracts with Foreign Governments	Feb 2013
52.232-17	Interest	May 2014
52.233-3	Protest After Award	Aug 1996
52.234-1	Industrial Resources Developed Under Defense Production Act Title III	Sep 2016
52.237-3	Continuity of Services	Jan 1991
52.242-1	Notice of Intent to Disallow Costs	Apr 1984
52.242-15	Stop-Work Order	Aug 1989
52.242-17	Government Delay of Work	Apr 1984
52.243-1	Changes—Cost Fixed-Price	Aug 1987
52.246-7	Inspection of Research and Development - Fixed-Price	Aug 1996
52.246-9	Inspection of Research and Development - Short Form	Apr 1984

52.247-63	Preference for U.S.-Flag Air Carriers	Jun 2003
52.250-1	Indemnification Under Public Law 85-804	Apr 1984

<u>Additional requirements for subcontracts that exceed \$150,000</u>		
52.203-7	Anti-Kickback Procedures	Jun 2020
52.215-2	Audit and Records—Negotiation	Jun 2020
52.215-14	Integrity of Unit Prices	Nov 2021
52.222-38	Compliance with Veterans' Employment Reporting Requirements	Feb 2016

<u>Additional requirements for subcontracts that exceed \$750,000</u>		
52.215-10	Price Reduction for Defective Cost or Pricing Data	Aug 2011
52.215-11	Price Reduction for Defective Cost or Pricing Data Modifications	Jun 2020
52.215-12	Subcontractor Cost or Pricing Data	Jun 2020
52.215-13	Subcontractor Cost or Pricing Data – Modifications	Jun 2020
52.215-15	Termination of Defined Benefit Pension Plans	Oct 2010
52.215-18	Reversion or Adjustment of Plans for Post-Retirement Benefits (PRB) Other Than Pensions	Jul 2005
52.215-19	Notification of Ownership Changes	Oct 1997
52.230-2	Cost Accounting Standards	Jun 2020
52.230-3	Disclosure and Consistency of Cost Accounting Practices	Jun 2020
52.230-6	Administration of Cost Accounting Standards	Jun 2010
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