

U.S. Government Flowdown Requirements:

The following clauses of the Federal Acquisition Regulation (FAR) and agency FAR supplements are hereby incorporated by reference in this Order/Subcontract, in addition to the Supplier Terms and Conditions, with the same force and effect as if they were given in full text. Clauses referenced herein shall be those in effect on the award date of this contract. Refer to the specific clauses for further information. In all clauses listed herein, the terms "Government," "Contracting Officer" and "Contractor" shall be revised to suitably identify the contracting parties herein and result in the proper intent of the clause. "Subcontractor", however, shall mean "Seller's Subcontractor" under this Purchase Order. If Buyer is subject to any liability as a result of the Seller's or its lower tier Subcontractors' failure to comply with the requirements of the clauses set forth herein, in addition to any other remedies provided by law or under this Order, Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage, or expense (excluding profit) resulting from such failure.

Important Notice – If this is a Defense Priorities and Allocation System (DPAS) rated order, as indicated on the purchase order, the contract must comply with regulations in FAR 52.211-5. A rated order means a prime contract for any product, service, or material which requires preferential treatment, and includes subcontracts and purchase orders resulting under such contracts.

I. If the items furnished under this purchase order are "commercial items" as the term is defined in FAR 2.101, the following FAR clauses shall apply:

- FAR 52.203-13 – Contractor Code of Business Ethics and Conduct
- FAR 52.203-15 – Whistleblower Protections Under the American Reinvestment and Recovery Act of 2009
- FAR 52.203-17 "Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights" (Applicable to Purchase Orders under contracts awarded by civilian agencies other than NASA and the Coast Guard.)
- FAR 52.219-8 – Utilization of Small Business Concerns
- FAR 52.222-26 – Equal Opportunity
- FAR 52.222-35 – Equal Opportunity for Veterans
- FAR 52.222-36 – Affirmative Action for Workers with Disabilities
- FAR 52.222-40 – Notification of Employee Rights Under the National Labor Relations Act
- FAR 52.222-41 – Service Contract Act of 1965
- FAR 52.222-50 – Combating Trafficking in Persons
- FAR 52.222-51 – Exemption from Application of the Service Contract Act to Contracts for

Maintenance, Calibration, and Repair of Certain Equipment Requirements

- FAR 52.222-53 – Exemption from Application of the Service Contract Act to Contracts for Certain Service Requirements
- FAR 52.222-54 – Employment Eligibility Verification
- FAR 52.226-6 – Promoting Excess Food Donation to Nonprofit Organizations
- FAR 52.247-64 – Preference for Privately Owned U.S. Flag Commercial Vessels

II. If the items furnished under this purchase order are not "commercial items" as the term is defined in FAR 2.101, the foregoing FAR clauses shall not apply and the following FAR clauses are applicable to the extent further prescribed below:

Applicable to all contracts:

- FAR 52.203-10 – Price or Fee Adjustment for Illegal or Improper Activity
- FAR 52.222-50 – Combating Trafficking in Persons
- FAR 52.225-13 – Restrictions on Certain Foreign Purchases
- FAR 52.227-14 – Rights in Data – General
- FAR 52.234-1 – Industrial Resources Developed Under Defense Production Act Title III
- FAR 52.244-6 – Subcontracts for Commercial Items

Contracts in excess of \$3,000:

- FAR 52.222-54 – Employment Eligibility Verification

Contracts in excess of \$10,000:

- FAR 52.222-21 – Prohibition of Segregated Facilities
- FAR 52.222-26 – Equal Opportunity
- FAR 52.222-40 – Notification of Employee Rights Under the National Labor Relations Act

Contracts in excess of \$15,000:

- FAR 52.222-36 – Affirmative Action for Workers with Disabilities

Contracts in excess of \$30,000:

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

Contracts in excess of \$100,000:

- FAR 52.222-35 – Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans.
- FAR 52.222-37 – Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans

- FAR 52.223-14 – Toxic Chemical Release Reporting

Contracts in excess of \$150,000:

- FAR 52.203-7 – Anti-Kickback Procedures
- FAR 52.203-12 – Limitation on Payments to Influence Certain Federal Transactions
- FAR 52.248-1 – Value Engineering

Contracts above the simplified acquisition threshold:

- FAR 52.203-6 – Restrictions on Subcontractor Sales to the Government
- FAR 52.215-2 – Audits and Records – Negotiation
- FAR 52.215-14 – Integrity of Unit Prices

Contracts in excess of \$650,000:

- FAR 52.219-9 – Small Business Subcontracting Plan

Contracts requiring certified cost or pricing data:

- FAR 52.215-12 – Subcontractor Certified Cost or Pricing Data
- FAR 52.215-19 – Notification of Ownership Changes

Contracts in excess of \$5,000,000:

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

As applicable to the scope of the order per the circumstances below:

- FAR 52.204-2 – Security Requirements; when the contract involves access to information classified “confidential”, “secret”, or “top secret”
- FAR 52.245-1 – Government Property; when Government/customer property is acquired or furnished for contract performance

Department of Defense FAR Supplement (DFARS) Flowdown Requirements:

When the items furnished under this Purchase Order are for use in connection with a U. S. Government Department of Defense Prime Contract or subcontract, the following DFARS clauses, in addition to the Supplier Terms and Conditions and the FAR clauses, shall apply as required below. The effective version of each DFARS requirement referenced herein shall be those in effect on the award date of this contract.

I. If the items furnished under this purchase order are “commercial items” as the term is defined in FAR 2.101, the following DFARS clauses shall apply:

- DFARS 252.225-7009 – Restriction on Acquisition of Certain Articles Containing Specialty Metals
- DFARS 252.236-7013 – Requirement for Competition Opportunity for American Steel Producers, Fabricators, and Manufacturers

- DFARS 252.237-7010 – Prohibition on Interrogation of Detainees by Contractor Personnel
- DFARS 252.237-7019 – Training for Contractor Personnel Interacting with Detainees
- DFARS 252.246-7003 – Notification of Potential Safety Issues
- DFARS 252.247-7003 – Pass-Through of Motor Carrier Fuel Surcharge Adjustment to the Cost Bearer
- DFARS 252.247-7023 – Transportation of Supplies by Sea
- DFARS 252.247-7024 – Notification of Transportation of Supplies by Sea

II. If the items furnished under this purchase order are not “commercial items” as the term is defined in FAR 2.101, the foregoing DFARS clauses shall not apply and the following DFARS clauses are applicable to the extent further described below:

Applicable to all contracts:

- DFARS 252.227-7016 – Rights in Bid or Proposal Information
- DFARS 252.228-7005 – Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles
- 252.203-7002 “Requirement to Inform Employees of Whistleblower Rights”
- 252.204-7012 “Safeguarding Covered Defense Information and Cyber Incident Reporting” (DEVIATION 2016-O0001)

Contracts in excess of \$500,000:

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

Contracts in excess of \$650,000:

- DFARS 252.225-7006 – Quarterly Reporting of Actual Contract Performance Outside the United States

As applicable to the scope of the order per the circumstances below:

- DFARS 252.208-7000 – Intent to Furnish Precious Metals as Government-Furnished Material; when the items being acquired require precious metals in their manufacture; and when the contract is above the simplified acquisition threshold
- DFARS 252.225-7009 – Restriction on Acquisition of Certain Articles Containing Specialty Metals; for contracts requiring items containing specialty metals to be delivered
- DFARS 252.227-7013 – Rights In Technical Data - Noncommercial items; whenever technical data

for noncommercial items is to be obtained for delivery

- DFARS 252.227-7026 – Deferred Delivery of Technical Data or Computer Software; when it is in the Government's interests to defer the delivery of technical data
- DFARS 252.227-7027 – Deferred ordering of Technical Data or Computer Software; when a firm requirement for a particular data item(s) has not been established prior to contract award but there is a potential need for the data

**National Aeronautic and Space Administration
FAR Supplement (NFS) Flow Down Requirements:**

When the items furnished under this Purchase Order are for use in connection with a U. S. Government National Aeronautic and Space Administration (NASA) Prime Contractor subcontract, the following NFS clauses, in addition to the Supplier Terms and Conditions and the FAR clauses, shall apply as required below. The effective version of each NFS requirement referenced herein shall be those in effect on the award date of this contract.

Applicable to all contracts:

- NFS 1852.219-74 – Use of Rural Area Small Businesses
- NFS 1852.225-70 – Export Licenses

Contracts that exceed the micro-purchase threshold:

- NFS 1852.223-72 – Safety and Health (Short Form)

As applicable to the scope of the order per the circumstances below:

- NFS 1852.237-73 – Release of Sensitive Information; when the contract requires the furnishing of sensitive information

Additional Flowdown Requirements:

The following additional clauses set forth below are hereby incorporated by reference in this Order/Subcontract and are applicable during the performance of this Contract.

COUNTERFEIT PARTS:

(a) Seller represents and warrants that it has policies and procedures in place to ensure that none of the supplies or materials furnished under this 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. Seller represents and warrants that it is in compliance with NDAA-2012-818 and any superseding DFAR clause. “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).

(b) Parts furnished under this Order shall be purchased directly from the Original Component Manufacturers (“OCM”)/Original Equipment Manufacturers (“OEM”) or through the OCM/OEMs Franchised Distributor. OCM is an organization that designs and/or engineers a part and is pursuing or has obtained the intellectual property rights to that part. OEM is an organization that designs and/or engineers equipment and is pursuing or has obtained the intellectual property rights to that equipment. This term is synonymous with OCM. Franchised Distributor is a distributor with whom the OCM has a contractual agreement to buy, stock, re-package, sell and distribute its product lines. Franchised distributors normally offer the product for sale with full manufacturer’s warranty. Franchising contracts may include clauses that provide for the OCM’s marketing and technical support, failure analysis and corrective action, and exclusivity of inventory. Documentation must be available upon Buyer’s request that authenticates traceability to the applicable OCM/OEM.

(c) Seller shall maintain a documented system (policy, procedure, or other documented approach) that provides for prior notification to Buyer and Buyer’s written approval before parts or components are procured from sources other than OCM, OEM, or OCM or OEM’s Franchised Distributor. Seller shall provide copies of such documentation for its system upon Buyer’s request. Seller’s systems call be consistent with applicable industry standard, for the detection and avoidance of counterfeit electronic parts, including flowing down requirements to subcontractors.

(d) 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 inspect, 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 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 **warranty against suspect/counterfeit parts** on the Seller's overall performance on this order. Sellers shall survive any termination or expiration of this Order.

Effective after March 24, 2014

Additional EEO Clause

As applicable, the provisions of the Equal Opportunity Clauses pursuant to Section 202 of Executive Order 11246, as amended, and 41 CFR Section 60-1.40; as well as 29 C.F.R. Part 471, Appendix A to Subpart A, are herein incorporated by reference. Further, sellers who (1) are not otherwise exempt as provided by 41 CFR 60-1.5, (2) have 50 or more employees and, (3) have a contract, subcontract or purchase order amounting to \$50,000 that is necessary to the completion of a covered federal contract or subcontract are hereby notified of their obligations to file EEO Standard Form 100 and to prepare an affirmative action plan(s) as required under the regulations set forth above.

This contractor and subcontractor shall abide by the requirements of 41CFR 60-741.5(a). This regulation prohibits discrimination against individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and

advance in employment qualified individuals with disabilities.

This contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

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

1. 252.222-7006 "Restricting the Use of Mandatory Arbitration Agreements" (Applicable to Purchase Orders issued under prime contracts containing the clause and awarded after June 17, 2010.)

CERTIFICATION Regarding Compliance with DFARS 252.222-7006 (If this clause is included in Buyer's prime contract or higher tier subcontract, this certification is applicable to Purchase Orders over \$1,000,000 issued after June 17, 2010, under DoD contracts except Purchase Orders for the acquisition of commercial items or commercially available off-the-shelf items.):

By Seller's acceptance of this Purchase Order:

(i) Seller certifies that it shall not enter into, and shall not take any action to enforce any provision of, any agreement with any of its employees or independent contractors performing work related to this Purchase Order, that requires, as a condition of employment, that the employee or independent contractor agree to resolve through arbitration any claim under Title VII of the Civil Rights Act of 1964, or any tort related to or arising out of a sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention; and

- (ii) Seller certifies that it requires each of its lower tier subcontractors, which performs work under this Purchase Order and which is a "covered subcontractor" as defined in DFARS 252.222-7006, to agree not to enter into, and not take any action to enforce any provision of, any agreement with any of its employees or independent contractors performing work related to this

Purchase Order, that requires, as a condition of employment, that the employee or independent contractor agree to resolve through arbitration any claim under Title VII of the Civil Rights Act of 1964, or any tort related to or arising out of a sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention.

Suppliers shall ensure that their products do not contain tin, tantalum, tungsten or gold that directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo (DRC) or an adjoining country. Suppliers shall exercise due diligence on the source and chain of custody of such minerals in accordance with generally accepted international standards, and make such due diligence measures available upon request. Materion's Conflict Minerals Policy can be found at <http://materion.com/ResourceCenter/EnvironmentalHealthandSafety/MaterionConflictMineralsPolicy.aspx>