



AI Signal Research, Inc.(Buyer)  
Standard Terms and Conditions (Government Contract)

Prior to accepting this Purchase Order, AI Signal Research, Inc.. ("ASRI") urges the Seller to read and understand fully the terms and conditions under which said Purchase Order is issued. The Seller should contact the ASRI point of contact listed in the Purchase Order.

**1. Definitions**

As used herein, the following terms have the meanings so indicated: a) "Items" means supplies, products and/or services ordered by ASRI from the Seller pursuant to a Purchase Order. b)"Purchase Order" means a transmission by ASRI to the Seller, electronically through a computer network or otherwise, by mail of hard copy, or by such other means as may be agreed (each a "transmission"), containing a Purchase Order number, a vendor reference number, an item, identification or specification description, number or items requested, and/or such other information evidencing an offer to the Seller by ASRI relating to the purchase of goods or services. c) "Purchase Order Revision" means a transmission revising the information contained in a Purchase Order. d) "Goods" and "Services", the terms "goods" as used herein means any and all supplies, products, chemicals, parts, machines, tooling, test equipment, computer software, components, assets and other tangible items or documentary information furnished or required to be furnished by the Seller under this Purchase Order other than labor. The term "services" means any and all technical assistance, consultations, engineering, program management, and other effort furnished or required to be furnished by the Seller under this Purchase Order other than labor furnished in connection with the production of goods.

**2. Services**

Seller shall perform all work diligently, carefully and in a good and workmanlike manner. Seller shall furnish all labor, supervision, machinery, equipment, goods and supplies necessary therefore; shall obtain and maintain all building and other permits and licenses required by public authorities in connection with performance of the work; and, if permitted to subcontract, shall be fully responsible for all work performed by subcontractors. Seller shall conduct all operations in Seller's name and as an independent contractor, and not in the name or as an agent of ASRI.

**3. Inspection**

Items are subject to ASRI's inspection, testing and approval. ASRI, at its option, may reject or refuse acceptance of Items, which do not meet the requirements of the Purchase Order or any applicable warranty. Items rejected or not accepted by ASRI will be returned to the Seller at the Seller's expense, and the Seller agrees to refund to ASRI any payments (including but not limited to shipment expense) made by ASRI for such Items. Payment by ASRI for any Items shall not be deemed an acceptance thereof. Acceptance of any Item shall not relieve the Seller from any of its obligations, representations or warranties hereunder or pursuant hereto.

**4. Acceptance**

The Seller's acceptance is expressly limited to the written terms of this Purchase Order. No additional or different terms shall be binding. ASRI hereby objects to any additional or different terms contained in the Seller's acceptance. Any of the following acts by the Seller shall constitute acceptance: a) Signing and returning a copy of this Purchase Order, b) Commencing performance of any effort required to complete this Purchase Order, c) Informing ASRI of the initiation of any effort required to complete this Purchase Order; or d) Shipping of any Goods in performance of this Purchase Order.

**5. Modification**

No amendments or modifications of any of the terms and conditions of this Purchase Order shall be valid unless reduced to writing and signed by both parties. The terms and conditions of this Purchase Order shall not be amended or modified by the course of performance or course of dealing between the parties.

**6. Quality and Warranty**

a) The Seller warrants that all goods and services shall (i) conform strictly to the design criteria, specifications (including general specification and quality requirements), descriptions, drawings, samples, and other requirements referred to in this Purchase Order or provided by the Seller, (ii) be free from defects in design, material,

and workmanship, and (iii) be free of all liens, encumbrances, and other claims against title.

b) All warranties specified in section "a)" of this clause shall (i) survive any inspection, delivery, acceptance, or payment by ASRI, and (ii) be in effect for the longer of the Seller's normal warranty period or the Purchase Order's specified warranty period following the date of acceptance of the goods or services by ASRI.

**7. Non-Complying Products**

ASRI shall have the right (but not the obligation) to review work progress and test all supplies, special tooling, goods and workmanship to the extent practicable at all times and places during the period of manufacture. In case any goods delivered or services rendered hereunder is defective in material or workmanship or otherwise not in conformity with the requirements of this Purchase Order, ASRI shall have the right notwithstanding payment or any prior inspection or test or custom or usage of trade, either to reject it or to require its correction by and/or at the expense of the Seller promptly after notice.

**8. Changes**

The Seller shall notify ASRI in writing prior to any change being made by the Seller in the material or services furnished. Such notification shall be forwarded to ASRI at least (30) days prior to the proposed effective date of such change except for those cases where an extremely unsatisfactory condition requires immediate action, in which case the Seller shall promptly in writing so advise ASRI. If, in the event, such change, in ASRI's opinion, would alter the characteristics of the material or services in a manner unacceptable to ASRI, then ASRI may cancel the purchase of such material or service affected by such change without cost or liability to ASRI whatsoever.

**9. Quantity**

No substitution of products, hours or labor category may be made without written permission from ASRI. Unless otherwise agreed to, no deviation from the quantities specified will be accepted.

**10. Subcontracts and Assignment**

a) The Seller shall not subcontract with any other party without ASRI's prior written authorization for the whole or any major component of any item or service ordered hereunder, and the Seller shall require a like agreement from its subcontractors.

b) This Purchase Order and the money due there from may not be assigned without the prior written consent of ASRI.

c) Any attempt to assign without ASRI's consent is void.

**11. Pricing and Taxes**

a) Seller represents that the prices charged for the Goods and Services purchased hereunder by ASRI are and will at all times be the lowest prices charged by Seller to any buyer purchasing similar quantities under similar circumstances. In the event of any decrease in Seller's price for any Good or Service purchased pursuant to this Purchase Order in a quantity similar to that reflected hereon, or any other payment due to hereunder, Seller shall provide a corresponding credit or rebate to ASRI within thirty (30) days or on the next invoice, whichever occurs sooner. The parties agree that the currency for any payments due hereunder shall be in U. S. Dollars. For any price termed "not to exceed", Seller warrants that the price charged to ASRI is based on actual costs incurred by Seller for its performance with respect to the Good or Service in question.

b) Seller's prices for Goods and Services are inclusive of (i) all applicable local, state and federal taxes, and (ii) any other costs (including without limitation, set-up, testing and tooling costs and non-recurring engineering expenses) incurred by Seller in connection with the development or manufacture of products for sale to and delivery to destination. If state or local sales or use tax, value-added tax or custom duty tax is applicable to any of the Goods and Services, it will be so noted on the Purchase Order, and the Seller shall be taxed separately on its invoice.



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**12. Shipping**

Unless the Purchase Order specifies a different point, all deliveries shall be F.O.B destination. Title and risk of loss of all goods shall pass to ASRI upon final acceptance.

**13. Payments**

The seller shall issue a separate invoice for each Purchase Order and for each delivery under a Purchase Order. Seller shall submit an invoice within thirty (30) days of making a delivery. ASRI will pay the Seller in accordance with the terms specified in the Purchase Order. Invoices shall include, but not be limited to, (i) purchase order number, (ii) discount terms, if any, (iii) item number, (iv) description of supplies or services (v) quantities, (vi) unit prices, and (vii) extended totals. Unless otherwise agreed in writing, the Seller shall be paid net forty-five (45) days from later of receipt of a properly prepared invoice in accordance with the above instructions or receipt of the Good or Service. Payment shall be deemed to have been made on the date Buyer's check is mailed or payment is otherwise tendered. Seller shall promptly repay to Buyer any amounts paid in excess of amounts due Seller.

**14. Bankruptcy**

Insolvency. If the Seller ceases to conduct its operations in the normal course of business, including inability to meet its obligations as they mature, or if any proceeding under the bankruptcy or insolvency laws is brought by or against the Seller, or a receiver for the Seller is appointed or applied for, or an assignment for the benefit of creditors is made by the Seller, ASRI may terminate this Purchase Order without liability.

**15. Drawings**

Unless otherwise agreed to in writing, any drawings, plans, specifications, tools and other goods supplied by ASRI in connection with the production of the goods being purchased shall remain the property of ASRI and shall be returned upon demand or completion of this Purchase Order. The Seller shall keep such property safe and in good condition and shall not use it except in connection with sales to ASRI. Nothing in this section shall limit or restrict the rights of the US Government to data it owns or has the right to use.

**16. Disclosure**

Confidentiality. The Seller, on behalf of itself and its employees, agrees that any ideas, know-how, concepts, information, or processes received from ASRI or created by the Seller in connection with the performance of this Purchase Order shall be the property of ASRI and shall be preserved in strictest confidence by the Seller and shall not be used or disclosed by the Seller to third persons except to the extent that such use or disclosure is necessary for the proper performance of this Purchase Order. If disclosure to a third party is necessary, the Seller shall insure that such third party holds such information in strictest confidence. Nothing in this section shall limit or restrict the rights of the US Government to data it owns or has the right to use.

**17. Stop-Work Order**

ASRI 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. The Seller shall immediately comply with the terms and conditions of the Stop-Work Order 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 30 days, ASRI shall either (1) cancel the stop work order; or (2) terminate the work covered by the order as provided in the default, or the termination for convenience clause. If a stop work order is issued by ASRI for the convenience of ASRI, then ASRI shall allow reasonable cost resulting from the stop work order in arriving at the termination settlement. If a stop work order is issued by ASRI for default, ASRI may allow, reasonable costs resulting from the stop work order.

**18. Remedies**

If, in ASRI's judgment, the goods or services supplied by the Seller are defective or nonconforming, or the Seller fails to comply in any material respect with any of the terms, and conditions or warranties of this Purchase Order, then ASRI may, at its option

(a) terminate this Purchase Order or any part hereof; (b) reject goods or services in whole or in part; (c) return goods to the Seller and charge the Seller with all costs, expenses and damages associated with such

return; (d) purchase substitute goods or services elsewhere and charge the Seller for any loss, costs and damages incurred; or (e) require the Seller promptly to replace, repair or otherwise correct without expense to ASRI any nonconforming goods or services. Any such replacements, repairs or corrections shall be subject to the warranties stated herein. Any other rights and remedies stated herein shall be in addition to any rights and remedies provided by law or equity, and shall survive inspection, test acceptance and payment.

**19. Disputes**

Any claim, controversy, or dispute that may arise under or in connection with this Purchase Order with respect to the rights, duties, or obligations of the Parties shall be reduced to writing and submitted for resolution to ascending levels of management of the respective Parties up to the Chief Executive Officer. Any dispute that cannot be resolved to both Parties' mutual satisfaction, after good faith negotiations, within ninety (90) days from the date the written claim is received by the other Party, or such additional time as the Parties agree upon, in writing, may be settled by appropriate legal proceedings including, without limitation, arbitration or litigation. The Seller shall proceed diligently with performance pending resolution of any such dispute by settlement or final judgment. No report to credit agencies shall be made by Seller until dispute is resolved by settlement or final judgment. By accepting this Purchase Order, the Seller consents to this condition in its entirety. Except as may be set forth in this document, with Government Contracting Officer consent, the Seller shall not acquire any direct claim or course of action against the US Government.

**20. Termination for Convenience**

a) ASRI may terminate this Purchase Order in whole or in part, by providing notice of such termination to the Seller, specifying the extent and effective date of such termination. On the specified termination date the Seller shall: (i) Stop performing its obligations under this Purchase Order, or any specified part thereof, as appropriate. (ii) Promptly take all commercially reasonable actions to limit amounts for which ASRI is responsible under paragraph "b)" of this clause. (iii) Promptly deliver to ASRI all completed or partially completed goods to which the termination applies.

b) In the event of any termination pursuant to this clause, ASRI's total liability shall be payment to the Seller for: (i) the purchase price of completed goods and services and a pro rata portion, based upon the degree of completion for partially completed goods or services if such completed or partially completed goods or services have been delivered to ASRI and the Seller has not previously been compensated therefore, (ii) the Seller's direct costs and associated indirect costs for labor and products, plus a reasonable profit for work performed specifically for ASRI and not allocable to completed or partially completed goods or services to be delivered to ASRI pursuant to paragraph "a)" of this clause.

(iii) Amounts determined by ASRI to be reasonably paid by the Seller for any termination pursuant to this clause shall not exceed the purchase price of the goods and services to which such termination applies. The Seller shall have no claim against ASRI for work not performed, goods or services not delivered, loss of anticipated profits or consequential damages suffered by reason of any such termination. The Seller shall submit any claims for compensation under this clause within thirty (30) days after the effective date of termination. The Seller hereby waives, releases, and renounces any claim for compensation not made within this period.

**21. Termination for Default**

a) ASRI may cancel this Purchase Order, in whole or in part, to the extent the Seller fails to perform any of its material obligations under this order.

b) In the event and to the extent of any cancellation under this clause, all obligations of ASRI and all rights and licenses of the Seller under the Purchase Order shall thereupon be canceled, and all rights and licenses of ASRI and all accrued obligations of the Seller under the Purchase Order shall survive, but only with respect to the goods and services covered by the cancellation notice. The Seller shall continue to perform those obligations under this Purchase Order to the extent not canceled.



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c) ASRI may return, and the Seller shall have no claim against ASRI for, Goods or Services not accepted and/or rejected by ASRI. The Seller shall submit any claims for compensation under this clause within thirty (30) days after the effective date of Termination for Default. The Seller hereby waives releases and renounces any claim for compensation not made within this period.

d) If, after issuance of a default notice under this clause, it is determined for any reason that the Seller was not in default, or that the default was excusable under the provisions of this Purchase Order, then there will be no cancellation and the Purchase Order will be terminated for convenience in accordance with the provisions of the clause entitled "Termination for Convenience", as of the date the cancellation would have taken effect under this clause.

**22. Force Majeure**

Time is the essence of this Purchase Order. Neither party shall be liable for delays due to causes not reasonably foreseeable which are beyond reasonable control, such as act of God, acts of civil or military authorities, act of terrorism, fires, strikes, floods, epidemics, war, or riots. In the event of any such delay caused by such event of force majeure, the date of performance shall be extended for a period of time equal to the time actually lost by reason of such delay, without cost to either party. Whenever the Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Purchase Order, the Seller shall immediately give ASRI written notice thereof.

**23. Indemnity**

The Seller shall defend, indemnify, and hold harmless ASRI, its subsidiaries, and their respective directors, officers, employees and agents (hereinafter referred to as "Indemnities") from and against all actions, causes of action, liabilities claims, suits, judgments, liens, award, and damages, of any kind and nature whatsoever for property damage, personal injury, or death and expenses, costs of litigation and counsel fees related thereto, or incidental to establishing the right to indemnification, arising out of or in any way related to this Purchase Order and/or the performance thereof by the Seller.

**24. Infringement**

The Seller shall at its own expense, hold harmless and defend ASRI against any claim, suit, or proceeding brought against ASRI which is based upon a claim, whether rightful or otherwise, that the goods or services, or any part thereof, furnished hereunder constitute an infringement of any patent, copyright, or trademark. The Seller shall pay all damages, costs, and expenses arising from such claims. In case the goods or services furnished hereunder, or any part thereof, are held to constitute infringement and the use of said goods or services or part is enjoined, the Seller shall, at its own expense, either procure for ASRI the right to continue using said goods or services or replace the same with non-infringing goods or services. This clause shall not apply to any goods or services or part thereof manufactured or furnished to ASRI's design.

**25. Insurance**

a) The Seller shall, and shall require its subcontractors to, keep all materials, tools, and equipment in which ASRI has any interest insured against risk of loss or damage for their value at the Seller's own expense during such time as they remain in the Seller's possession.

b) The Seller shall also provide and maintain insurance in the following amounts:

(i) Workmen's compensation insurance--statutory limits;

(ii) General liability insurance--bodily injury liability insurance coverage written on the comprehensive form of policy of at least \$500,000 per occurrence;

(iii) Automobile insurance--automobile liability insurance written on the comprehensive form of policy. The policy shall provide for bodily injury and property damage liability covering the operation of all automobiles used in connection with performing the contract. Policies covering automobiles operated in the United States shall provide coverage of at least \$200,000 per person and \$500,000 per occurrence for bodily injury and \$20,000 per occurrence for property damage. The amount

of liability coverage on other policies shall be commensurate with any legal requirements of the locality and sufficient to meet normal and customary claims.

**26. Compliance with laws**

a) The Seller shall observe at all times all Federal, State, County, and Municipal laws or ordinances which in any manner affect the work herein specified. This Purchase Order incorporates, by reference, all applicable clauses relating to employment of the handicapped, employment of veterans, or utilization of minority contractors which are required under governmental laws, orders, or regulations to be included in any such order according to applicable conditions thereof. The Seller shall also require all of its agents, subcontractors, and employees to observe and comply with said laws and ordinances and shall indemnify and hold ASRI harmless for all claims, damages, and expenses arising from or based on the violation of any such law or ordinance by the Seller or its subcontractors, agents, or employees.

b) The Seller hereby warrants that all goods and services provided hereunder shall conform with the Occupational Safety and Health Act (OSHA). In the event that such goods or services do not conform with OSHA, and ASRI is penalized for such nonconformance, the Seller agrees to indemnify ASRI for all penalties, costs, and expenses, including interest levied against ASRI.

**27. Ethical Standards of Conduct**

Seller shall neither receive nor give any gifts or gratuities in connection with this Purchase Order. Seller's employees are required to conduct company business with integrity and maintain a high standard of conduct in all business-related activities. Seller shall not participate in any unethical conduct during performance of this Purchase Order. Seller shall not engage in any personal, business, or investment activity that may be defined as a conflict of interest, whether real or perceived.

**28. Severability**

If any court or administrative body of competent jurisdiction shall find any provision of this Purchase Order to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the other provisions of this agreement and all provisions not affected by such invalidity or unenforceability shall remain in full force and effect.

**29. Conflicts**

To the extent of conflicts, if any, among the provisions hereof or any attachments hereto, such conflicting provisions shall prevail in the following order of precedence: a) Federal Acquisition Regulations (FAR) and Defense Federal Acquisition Regulation (DFAR); b) Typed provision on the face of the Purchase Order; c) Purchase Order attachments; d) Printed terms and conditions; e) Specifications.

**30. Governing Law**

This Purchase Order is to be construed according to the laws of the State of Alabama, USA. Federal Law applies to disputes with the US Government.

**31. Publicity**

No news release, including photographs and films, advertisement, public announcement, web site application or any part of the subject matter of this Purchase Order shall be made public by the Seller without prior written approval of Buyer.

**32. Export Controls**

In performing the obligations of any Purchase Order issued hereunder, vendor/subcontractor will comply with all applicable export, import and sanctions laws, regulations, orders and authorizations, as they may be amended from time to time, applicable to the export (including re-export) or import of goods, software, technology, (collectively, technical data) or services, including without limitation the Export Administration Regulations (EAR), International Traffic in Arms Regulations (ITAR), and regulations and orders administered by the Treasury Department's Office of Foreign Assets Control (collectively, Export/Import Laws). Accordingly, the vendor/subcontractor shall not transfer technical data received from ASRI to any foreign person, country, foreign subsidiary or parent corporation, without specific authorization from the disclosing party and pursuant to an appropriate U.S. Government license.



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Additionally, to the extent the obligations of the vendor/subcontractor hereunder involves access to information classified by the U.S. Government as "Confidential" or higher, the provisions of all applicable federal laws, statutes and regulations shall apply. The provisions of all applicable security and export control laws, statutes and regulations shall also apply hereto.

**33. Conditions Applicable to Orders for Goods Destined for Use by The United States Government**

Where the face of this Purchase Order bears a Government contract number, the following clauses shall supplement ASRI's Standard Terms and Conditions for Commercial Orders and to the extent of any inconsistency with ASRI's Standard Terms and Conditions for Commercial Orders, the following clauses shall be controlling. The Seller shall, as required, flow down these clauses to any Sub-Seller or Subcontractor.

a) Termination

(i) ASRI shall have the right at any time and for any reason to terminate this Purchase Order in its entirety or in part in accordance with the provisions of Federal Acquisition Regulations 52.249-1 "Termination for Convenience of the Government (Fixed Price) (Short Form)," 52.249-2 "Termination for Convenience of the Government (Fixed Price)," 52.249-4, "Termination for Convenience of the Government (Services) (Short Form)", or 52.249-6, "Termination (Cost Reimbursement)," as applicable (excluding any references to the Disputes Clause). These clauses are specifically incorporated herein by reference.

(ii) In addition to the rights conferred in subparagraph (i), ASRI may terminate this Purchase Order for default if the Seller fails to make any delivery in accordance with the schedule set forth herein or for failure to comply with any of the other requirements or terms and conditions of this Purchase Order or for failure to make progress under this Purchase Order so as to endanger performance of this Purchase Order, and does not cure such failure within a period of ten (10) days after notice from ASRI. In the event of termination for the Seller's default, ASRI may procure commodities or services similar to those terminated and the Seller shall be liable for excess re-procurement costs. Further, the Seller shall be liable to ASRI for any other remedies prescribed by law or equity.

b) Federal Acquisition Regulation (FAR)

(i) If this Purchase Order is for "commercial items" (i.e., an item that is customarily used for nongovernmental purposes and is made available to the general public), then this Purchase Order is subject to the following FAR clauses, all of which are hereby incorporated by reference:

- 52.212-4 Contracts Terms and Conditions – Commercial Items
- 52.212-4 Alternative 1
- 52.222-3 Convict Labor
- 52.222-21 Prohibition of Segregated Facilities
- 52.222-24 Pre-award On-Site Equal Opportunity Compliance Evaluation
- 52.222-26 Equal Opportunity (Executive Order 11246)
- 52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans
- 52.222-36 Affirmative Action for Workers with Disabilities
- 52.225-13 Restrictions on Certain Foreign Purchases

(ii) If this Purchase Order is for other than "commercial items," then this Purchase Order is subject to the following FAR clauses, all of which are hereby incorporated by reference:

- 52.202-1 Definitions
- 52.204-2 Security Requirements
- 52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards
- 52.209-6 Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment
- 52.211-15 Defense Priority and Allocation Requirements (applicable to rated order contracts only)
- 52.216-7 Allowable Cost and Payments (applies only to cost-

- reimbursement-type contracts)
- 52.222-3 Convict Labor
- 52.222-19 Child Labor—Cooperation with Authorities and Remedies
- 52.222-20 Walsh-Healy Public Contracts Act
- 52.222-21 Prohibition of Segregated Facilities
- 52.222-24 Pre-award On-Site Equal Opportunity Compliance Evaluation
- 52.222-26 Equal Opportunity
- 52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans
- 52.222-36 Affirmative Action for Workers with Disabilities
- 52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans
- 52.222-41 Service Contract Act of 1965, as Amended
- 52.222-50 Combating Trafficking in Persons
- 52.223-3 (with Alternate I) Hazardous Material Identification and Material Safety Data
- 52.223-6 Drug-Free Workplace
- 52.223-11 Ozone-Depleting Substances
- 52.225-1 Buy American Act—Supplies
- 52.227-14 Rights in Data-General
- 52.242-15 Stop-Work Order
- 52.243-1 Changes—Fixed Price
- 52.243-2 Changes—Cost-Reimbursement
- 52.243-3 Changes-Time-and-Materials or Labor-Hours
- 52.243-4 Changes
- 52.245-2 Government Property (Fixed Price Contracts)
- 52.245-4 Government-Furnished Property (Short Form)
- 52.245-5 Government Property (Cost Reimbursement, Time and Material, or Labor Hour Contracts)
- 52.246-1 through -9 Contractor Inspection Requirement, Provisions and Clauses
- 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels
- 52.249-2 Termination for Convenience of the Government (Fixed Price)

(iii) FAR Clauses required on orders exceeding "simplified acquisition threshold" (\$150,000) (FAR 2-201):

- 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
- 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
- 52.215-2 Audit and Records—Negotiation
- 52.215-14 Integrity of Unit Prices
- 52.219-8 Utilization of Small Business Concerns
- 52.222-4 Contract Work Hours and Safety Standards Act—Overtime Compensation
- 52.227-1 Authorization and Consent
- 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement
- 52.229-3 Federal, State, and Local Taxes
- 52.233-3 Protest After Award
- 52.244-5 Competition in Subcontracting
- 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels

(iv) FAR clauses required when subcontractor cost or pricing data are required (\$750,000 and over)

- 52.214-26 Audit and Records—Sealed Bidding
- 52.214-27 Price Reduction for Defective Cost or Pricing Data—Modifications—Sealed Bidding



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- 52.214-28 Subcontractor Cost or Pricing Data— Modifications—Sealed
- 52.215-10 Price Reduction for Defective Cost or Pricing Data
- 52.215-11 Price Reduction for Defective Cost or Pricing Data— Modifications
- 52.215-12 Subcontractor Cost or Pricing Data
- 52.215-13 Subcontractor Cost or Pricing Data— Modifications
- 52.215-15 Pension Adjustments and Asset Reversions
- 52.215-18 Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other than Pensions
- 52.215-20 Requirements for Cost or Pricing Data or Information Other than Cost or Pricing Data
- 52.215-21 Requirements for Cost or Pricing Data or Information Other than Cost or Pricing Data—Modifications
- 52.215-22 Limitations on Pass-Through Charges-Identification of Subcontract Effort
- 52.215-23 Limitations on Pass-Through Charges
- 52.219-9 Small Business Subcontracting Plan (This clause does not apply to small business concerns.)
- 52.230-2 Cost Accounting Standards (applicable to Large Business only)
- 52.230-3 Disclosure and Consistency of Cost Accounting Practices
- 52.230-6 Administration of Cost Accounting Standards
- 52.242-1 Notice of Intent to Disallow Costs (applicable only for cost reimbursement, fixed price incentive, or price redetermination orders)
- 52.242-3 Penalties for Unallowable Costs (applicable only for cost reimbursement, fixed price incentive, or price redetermination orders)

(v) Where necessary to make FAR Clauses consistent with this Purchase Order, the words "Government," "contracting officer," and similar words as used therein shall mean ASRI, and the word "contractor" shall mean the Seller.

(vi) The Seller covenants and agrees that if ASRI's contract price or a cost allowance is reduced by reason of the Seller's failure to comply with an applicable Cost Accounting Standard or to follow any practice disclosed in its Disclosure Statement, ASRI shall be entitled to:

- Reduce the price of this Purchase Order by an amount commensurate with the reduction in ASRI's contract price or cost allowance together with interest computed at the applicable Treasury rate; or
- In the event the Seller shall already have been paid the full Purchase Order price or essentially the full Purchase Order price, the Seller shall reimburse and indemnify ASRI in an amount commensurate with the reduction in ASRI's contract price or cost allowance together with interest computed at the applicable Treasury rate.

**34. Pre-award On-Site Equal Opportunity Compliance Evaluation (FAR 52.222-24)**

If a contract in the amount of \$10 million or more will result from this solicitation, the prospective Contractor and its known first-tier subcontractors with anticipated subcontracts of \$10 million or more shall be subject to a pre-award compliance evaluation by the Office of Federal Contract Compliance Programs (OFCCP), unless, within the preceding 24 months, OFCCP has conducted an evaluation and found the prospective Contractor and subcontractors to be in compliance with Executive Order 11246.

**35. Equal Opportunity (FAR 52.222-26), 41 C.F.R. §§60-1.4, 60-300.5, 60-741.5)**

a) Definitions. As used in this clause –

*Gender identity* has the meaning given by the Department of Labor's Office of Federal Contract Compliance Programs, and is found at [www.dol.gov/ofccp/LGBT/LGBT\\_FAQs.html](http://www.dol.gov/ofccp/LGBT/LGBT_FAQs.html).

*Sexual orientation* has the meaning given by the Department of Labor's Office of Federal Contract Compliance Programs, and is found at [www.dol.gov/ofccp/LGBT/LGBT\\_FAQs.html](http://www.dol.gov/ofccp/LGBT/LGBT_FAQs.html).

*United States* means the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island.

b)(i) If, during any 12-month period (including the 12 months preceding the award of this contract), the Contractor has been or is awarded nonexempt Federal contracts and/or subcontracts that have an aggregate value in excess of \$10,000, the Contractor shall comply with this clause, except for work performed outside the United States by employees who were not recruited within the United States. Upon request, the Contractor shall provide information necessary to determine the applicability of this clause.

(ii) If the Contractor is a religious corporation, association, educational institution, or society, the requirements of this clause do not apply with respect to the employment of individuals of a particular religion to perform work connected with the carrying on of the Contractor's activities (41 CFR 60-1.5).

c) During the performance of this contract, the Contractor agrees as follows:

(i) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. However, it shall not be a violation of this clause for the Contractor to extend a publicly announced preference in employment to Indians living on or near an Indian reservation, in connection with employment opportunities on or near an Indian reservation, as permitted by 41 CFR 60-1.5.

(ii) The contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. This shall include, but not be limited to: employment; upgrading; demotion; transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

(iii) The Contractor shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.

(iv) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor; state that all qualified applicants will receive consideration for employment without regard to race, color religion, sex, sexual orientation, gender identity, or national origin.

(v) The Contractor shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding the notice to be provided by the Contracting Officer advising the labor union or workers' representative of the Contractor's commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.

(vi) The Contractor shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.

(vii) The Contractor shall furnish to the contracting agency all information required by Executive Order 11246, as amended, and by the rules, regulations, and orders of the Secretary of Labor. The Contractor shall also file Standard Form 100 (EEO1), or any successor form, as prescribed in 41 CFR Part 60-1. Unless the Contractor has filed within the 12 months preceding the date of contract award, the Contractor shall, within 30 days after contract award, apply to either the regional Office of Federal Contract Compliance Programs (OFCCP) or the local office of the Equal Employment Opportunity Commission for the necessary forms.

(viii) The Contractor shall permit access to its premises, during normal business hours, by the contracting agency or the OFCCP for the purpose of conducting on-site compliance evaluations and complaint



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investigations. The contractor shall permit the Government to inspect and copy any books, accounts, records (including computerized records), and other material that may be relevant to the matter under investigation and pertinent to compliance with Executive Order 11246, as amended, and rules and regulations that implement the Executive Order.

(ix) If the OFCCP determines that the Contractor is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts, under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Contractor as provided in Executive Order 11246, as amended; in the rules, regulations, and orders of the Secretary of Labor; or as otherwise provided by law.

(x) The Contractor shall include the terms and conditions of this clause in every subcontract or purchase order that is not exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor.

(xi) The Contractor shall take such action with respect to any subcontract or purchase order as the Contracting Officer may direct as a means of enforcing these terms and conditions, including sanctions for noncompliance, provided, that if the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of any direction, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

d) The Contractor and Subcontractor incorporate by reference and agree to abide by FAR 52.222-21, which prohibits segregated facilities.

e) Notwithstanding any other clause in this contract, disputes relative to this clause will be governed by the procedures in 41 CFR 60-1.1.

f) To the extent applicable and pursuant to 41 C.F.R. §§60-1.4(d), 60-300.5(d), and 60-741.5(d), the Contractor and Subcontractor affirm the following:

(i) 41 C.F.R. §§60-1.4. This contractor and subcontractor shall abide by the requirements of 41 C.F.R. §§60-1.4(a), -1.4(b). This regulation generally prohibits discrimination against employees or applicants because of their race, color, religion, sex, sexual orientation, gender identity, or national origin, and it requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment individuals without regard for their race, color, religion, sex, sexual orientation, gender identity, or national origin.

(ii) 41 C.F.R. §60-300.5(a). 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

(iii) 41 C.F.R. §60-741.5(a). This contractor and subcontractor shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified 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.

### 36. Other Required Notices

To the extent applicable, this Contractor and Subcontractor will abide by the employee notice requirements of 29 C.F.R. Part 471, Appendix A to Subpart A. To the extent applicable, this Contractor and Subcontractor will abide by the dissemination requirements of 41 C.F.R. §60-1.35(c).

### 37. Government Inspection

If this Purchase Order bears a Government contract number, the Government has the right to perform government quality assurance at the Seller's plant as may be necessary to determine conformance with

the requirements specified for all services and/or supplies ordered herein. In addition, there may be further Government inspection rights provided by FAR citations (i.e., 52.246-2 through -9), if applicable.

### 38. Government-Owned Facilities

If Government-owned facilities are to be used by the Seller to perform work prescribed herein, two prices are to be submitted; one based on rent-free use and one based on rental payments (applicable to request for quote only).

### 39. Anti-Kickback

ASRI prohibits the payment of any money, fee commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to any prime contractor, prime contractor employee, subcontractor, or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract. All suspected violations of this section must be reported immediately to ASRI's Ethics Officer.

### 40. Work Performed in ASRI Facilities

Work performed under this Purchase Order in ASRI facilities may require the individuals assigned to be U.S. citizens. Before assigning any foreign nationals to work in ASRI facilities in support of this Purchase Order, the Seller shall obtain prior written approval from ASRI. The Seller shall also screen all individuals who have access to ASRI facilities against the U.S. Government's Denied Parties List. If the Seller does not have access to the Denied Parties List, names of the individuals shall be provided to ASRI for screening by ASRI.

### 41. Order Completion and Closeout (applicable to Subcontracts pursuant to a ASRI Government or ASRI Prime Contract)

Subcontractor agrees to close out this order within the following schedule:

- Firm fixed price orders: final invoice must be submitted no later than 45 days following final delivery and must be marked as FINAL INVOICE.
- Fixed Price/Labor Hour orders: final invoice must be submitted no later than 45 days following final delivery and must be marked as FINAL INVOICE.
- Time and Material orders: Quick closeout procedures shall be used to the maximum extent possible (reference FAR 42.708). Closing documents using quick closeout procedures shall be submitted within six (6) months of completion of the order. Where quick closeout is not authorized, closing documents shall be submitted within 24 months of completion of the order.
- Cost Reimbursement orders: Quick closeout procedures shall be used to the maximum extent possible (reference FAR 42.708). Closing documents using quick closeout procedures shall be submitted within six (6) months of completion of the order. Where quick closeout is not authorized, closing documents shall be submitted within 24 months of completion of the order.
- Special Note for Delivery/Task Order Contracts: Completion vouchers and documents shall be submitted on each delivery order within three (3) months of order completion. Any subsequent adjustments required on cost reimbursement elements will be made on the final delivery order, which will be closed out in accordance with the schedule specified for the contract type.

Failure to submit documents within the specified period will result in a unilateral closeout of the order by ASRI.

### 42. Organizational Conflict of Interest

Seller certifies that Seller has no organizational conflict of interest as defined in FAR 9.501.

### 43. DFAR Clauses

- 252.225-7004 Report of Intended Performance Outside the United States and Canada – Submission after Award
- 252.225.7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals
- 252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System