



**FEDERAL RESOURCES SUPPLY COMPANY
PURCHASE ORDER TERMS AND CONDITIONS
("TERMS AND CONDITIONS")**

Federal Resources Supply Company ("**Federal Resources**" or "**FR**" or "**Buyer**"), and its subsidiaries, hereby issues to the party with whom Federal Resources is contracting hereunder ("**Company**" or "**Supplier**" or "**Seller**") (each, a "**Party**"; collectively, the "**Parties**") the attached purchase order, including its attachments, together with these terms and conditions, including its attachments, (together, the "**Order**"). This Order is Federal Resources' offer to Supplier to purchase the products and/or services described in the attached purchase order.

Federal Resources is the parent company of K.D. Analytical Consulting, LLC ("**KDA**") and COTS Solutions, LLC ("**COTS**"), and Wright Tool Company, LLC ("**WTC**"). These terms and conditions shall apply to purchase orders issued by KDA, COTS, and WTC, and any other subsidiary of Federal Resources, and in that event, "Federal Resources" and "FR" and "Buyer" will be interpreted as "KDA," "COTS," "WTC" or the other subsidiary as applicable. Federal Resources may freely assign its rights and obligations under any Federal Resources purchase order to KDA, COTS, or WTC, or any other Federal Resources subsidiary, as applicable, where such entity shall be the procuring company.

1. ACCEPTANCE

Federal Resources may, at its option, accept any offer submitted by Supplier in response to a request for quotation by Federal Resources, thus forming a binding agreement. This Order expressly limits Seller's acceptance to the terms of this Order. Supplier's commencement of performance in furnishing the Products and/or Services ordered by Federal Resources constitutes acceptance by, and consent of, Supplier to these Terms and Conditions. Correspondence (including, for example, letter, facsimile and electronic mail) confirming FR's order, or any signed purchase order (which shall include any kind of signed order or agreement for goods and/or services ordered hereunder) shall also constitute acceptance by, and consent of, Supplier to these Terms and Conditions. If Supplier does not reject an Order within seven (7) days of the date listed on the purchase order, the Order is deemed accepted and these Terms and Conditions are deemed consented to by Supplier.

2. TERMS

(a) Terms of Sale

The express terms and conditions contained in the applicable distribution agreement ("**Distribution Agreement**"), if any, in these terms and conditions, and in purchase orders made pursuant to this Order, exclusively govern and control each Party's respective rights and obligations regarding the purchase and sale of the Products, and the Parties' agreement is expressly limited to such terms and conditions. Any conflicting terms or conditions introduced by Company, on any quote or other document associated with this Order or any purchase order, shall be null and void. Notwithstanding the above, any regulatory and/or contractual flowdowns incorporated into FRSC's purchase order shall apply to the purchase and sale of the Products, and Company agrees to abide by such regulatory and/or contractual flowdowns. In addition, notwithstanding the above, applicable federal, state, and local law, including warranties implied in law, shall apply to the purchase and sale of the Products.

(b) Other Agreements

The Parties may enter into teaming agreements and/or subcontracts with respect to specific opportunities for the supply of goods and services to government agencies ("**Other Agreements**"). Where the terms and conditions of those Other Agreements are in conflict with the terms and conditions of this Order, the terms and conditions of this Order shall control with respect to the Parties' obligations under this Order.

(c) Order of Precedence

Notwithstanding the foregoing and subject to any applicable regulatory and/or contractual flowdowns, the order of precedence in the event of conflicting terms in the interpretation and enforcement of this Order is as follows: (a) applicable federal, state, and local law; (b) the Distribution Agreement; (c) the relevant purchase order; then, (d) these Terms and Conditions.



(d) Modifications

Modifications to this Order shall be prohibited except to the extent that each individual proposed modification is identified and specifically agreed to in writing by both Parties. Notwithstanding the above, Federal Resources may, from time to time, update its Terms and Conditions, without notice to Supplier, in which such updates will be binding upon the Parties regardless of when the Terms and Conditions were updated in respect to when the Order was issued by Federal Resources.

3. BRAND NAMES

The Supplier shall provide the goods and/or services as proposed to include brand names and part numbers proposed. Strict compliance with the attached purchase order is required and no substitutions are acceptable without the prior written consent of Federal Resources.

4. FREIGHT

All Products unless otherwise specified in the attached purchase order shall be delivered FOB Destination, Freight Prepaid. If "Freight Prepaid and Add" has been arranged in advance, charges for freight must be accompanied by a copy of the freight bill. No payments for freight will be made without a copy of the freight bill that includes the attached purchase order number.

5. DELIVERY; FAILURE TO MEET DELIVERY DATE

The goods and services required by the attached purchase order shall be delivered in accordance with the delivery schedule contained in the attached purchase order. The date specified for delivery is the date by which delivery is required to be made at the designated destination, unless otherwise expressly indicated in the attached purchase order. Time is of the essence. Delivery shall not be deemed complete until the goods have actually been received and accepted by Federal Resources or Federal Resources' customer, as applicable, notwithstanding delivery to any carrier, or until orders for services have been performed, received, and accepted by Federal Resources or Federal Resources' customer, as applicable. Where delivery is to be made directly to Federal Resources' customer, Supplier shall provide Federal Resources with proof of delivery (POD) once such delivery has been made.

Supplier acknowledges that Federal Resources may be reselling the goods and/or services provided by Supplier and a failure to meet delivery requirements may result in damages to Federal Resources, for which Supplier will be liable. In addition to any other remedies Federal Resources may have, in the event the Supplier fails to provide goods or services upon the date agreed in the attached purchase order or its accompanying delivery schedule, Federal Resources may charge at its sole discretion, and Supplier shall pay the following amounts (including the right of Federal Resources to set-off such amounts against other amounts due Supplier):

- (a) The total of (a) any amount already paid to Supplier by Federal Resources for such late goods and/or services, plus (b) damages incurred by Federal Resources arising from or related to any agreement Federal Resources may have with its customer to provide the late goods and/or services, plus (c) any additional cover damages incurred by Federal Resources to obtain the goods and services from another source; or
- (b) The total of (a) any amount already paid to Supplier by Federal Resources for such late goods and/or services, plus (b) liquidated damages in the amount of five percent (5%) of the value of the goods and services per day of lateness of delivery.

6. INSPECTION

All materials furnished and services performed pursuant hereto shall be subject to inspection and testing by Federal Resources and its agents and by its customers. In the event that goods supplied are not provided in accordance with the attached purchase order, Supplier product descriptions and any applicable specifications and instructions of Federal Resources, Federal Resources may require immediate correction thereof, or as to services,



require that the services be immediately corrected or rendered again at Supplier's expense. If such defects exist, and if Supplier is unable or refuses to immediately replace the goods or correct the services to conform to the attached purchase order, Federal Resources may terminate this Order for default, with no liability to Federal Resources. No inspection (including source inspection), test, approval (including design approval), or acceptance of products or services, or failure to inspect and accept or reject products or services, shall relieve Supplier from responsibility for any defects or other failure to meet the requirements of this Order, or for latent defects, fraud, such gross mistakes that amount to fraud, or Supplier's warranty obligations, nor impose liability on Federal Resources.

7. FEES; PAYMENT

Except where the parties have otherwise agreed in writing, invoices will be paid by Federal Resources within sixty (60) days of Federal Resources' receipt of a proper invoice. Federal Resources may make any adjustments in Supplier's invoices due to shortages, late delivery, rejections, or other failure to comply with the requirements of the attached purchase order before payment. Supplier's invoices shall contain such detail and information as reasonably requested by Federal Resources. Payment shall not constitute final acceptance by Federal Resources. Federal Resources may offset against any payment hereunder any amount owed to Federal Resources by Supplier.

Supplier's total charges shall be set forth in the attached purchase order. The charges specified in the attached purchase order are the total charges, including all amounts Supplier shall charge to Federal Resources to complete Supplier's obligations under this Order; no other fees, costs or expenses may be charged to Federal Resources except as set forth in the attached purchase order. Supplier shall not be entitled to charge for any services after ninety (90) days from the provision of such services.

All amounts payable under the attached purchase order are inclusive of any value added, goods and services, sales, excise or other applicable taxes ("Taxes"). If required by any law, statute, or regulation, Supplier will collect from Federal Resources and remit to the appropriate authorities, any Taxes applicable to the provision of the goods or services, if any. Supplier will issue the required tax invoice to Federal Resources unless Federal Resources provides Supplier with a timely and valid tax exemption certificate authorized by the appropriate taxing authority. Supplier shall indemnify and hold harmless Federal Resources from Supplier's failure to comply with its obligation to collect and remit Taxes pursuant to this Clause.

Federal Resources will only pay "Restocking Fees" specifically agreed upon in the attached purchase order.

8. DEFECTIVE WORK

Notwithstanding any prior acceptance, Federal Resources may reject or require prompt correction of any products or services which are, in Federal Resources' judgment, defective in material or workmanship or otherwise fail to meet the drawings, designs, statement of work, specifications or other technical documents, or other requirements of this Order.

If Supplier delivers defective or nonconforming products or services, Federal Resources may:

- (a) Accept all or part of the defective or non-conforming products or services at an equitable price reduction or credit against any amounts that may be owed to Supplier under this Order or otherwise; or
- (b) Reject all or any part of a delivery or performance of defective or non-conforming products or services and demand delivery of conforming products or re-performance of services. All rejected products shall be shipped back to Supplier at Supplier's expense and any re-performance of defective or nonconforming services shall be at no cost to Federal Resources; or
- (c) Make or perform, or have a third party make or perform, all repairs, modifications, or replacements necessary to enable such product or service to comply in all respects with Order requirements and charge the expense incurred to Supplier; or
- (d) Terminate this Order for default in whole or in part.

Any rejected or corrected products or services shall not thereafter be tendered for acceptance unless the former rejection or requirement for correction is disclosed. All repair, replacement and other correction and redelivery



shall be completed within the original delivery schedule unless otherwise directed by Federal Resources.

Supplier shall immediately notify Federal Resources upon discovery of actual or potential defects or non-conformance affecting a delivered product or performed service.

9. REPRESENTATIONS AND WARRANTIES

Supplier represents and warrants that:

- (a) all goods delivered pursuant hereto will be new, unless otherwise expressly permitted by Federal Resources, and free from defects in material, workmanship, and design, and that all services will be delivered in a professional and workmanlike manner;
- (b) all goods and services will conform to applicable specifications, drawings, and industry standards of quality and performance, and that all Products will be free from defects in design and suitable for their intended purpose;
- (c) all goods and services will conform to all requirements of this Order;
- (d) the goods covered by this Order are fit and safe for consumer use, if so intended;
- (e) Supplier's performance hereunder, including its provision of goods and services, will be in accordance with all applicable laws, rules and regulations;
- (f) Supplier has sufficient right, title and interest in the goods and services to provide them to Federal Resources (including its customers) as contemplated hereunder;
- (g) all Original Equipment Manufacturer ("OEM") warranties and any other applicable Supplier warranties flow to Federal Resources, which may then be assigned by Federal Resources to its customer(s) and such warranties do not commence until the goods and services are accepted by Federal Resources' customer;
- (h) all goods and services delivered pursuant hereto are provided free and clear of any liens or encumbrances and are free of any claim of any third party; and
- (i) the performance of Supplier under this Order, including any Services provided by Supplier to Federal Resources and Federal Resources' subsidiaries, affiliates, successors or assigns and their respective directors, officers, shareholders and employees and Federal Resources' customers (collectively, "**FR's Indemnitees**"), and the sale, use, or incorporation into manufactured Products of all machines, devices, material, software, and firmware which are not of Federal Resources' design, composition, or manufacture shall be free and clear of infringement of any valid patent, copyright, trademark, or other proprietary rights.

All representations and warranties of Supplier, together with its service warranties and guarantees, if any, shall run to Federal Resources and Federal Resources' customers. The foregoing representations and warranties shall survive any delivery, inspection, acceptance, or payment by Federal Resources.

Supplier shall comply with the minimum service life for the offered good as provided for in the attached purchase order, Supplier's documentation related to the good, or in Supplier's quote to Federal Resources (if one was provided), whichever service life is longer.

10. PRICE PROTECTION

Supplier warrants that, with respect to each good and/or services sold by Supplier hereunder, the prices charged for the good and/or service purchased pursuant hereto shall be no higher than Supplier's current price to any other customer for substantially the same quality and quantity of such good and/or service. Supplier agrees to protect Federal Resources against general price decline and in the event that during the period of this Order Supplier reduces said prices to any of its other customers for the same or similar products of the same or similar quantity, then the prices specified in the attached purchase order shall be lowered to reflect the reduced prices effective as of the date the lower prices shall were offered to Supplier's other customers.



11. CHANGES

Federal Resources may, by written notice to Supplier at any time before completion of the attached purchase order or complete delivery is made under the attached purchase order, make changes within the general scope of the attached purchase order in any one or more of the following: (a) drawings, designs, or specifications; (b) quantity; (c) place of delivery; (d) method of shipment or routing; and/or (e) make changes in the amount of Federal Resources furnished property. If any such change causes a material increase or decrease in the cost of, or the time required, for the performance of any part of the work under the attached purchase order, Federal Resources shall make an equitable adjustment in the attached purchase order price or delivery schedule, or both, and shall modify the attached purchase order via amendment thereto. The Supplier must have notified Federal Resources in writing of any request for such adjustment within seven (7) days from the date of such notice from Federal Resources or from the date of any act of Federal Resources that Supplier considers constitutes a change. Supplier shall proceed with the work as changed without interruption.

12. PROPRIETARY INFORMATION

(a) Existing NDA

If a confidentiality/non-disclosure agreement exists between the Parties, that agreement is incorporated herein and shall apply for the duration of this Order instead of this Clause. If no confidentiality/non-disclosure agreement exists between the Parties, then this Clause controls.

(b) Definition

“**Proprietary Information**” is defined, for purposes of this Order, to include all technical data and information, trade secrets, drawings, designs, formulas, inventions, audited and unaudited financial statements and similar documents supporting or referred to in audited and unaudited financial statements, income and other tax returns, sales data, accounts receivable and payable information, inventories, work in progress, cost and pricing information, business data such as material mark-up, labor rates and attribution of overhead factors, and other financial and payroll filings with governmental agencies, together with: (i) any information disclosed in written or tangible form that is marked as “Proprietary” at the time of disclosure; (ii) any information disclosed verbally that is identified as “Proprietary” at the time of disclosure and is summarized in a writing sent by the disclosing Party to the receiving Party within thirty (30) days after disclosure; and (iii) any information, whether disclosed or accessed in written, electronic, or other form or media, regardless of whether marked “Proprietary,” that a reasonable person in the position of the receiving Party would discern as confidential or proprietary.

(c) Applicability

The Parties agree that the provisions of this Clause shall apply to all Proprietary Information disclosed prior to the date of this Order, in addition to Proprietary Information disclosed on or after the date of this Order. Each Party represents and warrants that prior to the date of this Order that it has not used or disclosed to any third party any Proprietary Information of the other Party.

(d) Limitations on Use and Disclosure of Proprietary Information

The receiving Party will receive, maintain, and hold Proprietary Information in strict confidence and will use at least the same level of care in safeguarding Proprietary Information that it uses with its own material of a similar nature but in no event less than reasonable care under the circumstances.

Proprietary Information shall be used solely for the furtherance of this Order and shall not otherwise be used for the benefit of the receiving Party, or third parties. The receiving Party will not reverse engineer, decompile or disassemble the Proprietary Information.

Proprietary Information shall not be copied or reproduced by the receiving Party beyond the limits reasonably required to affect its use. The receiving Party will promptly notify the disclosing Party upon discovery of any unauthorized use or disclosure of the Proprietary Information and take reasonable steps to regain possession of the Proprietary Information and prevent further unauthorized actions or other breach of this Clause.



Any and all copies made by the receiving Party must be accounted for and destroyed or returned in accordance with the procedures specified herein.

Proprietary Information shall be disclosed only to the employees of the receiving Party who have a “need to know” in connection with the performance of this Order.

This Clause shall not restrict disclosure or use of Proprietary Information that:

1. was in the public domain at the time of disclosure or thereafter enters the public domain through no breach of this Clause by the receiving Party;
2. was, at the time of receipt, otherwise known to receiving Party without restriction as to use or disclosure;
3. becomes known to the receiving Party from a source other than the disclosing Party without breach of this Clause by the receiving Party; or
4. is developed independently by the receiving Party and without reliance upon Proprietary Information disclosed hereunder.

(e) Required Disclosure

Should the receiving Party be faced with legal action or a requirement under Government regulations to disclose Proprietary Information received hereunder, the receiving Party shall forthwith notify the disclosing Party, and upon the request and at the expense of the disclosing Party, shall cooperate with the disclosing Party in contesting such disclosure, and except in connection with failure to discharge responsibilities set forth herein, neither Party shall be liable in damages for any disclosures of information received hereunder pursuant to judicial action or Government regulations. Federal Resources shall not be prohibited from providing copies of this Order, including any other document incorporated into this Order, to federal, state or other regulatory agencies as requested by either Federal Resources’ or government auditors to comply with auditing procedures. In the event disclosure is required, the receiving Party shall disclose no more than that portion of Proprietary Information that is necessary to comply with such law, regulation, or valid court order. Such disclosure shall not affect the Parties’ obligations of confidentiality under this Clause.

(f) Survival

The foregoing commitments of each Party provided for in this Clause shall survive any termination of the relationship between the Parties, and shall continue for a period of three (3) years from the date of disclosure. In the case of trade secrets, the foregoing commitments of each Party shall survive any termination of the relationship between the Parties and shall be perpetual until disclosed to the general public.

(g) Obligations upon Termination

Upon the termination of this Order, or upon the written request of the disclosing Party, the receiving Party shall cease use of any Proprietary Information, and shall destroy all such Proprietary Information, including copies thereof, then in its possession or control, promptly furnishing the disclosing Party with written certification of such destruction. Alternatively, at the request of the disclosing Party, the receiving Party shall return all such Proprietary Information and copies to the disclosing Party. However, receiving Party may retain one (1) archival copy of the Proprietary Information that it may use only in case of a dispute concerning this Clause.

13. INTELLECTUAL PROPERTY

“**Intellectual Property**” shall mean creations of the mind including: ideas, inventions, works of authorship, and symbols, names, images, and designs embodied in for example, technical data, designs, information, computer software, drawings, formulae, specifications, diagrams, processes, know-how, procedures and technology and all legal rights in such creations of the mind. “**Work(s)**” shall mean physical manifestations of Intellectual Property created under this Order.

Supplier grants Federal Resources a revocable, transferable license to copy, modify, use, sell, offer for sale, and disclose any Work or other deliverable delivered by Supplier under this Order for the performance of this Order and any higher tier contract. Supplier warrants that it has the rights in the Work or other deliverable delivered by Supplier pursuant to this Order or higher tier contract sufficient to grant to this license to Federal Resources. This license shall extend through Federal Resources to its customers.



With the exception of the above license, the rights associated with existing and/or independent Intellectual Property of either Party shall remain those of the respective Party. Nothing in this Clause shall modify or alter any rights that the U.S. Government may have in any Products and/or Services, including Data or software deliverables to the U.S. Government.

14. INSURANCE PROVISION FOR PROCUREMENT PURCHASE ORDERS /SUBCONTRACTS

Without prejudice to Supplier's liability to indemnify Federal Resources, Supplier shall procure at its expense and maintain for the duration of any properly awarded Order, and ensure that any of its subcontractors used in connection with the Order procure and maintain, the insurance policies required below with financially responsible insurance companies, and with policy limits not less than those indicated below.

- (a) **Workers' Compensation:** Coverage for statutory obligations imposed by laws of any State in which the work is to be performed, including where applicable, coverage under the United States Longshoremen's and Harbor Workers' Act ("USL&H"), the Jones Act, and the Defense Base Act ("DBA"). In addition, the policy shall be endorsed to waive the insurer's rights of subrogation in favor of Federal Resources.
- (b) **Employer's Liability:** Coverage for injuries to employees not covered by workers' compensation with limits of at least \$1,000,000 each accident, \$1,000,000 each employee by disease, and \$1,000,000 policy limit by disease. In addition, the policy shall be endorsed to waive the insurer's rights of subrogation in favor of Federal Resources.
- (c) **Commercial General Liability:** Coverage for third party bodily injury and property damage, personal injury, products and completed operations, contractual liability, and independent subcontractors' liability with limits not less than \$2,000,000 per occurrence and \$5,000,000 in the aggregate. Federal Resources, its officers and employees, and Federal Resources' customer where required by Federal Resources' agreement with its customer, shall be named as additional insured and a waiver of subrogation shall be provided in favor of Federal Resources.
- (d) **Business Automobile Liability:** Coverage for use of all owned, non-owned, and hired vehicles with limits of not less than \$1,000,000 per occurrence combined single limit for bodily injury and property damage liability. Federal Resources, its officers and employees, and Federal Resources' customer where required by Federal Resources' purchase order with its customer, shall be named as additional insured and a waiver of subrogation shall be provided in favor of Federal Resources.
- (e) **Professional Liability:** If Supplier is performing any professional services, coverage for damages (including financial loss) caused by any acts, errors and omissions arising out of Supplier's performance of professional services with limits of not less than \$2,000,000 per claim and \$5,000,000 in the aggregate.
- (f) **All-Risk Property Insurance:** Coverage to repair or replace property, including goods covered by the purchase order, of Federal Resources and/or Federal Resources' customer which may be in the possession or control of Supplier. Federal Resources shall be named as a loss payee with respect to loss or damage to said property and/or goods furnished by Federal Resources. Further, Supplier assumes the risk of loss or destruction of or damage to any of its property and its employees' property, whether owned, hired, rented, borrowed, or otherwise. Supplier waives and shall ensure that its employees waive all rights of recovery against Federal Resources and Federal Resources' customer and their respective employees for any loss, destruction of or damage to any such property.

The required insurance coverage above shall be primary and non-contributing with respect to any other insurance that may be maintained by Federal Resources and notwithstanding any provision contained herein, the Supplier, and its employees, agents, representatives, consultants, subcontractors and suppliers, are not insured by Federal Resources, and are not covered under any policy of insurance that Federal Resources has obtained or has in place.

Supplier shall make available upon request of Federal Resources current certificates of insurance evidencing the insurance policies above, including evidence of additional insured status and waivers of subrogation where required. Federal Resources reserves the right to refuse to accept policies from companies with an A.M. Best Rating of less than A-VII. Supplier, or its insurers, shall provide thirty (30) days advance written notice to Federal Resources in the event of cancellation or material modification of any policy. Failure of Federal Resources to



demand such certificates or to identify any deficiency in the insurance provided shall not be construed as or deemed to be a waiver of Supplier's, or its subcontractors', obligations to maintain the above insurance.

15. INDEMNIFICATION

(a) General Indemnification

Supplier shall indemnify, defend, and hold harmless Federal Resources and FR's Indemnitees from and against all claims, suits, actions, awards, damages, costs, losses, expenses, or any liability whatsoever, including reasonable attorneys' fees and other reasonable professional fees and costs, the cost of enforcing any right to indemnification, and the cost of pursuing any insurance providers, (collectively, "Losses") arising out of or in connection with:

1. the work to be performed hereunder;
2. the products to be sold hereunder;
3. any act or omission of Supplier, its agents, employees, or subcontractors, including negligent acts or omissions;
4. Supplier's violation of any applicable law, regulation, or executive order; and/or
5. breach of any representation, warranty, or covenant made by Supplier herein.

(b) Intellectual Property Indemnification

Supplier shall indemnify, defend, and hold harmless Federal Resources and FR's Indemnitees from and against all Losses related to the actual or alleged infringement of any U.S. or foreign intellectual property right (including, but not limited to, any right in a patent, trademark, copyright, industrial design or semiconductor mask work, or based on misappropriation or wrongful use of information or documents) arising out of or occurring in connection with the performance of Supplier under this Order, the manufacture, sale or use of Products delivered by Supplier under this Order, the provision of Services by Supplier under this Order, or the use or possession of the Products under this Order by Federal Resources or FR's Indemnitees.

(c) Indemnification Procedures

In no event shall any indemnification obligation provided for under this Order covers Losses arising out of the indemnified party's own acts or omissions, gross negligence or willful misconduct, or failure to mitigate damages. The indemnification obligations provided for under this Order are conditioned upon the indemnified party: (i) promptly notifying the indemnifying party of any claim in writing; (ii) cooperating with the indemnifying party in the defense of the claim; and (iii) granting the indemnifying party sole control of the defense and/or settlement of the claim.

16. TERMINATION AND DEFAULT

(a) Termination for Convenience

Federal Resources may at any time terminate all or any part of this Order in accordance with the contract clause entitled "Termination for Convenience of the Government (Fixed-Price)" set forth at 52.249-2 of the FAR, which clause is hereby incorporated herein and made a part hereof by this reference, except that the term "contract" therein shall mean this Order, the term "Contracting Officer" therein shall mean "Federal Resources", the term "Government" therein shall mean "Federal Resources" except that in subparagraph (b) (8) and at the first occurrence thereof in paragraph (h) it shall mean "Federal Resources or the Government" and in paragraph (n) it shall mean "Federal Resources and the Government", the term "Contractor" therein shall mean "Supplier", paragraphs (d) and (j) thereof are deleted, the period "120 days" in paragraph (c) is changed to "60 days", the period "1 year" in paragraph (e) is changed to "3 months" and the period "90 days" in paragraph (l) is changed to "45 days"; provided, however, that if this Order is a first-tier subcontract under a U.S.G. Prime Contract, the period "1 year" in paragraph (e) is changed to "180 days."

(b) Termination by Default

Federal Resources may, by written notice of default for cause, as specified below, to the Supplier and in addition to any other remedies it may have, immediately terminate the whole or any part of any Order, without a restocking fee, in any one of the following circumstances:



1. if, in Federal Resources' reasonable discretion, Supplier fails to make progress in the work so as to endanger performance or delivery of the goods or to perform the services within the time specified herein or any extension thereof;
2. if Supplier misses a delivery date specified in an Order;
3. if Supplier fails to perform any of the other provisions of the Order and does not cure such failure within a period of ten (10) days (or such longer period as Federal Resources may authorize in writing) after receipt of notice from the Federal Resources specifying such failure; or
4. Supplier becomes insolvent or the subject of proceedings under any law relating to bankruptcy or the relief of debtors or admits in writing its inability to pay its debts as they become due.

(c) Effect of Termination

If this Order is terminated by Federal Resources for cause, Federal Resources may procure or otherwise obtain, upon such terms and in such manner as Federal Resources may deem appropriate, goods and/or services similar to those terminated, and Supplier, subject to the exceptions set forth below, shall be liable to Federal Resources for any excess procurement costs of such similar goods or services and any liability of Federal Resources to its customer resulting from such Supplier default. In the event Company terminates this Order for cause, Federal Resources shall not be liable to Company for any Products and/or Services unless delivered and accepted.

If the termination by Federal Resources is for reasons other than for cause, Supplier shall submit a final termination settlement proposal to Federal Resources. The Supplier shall submit the proposal promptly but no later than ten (10) days from the effective date of the termination. If Supplier fails to submit the proposal within the time allowed, Federal Resources may determine the amount, if any, due the Supplier resulting from the termination.

Upon termination, Supplier shall transfer title and deliver to Federal Resources, in the manner and to the extent requested in writing by Federal Resources, such complete articles, partially completed articles and materials, parts, tools, dies, patterns, jigs, fixtures, plans, drawings, deliverables, information and rights as Supplier has produced or acquired for the performance of the terminated part of the Order, and Federal Resources will pay Supplier the Order price for complete articles delivered to and accepted by Federal Resources (unless such acceptance has been impaired by Supplier's breach) and the fair value of the other property of Supplier so requested and delivered.

Supplier shall continue performance of the Order to the extent not terminated. In case of Supplier's default, Federal Resources' rights as set forth herein shall be in addition to Federal Resources' other rights although not set forth in the Order. In the event this Order is terminated, Supplier shall honor all existing valid quotes and accepted purchase orders for Products.

Except as otherwise specified in this Order, contractual remedies and other provisions that would survive termination of this Order (including but not limited to indemnification and limitation of liability) survive termination of this Order for a period of three (3) years.

17. NON-WAIVER OF RIGHTS

The failure of a Party to insist upon strict performance of any of the terms and conditions in the Order, or to exercise any rights or remedies, shall not be construed as a waiver of its rights to assert any of the same or to rely on any such terms or conditions at any time thereafter. The invalidity in whole or in part of any term or condition of these Terms and Conditions shall not affect the validity of other parts hereof.

18. EQUITABLE REMEDIES

Each Party to this Order acknowledges and agrees that (a) a breach or threatened breach by such Party of any of its confidentiality obligations under this Order would give rise to irreparable harm to the other Party for which monetary damages would not be an adequate remedy and (b) if a breach or a threatened breach by such Party of any such obligations occurs, the other Party hereto will, in addition to any and all other rights and remedies that may be available to such Party at law, at equity or otherwise in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction, without any requirement to (i) post a bond or other security, or (ii) prove actual damages or that monetary damages will not afford an adequate remedy. Each Party to this Order agrees



that such Party shall not oppose or otherwise challenge the appropriateness of equitable relief or the entry by a court of competent jurisdiction of an order granting equitable relief, in either case, consistent with the terms of this Section (Equitable Remedies).

19. GOVERNING LAW

This Order and all acts and transactions pursuant hereto and the rights and obligations of the Parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Maryland, without giving effect to principles of conflicts of law, except as to such issues which may be governed by Federal laws.

20. DISPUTES

(a) Jurisdiction; Venue

Any dispute under this Order not otherwise resolved by the Parties shall be resolved a court of competent jurisdiction in the State of Maryland, and each Party consents to the jurisdiction and venue of such courts.

(b) Dispute Process

Pending any prosecution, appeal, or final decision referred to in this Clause, or the settlement of any dispute arising under this Order, both Parties shall proceed diligently, with their respective obligations under this Order. The Parties shall resolve any dispute, controversy, or claim arising out of or relating to this Order, or the breach, termination or invalidity hereof by exhausting the following options in the following order: (i) negotiation of the Parties by the individuals named herein or on the applicable purchase order, within thirty (30) days after one Party notifies the other Party of a dispute in writing, (ii) escalation to executive level for negotiation, (iii) after fifteen (15) days of executive level involvement, escalation to a mediator for resolution, and finally, if resolution does not occur through mediation, (iv) the Parties may use the judicial process to resolve the dispute utilizing the laws and forum specified in this Section (Disputes).

21. LIMITATION OF LIABILITY

EXCEPT FOR SUPPLIER'S INDEMNIFICATION OBLIGATIONS, NEITHER PARTY SHALL BE LIABLE UNDER THIS ORDER TO THE OTHER PARTY OR ANY THIRD PARTY FOR ANY FUTURE LOSS OF PROFITS, OVERHEAD, SPECIAL, CONSEQUENTIAL, INDIRECT, INCIDENTAL, PUNITIVE OR SIMILAR DAMAGES CLAIMED OR ARISING OUT OF, RELATING TO, OR IN CONNECTION WITH BREACH OR DEFAULT OF THIS ORDER, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE, (B) WHETHER OR NOT EITHER PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED. NOTWITHSTANDING THE FOREGOING, THIS CLAUSE SHALL NOT BE CONSTRUED TO DISCLAIM DIRECT DAMAGES. EXCEPT FOR SUPPLIER'S INDEMNIFICATION OBLIGATIONS, IN NO EVENT SHALL EITHER PARTY'S AGGREGATE LIABILITY ARISING OUT/OF OR RELATING TO THIS ORDER, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE VALUE OF FEDERAL RESOURCES' PAYMENTS TO SUPPLIER DURING THE TWELVE (12) MONTHS PRECEDING THE EVENT GIVING RISE TO THE CLAIM OR ONE MILLION DOLLARS (\$1,000,000), WHICHEVER IS GREATER.

22. COMPLIANCE WITH LAWS

Each Party shall comply with all applicable laws, statutes, acts, ordinances, rules, codes, standards and regulations in the performance of this Order. Each Party will supply the other Party hereto with any information required by any governmental agencies or as such Party may reasonably request for its compliance with law or performance of this Order. Each Party will respond to the other Party's requests for information under this Clause in a timely and cooperative manner.

23. CONFLICT MINERALS

If Supplier is providing Products to Federal Resources under this Order, Supplier shall use commercially reasonable efforts to:

- (a) identify whether such Products contain tin, tantalum, gold or tungsten;
- (b) determine whether any such minerals originated in covered countries, as defined in Subsection 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act; and



- (c) perform appropriate due diligence on its supply chain in support of Federal Resources' obligations under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Supplier shall provide Federal Resources advance notification that Products will contain conflict minerals before delivering any such Products. In the event that Supplier provides notice of intent to deliver, or delivers, Products containing conflict minerals to Federal Resources, Federal Resources shall have the right to terminate in accordance with Clause 16 "Termination."

In addition, Supplier shall, as soon as reasonably practicable following the completion of the calendar year, provide a completed Conflict Minerals Reporting Template, using the form found at <http://www.responsiblemineralsinitiative.org/conflict-minerals-reporting-template/>. If requested, Supplier will promptly provide information or representations that Federal Resources reasonably believes are required to meet Federal Resources' conflict minerals compliance obligations.

24. ENVIRONMENTAL HEALTH AND SAFETY PERFORMANCE AND EU REACH COMPLIANCE

Supplier represents, warrants and covenants that:

- (a) Supplier shall maintain environmental, health and safety management systems as appropriate to ensure compliance with applicable federal, state and local requirements. Supplier further agrees to continuously promote a safe and healthy workplace and a sustainable environment related to water and air quality, water and energy conservation, greenhouse gas emission reductions, solid and hazardous waste reductions. Supplier shall convey the requirement of this Clause to its suppliers.
- (b) Supplier shall comply with any and all European Union (EU) Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation obligations with respect to any of the Products delivered by Supplier to Federal Resources under the terms of this Order.
- (c) Supplier must provide Federal Resources with a list of Substances contained in any of the Products that were included on the Candidate List published by the European Chemicals Agency (ECHA). Thereafter, if a Substance is added to the Candidate List by ECHA, and that Substance is also contained in any Products, Supplier must notify Federal Resources within fifteen (15) days following publication of the list.
- (d) By accepting this Order, Supplier recognizes and agrees that Federal Resources will thereafter act in reliance on Supplier's acceptance of this Order as a contractual commitment that it is in compliance with EU REACH regulations, subject to the further provisions below.
- (e) Should any Products contain Substances listed on the Candidate List that are above 0.1% on a weight by weight basis within that Product, Supplier shall provide Federal Resources with so-called Safe-Use information, pursuant to the provisions of REACH Article 33 and shall maintain the REACH database for the life of this Order.
- (f) As indicated, Federal Resources will act in reliance on the statements and commitments Supplier makes regarding the Candidate List status of each of the Substances contained in any of the Products. If Supplier fails to comply with the provisions of this Clause, Federal Resources may consider whether such failure constitutes a breach of this Order sufficient to warrant Termination for Default in accordance with the terms of this Order. Moreover, in the event failure to timely comply with these provisions results in a business interruption of Federal Resources' operations, Federal Resources will seek to recover the damages, including financial losses, it suffers as a consequence of such failure.
- (g) Supplier is responsible for ensuring that the Products conform to and are compliant with the restrictions included in Annex XVII of the REACH Regulation and/or are otherwise authorized for use in accordance with Annex XIV of the REACH Regulation (in each case where relevant).

For purposes of this clause, the terms "Substance" and "Candidate List" shall have the same meaning as are given those terms in REACH and the list of substances currently on the candidate list can be found at <http://echa.europa.eu/web/guest/candidate-list-table>.

25. ANTI-CORRUPTION COMPLIANCE

Supplier represents, warrants and covenants that:

- (a) It has not and will not, directly or indirectly, pay, promise, offer, or authorize the payment of any money or anything of value in connection with this Order to: (i) an officer, employee, agent or representative of any government, including any department, agency, or instrumentality thereof or



- any person acting in an official capacity thereof; (ii) a candidate for political office, any political party or any official of a political party; or (iii) any other person or entity while knowing or having reason to know that all or any portion of such payment or thing of value will be offered, given or promised, directly or indirectly, to any person or entity for the purpose of assisting Federal Resources in obtaining or retaining business, or an improper business advantage. Without limiting the generality of the foregoing, Supplier shall not directly or indirectly, pay, promise, offer, or authorize the payment of any facilitating payment intended to expedite or secure performance of a routine governmental action, such as, customs clearance on behalf of Federal Resources.
- (b) No gifts, travel expenses, business courtesies, hospitalities or entertainment of any nature have been or will be accepted or made in connection with this Order where the intent of was, or is, to unlawfully influence the recipient of the gift, travel expense, business courtesy, hospitality or entertainment. Supplier also represents that any gifts, travel expenses, business courtesies, hospitalities or entertainment offered or provided shall meet the following conditions: i. be permitted under the U.S. Foreign Corrupt Practices Act (FCPA) and the laws and regulations of the country in which this Order will be performed; ii. be consistent with applicable social and ethical standards and accepted business practices; iii. be of such limited value as not to be deemed a bribe, payoff or any other form of improper inducement or payment; and iv. be of such nature that its disclosure will not cause embarrassment for Federal Resources.
- (c) Breach of any of the foregoing provisions of subparagraphs (a) and (b) of this clause by Supplier shall be considered an irreparable material breach of this Order and shall entitle Federal Resources to terminate this Order immediately without compensation to Supplier.

26. EXPORT CONTROLS

Each Party represents that it will comply with all applicable export and import laws and regulations during performance of this Order, including but not limited to, the U.S. Arms Export Control Act, as amended (22 U.S.C. §§ 2751-2799), the International Traffic in Arms Regulations, as amended (22 C.F.R. §§ 120-130), the Export Administration Act, as amended, (50 U.S.C. §§ 2401-2420), and the U.S. Export Administration Regulations, as amended (15 C.F.R. §§ 730-774). Each Party shall inform the other of any export-controlled information or material prior to dissemination and shall label such controlled information or material as "Export-Controlled." Supplier shall provide FRSC with the USML and/or ECCN for Products as applicable. The Parties shall not export, disclose, furnish or otherwise provide any defense article, technical data, technology, defense service, or technical assistance of the other Party to any foreign person or entity, whether within the U.S. or abroad, without obtaining, in advance, (a) appropriate U.S. government export authorization, and (b) written approval from the other Party. Parties shall incorporate the following statement as an integral provision of any contract, invoice or other appropriate document whenever applicable Products covered by this Order are sold or otherwise transferred:

"These items are controlled by the U.S. government and authorized for export only to the country of ultimate destination for use by the ultimate consignee or end-user(s) herein identified. They may not be resold, transferred, or otherwise disposed of, to any other country or to any person other than the authorized ultimate consignee or end-user(s), either in their original form or after being incorporated into other items, without first obtaining approval from the U.S. government or as otherwise authorized by U.S. law and regulations."

27. HAZARDOUS MATERIALS

Each Party represents that it will comply with all applicable hazardous materials laws and regulations during performance of this Order including, but not limited to, 49 C.F.R. §§ 100-180, 29 C.F.R. §§ 1910.1200, and the Toxic Substances Control Act (15 U.S.C. §§ 2601, et. seq.). For each shipment of Products, Supplier shall provide FRSC, in writing, sufficient advance warning and notice (in addition to including appropriate labels on Products, containers and packing) of any hazardous or restricted material that is an ingredient or a part of the shipment, together with such special handling instructions as may be necessary to advise logistics providers, handlers of the Products, and personnel of how to exercise that measure of care and precaution that will comply with any applicable Laws and prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the Products, containers and packing. Parties shall comply with the Hazard Communication Standard (29 C.F.R. § 1910.1200(g)), which requires that a Material Safety Data Sheet be provided with each hazardous chemical sold under this Order. This requirement applies to the manufacturer, the



distributor, and any subsequent resellers. Supplier certifies that any chemicals sold under this Order are on the Toxic Substances Control Act (15 U.S.C. §§ 2601, et. seq.) chemical inventory or are subject to an exemption, and that such exemption is specified in the Material Safety Data Sheet.

28. COVERED TELECOMMUNICATIONS EQUIPMENT OR SERVICES

The terms “backhaul,” “covered telecommunications equipment or services,” “interconnection arrangements,” “reasonable inquiry,” and “roaming,” as used in this Section 28 shall have the meanings set forth in the definitions subsection of FAR 52.204-25, Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment. This Section does not prohibit Supplier from providing a service that connects to the facilities of a third-party (such as backhaul, roaming, or interconnection arrangements).

After conducting a reasonable inquiry, both internally and of its supply chain, Supplier represents that it will not provide to Federal Resources any covered telecommunications equipment or services, and Supplier does not use and/or rely upon any covered telecommunications equipment or services, whether directly or indirectly, concerning the products and/or services being delivered to Federal Resources that are delineated on the Order. The aforementioned use of covered telecommunications equipment or services is not restricted to use in performance of work under a Federal contract.

In the event that Supplier identifies or otherwise becomes aware of covered telecommunications equipment or services being provided and/or used and/or relied upon by the products and/or services being delivered in accordance with this Order, Supplier shall immediately notify Federal Resources in writing. Such notification shall include the name, unique entity identifier, and CAGE code of the supplier of the covered telecommunications equipment or services; the brand; model number (original equipment manufacturer number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended. Within five (5) business days of initial notification, Supplier shall provide the following additional information in writing to Federal Resources: any further available information about mitigation actions undertaken or recommended; any efforts the Supplier undertook to prevent use or submission of covered telecommunications equipment or services under this Order; and any additional efforts that will be incorporated by Supplier to prevent future use or submission of covered telecommunications equipment or services.

In the event that Supplier or its subcontractors fail to comply with this Section 28, Federal Resources may terminate all or part of this Order at no cost to Federal Resources. In addition, at Federal Resources’ discretion, Supplier shall promptly replace such non-compliant products with products and/or services acceptable to Federal Resources and its customer. Supplier shall be liable for all costs relating to the removal and replacement of non-compliant products in regards to Section 28.

29. STANDARDS OF BUSINESS ETHICS & CONDUCT

Federal Resources believes in fair and open competition and is committed to conducting its business fairly, impartially and in an ethical and proper manner. Federal Resources is a small business with the highest quality and ethical standards. These characteristics make it imperative that Federal Resources employees adhere to a particularly high ethical standard. Federal Resources ownership both demands and fosters highly ethical conduct because Federal Resources can be successful only when employees look after long-term interests of the company and resist pressures to compromise Federal Resources’ standards. Federal Resources’ expectation is that Supplier also will conduct its business fairly, impartially and in an ethical and proper manner. If Supplier has cause to believe that Federal Resources or any employee or agent of Federal Resources has acted improperly or unethically under this Order, Supplier shall report such behavior to the Federal Resources Human Resources Manager at 1-800-892-1099. Copies of the Federal Resources Code of Business Ethics and Conduct are available from the Federal Resources Human Resources Manager.

30. PACKAGING, MARKING, AND SHIPPING

All goods provided by Supplier shall be packaged, marked, and shipped in accordance with the Order. The Supplier guarantees that all required reports shall be delivered in legible and acceptable condition.

- (a) Packaging: For the purpose of reports, “immediately usable and acceptable condition” includes securing the pages together in a suitable and reasonable manner to be agreed upon by Federal



- Resources. Boxes and/or other types of outer packaging, i.e., containers, wraps, etc., shall be suitable to the type of items being transmitted; and the mode of transportation utilized shall assure that such materials be received in an undamaged condition, in compliance with these Terms and Conditions.
- (b) Marking: All reports and/or other deliverable items under the Order shall be marked on the cover and cover page with the following identifiers: 1. Attached purchase order Number; 2. Name of Supplier; 3. Supplier Address and Contact Information; 4. Part Number/Rev/Description; 5. Quantity; and 6. Unit of Measure
 - (c) Shipping: Shipping shall be accomplished by reasonable and suitable means that will ensure the integrity of the product delivered, in compliance with these Terms and Conditions.

31. PRODUCT RETURNS

In the event that the Supplier delivers broken or defective materials under the Order, the Supplier shall immediately issue to Federal Resources a Return Materials Authorization (“RMA”) number, designate the address for the return, and replace the defective materials, at its expense. If Federal Resources’ customer directs Federal Resources to reduce the quantity of item(s) ordered, the Supplier shall immediately issue to Federal Resources an RMA number, designate the address for the return, and notify Federal Resources of any restocking fee (which fee is waived if not quoted as part of the Order). The Supplier shall refund Federal Resources any monies received, less any applicable restocking fee (if previously agreed by FR), within fourteen (14) days of receipt of returned materials at the Supplier’s location.

32. MISCELLANEOUS

Supplier may not assign this Order or any interest herein, or delegate any obligation hereunder without the prior written consent of Federal Resources. If Supplier fails to obtain Federal Resources’ prior written consent, any such assignment or delegation shall be null and void. For all permitted assignments and delegations, the Order shall bind and inure to the benefit of the parties and their successors and assigns. Any signed Order shall be binding on the parties through original, facsimile or scanned and emailed signatures. All notices, requests and demands, other than routine communications under the Order, shall be in writing and shall, if properly addressed, be deemed to have been duly given when delivered, or when transmitted by confirmed facsimile, or one business day after being given to an overnight courier with a reliable system for tracking delivery, or three (3) business days after the day of mailing, when mailed by United States mail, registered or certified mail, return receipt requested, postage prepaid. Both parties agree that they are independent entities. Nothing in the Order shall be construed to create a partnership, joint venture, or agency relationship between the parties. Each party is responsible for the supervision, management, direction, employment costs, and payment of compensation of its own employees. Unless otherwise expressly set forth in the Order, all remedies available to either party for breach of the Order are cumulative and may be exercised concurrently or separately, are in addition to any other rights and remedies provided by law, and the exercise of any one remedy will not be deemed an election of such remedy to the exclusion of other remedies. No failure of either party to exercise any power or right granted hereunder to insist upon strict compliance with any obligation hereunder, and no custom or practice of the parties with regard to the terms and performance hereof shall constitute a waiver of the rights of such party to demand full and exact compliance with the terms of the Order.

These Terms and Conditions, the attached purchase order and its exhibits, appendices, or any other attachments constitutes the entire understanding of the parties with respect to the subject matter herein. This Order may not be amended or modified by a purchase order, invoice or similar form, conduct manifesting assent, or by electronic signature, and each party is hereby put on notice that any individual purporting to amend or modify the Order by a purchase order, invoice or similar form, conduct manifesting assent or by electronic signature is not authorized to do so. No effect will be given to any click-wrap, browse-wrap or other pre-printed standard license agreement for any deliverable supplied by Supplier under the Order. No waiver of any provision or right hereunder will be valid unless it is in writing and signed by the party giving such waiver. If any provision of the Order is held by a court of competent jurisdiction to be overly broad, excessive, or unenforceable in any circumstances or to any extent, then the remainder of the Order and the application of such provision or portion in all other circumstances shall be valid and enforceable to the fullest extent permitted by law or equity.

33. PLACE OF PERFORMANCE NOTIFICATION

If the Supplier’s place of performance has changed since the last time Federal Resources has procured the part numbers delineated on the purchase order, Supplier shall notify Federal Resources of the change in the place of



performance, including but not limited to change in design that affects form, fit, or function, and/or a change in the location of manufacturing, assembly, or testing location, with regard to the requirements of this purchase order. Such notification shall be made to Federal Resources within thirty (30) days of issuance of the purchase order.

34. SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (“PROPOSITION 65”) REQUIREMENTS

In accordance with the Safe Drinking Water and Toxic Enforcement Act of 1986 (“Proposition 65”), the Supplier shall label all of its products that contain or can cause exposure to one of the chemicals or substances listed by California's Office of Environmental Health Hazard Assessment that are known to cause cancer, birth defects, and/or other reproductive harm. The Supplier's warning label shall be clear and reasonable and in a conspicuous area, and the Supplier shall notify Federal Resources in writing of any applicable products and the relevant chemicals or substances incorporated therein.

35. ANTI-TRAFFICKING IN PERSONS

Supplier is prohibited from engaging in activities that support or promote trafficking in persons, including, but not limited to, any of the following:

- (a) Trafficking in persons, including, but not limited to the following:
 - 1. sex trafficking; or
 - 2. the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, debt bondage, or slavery.
- (b) The procurement of a commercial sex act;
- (c) The use of forced labor in the performance of company business;
- (d) The use of misleading or fraudulent recruitment activities;
- (e) Charging employees recruitment fees;
- (f) Failing to pay for the return transportation at the end of employment for an employee who is not a national of the country in which the work is taking place and who was brought into that country for the purpose of working;
- (g) Providing or arranging housing that fails to meet the host country housing and safety standards; or
- (h) If required, failing to provide an employment contract, recruitment agreement, or similar work document in writing, in the individual's native language and prior to the individual departing from his or her country of origin.

Supplier represents and warrants that it shall abide by and comply with the requirements of this clause. Further, Supplier shall require its employees, agents, contract laborers and subcontractors to abide by and comply with the requirements of this clause.

Federal Resources may, at any time, audit all pertinent books, records, work sites, offices, and documentation of Supplier in order to verify compliance with this clause. Supplier agrees to cooperate with and provide Federal Resources with any information reasonably requested in support of Federal Resources' due diligence or other efforts and in order to verify compliance with this clause. Supplier will, in all of its lower-tier subcontracts and contracts relating to this Order or any other Order with Supplier, include provisions which secure for Federal Resources all of the rights and protections provided for within this clause.

Supplier acknowledges that if Supplier or any of its employees, agents, contract laborers or subcontractors engages in any of the prohibited activities in this clause, this Order is subject to termination.

Whenever Supplier has knowledge, whether substantiated or not, that any actual or suspected violation of this clause has occurred, Supplier shall immediately give written notice to the Federal Resources' representative listed on the applicable purchase order and provide all relevant information including, but not limited to, the nature of the actual or suspected violation.

Supplier shall provide its full cooperation during any subsequent investigation of the actual or suspected violation by Federal Resources, Federal Resources' representative, or cognizant government agency. Supplier's cooperation shall include, but not be limited to, permitting inspection of its work sites, offices, and documentation, as necessary to support any investigation.



Supplier agrees to insert the substance of this clause, including this sentence, in any lower-tier subcontract.

36. STOP WORK ORDER

Federal Resources may, at any time, by written notification to Supplier, require Supplier to stop all, or any part of the work called for by this Order for a period of ninety (90) days after the written notification is delivered to Supplier, and for any further period to which the Parties may agree. The notification shall be specifically identified as a Stop-Work Order (SWO) issued under this clause. Upon receipt of the SWO, Supplier shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the SWO during the period of work stoppage. Within a period of ninety (90) days after a SWO is delivered to Supplier, or within any extension of that period to which the Parties shall have agreed, Federal Resources shall either (1) cancel the SWO; or (2) terminate the work covered by the SWO as provided for in "Termination for Convenience" of this Order.

If a SWO issued under this clause is canceled or the period of that SWO or any extension thereof expires, Supplier shall resume work. Federal Resources shall make an equitable adjustment in the delivery schedule or purchase order price, or both, and this Order shall be modified in writing accordingly if (1) the SWO results in an increase in the time required for, or in Supplier's cost properly allocable to, the performance of any part of this Order; and (2) Supplier asserts its rights to the adjustment within twenty (20) days after the end of the period of work stoppage.

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

37. SUSPECT/COUNTERFEIT PARTS

This clause is applicable to all Orders. If DFARS 252.246-7007 and DFARS 252.246-7008 are also applicable to this Order, the provisions of paragraphs (a) – (e) of DFARS 252.246-7007, including its definition of "electronic parts," are incorporated in this paragraph by reference and "Contracting Officer" shall mean "Federal Resources." Supplier shall establish and maintain a material authenticity process that ensures the requirements of these clauses or other authenticity requirements in this Order are met. Supplier's obligation to substantiate authenticity shall survive acceptance of and payment for Products delivered under this Order.

Supplier shall not furnish suspect counterfeit or counterfeit parts to Federal Resources under this Order. Supplier shall only purchase products to be delivered or incorporated in products to Federal Resources directly from the Original Component Manufacturer ("OCM")/Original Equipment Manufacturer ("OEM"), or through an OCM/OEM authorized distributor, and all products delivered under this Order shall be authentic and traceable to the OCM/OEM. Supplier shall provide authenticity and traceability records, including but not limited to a Certificate of Conformance ("CoC") or Certificate of Origin ("CoO"), to Federal Resources for all products considered electronic parts, and for all other products, Supplier shall provide authenticity and traceability records, including but not limited to a CoC or CoO, to Federal Resources upon request.

Supplier shall immediately notify Federal Resources if Supplier cannot provide parts, components, and/or assemblies traceable to the original component manufacturer or the original equipment manufacturer. Upon receipt of such notification, Federal Resources reserves the right to terminate this Order at no cost to Federal Resources or require specific material validation test and inspection protocol requirements to Supplier.

If suspect counterfeit or counterfeit parts are furnished under this Order and are found in any of the products delivered hereunder, such items will be impounded by Federal Resources, and Supplier shall take corrective action as required by the terms of this Order. Supplier shall promptly replace such suspect/counterfeit parts with parts acceptable to the Federal Resources. Supplier shall be liable for all costs relating to the removal and replacement of said parts, including without limitation Federal Resources' external and internal costs of removing such suspect/counterfeit parts, of reinserting replacement parts and of any testing or validation necessitated by the reinstallation of Supplier's products after suspect/counterfeit parts have been exchanged. Federal Resources' remedies described herein shall not be limited by any other clause agreed upon between Federal Resources and Supplier in this Order and are in addition to any remedies Federal Resources may have at law, equity or otherwise under this Order. At Federal Resources' request, Supplier shall return any removed suspect counterfeit or counterfeit parts to Federal Resources, so that Federal Resources may turn such parts over to its U.S.G. customer



for further investigation. For purposes of this clause, Supplier agrees that any U.S.G. directive/information or GIDEP alert, indicating that such parts are suspect counterfeit or counterfeit, shall be deemed definitive evidence that Supplier's Products contain suspect counterfeit or counterfeit parts.

The substance of this clause shall be incorporated into any subcontract or Order entered into by Supplier for the performance of any part of the work under this Order.

38. PRIVACY - PROCESSING OF PERSONAL INFORMATION (Applicable Only to the Processing of Personal Information)

Definitions:

- (a) **"Affiliate"** means any person or entity that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with Federal Resources.
- (b) **"Controller"** means any Person or organization that, alone or jointly with others, determines the purposes and means of the Processing of Personal Data.
- (c) **"Personal Information"** means any information relating to an identified or identifiable Person, including, but not limited to name, postal address, email address or other online contact information (such as an online user ID), telephone number, date of birth, social security number (or its equivalent), driver's license number (or other government-issued identification number), account information (including financial account information), payment card data (primary account number, expiration date, service code, full magnetic stripe data or equivalent on a chip), personal identification number, access code, password, security questions and answers, security tokens used for authentication, birth or marriage certificate, health insurance or medical information, or any other unique identifier or one or more factors specific to the individual's physical, physiological, mental, economic or social identity, whether such data is in individual or aggregate form and regardless of the media in which it is contained, that may be (i) disclosed at any time to Supplier or its Personnel by Federal Resources or its Personnel in anticipation of, in connection with or incidental to the performance of Services for or on behalf of Federal Resources; (ii) Processed at any time by Supplier or its Personnel in connection with or incidental to the performance of Services for or on behalf of Federal Resources; or (iii) derived by Supplier or its Personnel from the information described in (i) or (ii) above.
- (d) **"Personnel"** means employees, agents, consultants or contractors of Supplier or Federal Resources, as applicable.
- (e) **"Privacy Shield"** means the European Union (EU) -U.S. and Switzerland – U.S. Privacy Shield frameworks.
- (f) **"Processor"** means any Person or Entity that Processes Personal Data on behalf of a Controller.
- (g) **"Process"** or **"Processing"** means any operation or set of operations performed upon Personal Information, whether or not by automatic means, such as creating, collecting, procuring, obtaining, accessing, recording, organizing, storing, adapting, altering, retrieving, consulting, using, disclosing or destroying the data.

Supplier shall hold in strict confidence any and all Personal Information.

Unless Federal Resources elsewhere in this Order recognizes Supplier to be a Controller, Federal Resources shall have the exclusive authority to determine the purposes for and means of Processing Personal Information.

In Processing Personal Information, Supplier shall comply with all applicable laws in effect and as they become effective relating in any way to the privacy, confidentiality or security of Personal Information.

Supplier shall Process Personal Information only on behalf and for the benefit of Federal Resources and only for the purposes of Processing Personal Information in connection with this Order, and will carry out its obligations pursuant to this Order and in accordance with Federal Resources' written instructions.

Supplier shall limit access to Personal Information to its Personnel who have a need to know the Personal Information as a condition to Supplier's performance of Services for or on behalf of Federal Resources, and who have explicitly agreed in writing to comply with legally enforceable privacy, confidentiality and security obligations that are substantially similar to those required by this clause. Supplier will exercise the necessary and appropriate supervision over its relevant Personnel to maintain appropriate privacy, confidentiality and security of Personal Information. Supplier will ensure that Personnel with access to Personal Information are



periodically trained regarding privacy and security and the limitations on Processing of Personal Information as provided in this Order.

To the extent Supplier Processes Personal Information received by Federal Resources from a Person or Entity in the EU or Switzerland, Supplier shall (i) provide at least the same level of privacy protection for Personal Information by Federal Resources from the EU or Switzerland as is required by the Privacy Shield principles, (ii) promptly notify Federal Resources if at any time it determines that it can no longer meet its obligations to provide the same level of protection as is required by the Privacy Shield principles, and (iii) take reasonable and appropriate steps to stop and remediate, as directed by Federal Resources, the Processing of such Personal Information if at any time Federal Resources notifies Supplier that Federal Resources has determined that Supplier is not Processing the Personal Information in compliance with the Privacy Shield principles.

Supplier will not transfer Personal Information outside the U.S. to which it originally was delivered to Supplier for Processing (or, if it was originally delivered to a location inside the EU, outside the EU) without the explicit written consent of Federal Resources. Supplier will enter into any further written agreements as are necessary (in Federal Resources' reasonable determination) to comply with privacy laws, including with respect to any cross-border Data transfer of Personal Information, whether to or from the Supplier.

Supplier shall not share, transfer, disclose or otherwise provide access to any Personal Information to any third party, or contract any of its rights or obligations concerning Personal Information to a third party, unless Federal Resources has authorized Supplier to do so in writing, except as required by law. Where Supplier, with the consent of Federal Resources, provides a third party access to Personal Information, or contracts such rights or obligations to a third party, Supplier shall enter into a written agreement with each third party that imposes obligations on the third party that are substantially similar to those imposed on Supplier under this clause. Supplier shall retain only third parties that Supplier reasonably can expect to be suitable and capable of performing their delegated obligations in accordance with this Order and Federal Resources' written instructions.

To the extent Supplier provides a third-party Processor access to Personal Information received by Federal Resources from a Person or Entity in the EU or Switzerland, Supplier shall (i) transfer the Personal Information to the third-party Processor only for the limited and specified purposes instructed by Federal Resources, (ii) ascertain that the third-party Processor is obligated to provide at least the same level of privacy protection as is required by the Privacy Shield principles, (iii) take reasonable and appropriate steps to ensure that the third-party Processor effectively Processes the Personal Information transferred in a manner consistent with the Privacy Shield principles, (iv) require the third-party Processor to notify Supplier if the third-party Processor determines that it can no longer meet its obligation to provide the same level of protection as is required by the Privacy Shield principles, and (v) upon notice, including under (iv), take reasonable and appropriate steps to stop and remediate unauthorized Processing.

No applicable law, or legal requirement, privacy or information security enforcement action, investigation, litigation or claim, or any other circumstance, prohibits Supplier from (i) fulfilling its obligations under this Order or (ii) , complying with instructions it receives from Federal Resources concerning Personal Information. In the event a privacy requirement, enforcement action, investigation, litigation, or claim, or any other circumstance, is reasonably likely to adversely affect Supplier's ability to fulfill its obligations under this Order, Supplier shall promptly notify Federal Resources in writing and Federal Resources may, in its sole discretion and without penalty of any kind to Federal Resources, suspend the transfer or disclosure of Personal Information to Supplier or access to Personal Information by Supplier, terminate any further Processing of Personal Information by Supplier, and terminate this Order and any related order(s).

Supplier will immediately inform Federal Resources in writing of any requests with respect to Personal Information received from Federal Resources' customers, consumers, employees, or others. Supplier will respond to such requests in accordance with Federal Resources' instructions. Supplier will fully cooperate with Federal Resources if an individual requests access to his or her Personal Information for any reason.

Subject to applicable law, in the event Supplier is required by law or legal process to disclose Personal Information, Supplier will give immediate written notice of the disclosure to Federal Resources, so that Federal Resources may, in its discretion, seek a protective order or otherwise block the disclosure. Federal Resources will have the right to defend such action in lieu of and on behalf of Supplier. Supplier will reasonably cooperate with Federal Resources in such defense at Federal Resources' reasonable cost.

Supplier shall develop, implement and maintain a comprehensive, written information security program that



complies with all applicable laws. Supplier's information security program will include appropriate administrative, technical, physical, organizational and operational measures designed to (i) ensure the security and confidentiality of Personal Information; (ii) protect against any anticipated threats or hazards to the security and integrity of Personal Information; and (iii) protect against accidental or unlawful destruction, loss or alteration, unauthorized disclosure or access, and any other unlawful forms of Processing (hereinafter a "**Privacy Incident**").

If the Processing involves the transmission of Personal Information over a network, Supplier will implement appropriate measures to protect Personal Information against the specific risks presented by the Processing. Supplier shall ensure a level of security appropriate to the risks associated with such transmission and the nature of the Personal Data Processed.

Supplier shall immediately, but in no event later than twenty-four hours after Supplier's discovery of a Privacy Incident, notify Federal Resources in writing of any such Privacy Incident. Such notice will summarize in reasonable detail the effect on Federal Resources, if known, of the Privacy Incident and the corrective action taken or to be taken by Supplier. Supplier will promptly take all necessary and advisable corrective actions, and will cooperate fully with Federal Resources in all reasonable and lawful efforts to prevent, mitigate or rectify such Privacy Incident. The content of any filings, communications, notices, press releases or reports related to any Privacy Incident must be approved by Federal Resources prior to any publication or communication thereof.

Upon the occurrence of a Privacy Incident involving Personal Information in the possession, custody or control of Supplier or for which Supplier is otherwise responsible, Supplier shall reimburse Federal Resources on demand for all Notification Related Costs (defined below) incurred by Federal Resources arising out of or in connection with any such Privacy Incident. "**Notification Related Costs**" shall include Federal Resources' internal and external costs associated with investigating, addressing and responding to the Privacy Incident, including but not limited to: (i) preparation and mailing or other transmission of notifications or other communications to consumers, employees or others as Federal Resources deems reasonably appropriate; (ii) establishment of a call center or other communications procedures in response to such Privacy Incident (e.g., customer service FAQs, talking points and training); (iii) public relations and other similar crisis management services; (iv) legal, consulting and accounting fees and expenses associated with Federal Resources' investigation of and response to such event; and (v) costs for commercially reasonable credit reporting and monitoring services that are associated with legally required notifications or are advisable under the circumstances.

Federal Resources reserves the right to, annually or upon a Privacy incident, review and inspect Supplier's system and information security policies, practices, and procedures. With reasonable prior notice, Federal Resources reserves the right to inspect the system and any Federal Resources information or materials in Supplier's possession, custody or control, relating in any way to Supplier's obligations. An inspection shall not unreasonably interfere with the normal conduct of Supplier's business and Supplier shall cooperate fully with any such inspection initiated by Federal Resources. If Supplier engages an independent third-party to conduct a security evaluation/certification of Supplier's systems that host Personal Information during the term of this contract, it shall provide summary copies of any resulting reporting to Federal Resources.

Supplier shall deal promptly and appropriately with any inquiries from Federal Resources relating to the processing of Personal Information subject to this Order.

Supplier agrees to indemnify and hold harmless Federal Resources and FR's Indemnitees from, and at Federal Resources' option defend against, any and all Losses (as defined below), that Federal Resources or FR's Indemnitees may incur, to the extent that such Losses arise from, or may be in any way attributable to (i) any violation of this Order; (ii) the negligence, gross negligence, bad faith, or intentional or willful misconduct of Supplier or its Personnel in connection with the obligations set forth in this Order; (iii) Supplier's use of any third party providing Services in connection with or relating to Supplier's performance under this Order; or (iv) any Privacy Incident involving Personal Information in Supplier's possession, custody or control, or for which Supplier is otherwise responsible. For purposes of this Order, "**Losses**" means all judgments, settlements, awards, damages, losses, charges, liabilities, penalties, interest claims (including taxes and all related interest and penalties incurred directly with respect thereto), and all related reasonable costs, expenses and other charges (including all reasonable attorneys' fees and reasonable internal and external costs of investigations, litigation, hearings, proceedings, document and data productions and discovery, settlement, judgment, award, interest and



penalties).

Supplier's obligations under this clause will survive the termination of this Order and the completion of all Services subject thereto.

39. INFORMATION SECURITY

(a) Definitions:

1. "**Information Security Incident**" means (i) any actual or potential incident involving any Information System or equipment owned or controlled by Supplier that may involve Federal Resources' Sensitive Information, or (ii) any actual or potential unauthorized access to, use, or disclosure of Federal Resources' Sensitive Information.
2. "**Information**" means any communication or representation of knowledge such as facts, Data, or opinions, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual.
3. "**Information System**" means a discrete set of Information resources that collect, process, maintain, use, share, disseminate, or dispose Information.
4. "**Sensitive Information**" means any Information that is collected, processed, maintained, used, shared, or disseminated in connection with this Order that warrants protection to ensure its confidentiality, integrity and availability including, but not limited to, any Federal Resources Proprietary Information and third party proprietary Information, Personal Information, Federal Contract Information as defined in FAR 52.204-21, Covered Defense Information as defined in DFARS 252.204-7012, and Controlled Unclassified Information (CUI) defined in the National Archives and Records Administration (NARA) Registry.

(b) Reasonable and Appropriate Security Controls:

1. Supplier shall apply reasonable and appropriate administrative, technical, physical, organizational, and operational safeguards and operations to protect Sensitive Information against accidental and unlawful destruction, alteration, and unauthorized or improper disclosure or access regardless of whether such Sensitive Information is on Supplier's internal systems or a cloud environment.
2. If Supplier's performance of the Order involves the transmission, storage, or processing of Sensitive Information on an Information System, Supplier shall at a minimum apply the following controls:
 - a. Basic Safeguarding Controls from FAR 52.204-21, regardless of whether FAR 52.204-21 applies to the Order:
 - a. Limit Information System access to authorized users, processes acting on behalf of authorized users, or devices (including other Information Systems).
 - b. Limit Information System access to the types of transactions and functions that authorized users are permitted to execute.
 - c. Verify and control/limit connections to and use of external Information Systems.
 - d. Control Information posted or processed on publicly accessible Information Systems.
 - e. Identify Information System users, processes acting on behalf of users, or devices.
 - f. Authenticate (or verify) the identities of those users, processes, or devices, as a prerequisite to allowing access to Supplier's Information Systems.
 - g. Sanitize or destroy Information System media containing Sensitive Information before disposal or release for reuse.
 - h. Limit physical access to Supplier's Information Systems, equipment, and the respective operating environments to authorized individuals.
 - i. Escort visitors and monitor visitor activity; maintain audit logs of physical access; and control and manage physical access devices.
 - j. Monitor, control, and protect Supplier's communications (i.e., Information transmitted or received by Supplier's Information Systems) at the external boundaries and key internal boundaries of the Information Systems.
 - k. Implement sub-networks for publicly accessible system components that are physically or logically separated from internal networks.
 - l. Identify, report, and correct Information and Information System flaws in a timely manner.
 - m. Provide protection from malicious code at appropriate locations within Supplier's Information Systems.
 - n. Update malicious code protection mechanisms when new releases are available.
 - o. Perform periodic vulnerability scans of the Information System and real-time scans of files from external sources as files are downloaded, opened, or



executed.

(c) Additional Basic Security Controls

1. Establish and enforce security configuration settings for information technology products employed in Supplier's Information Systems.
2. Establish and maintain data protection processes and systems to adequately protect Sensitive Information, including pertaining to destruction methods employed, how audit and system log information is protected, and having the capability to encrypt Sensitive Information during transmission.
3. Ensure that risks identified in scans performed under subparagraph b.2 (o) of this clause are promptly addressed.

(d) Information Security Incident Response and Notification:

1. Supplier must have documented processes that address Information Security Incidents. These processes should be a set of written instructions that include, but are not limited to: detecting, responding to, and limiting the effects of an Information Security Incident.
2. Within 72 hours of discovery, Supplier will notify the Federal Resources' representative listed on the attached purchase order of any Information Security Incident. At Supplier's expense, Supplier will: i. immediately investigate any Information Security Incident, ii. make all reasonable efforts to secure Sensitive Information and mitigate the impact of the Information Security Incident, iii. provide timely and relevant information to Federal Resources about the Information Security Incident on an ongoing basis, and iv. cooperate as applicable with Federal Resources to provide notice to affected third parties.
3. This clause does not relieve Supplier of any other applicable safeguarding requirements, remedies, or obligations regarding the protection of Sensitive Information required by this Order or local, federal, state or other governmental agencies or departments, including but not limited to FAR 52.204-21 or DFARS 252.204-7012.

Supplier shall respond promptly and appropriately to any inquiries from Federal Resources related to compliance with this clause to include documentation of implemented controls and processes discussed above.

40. FORCE MAJEURE

Any delay or failure of either Party to perform its obligations, including payment obligations, under this Order will be excused to the extent that the delay or failure was caused directly by an event beyond such Party's control, without such Party's fault or negligence and that by its nature could not have been foreseen by such Party or, if it could have been foreseen, was unavoidable (which events may include, without limitation, epidemics, pandemics, natural disasters, embargoes, explosions, riots, wars, or acts of terrorism). A Party affected by a force majeure event shall promptly notify the other Party in writing and inform the other Party of a new date concerning its obligations. In the event that a force majeure event extends past sixty (60) days, the unaffected Party may terminate the subject purchase order.

41. FEDERAL ACQUISITION REGULATION (FAR) and DEFENSE FAR SUPPLEMENT (DFARS) FLOWDOWN CLAUSES

In the event that this Order is not made pursuant to a U.S. Government Contract, this Clause does not apply to this Order. Pursuant to (a) and (b) of this Clause, the listed FAR and DFARS clauses are incorporated herein as if set forth in full text unless the FAR or DFARS clause is made inapplicable this Order due to a requirement or condition stated therein, or due to the nature of the work performed (for instance, FAR 52.246-2, "Inspection of Supplies - Fixed-Price" does not apply if the Order is solely for services). Whenever said clauses include a requirement for the resolution of disputes between the Parties in accordance with the FAR "Disputes" clause, the dispute shall instead be disposed of in accordance with the clause entitled "Disputes" in these terms and conditions. Supplier shall include the appropriate FAR and DFARS clauses as required in any lower-tier subcontract. For such flowdown clauses, the terms "Government," "Contractor" and "Contracting Officer" shall mean "Federal Resources," "Supplier" and "Federal Resources' Director of Contracts," respectively. However, there will be no substitution of "Government" where: 1) access to Supplier's confidential or proprietary cost data is required, or such access shall be reserved to the Government; or 2) the Government is acting in its sovereign capacity; or 3) the provision relates to intellectual property rights, termination rights or limitation of liability rights as between the parties.



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Purchase Order Terms
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- (a) If this Order is for non-commercial items/services under a U.S. Government Contract, the FAR and DFARS clauses referenced in Exhibit A are incorporated herein by reference at the effective version found in Federal Resources' Prime Contract, or higher-tier subcontract under which this Order is a subcontract.
- (b) If this Order is for commercial items/services, as defined in FAR 2.101, under a U.S. Government Contract, the FAR and DFARS clauses referenced in Exhibit B are incorporated herein by reference at the effective version found in Federal Resources' Prime Contract, or higher-tier subcontract under which this Order is a subcontract.



Exhibit A – Regulatory Flowdown Clauses for Non-Commercial Items/Services Orders under a U.S. Government Contract

FAR Reference	Clause Title
52.203-3	Gratuities NOTE: As used in this clause, “Government” means “Buyer” (except “Government” means “Buyer or Government” in the phrase “to any Officer, official or employee of the Government”), “hearing” means opportunity to be heard, and “in any competent court”, means “pursuant to the Disputes clause contained herein”.
52.203-6	Restrictions on Subcontractor Sales to the Government
52.203-7	Anti-Kickback Procedures NOTE: Subparagraph (c)(1) is not applicable. Seller shall immediately notify Buyer of any alleged violations involving any of Buyer’s or Seller’s employees
52.203-12	Limitation on Payments to Influence Certain Federal Transactions
52.203-13	Contractor Code of Business Ethics and Conduct
52.203-14	Display of Hotline Poster(s)
52.203-15	Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009
52.203-16	Preventing Personal Conflicts of Interest
52.203-17	Contractor Employee Whistleblower Rights and Requirement To Inform Employees of Whistleblower Rights
52.203-18	Prohibition on Contracting with Entities that Require Certain Internal Confidentiality Agreements or Statements-Representation
52.203-19	Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements
52.204-2	Security Requirements NOTE: Delete paragraph (c).
52.204-9	Personal Identity Verification of Contractor Personnel
52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards
52.204-21	Basic Safeguarding of Covered Contractor Information Systems
52.204-23	Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities
52.204-25	Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment, in all Solicitations and Contracts.
52.209-6	Protecting the Government’s Interest When Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment
52.211-5	Material Requirements
52.211-15	Defense Priority and Allocation Requirements
52.215-2	Audit and Records – Negotiation
52.215-10	Price Reduction for Defective Certified Cost or Pricing Data



52.215-11	Price Reduction for Defective Certified Cost or Pricing Data -Modifications
52.215-12	Subcontractor Certified Cost or Pricing Data
52.215-13	Subcontractor Certified Cost or Pricing Data -Modifications
52.215-14	Integrity of Unit Prices NOTE: Delete paragraph (b)
52.215-15	Pension Adjustments and Asset Reversions
52.215-16	Facilities Capital Cost of Money
52.215-17	Waiver of Facilities Capital Cost of Money
52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions
52.215-19	Notification of Ownership Changes
52.215-20	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data
52.215-21	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data – Modifications
52.215-23	Limitations on Pass-Through Charges
52.216-16	Incentive Price Revision – Firm Target
52.216-17	Incentive Price Revision – Successive Targets
52.219-8	Utilization of Small Business Concerns
52.219-9	Small Business Subcontracting Plan
52.222-1	Notice to the Government of Labor Disputes
52.222-4	Contract Work Hours and Safety Standards —Overtime Compensation
52.222-17	Nondisplacement of Qualified Workers
52.222-20	Contracts for Materials, Supplies, Articles and Equipment Exceeding \$15,000.
52.222-21	Prohibition of Segregated Facilities
52.222-26	Equal Opportunity
52.222-35	Equal Opportunity for Veterans NOTE: The clause at 41 CFR 60-300.5(a) is incorporated herein by reference. Buyer and Seller 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.
52.222-36	Equal Opportunity for Workers with Disabilities NOTE: The clause at 41 CFR 60-741.5(a) is incorporated herein by reference. Buyer and Seller 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.
52.222-37	Employment Reports on Veterans
52.222-38	Compliance with Veterans’ Employment Reporting Requirements
52.222-40	Notification of Employee Rights Under the National Labor Relations Act
52.222-41	Service Contract Labor Standards



52.222-50	Combating Trafficking in Persons
52.222-51	Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment— Requirements
52.222-53	Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services—Requirements
52.222-54	Employment Eligibility Verification
52.222-55	Minimum Wages Under Executive Order 13658
52.222-56	Certification Regarding Trafficking in Persons Compliance Plan
52.223-3	Hazardous Material Identification and Material Safety Data NOTE: Entry is considered to be “none” unless Seller explicitly states otherwise within its quotation or proposal. ALT I applies if procurement is for other than the Department of Defense.
52.223-7	Notice of Radioactive Materials
52.223-11	Ozone-Depleting Substances
52.223-18	Encouraging Contractor Policies to Ban Text Messaging While Driving
52.224-2	Privacy Act
52.225-1	Buy American – Supplies
52.225-8	Duty-Free Entry NOTE: Under paragraph (c)(1), change "20 days" to "30 days." Under paragraph (c)(2), change "10 days" to "20 days".
52.225-13	Restrictions on Certain Foreign Purchases
52.225-26	Contractors Performing Private Security Functions Outside the United States
52.227-1	Authorization and Consent
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement
52.227-9	Refund of Royalties
52.227-10	Filing of Patent Applications—Classified Subject Matter
52.227-11	Patent Rights – Ownership by the Contractor
52.228-5	Insurance—Work on a Government Installation
52.230-2	Cost Accounting Standards
52.230-3	Disclosure and Consistency of Cost Accounting Practices
52.230-6	Administration of Cost Accounting Standards
52.232-17	Interest
52.232-39	Unenforceability of Unauthorized Obligations
52.232-40	Providing Accelerated Payments to Small Business Subcontractors
52.234-1	Industrial Resources Developed Under Title III, Defense Production Act
52.236-13	Accident Prevention
52.237-2	Protection of Government Buildings, Equipment, and Vegetation
52.242-13	Bankruptcy NOTE: Any such notification shall be to Buyer. After "for all Government contracts," insert "with Seller".
52.242-15	Stop-Work Order



52.244-5	Competition In Subcontracting
52.244-6	Subcontracts for Commercial Items
52.245-1	Government Property or Alternate I NOTE: In the phrases "Government Property", "Government-furnished property", and in references to title to property, "Government" shall not mean "Buyer". The following is added as paragraph (n): "Contractor shall provide Buyer immediate notice of any disapproval, withdrawal of approval, or non-acceptance by the Government of its property control system". In the event of any of the aforementioned conditions Seller shall immediately assume Full Risk of Loss for all loss or damage to Government property commencing on the day Seller's property system approval was withdrawn or rescinded."
52.246-2	Inspection of Supplies - Fixed-Price
52.246-4	Inspection of Services - Fixed-Price
52.246-26	Reporting Nonconforming Items
52.247-63	Preference for U.S.-Flag Air Carriers
52.247-64	Preference for Privately Owned U.S.-Flag Commercial Vessels
52.248-1	Value Engineering

DFARS Reference	Clause Title
252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense-Contract- Related Felonies
252.203-7004	Display of Hotline Poster(s)
252.204.7004	Anti-Terrorism Awareness Training for Contractors
252.204-7009	Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information
252.204-7012	Safeguarding Covered Defense Information and Cyber Incident Reporting
252.204-7014	Limitations on the Use or Disclosure of Information by Litigation Support Contractors
252.204-7015	Notice of Authorized Disclosure of Information for Litigation Support
252.208-7000	Intent to Furnish Precious Metals as Government-Furnished Material
252.209-7004	Subcontracting with Firms that are Owned or Controlled by the Government of a Country that is a State Sponsor of Terrorism.
252.211-7000	Acquisition Streamlining
252.219-7003	Small Business Subcontracting Plan (DOD Contracts)
252.222-7006	Restrictions on the Use of Mandatory Arbitration Agreements
252.223-7001	Hazard Warning Labels
252.223-7002	Safety Precautions for Ammunition and Explosives
252.223-7003	Change in Place of Performance - Ammunition and Explosives
252.223-7007	Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives
252.223-7008	Prohibition of Hexavalent Chromium
252.225-7001	Buy American and Balance of Payments Program



252.225-7002	Qualifying Country Sources As Subcontractors
252.225-7007	Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies
252.225-7008	Restriction on Acquisition of Specialty Metals
252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals NOTE: Exclude paragraphs (d) and (e)(1); paragraph (c)(6) is hereby deleted. NOTE: Upon Seller notification of noncompliance with the terms of this clause and the provision of specific information related to the source of the noncompliance, Buyer will facilitate management of the allowance for up to 2% otherwise noncompliant specialty metal content in the end item. The 2% minimal content exception does not apply to and cannot be used to exempt specialty metals contained in high performance magnets.
252.225-7012	Preference for Certain Domestic Commodities
252.225-7013	Duty-Free Entry
252.225-7015	Restriction on Acquisition of Hand or Measuring Tools
252.225-7016	Restriction on Acquisition of Ball and Roller Bearings
252.225-7021	Trade Agreements
252.225-7025	Restriction on Acquisition of Forgings
252.225-7028	Exclusionary Policies and Practices of Foreign Governments
252.225-7030	Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate
252.225-7033	Waiver of United Kingdom Levies
252.225-7036	Buy American – Free Trade Agreements – Balance of Payments Program
252.225-7040	Contractor Personnel Supporting U.S. Armed Forces Deployed Outside the United States
252.225-7043	Antiterrorism/Force Protection for Defense Contractors Outside the United States
252.225-7048	Export-Controlled Items
252.225.7052	Restriction on Acquisition of Certain Magnets and Tungsten
252.226-7001	Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns
252.227-7013	Rights in Technical Data--Noncommercial Items
252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation
252.227-7015	Technical Data--Commercial Items
252.227-7016	Rights in Bid or Proposal Information
252.227-7019	Validation of Asserted Restriction – Computer Software
252.227-7025	Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends
252.227-7026	Deferred Delivery of Technical Data or Computer Software
252.227-7027	Deferred Ordering of Technical Data or Computer Software
252.227-7030	Technical Data – Withholding of Payment
252.227-7037	Validation of Restrictive Markings on Technical Data



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252.227-7038	Patent Rights-Ownership by the Contractor (Large Business)
252.227-7039	Patents – Reporting of Subject Inventions
252.228-7001	Ground and Flight Risk
252.228-7005	Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles
252.231-7000	Supplemental Cost Principles
252.235-7003	Frequency Authorization and Alternate I NOTE: Authorization shall be through or coordinated with Buyer’s Authorized Representative.
252.239-7000	Protection Against Compromising Emanations
252.239-7010	Cloud Computing Services
252.239-7016	Telecommunications Security Equipment, Devices, Techniques and Services
252.243-7001	Pricing of Contract Modifications
252.244-7000	Subcontracts for Commercial Items
252.246-7001	Warranty of Data
252.246-7003	Notification of Potential Safety Issues
252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System
252.246-7008	Sources of Electronic Parts
252.247-7023	Transportation of Supplies by Sea NOTE: Paragraph (c), first sentence has been modified as to read “Seller and its subcontractors may request that Buyer obtain Government authorization for shipment...” “45” is changed to “60” days in paragraph (d) and “30” to “20” in paragraph (e). In paragraph (e), delete “and the division of National Cargo, Office of Market Development, Maritime Administration, U.S. Department of Transportation, Washington, DC 20590.” In paragraph (g) “for the purposes of the Prompt Payment clause of this contract” is deleted. NOTE: Seller agrees to indemnify and hold Buyer harmless against any loss, damage or expense suffered by Buyer as a result of Seller’s failure to comply with the requirements of this clause.
252.249-7002	Notification of Anticipated Contract Termination or Reduction



Exhibit B – Regulatory Flowdown Clauses for Commercial Items/Services Orders under a U.S. Government Contract

FAR Reference	Clause Title
52.203-18	Prohibition on Contracting with Entities that Require Certain Internal Confidentiality Agreements or Statements-Representation
52.203-19	Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements
52.204-21	Basic Safeguarding of Covered Contractor Information Systems
52.204-23	Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities
52.204-25	Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment, in all Solicitations and Contracts.
52.212-5	Contract Terms and Conditions Required to Implement Statutes or Executive Orders – Commercial Items
52.216-7	Allowable Cost and Payment
52.244-6	Subcontracts for Commercial Items
52.245-1	Government Property or Alternate I NOTE: In the phrases "Government Property", "Government-furnished property", and in references to title to property, "Government" shall not mean "Buyer". The following is added as paragraph (n): "Contractor shall provide Buyer immediate notice of any disapproval, withdrawal of approval, or non-acceptance by the Government of its property control system". In the event of any of the aforementioned conditions Seller shall immediately assume Full Risk of Loss for all loss or damage to Government property commencing on the day Seller's property system approval was withdrawn or rescinded."
52.246-26	Reporting Nonconforming Items

DFARS Reference	Clause Title
252.204.7004	Anti-Terrorism Awareness Training for Contractors
252.204-7009	Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information
252.204-7012	Safeguarding Covered Defense Information and Cyber Incident Reporting
252.204-7014	Limitations on the Use or Disclosure of Information by Litigation Support Contractors
252.204-7015	Notice of Authorized Disclosure of Information for Litigation Support
252.223-7008	Prohibition of Hexavalent Chromium
252.225-7008	Restriction on Acquisition of Specialty Metals
252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals NOTE: Exclude paragraphs (d) and (e)(1); paragraph (c)(6) is hereby deleted. NOTE: Upon Seller notification of noncompliance with the terms of this clause and the provision of specific information related to the source of the noncompliance, Buyer will facilitate management of the allowance for up to 2% otherwise noncompliant specialty



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and Conditions

	metal content in the end item. The 2% minimal content exception does not apply to and cannot be used to exempt specialty metals contained in high performance magnets.
252.225-7012	Preference for Certain Domestic Commodities
252.225-7015	Restriction on Acquisition of Hand or Measuring Tools
252.225-7052	Restriction on Acquisition of Certain Magnets and Tungsten
252.227-7015	Technical Data--Commercial Items
252.227-7037	Validation of Restrictive Markings on Technical Data
252.239-7010	Cloud Computing Services
252.244-7000	Subcontracts for Commercial Items
252.246-7003	Notification of Potential Safety Issues
252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System
252.246-7008	Sources of Electronic Parts