



# USI Electronics Purchase Order Flowdowns

## FAR/DFARS Compliance

### GOVERNMENT SUBCONTRACT COMPLIANCE

#### A. Counterfeit Parts

To the extent that Supplier is delivering electronic parts as defined by DFARS 252.246-7007, Supplier warrants and represents that it maintains a counterfeit electronic part detection and avoidance system that complies fully with the requirements of DFARS 252.246-7007.

#### B. Code of Federal Regulations

USI Electronics and its customers may, in their discretion, sell Supplier's Products (including supplies, software, documentations or services) to the U.S. Government. Supplier warrants and represents that its Products are "commercial items" as that term is defined at 48 C.F.R. § 2.101. Supplier shall promptly notify USI Electronics in the event a Product does not qualify as a "commercial item."

#### C. Computer Software

Should U.S. Government end users acquire Products that consist of "commercial computer software" and "commercial computer software documentation" as such terms are used in 48 C.F.R.

§ 12.212, their rights will be consistent with those rights set forth in 48 C.F.R. § 12.212 which generally limits their rights to the licenses customarily provided by Supplier to the public.

#### D. Affirmative Action

Supplier shall comply with all applicable provisions of Executive Order 11246 and of the rules, regulations and relevant orders of the U.S. Department of Labor pertaining to equal employment opportunity and affirmative action. As applicable, Supplier and its subcontractors shall abide by the requirements of 41 C.F.R. § 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. As applicable, Supplier and its subcontractors shall abide by the requirements of 41 C.F.R. § 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.**

#### E. Debarment

In accordance with FAR 52.209-6, Supplier represents and warrants that neither Supplier, nor any of its

principals, have been debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any federal agency. Supplier shall promptly notify USI Electronics in the event that the foregoing statement is no longer correct.

#### **F. Use of Free, Libre and Open Source Software (FLOSS)**

As used herein, "FLOSS License" means the General Public License ("GPL"), Lesser/Library GPL, (LGPL), the Affero GPL (APL), the Apache License, the Berkeley Software Distribution ("BSD") license, the MIT License, the Artistic License (e.g., PERL), the Mozilla Public License (MPL), or variations thereof, including without limitation licenses referred to as "Free Software License", "Open Source License", "Public License", or "GPL Compatible License."

Supplier shall disclose to Customer in writing, by completing a supplier certification, listing all FLOSS software that (a) may require any software to be published, accessed or otherwise made available without the consent of the Customer; (b) may require distribution, copying or modification of any software free of charge; (c) may require disclosure, license or redistribution of source code; (d) may require the grant of rights in excess of those granted by Customer in its standard end user license agreements; (e) may require that others have the right to modify the code, or, (f) may impose additional requirements on redistribution such as inclusion of additional license agreements for specific code modules.

Supplier shall promptly notify Customer in the event any current FLOSS software licensing has been updated and has become subject to the licensing requirements as listed above.

#### **G. Combating Trafficking in Persons**

In accordance with FAR 52.222-50, Supplier shall not engage in: (1) severe forms of trafficking in persons; (2) procure commercial sex acts; (3) use forced labor; (4) destroy, conceal, confiscate, or otherwise deny access by an employee to the employee's identity or immigration documents; (5) use misleading or fraudulent practices during the recruitment of employees; (6) charge employees recruitment fees; (7) fail to provide return transportation or pay for the cost of return transportation upon the end of employment; (8) provide or arrange housing that fails to meet the host country housing and safety standards, and (9) if required by law or contract, fail to provide an employment contract, recruitment agreement, or other required work document in writing. Supplier certifies that it has implemented a compliance plan, when required, to prevent any of the prohibited activities in this clause and to monitor, detect and terminate any agent, subcontract or subcontractor employee engaging in prohibited activities and after conducting due diligence, either: (A) to the best of the Contractor's knowledge and belief, neither it nor any of its agents, subcontractors, or their agents is engaged in any such activities; or (B) if abuses relating to any of the prohibited activities identified in this clause have been found, the Contractor or Subcontractor has taken the appropriate remedial and referral actions.

#### **H. Import/Export and ITAR Regulations**

Supplier agrees to comply with all U.S. Government export/import laws and regulations, including the Arms Export Control Act (Public Law 90-629) and International Traffic in Arms Regulations ("ITAR"), 22 C.F.R. Parts 120-130, administered by the U.S. State Department's Directorate of Defense Trade Controls ("DDTC"); and the Export Administration Act of 1979 (Public Law 96-72, as amended), the International Emergency Economic Powers Act (Public Law 95-223), and Export Administration Regulations ("EAR"), 15 C.F.R. Parts 730-774, administered by the U.S. Commerce Department's Bureau of Industry and Security ("BIS"), where required. Violation of these export laws and regulations can lead to severe civil and criminal penalties. ITAR, 22 C.F.R. § 120.15, defines a "U.S. person" as a person who is a U.S. citizen or lawful permanent resident as defined by 8 U.S.C. § 1101(a)(20), or who is a protected individual as defined by 8 U.S.C. § 1324b(a)(3). It also means any corporation, business association, partnership, society, trust, or any other entity, organization or group that is incorporated to do business in the United States. It also includes any governmental (federal, state, or local) entity. The EAR similarly identifies U.S. persons for export control purposes.

Supplier is responsible for compliance with any applicable export control laws and regulations with respect to any defense articles, defense services, or EAR-controlled items provided by it to USI Electronics. In particular, the release of ITAR- or EAR-controlled technology, technical data, or software source code by the supplier to a Foreign Person (including a Foreign Person employee or another Foreign Person for the purpose of Off-Shore Procurement) is defined as an export under the ITAR (22 C.F.R. §§ 120.17 and 124.13) and EAR (15 C.F.R. § 734.2(b)) and is subject to the licensing requirements of the ITAR and EAR, as applicable. Supplier will obtain any authorizations required for the export of any defense articles, defense services, or EAR-controlled items provided by USI Electronics, including for the release of any ITAR- or EAR-controlled technology, technical data, or software source code to any Foreign Person in or outside of the United States.

**I. Applicable FAR/DFARS**

As applicable, the Federal Acquisition Regulation (“FAR”) and Department of Defense FAR Supplement (“DFARS”) clauses set forth below shall be incorporated in this Purchase Order. These FAR and DFARS clauses shall be interpreted and construed in such a manner as to recognize and give effect to the contractual relationship between USI Electronics and Supplier and applicable flow-down obligations under the FAR and DFARS. Supplier agrees that USI Electronics may flow down the FAR, DFARS and agency clauses set forth in this Section on purchase orders regardless of any terms in the Agreement disclaiming the applicability of additional purchase order terms and conditions.

<b>FAR/DFARS CLAUSE</b>	<b>PROVISION TITLE</b>
52.204-21	Basic Safeguarding of Covered Contractor Information Systems
52.244-6	Subcontracts for Commercial Items
52.223-11	Ozone Depleting Substances (Applies only if product was manufactured with ozone depleting substances)
52.222-27	Affirmative Action Compliance Requirements for Construction
52.222-41	Service Contract Labor Standards
52.225-13	Restrictions on Certain Foreign Purchases
52.227-1	Authorization and Consent
252.204-7012	Safeguarding Covered Defense Information and Cyber Incident Reporting
252.211-7003	Item Unique Identification and Valuation
252.223-7001	Hazard Warning Labels (Applies only if PO requires the delivery of hazardous materials)
252.223-7008	Prohibition of Hexavalent Chromium
252.225-7007	Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Companies
252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals (Not applicable to parts or COTS)
252.225-7048	Export-Controlled Items
252.227-7013	Rights in Technical Data--Noncommercial Items
252.227-7015	Technical Data--Commercial Items
252-227-7016	Rights in Bid or Proposal Information
252.227-7037	Validation of Restrictive Markings on Technical Data
252.229-7011	Reporting of Foreign Taxes-U.S. Assistance Programs
252.236-7013	Requirement for Competition Opportunity for American Steel Producers, Fabricators, and Manufacturers
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
252.247-7003	Pass-Through of Motor Carrier Fuel Surcharge Adjustment to the Cost Bearer
252.247-7023	Transportation of Supplies by Sea
252.247-7024	Notification of Transportation of Supplies by Sea

## Quality Compliance

### Applicability

The following requirements are applicable unless otherwise specified on the purchase order. Any exceptions to these requirements require written approval from USI Electronics and/or USI Electronics customer.

### Flow Down

All applicable requirements that are invoked or applied to USI Electronics purchasing document, including this clause, shall be flowed down to the supplier's sub-tier suppliers.

### Quality System

At minimum, the Supplier shall maintain a quality management system. Additional Quality System requirements may be imposed based on contractual flow down from our customers.

### Right of Access

The Supplier shall after prior agreement of the parties on the date of such an inspection, grant USI Electronics, our customer, and/or any regulatory authority access to the applicable facilities, at any level of the supply chain involved in the order, and to all applicable records. The supplier shall make available a duly qualified member/s of their staff for the duration of the inspection visit.

### Certificate of Conformance

Supplier's shipments of product will include Certificate of Conformance (C of C). Supplier C of C's will be legible, reproducible, and include at a minimum, the following information:

- Manufacturer name and address
- USI Electronics name and address
- Supplier part number and revision
- Drawing number and revision
- USI Electronics purchase order number
- Quantity
- Date/lot code
- When Applicable: Other important product specific data (Serial No., MSL/PBT, luminosity, Cage Code, etc.)
- Statement of certification to the applicable manufacturer, military, government, and/or industry specification or drawing
- Signature of authorized quality representative

### Product Change Notification

Any changes (e.g. Product Change Notification (PCN), Product Alerts, Product recalls) to design, facilities (including change in manufacturing location), materials or processes at the organization or the organizations sub-tier that could affect any products ordered (including form, fit, function or product availability) within the past 24 months will be forwarded to USI Electronics in a reasonable time frame. This applies for product discontinuance notes (PDN) and products becoming obsolete as well. All notifications should be provided in an Excel format and need to include the following information:

- USI Electronics complete part number and/or Supplier part number (if different)
- Last time buy date
- Last time return date
- Last time ship date
- Order non-cancelable date
- Original notification date and revision date (if applicable)
- Last date the factory will accept returns
- Manufacturer replacement part, if available
- This data can also be incorporated into the Supplier's price file feed
- Complete new P/N
- Description of change
- Reason for change
- Date of change
- ECN/PCN reference
- Effect of change

#### Product Packaging

All product must be handled, preserved, and packaged in a manner which minimizes or prevents damage, deterioration or environmental contamination. The following minimum packaging requirements apply:

- Products must be shipped in proper-sized containers and packaging to ensure that all products delivered arrive undamaged
- Unless otherwise specified via specific customer requirements, packaging shall be in accordance with "Best Packaging Practices" as applicable
- Pallets must allow for trouble-free unloading from the transport vehicle through hand-operated floor truck
- Product, pallets, boxes, and packaging must be in a clean condition, free of debris and degrading materials
- Objects (e.g. papers, laces, coverings) that exceed the external dimensions of the packaging are to be removed before shipment
- The supplier is held liable for quality problems due to damaged or contaminated packaging
- ESD protection: particularly the delivery of electronic components must in principle comply with EN 61340-5-1 & 2 and JESD625. These norms deal with the protection of electronic devices against damages resulting from electrostatic discharge. Use conductive and anti-static materials in the packaging of electrostatic-sensitive components in accordance with MIL-PRF-81705.
- Handle, package, and identify moisture sensitive plastic encapsulated surface mount devices according to IPC/JEDEC J-STD-033
- Packaging will meet recognized environmental requirements and regulations
- Packaging must not contain / be treated with DiMethyl Fumarate as anti-mold agent
- The use of staples is prohibited from use on any internal packaging directly touching product
- Supplier will not use any package or material technique that is known to introduce material defects

#### ESD/MSD Products

The supplier is responsible for ensuring that ESD sensitive product is manufactured, tested, handled, and identified in accordance with MIL-STD-1686, EIA JESD625, ANSI/ESD S20.20, or equivalent. The Supplier shall maintain an ESD program in accordance with MIL-STD-1686, MIL-HDBK-263, EIA -JESD-625, ESD S20.20 or equivalent.

The supplier is responsible for ensuring that moisture sensitive product is manufactured, tested, handled, and identified in accordance with IPC/JEDEC J-STD-033.

#### Counterfeit Parts

Supplier warrants and represents, having designated USI Electronics as a legally authorized distributor of

its Products for each Product delivered to USI Electronics, that it is either (i) the original equipment manufacturer ("OEM"), of the Product, (ii) the original component manufacturer ("OCM") of the Product, or (iii) a franchised or authorized distributor of the OEM/OCM for the Products. Supplier further warrants and represents that OEM/OCM traceable certificates of origin and compliance pertaining to each Product that enable tracking back to the original manufacturer are available upon request. If Supplier is not the OEM/OCM or a franchised or authorized distributor of the OEM/OCM, it confirms by acceptance of orders hereunder that the Products have been procured from the OEM/OCM or a franchised or authorized distributor of the OEM/OCM.

Supplier warrants and represents, with each Product delivery, that (i) such delivery only consists of authentic Products and new Products (meaning not previously installed, applied, powered in a board) containing authentic materials and the Products delivered are not counterfeit; (ii) Accurate OEM /OCM acquisition documentation that authenticates traceability material and Products(s) is available upon request; (ii) Supplier maintains an effective quality management system and a counterfeit protection plan that aligns with AS5553 requirements.

#### Record Retention

All records required under the terms of this purchase order and which document the quality of the items provided shall be retained for a minimum of 4 years after shipment unless otherwise specified in the purchase order or the contract. Applicable records include any documentation which may be utilized as objective evidence that the product meets contractual requirements and documentation needed to demonstrate product traceability. Records held for the required retention period shall not be destroyed without USI Electronics written concurrence.

#### Non-Conforming Product Notification

Supplier will notify USI Electronics Material Management, Quality Management, and appropriate division management organizations in writing of any quality or reliability problems discovered regarding any product Supplier has shipped to USI Electronics, or on USI Electronics behalf as a drop ship.

USI Electronics will:

- Follow the Supplier policy for returning non-conforming (defective, DOA) product.
- Debit Supplier for the full value of any non-conforming product shipped back.

Replacement of non-conforming product, if required, will be regarded as a priority order and shipped within one (1) business day of receipt of order (subject to availability of inventory). USI Electronics may require on-site Supplier support to resolve non-conforming product issues. In that case, the Supplier will send a representative(s) to the USI Electronics location.

#### Part Substitution

Substitute parts shall not be used for parts specified on this purchase order without written authorization from USI Electronics and/or its customer.

#### Corrective Action / Failure Analysis

Supplier agrees to provide a formal response to USI Electronics corrective action/failure analysis requests within the timeframe indicated on the request. USI Electronics reserves the right to accept or reject back to the supplier corrective action responses that are deemed not acceptable by USI Electronics or by their customer.

#### Foreign Object Debris/Damage (FOD)

Supplier shall develop and maintain a Foreign Object Debris/Damage prevention program for manufacturing areas. The intention is to prevent introduction of foreign objects into any item delivered under this purchase order (PO). The program shall be proportional to the sensitivity of the design of the

product(s) to FOD, as well as, to the FOD generating potential of the manufacturing methods. National Aerospace Standard 412 (NAS412) is available as a guideline.

Calibration

Supplier shall be responsible for the calibration, accuracy, validation, and maintenance of any equipment, tooling, or gauges utilized by supplier to produce, inspect, or test articles to be delivered under this purchasing document. Supplier's equipment calibration system shall be in compliance with one of the following requirements: MIL-STD-45662, ANSI/NCSL Z540-1, ISO 10012-1, or AS9100.

Awareness

Supplier shall ensure that employees performing work on this purchase order are aware of the importance of and their contribution to: the conformity of the products and services to the requirements; ensuring product safety; and promotion of ethical behavior.