



## GENERAL MICRO SYSTEMS, INC.

### General Provisions and FAR Flowdown Provisions for Commercial Items in Support of a U.S. Government Contract

#### SECTION I - GENERAL PROVISIONS

##### **1. ACCEPTANCE OF CONTRACT/TERMS AND CONDITIONS**

This Contract integrates, merges, and supersedes any prior offers, negotiations, and agreements concerning the subject matter hereof and constitutes the entire agreement between the parties. SELLER's acknowledgment, acceptance of payment, or commencement of performance, shall constitute SELLER's unqualified acceptance of this Contract subject to these Terms & Conditions. Unless expressly accepted in writing by GENERAL MICRO SYSTEMS, INC. (BUYER), additional or differing terms or conditions proposed by SELLER or included in SELLER's acknowledgment are objected to by GENERAL MICRO SYSTEMS, INC. and have no effect. For terms of this agreement only, SELLER shall mean "SUPPLIER" of products and/or services; BUYER shall mean "General Micro Systems." The headings used in these Terms are inserted for convenience of the Parties and shall not define, limit or describe the scope of the intent of the provisions of this contract. In the event that this Contract does not state price or delivery, GENERAL MICRO SYSTEMS will not be bound to any prices or delivery to which it has not specifically agreed in writing.

##### **2. APPLICABLE LAWS**

(a) This Contract and any matter arising out of or related to this Contract shall be governed by and construed in accordance with the laws of the State of California without regard to its conflicts of laws provisions, except that any provision in this Contract that is (i) incorporated in full text or by reference from the Federal Acquisition Regulation (FAR); or (ii) incorporated in full text or by reference from any agency regulation that implements or supplements the FAR or; (iii) that is substantially based on any such agency regulation or FAR provision, shall be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, boards of contracts appeals, and quasi-judicial agencies of the federal Government.

(b) (1) SELLER, in the performance of this Contract, agrees to comply with all applicable local, state, and federal laws, orders, rules, regulations, and ordinances. SELLER shall procure all licenses/permits, and pay all fees, and other required charges, and shall comply with all applicable guidelines and directives of any local, state, and/or federal governmental authority. SELLER, at its expense, shall provide reasonable cooperation to GENERAL MICRO SYSTEMS in conducting any investigation regarding the nature and scope of any failure by SELLER or its personnel to comply with applicable local, state, and federal laws, orders, rules, regulations, and ordinances that may affect the performance of SELLER's obligations under this Contract.

(2) If: (i) GENERAL MICRO SYSTEMS, INC. contract price or fee is reduced; (ii) GENERAL MICRO SYSTEMS' costs are determined to be unallowable; (iii) any fines, penalties, or interest are assessed on GENERAL MICRO SYSTEMS; or (iv) GENERAL MICRO SYSTEMS incurs any other costs or damages; as a result of any violation of applicable laws, orders, rules, regulations, or ordinances by SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier, GENERAL MICRO SYSTEMS may proceed as provided for in (3) below.

**(3) Upon the occurrence of any of the circumstances, other than withholdings, identified in paragraph (2) above, GENERAL MICRO SYSTEMS may make a reduction of corresponding amounts (in whole or in part) in the price of this Contract or any other contract with SELLER, and/or may demand payment (in whole or in part) of the corresponding amounts. SELLER shall promptly pay amounts so demanded. In the case of withholding(s), GENERAL MICRO SYSTEMS may withhold the same amount from SELLER under this Contract.**

(c) SELLER represents that each chemical substance constituting or contained in Work sold or otherwise transferred to GENERAL MICRO SYSTEMS hereunder is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Administration pursuant to the Toxic Substances Control Act (15 U.S.C. Sec. 2601 et seq.) as amended.

(d) SELLER shall provide to GENERAL MICRO SYSTEMS with each delivery any Material Safety Data Sheet applicable to the Work in conformance with and containing such information as required by the Occupational Safety and Health Act of 1970 and regulations promulgated there under, or its State approved counterpart.



## GENERAL MICRO SYSTEMS, INC.

(e) Equal Opportunity for the Vietnam Era Veterans' Readjustment Assistance Act (VEVRAA) Protected Veterans. (1) The clause at 41 CFR 60-300.5(a) is incorporated herein by reference. The clause applies if this Contract is or \$100,000 or more, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to VEVRAA. As used in the clause, "contractor" means "SELLER." This clause applies in addition to FAR 52.223-35 if included in this contract. (2) GENERAL MICRO SYSTEMS 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.

(f) Equal Opportunity for Workers with Disabilities. (1) The clause at 41 CFR 60-741.5 is incorporated herein by reference. The clause applies if this Contract is excess of \$10,000, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to section 503 of the act, as amended. As used in the clause, "contractor" means "SELLER." This clause applies in addition to FAR 52.222-36 if included in this Contract. (2) GENERAL MICRO SYSTEMS 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.

### 3. ASSIGNMENT

Any assignment of SELLER's Contract rights or delegation of SELLER's duties or any of its obligations due or to become due under this Contract shall be void, unless prior written consent is given by GENERAL MICRO SYSTEMS. Nevertheless, SELLER may assign rights to be paid amounts due, or to become due, to a financing institution if GENERAL MICRO SYSTEMS is promptly furnished a signed copy of such assignment reasonably in advance of the due date for payment of any such amounts. Amounts assigned shall be subject to setoff or recoupment for any present or future claims of GENERAL MICRO SYSTEMS against SELLER. GENERAL MICRO SYSTEMS shall have the right to make settlements and/or adjustments in price without notice to any assignee financing institution.

### 4. CHANGES

(a) The GENERAL MICRO SYSTEMS Procurement Representative may at any time, by written notice, and without notice to sureties or assignees, make changes within the general scope of this Contract in any one or more of the following: (i) drawings, designs, or specifications; (ii) method of shipping or packing; (iii) place of inspection, acceptance, or point of delivery; and (iv) delivery schedule.

(b) If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of this Contract, GENERAL MICRO SYSTEMS shall make an equitable adjustment in the Contract price and/or delivery schedule, and modify this Contract accordingly. Changes to the delivery schedule will be subject to a price adjustment only.

(c) SELLER must assert its right to an equitable adjustment under this clause within thirty (30) days from the date of receipt of the written change order from GENERAL MICRO SYSTEMS. If the SELLER's proposed equitable adjustment includes the cost of property made obsolete or excess by the change, GENERAL MICRO SYSTEMS shall have the right to prescribe the manner of disposition of the property.

(d) Failure to agree to any adjustment shall be resolved in accordance with the "Disputes" clause of this Contract. However, nothing contained in this "Changes" clause shall excuse SELLER from proceeding without delay in the performance of this Contract as changed.

(e) No Changes Without Approval - Items furnished under this Purchase Order shall be identical in form, fit and function to a product previously approved by GENERAL MICRO SYSTEMS. The SELLER shall notify the responsible GENERAL MICRO SYSTEMS Procurement Representative of any proposed changes to products, including changes in design, fabrication and test methods or processes, materials and changes which may affect form, fit and/or function. The Seller shall obtain GENERAL MICRO SYSTEMS' approval of all changes prior to fulfilling a GENERAL MICRO SYSTEMS purchase order. All communication, technical guidance and instructions having contractual impact shall be accomplished directly between the SELLER and GENERAL MICRO SYSTEMS' Authorized Representative. No contract or specification deviations shall be made without the written authorization of the GENERAL MICRO SYSTEMS' Authorized Representative. No changes in materials, processes, procedures, design interfaces or software which affects



## **GENERAL MICRO SYSTEMS, INC.**

the form, fit, function, safety, weight, maintainability, service life, reliability, replaceability, or interchangeability of the items to be delivered to GENERAL MICRO SYSTEMS shall be made without prior written approval/acknowledgement from GENERAL MICRO SYSTEMS' Authorized Representative. Prior to implementing such a change the SELLER shall notify GENERAL MICRO SYSTEMS of the impending change. Listed below are examples (not all inclusive) of events which the supplier shall evaluate for product impacts as defined above: Plant Relocation, New Equipment, Material Change, Name/Cage Code Change, Equipment Relocation, Process Change, Design Change, Drawing conflict, Sub-Tier Supplier Changes. It is the SELLER's responsibility to fully comply with all the instructions listed on the GENERAL MICRO SYSTEMS Purchase Order. Lack of written approval shall not relieve the SELLER of the responsibility to fully comply with all of the requirements of the purchase order. The SELLER shall not receive compensation in any form from GENERAL MICRO SYSTEMS for unauthorized activity.

### **5. COMMUNICATION WITH GENERAL MICRO SYSTEMS CUSTOMER**

GENERAL MICRO SYSTEMS shall be solely responsible for all liaison and coordination with the GENERAL MICRO SYSTEMS customer, including the U. S. Government, as it affects the applicable prime contract, this Contract, and any related contract.

### **6. CONFIGURATION CONTROL**

The SELLER shall ensure they have the drawing that matches the revision noted on the Purchase Order. The SELLER shall ensure they have the drawings that match the revisions in effect if an item on the Purchase Order is controlled by a drawing that lists or references a Parts List (PL) or a Generation Breakdown (GB). The SELLER shall contact the GENERAL MICRO SYSTEMS Procurement Representative on the Purchase Order for the drawing revision level listing of the subsidiary drawings on the Parts List or Generation Breakdown. The SELLER shall not accept changes via verbal or email direction. Any revision changes shall be approved and documented on the Purchase Order by the GENERAL MICRO SYSTEMS Procurement Representative. If an item on the Purchase Order invokes a military specification, military standard, or other revision controlled requirement document by reference, the revision in effect is as of the date of the Purchase Order.

### **7. CONTRACT DIRECTION**

(a) Only the GENERAL MICRO SYSTEMS Procurement Representative has authority on behalf of GENERAL MICRO SYSTEMS to make changes to this Contract. All amendments must be identified as such in writing and executed by the parties.

(b) GENERAL MICRO SYSTEMS engineering and technical personnel may from time to time render assistance or give technical advice or discuss or effect an exchange of information with SELLER's personnel concerning the Work hereunder. No such action shall be deemed to be a change under the "Changes" clause of this Contract and shall not be the basis for equitable adjustment.

(c) Except as otherwise provided herein, all notices to be furnished by the SELLER shall be in writing and sent to the GENERAL MICRO SYSTEMS Procurement Representative.

### **8. ESD PRECAUTIONS**

The SELLER shall take the necessary precautions to ensure that static susceptible devices are adequately protected from ESD damage during manufacturing, test, inspection, packaging and shipping. The SELLER shall mark packaging for electrical and electronic parts, assemblies, and equipment, susceptible to damage from Electrostatic Discharge with an ESD cautionary note or symbol. The SELLER shall cease all work on ESD items when the relative humidity drops below the permitted lower limit of 30% until either of the conditions below are met: The relative humidity increases to at least the lower limit or, Ionization equipment utilized at the ESD workstation is turned on and properly positioned with respect to the product and operated in accordance with the manufacturer's operating instructions. The SELLER shall ensure that Anti-Static and Static Dissipative packing material (pink-poly formulations) comply with the Contact Corrosivity Testing in accordance with MIL-STD-3010 Method 3005. 3.2.6. Anti-static and static dissipative packing material (pink-poly formulations) shall not be used in direct contact with Optics and Polycarbonates.

### **9. SUSPECT/COUNTERFEIT WORK**

(a) For purposes of this clause, Work consists of those parts delivered under this Contract that are the lowest level of separately identifiable items (e.g., articles, components, goods, and assemblies). "Suspect/Counterfeit Work" means Work that may be of new manufacture however contains items misrepresented as having been designed and/or produced under an approved system or other



## GENERAL MICRO SYSTEMS, INC.

acceptable method. The term also includes approved Work that has reached a design life limit or has been damaged beyond possible repair, refurbished parts, which have been altered and misrepresented as acceptable new parts or any parts that are designated as suspect by the U.S. Government, such as parts listed in alerts published by the Defense Contract Management Agency under the Government-Industry Data Exchange Program (GIDEP).

(b) SELLER represents and warrants that it has policies and procedures in place in accordance with industry recognized standards and with any other specific requirements identified in this Contract to ensure that none of the supplies or materials furnished under this Purchase Order are “suspect/counterfeit parts” and agrees to ensure that Suspect/Counterfeit Work is not delivered to GENERAL MICRO SYSTEMS.

(c) SELLER shall only purchase products to be delivered or incorporated as Work to GENERAL MICRO SYSTEMS directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Work shall not be acquired from independent distributors or brokers unless approved in advance in writing by GENERAL MICRO SYSTEMS.

(d) SELLER shall immediately notify GENERAL MICRO SYSTEMS of any non-conforming Work under this Contract. Further, SELLER shall also notify GENERAL MICRO SYSTEMS of Work disposition to ensure that non-conforming Work will not be supplied to GENERAL MICRO SYSTEMS.

(e) SELLER shall immediately notify GENERAL MICRO SYSTEMS with the pertinent facts if SELLER becomes aware or suspects that it has furnished Counterfeit Work. When requested by GENERAL MICRO SYSTEMS, SELLER shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.

(f) In the event that Work delivered under this Contract constitutes or includes Suspect/Counterfeit Work, SELLER shall, at its expense, promptly replace such Suspect/Counterfeit Work with genuine Work conforming to the requirements of this Contract. Notwithstanding any other provision in this Contract, SELLER shall be liable for all costs relating to the removal and replacement of Suspect/Counterfeit Work, including without limitation GENERAL MICRO SYSTEMS’ external and internal costs of removing Suspect/Counterfeit Work, of reinserting replacement Work and of any testing necessitated by the reinstallation of Work after Suspect/Counterfeit Work has been exchanged. In addition, Buyer may unilaterally terminate this order for cause depending on the impact of the delivery of suspect/counterfeit work on Seller’s overall performance on this order. SELLER’s warranty against suspect/counterfeit work shall survive any termination or expiration of this Purchase Order. The remedies contained in this paragraph are in addition to any remedies GENERAL MICRO SYSTEMS may have at law, equity or under other provisions of this Contract.

(g) This clause applies in addition to and is not altered, changed, or superseded by any quality provision, specification, statement of work, regulatory flowdown, or other provision included in this Contract addressing the authenticity of Work. To the extent such provisions conflict with this clause, this clause prevails.

(h) SELLER shall include paragraphs (a) through (e) and paragraphs (g) and (h) of this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Work to GENERAL MICRO SYSTEMS.

### 10. DEFAULT

(a) GENERAL MICRO SYSTEMS, by written notice, may terminate this Contract for default, in whole or in part, if SELLER (i) fails to comply with any of the terms of this Contract; (ii) fails to make progress so as to endanger performance of this Contract; (iii) fails to provide adequate assurance of future performance; (iv) files or has filed against it a petition in bankruptcy; or (v) becomes insolvent or suffers a material adverse change in financial condition. SELLER shall have ten (10) days (or such longer period as GENERAL MICRO SYSTEMS may authorize in writing) to cure any such failure after receipt of notice from GENERAL MICRO SYSTEMS. Default involving delivery schedule delays, bankruptcy or adverse change in financial condition shall not be subject to the cure provision.



## GENERAL MICRO SYSTEMS, INC.

(b) Following a termination for default of this Contract, SELLER shall be compensated only for Work actually delivered and accepted. GENERAL MICRO SYSTEMS may require SELLER to deliver to GENERAL MICRO SYSTEMS any supplies and materials, manufacturing materials, and manufacturing drawings that SELLER has specifically produced or acquired for the terminated portion of this Contract. GENERAL MICRO SYSTEMS and SELLER shall agree on the amount of payment for these other deliverables.

(c) Upon the occurrence and during the continuation of a default, GENERAL MICRO SYSTEMS may exercise any and all rights and remedies available to it under applicable law and equity, including without limitation, cancellation of this Contract. If after termination for default under this Contract, it is determined that SELLER was not in default, such termination shall be deemed a termination for convenience.

(d) SELLER shall continue all Work not terminated or cancelled.

### 11. DEFINITIONS

The following terms shall have the meanings set forth below:

(a) "Contract" means the instrument of contracting, such as "Purchase Order", "PO", "Subcontract", or other such type designation, including these General Provisions, all referenced documents, exhibits and attachments. If these terms and conditions are incorporated into a "master" agreement that provides for releases, (in the form of a Purchase Order or other such document) the term "Contract" shall also mean the Release document for the Work to be performed.

(b) "FAR" means the Federal Acquisition Regulation, issued as Chapter 1 of Title 48, Code of Federal Regulations.

(c) "GENERAL MICRO SYSTEMS" means GENERAL MICRO SYSTEMS CORPORATION, acting through its companies or business units as identified on the face of this Contract. If a subsidiary or affiliate of GENERAL MICRO SYSTEMS CORPORATION is identified on the face of this Contract, then "GENERAL MICRO SYSTEMS" means that subsidiary or affiliate.

(d) "GENERAL MICRO SYSTEMS Procurement Representative" means a person authorized by GENERAL MICRO SYSTEMS' cognizant procurement organization to administer and/or execute this Contract.

(e) "SELLER" means the party identified on the face of this Contract with whom GENERAL MICRO SYSTEMS is contracting.

(f) "Work" means all required labor, articles, materials, supplies, goods, and services constituting the subject matter of this Contract.

### 12. DISPUTES

All disputes under this Contract that are not disposed of by mutual agreement may be decided by recourse to an action at law or in equity. Until final resolution of any dispute hereunder, SELLER shall diligently proceed with the performance of this Contract as directed by GENERAL MICRO SYSTEMS.

### 13. ELECTRONIC CONTRACTING

The parties agree that if this Contract is transmitted electronically neither party shall contest the validity of this Contract, or any acknowledgement thereof, on the basis that this Contract or acknowledgement contains an electronic signature.

### 14. EXPORT CONTROL

(a) SELLER agrees to comply with all applicable U.S. export control laws and regulations, specifically including, but not limited to, the requirements of the Arms Export Control Act, 22 U.S.C.2751-2794; the International Traffic in Arms Regulation (ITAR), 22 C.F.R. 120 et seq.; the Export Administration Act, 50 U.S.C. app. 2401-2420, including the Export Administration Regulations, 15 C.F.R. 730-774; and the Foreign Assets Control Regulations, 31 CFR500-598 (collectively, "trade Control Laws"). Without limiting the foregoing, SELLER shall not transfer any export controlled item, technical data, technology, or services, including transfer to foreign persons employed by or associated with, or under contract to SELLER or SELLER's lower-tier suppliers, unless authorized in advance by an



## GENERAL MICRO SYSTEMS, INC.

export license (such as Technical Assistance Agreement (TAA) or Manufacturing License Agreement (MLA), license exception or license exemptions, collectively, "Export Authorization"), as required.

(b) SELLER agrees to notify GENERAL MICRO SYSTEMS if any deliverable under this Contract is restricted by Trade Control Laws. Before providing GENERAL MICRO SYSTEMS any item or data controlled under any of the Trade Control Laws, Seller shall provide in writing to GENERAL MICRO SYSTEMS Procurement Representative the export classification of any such item or controlled data if applicable (i.e. the export classification under the EAR, ITAR, EU List of Dual Use Items and Technology, Wassenaar Agreement's List of Dual-Use Goods and Technologies or other applicable export control list) and shall notify the GENERAL MICRO SYSTEMS Procurement Representative in writing of any changes to the export classification information of the item or controlled data. SELLER represents that an official authorized to bind the SELLER has determined that the SELLER or the designer, manufacturer, supplier or other source of the Work has properly determined their export classification.

(c) SELLER hereby represents that neither SELLER nor any parent, subsidiary or affiliate of SELLER is included on any of the restricted party lists maintained by the U.S. Government, including the Specially Designated Nationals List administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"). Denied Parties List, Unverified List or Entity List maintained by the U.S. Commerce Department's Bureau of Industry and Security ("BIS"), or the List of Statutorily Debarred Parties maintained by the U.S. State Department's Directorate of Defense Trade Controls, or the consolidated list of asset freeze targets designed by the United Nations, European Union, and United Kingdom (collectively, "Restricted Party Lists"). SELLER shall immediately notify the GENERAL MICRO SYSTEMS Procurement Representative if SELLER or any parent, subsidiary or affiliate of SELLER is, or becomes, listed on any Restrictive Party List or if SELLER's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. Government or non-U.S. Government entity or agency.

(d) If SELLER is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, SELLER represents that it is and will continue to be registered with the Office of Defense Trade Controls, as required by the ITAR, and it maintains an effective export/import compliance program in accordance with the ITAR.

(e) Where SELLER is a party to or signatory under a GENERAL MICRO SYSTEMS export license or export agreement (e.g., TAA, MLA), SELLER shall provide prompt notification to the GENERAL MICRO SYSTEMS Procurement Representative in the event of (1) changed circumstances including, but not limited to, ineligibility, a violation or potential violation of the ITAR or other applicable governmental restrictions, and the initiation or existence of a U.S. Government investigation, that could affect the SELLER's performance under this Contract, or (2) any change by SELLER that might require GENERAL MICRO SYSTEMS to submit an amendment to an existing Export Authorization or request a new or replacement Export Authorization. SELLER shall provide to GENERAL MICRO SYSTEMS all information and documentation as may reasonably be required for GENERAL MICRO SYSTEMS to prepare and submit any required export license applications. Delays on SELLER's part to submit the relevant information for export license shall not constitute an excusable delay under this Contract.

(f) SELLER shall include paragraphs (a) through (d) and this paragraph (f) of this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or delivered as Work to GENERAL MICRO SYSTEMS. SELLER shall immediately notify GENERAL MICRO SYSTEMS upon learning that any lower tier subcontractor with which it engages has become listed on the Restricted Parties List.

(g) SELLER shall be responsible for all losses, costs, claims, causes of action, damages, liabilities and expense, including attorneys' fees, all expense of litigation and/or settlement, and court costs, arising from any act or omission of SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this clause.

### 15. EXTRAS

Work shall not be supplied in excess of quantities specified in this Contract. SELLER shall be liable for handling charges and return shipment costs for any excess quantities.



## GENERAL MICRO SYSTEMS, INC.

### 16. FURNISHED PROPERTY

(a) GENERAL MICRO SYSTEMS may provide to SELLER property owned by either GENERAL MICRO SYSTEMS or its customer (Furnished Property). Furnished Property shall be used only for the performance of this Contract.

(b) Title to Furnished Property shall remain in GENERAL MICRO SYSTEMS or its customer. SELLER shall clearly mark (if not so marked) all Furnished Property to show its ownership.

(c) Except for reasonable wear and tear, SELLER shall be responsible for, and shall promptly notify GENERAL MICRO SYSTEMS of, any loss or damage. Without additional charge, SELLER shall manage, maintain, and preserve Furnished Property in accordance with good commercial practice.

(d) At GENERAL MICRO SYSTEMS' request, and/or upon completion of this Contract, the SELLER shall submit, in an acceptable form, inventory lists of Furnished Property and shall deliver or make such other disposal as may be directed by GENERAL MICRO SYSTEMS.

(e) The Government Property Clause contained in Section II shall apply in lieu of paragraphs (a) through (d) above with respect to Government-furnished property, or property to which the Government may take title under this Contract.

### 17. GRATUITIES/KICKBACKS

(a) SELLER shall not offer or give a kickback or gratuity (in the form of entertainment, gifts, or otherwise) for the purpose of obtaining or rewarding favorable treatment as a GENERAL MICRO SYSTEMS supplier.

(b) By accepting this Contract, SELLER certifies and represents that it has not made or solicited and will not make or solicit kickbacks in violation of FAR 52.203-7 or the Anti-Kickback Act of 1986 (41 USC 51-58), both of which are incorporated herein by this specific reference, except that paragraph (c)(1) of FAR 52.203-7 shall not apply.

### 18. INDEPENDENT CONTRACTOR RELATIONSHIP

(a) SELLER is an independent contractor in all its operations and activities hereunder. The employees used by SELLER to perform Work under this Contract shall be SELLER's employees exclusively without any relation whatsoever to GENERAL MICRO SYSTEMS.

(b) SELLER shall defend, indemnify and hold harmless GENERAL MICRO SYSTEMS, its officers, directors, employees, consultants, agents, affiliates, successors, permitted assigns and its customers from and against all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorneys fees, all expenses of litigation and/or settlement, and court costs, arising from any act or omission of SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this Contract.

### 19. INFORMATION OF GENERAL MICRO SYSTEMS

(a) Information provided by GENERAL MICRO SYSTEMS to SELLER remains the property of GENERAL MICRO SYSTEMS. SELLER agrees to comply with the terms of any Proprietary Information Agreement with GENERAL MICRO SYSTEMS and to comply with all proprietary information markings and restrictive legends applied by GENERAL MICRO SYSTEMS to anything provided hereunder to SELLER. SELLER agrees not to use any GENERAL MICRO SYSTEMS provided information for any purpose except to perform this Contract and agrees not to disclose such information to third parties without the prior written consent of GENERAL MICRO SYSTEMS. SELLER shall maintain data protection processes and systems sufficient to adequately protect GENERAL MICRO SYSTEMS INFORMATION.

(b) if SELLER becomes aware of any compromise of information provided by GENERAL MICRO SYSTEMS to SELLER, its officers, employees, agents, suppliers, or subcontractors (an "Incident"), SELLER shall take appropriate immediate actions to investigate and contain the Incident and any associated risks, including prompt notification to GENERAL MICRO SYSTEMS after learning of the Incident. As used in the Section, "compromise" means that any information provided by GENERAL MICRO SYSTEMS has been exposed to unauthorized access, inadvertent disclosure, known misuse, loss, destruction, or alteration other than as required to



## **GENERAL MICRO SYSTEMS, INC.**

perform the Work. SELLER shall provide reasonable cooperation to GENERAL MICRO SYSTEMS in conducting any investigation regarding the nature and scope of any Incident. Any costs incurred in investigating or remedying Incidents shall be borne by SELLER.

(c) Any GENERAL MICRO SYSTEMS provided information identified as proprietary or subject to restrictions on public disclosure by law or regulation shall be encrypted (i) if transmitted via the Internet, or (ii) during electronic storage if potentially accessible by the Internet or otherwise by non-authorized users.

(d) The provisions set forth above are in addition to and do not alter, change or supersede any obligations contained in a proprietary information agreement between the parties.

(e) Unclassified controlled DoD information shall be governed by DFARS 252.204-7012 if this Contract contains said clause.

### **20. INFORMATION OF SELLER**

SELLER shall not provide any proprietary information to GENERAL MICRO SYSTEMS without prior execution of a proprietary information agreement by the parties.

### **21. INSPECTION AND ACCEPTANCE**

(a) Subject to applicable national security regulations, GENERAL MICRO SYSTEMS and its customer and regulatory authorities shall have the right of access, on a non-interference basis, to any area of SELLER's or SELLER's supply chain sub-tier premises to inspect all Work at reasonable times and places, including, when practicable, during manufacture and before shipment. SELLER shall provide all information, facilities, and assistance necessary for safe and convenient inspection without additional charge.

(b) No such inspection shall relieve SELLER of its obligations to furnish and warrant all Work in accordance with the requirements of this Contract. GENERAL MICRO SYSTEMS' final inspection and acceptance shall be at destination.

(c) If SELLER delivers non-conforming Work, GENERAL MICRO SYSTEMS may, in addition to any other remedies available at law or at equity: (i) accept all or part of such Work at an equitable price reduction; or (ii) reject such Work; or (iii) require SELLER, at SELLER's cost, to make all repairs, modifications, or replacements at the direction of GENERAL MICRO SYSTEMS necessary to enable such Work to comply in all respects with Contract requirements.

(d) SELLER shall not re-tender rejected Work without disclosing the corrective action taken.

### **22. INSURANCE/ENTRY ON GENERAL MICRO SYSTEMS PROPERTY**

(a) In the event that SELLER, its employees, agents, or subcontractors enter the site(s) of GENERAL MICRO SYSTEMS or its customers for any reason in connection with this Contract then SELLER and its subcontractors shall procure and maintain for the performance of this Contract workers compensation, comprehensive general liability, bodily injury and property damage insurance in reasonable amounts, and such other insurance as GENERAL MICRO SYSTEMS may require. SELLER shall provide GENERAL MICRO SYSTEMS thirty (30) days advance written notice prior to the effective date of any cancellation or change in the term or coverage of any of SELLER's required insurance, provided however such notice shall not relieve SELLER of its obligations to procure and maintain the required insurance. If requested, SELLER shall send a "Certificate of Insurance" showing SELLER's compliance with these requirements. SELLER shall name GENERAL MICRO SYSTEMS as an additional insured for the duration of this Contract. Insurance maintained pursuant to this clause shall be considered primary as respects the interest of GENERAL MICRO SYSTEMS and is not contributory with any insurance which GENERAL MICRO SYSTEMS may carry. "Subcontractor" as used in this clause shall include SELLER's subcontractors at any tier. SELLER's obligations for procuring and maintaining insurance coverages are freestanding and are not affected by any other language in this Contract.

(b) SELLER'S personnel, including SELLER's subcontractors, shall comply with all GENERAL MICRO SYSTEMS security, safety, rules of conduct, badging and personal identity, and related requirements while on GENERAL MICRO SYSTEMS premises. In addition, prior to entry on GENERAL MICRO SYSTEMS premises, SELLER shall coordinate with GENERAL MICRO SYSTEMS to gain access to facilities. At SELLER's expense SELLER shall provide information reasonably required by GENERAL MICRO SYSTEMS to ensure proper identification





## **GENERAL MICRO SYSTEMS, INC.**

of personnel, including but not limited to verification of citizenship, lawful permanent resident status, protected individual or other status. GENERAL MICRO SYSTEMS may, at its sole discretion, have SELLER remove any specified employee of SELLER from GENERAL MICRO SYSTEMS' premises and request that such employee not be reassigned to any GENERAL MICRO SYSTEMS premises under this Contract.

(c) SELLER shall defend, indemnify and hold harmless GENERAL MICRO SYSTEMS, its officers, employees, and agents from any losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorneys fees, all expenses of litigation and/or settlement, and court costs, by reason of property damage or loss or personal injury to any person caused in whole or in part by the actions or omissions of SELLER, its officers, employees, agents, suppliers, or subcontractors.

### **23. INTELLECTUAL PROPERTY**

(a) SELLER warrants that the Work performed or delivered under this Contract will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country. SELLER agrees to defend, indemnify, and hold harmless GENERAL MICRO SYSTEMS and its customers from and against any claims, damages, losses, costs, and expenses, including customary attorneys fees, arising out of any action by a third party that is based upon a claim that the Work performed or delivered under this Contract infringes or otherwise violates the intellectual property rights of any person or entity.

(b) All data, copyrights, reports ,licenses, registrations, patents, designs, concepts, images and works of authorship developed in performance of this Contract shall be the sole property of GENERAL MICRO SYSTEMS, shall be used by SELLER solely in work for GENERAL MICRO SYSTEMS under this Contract. To the extent that any of the deliverable items may not, by operation of law, be works made for hire, SELLER hereby assigns to GENERAL MICRO SYSTEMS the ownership of copyright in the deliverable items and GENERAL MICRO SYSTEMS shall have the right to obtain and hold in its own name copyrights, registrations, and similar protection which may be available in the deliverable items. SELLER agrees to give GENERAL MICRO SYSTEMS or its designees all assistance reasonably required to perfect such rights.

(c) To the extent that any pre-existing inventions, technology, designs, works of authorship, mask works, technical information, computer software, and other information or materials are used, included, or contained in the Work or deliverable items and not owned by GENERAL MICRO SYSTEMS pursuant to this or a previous agreement with SELLER, SELLER grants to GENERAL MICRO SYSTEMS an irrevocable, nonexclusive, world-wide, royalty-free license to: (i) make, have made, sell, offer for sale, use, execute, reproduce, display, perform, distribute (internally or externally) copies of, and prepare derivative works based upon, such pre-existing inventions, technology, designs, works of authorship, mask works, technical information, computer software, and other information or materials and derivative works thereof; and (ii) authorize others to do any, some or all of the foregoing.

(d) All reports, memoranda or other materials in written form, including machine readable form, prepared by SELLER pursuant to this Contract and furnished to GENERAL MICRO SYSTEMS by SELLER hereunder shall become the sole property of GENERAL MICRO SYSTEMS.

### **24. NEW MATERIALS**

The Work to be delivered hereunder shall consist of new materials, as defined in FAR 52.211-5, not used, or reconditioned, remanufactured, or of such age as to impair its usefulness or safety.

### **25. PACKING AND SHIPMENT**

(a) Unless otherwise specified, all Work is to be packed in accordance with good commercial practice.

(b) A complete packing list shall be enclosed with all shipments. SELLER shall mark containers or packages with necessary lifting, loading, and shipping information, including the GENERAL MICRO SYSTEMS Contract number, item number, dates of shipment, and the names and addresses of consignor and consignee. Bills of lading shall include this Contract number.

(c) Unless otherwise specified, delivery shall be FOB "Destination".



## GENERAL MICRO SYSTEMS, INC.

### 26. INVOICE AND PAYMENTS, TAXES, AND DUTIES

(a) For each shipment of goods or completed items of services Seller shall submit an original invoice to the appropriate GENERAL MICRO SYSTEMS Accounts Payable Department. Taxes must be separately itemized. Order number and item number must appear on all shipping documents, invoices, quality certification, and package sheets.

(b) Unless otherwise provided, terms of payment shall be net thirty (45) days from the latest of the following: (1) date goods are received or services are completed; (2) the date goods are scheduled to be shipped/received or services are scheduled for completion under the contract, unless GENERAL MICRO SYSTEMS authorizes early delivery in writing; (3) GENERAL MICRO SYSTEMS' receipt of the SELLER's proper invoice;

(c) Delays in receiving, invoice errors or omissions, or lack of supporting documentation required by the contract, will be cause for withholding payment without losing discount privilege. Payment of invoice shall be subject to adjustment for errors, shortages, defects, or other failure of Seller to meet the requirements of the contract. Payment for goods delivered under this contract shall not be acceptance of the goods by GMS. (d) GENERAL MICRO SYSTEMS shall have a right to recoup or setoff, as the case may be, against payments due or at issue under this Contract or any other contract between the parties.

(e) Payment shall be deemed to have been made as of the date of mailing GENERAL MICRO SYSTEMS' payment or electronic funds transfer.

(f) Unless otherwise specified, prices include all applicable federal, state and local taxes, duties, tariffs, and similar fees imposed by any government, all of which shall be listed separately on the invoice.

### 27. PRECEDENCE

Any inconsistencies in this Contract shall be resolved in accordance with the following descending order of precedence: (1) Face of the Purchase Order and/or Task Order, release document, or schedule, (including any continuation sheets), as applicable, including any special terms and conditions; (2) this document; (3) any supplementary document invoked in this Contract and (4) the Statement of Work.

### 28. PRIORITY RATING

If so identified, this Contract is a "rated order" certified for national defense use, and the SELLER shall follow all the requirements of the Defense Priorities and Allocation System Regulation (15 C.F.R. Part 700).

### 29. PROHIBITED SOFTWARE

(a) This clause only applies to Work that includes the delivery of software.

(b) As used herein, "Prohibited License" means the General Public License ("GPL") or Lesser/Library GPL, the Artistic License (e.g., PERL), the Mozilla Public License, the Netscape Public License, the Sun Community Source License, the Sun Industry Standards License, or variations thereof, including without limitation licenses referred to as "GPL-Compatible, Free Software License."

(c) As used herein, "Prohibited Software" means software that incorporates or embeds software in, or uses software in connection with, as part of, bundled with, or alongside any (1) open source, publicly available, or "free" software, library or documentation, or (2) software that is licensed under a Prohibited License, or (3) software provided under a license that (a) subjects the delivered software to any Prohibited License, or (b) requires the delivered software to be licensed for the purpose of making derivative works or be redistributable at no charge, or (c) obligates GENERAL MICRO SYSTEMS to sell, loan, distribute, disclose or otherwise make available or accessible to any third party (i) the delivered software, or any portion thereof, in object code and/or source code formats, or (ii) any products incorporating the delivered software, or any portion thereof, in object code and/or source code formats.

(d) Unless SELLER has obtained GENERAL MICRO SYSTEMS' prior written consent, which GENERAL MICRO SYSTEMS may withhold in its sole discretion, SELLER shall not use in connection with this Contract, or deliver to GENERAL MICRO SYSTEMS, any Prohibited Software.



**GENERAL MICRO SYSTEMS, INC.**

(e) SELLER agrees to defend, indemnify, and hold harmless GENERAL MICRO SYSTEMS, its customers and suppliers from and against any claims, damages, losses, costs, and expenses, including customary attorneys fees, relating to use in connection with this Contract or the delivery of Prohibited Software.

**30. QUALITY CONTROL SYSTEM**

(a) SELLER shall provide and maintain a quality control system to an industry recognized Quality Standard and in compliance with any other specific quality requirements identified in this Contract.

(b) Items furnished under this Purchase Order shall be identical in form, fit and function to a product previously approved by GENERAL MICRO SYSTEMS, except for first time purchases.

(c) The SELLER's Quality Management System shall ensure all relevant Purchase Order requirements are flowed down to their sub-tier Suppliers. The SELLER's sub-tier suppliers shall be responsible for compliance to the same quality notes, specifications and requirements specified on the Purchase Order.

(d) The Seller shall ensure employees under their control and under organizations providing special processes to them are aware of their contribution to product conformity, product safety and the importance of ethical behavior in their roles.

**31. RELEASE OF INFORMATION**

Except as required by law, no public release of any information, or confirmation or denial of same, with respect to this Contract or the subject matter hereof, will be made by SELLER without the prior written approval of GENERAL MICRO SYSTEMS. SELLER shall not use "GENERAL MICRO SYSTEMS" or any other trademark or logo owned by GENERAL MICRO SYSTEMS, in whatever shape or form, without the prior written consent of GENERAL MICRO SYSTEMS.

**32. RETENTION OF RECORDS**

Unless a longer period is specified in this Contract or by law or regulation, SELLER shall retain all records related to this Contract for seven (7) years from the date of final payment received by SELLER. Records related to this Contract include, but are not limited to, financial proposal, procurement, specifications, production, inspection, test, quality, shipping and export, and certification records. At no additional cost, SELLER shall timely provide access to such records to the US Government and/or GENERAL MICRO SYSTEMS upon request.

**33. SEVERABILITY**

Each clause, paragraph and subparagraph of this Contract is severable, and if one or more of them are declared invalid, the remaining provisions of this Contract will remain in full force and effect.

**34. STOP WORK**

(a) SELLER shall stop Work for up to ninety (90) days in accordance with any written notice received from GENERAL MICRO SYSTEMS, or for such longer period of time as the parties may agree and shall take all reasonable steps to minimize the incurrence of costs allocable to the Work during the period of Work stoppage.

(b) Within such period, GENERAL MICRO SYSTEMS shall either terminate in accordance with the provisions of this Contract or continue the Work by written notice to SELLER. In the event of a continuation, an equitable adjustment in accordance with the principles of the "Changes" clause shall be made to the price, delivery schedule, or other provision(s) affected by the Work stoppage, if applicable, provided that the claim for equitable adjustment is made within thirty (30) days after date of notice to continue.

**35. SURVIVABILITY**

(a) If this Contract expires, is completed, or is terminated, SELLER shall not be relieved of those obligations contained in the following clauses:

- Applicable Laws
- Counterfeit Work



**GENERAL MICRO SYSTEMS, INC.**

- Disputes
- Electronic Contracting
- Export Control
- Independent Contractor Relationship
- Information of GENERAL MICRO SYSTEMS
- Insurance/Entry on GENERAL MICRO SYSTEMS Property
- Intellectual Property
- Prohibited Software
- Release of Information
- Warranty

(b) Those U. S. Government flowdown provisions that by their nature should survive.

**36. TERMINATION FOR CONVENIENCE**

(a) GENERAL MICRO SYSTEMS reserves the right to terminate this Contract, or any part hereof, for its convenience. In the event of such termination, SELLER shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this Contract, SELLER shall be paid a percentage of the Contract price reflecting the percentage of the Work performed prior to the notice of termination, plus reasonable charges SELLER can demonstrate to the satisfaction of GENERAL MICRO SYSTEMS using its standard record keeping system have resulted from the termination. SELLER shall not be paid for any Work performed or costs incurred which reasonably could have been avoided.

(b) In no event shall GENERAL MICRO SYSTEMS be liable for lost or anticipated profits, or unabsorbed indirect costs or overhead, or for any sum in excess of the total Contract price. SELLER's termination claim shall be submitted within ninety (90) days from the effective date of the termination.

(c) SELLER shall continue all Work not terminated.

**37. TIMELY PERFORMANCE**

(a) SELLER's timely performance is a critical element of this Contract.

(b) Unless advance shipment has been authorized in writing by GENERAL MICRO SYSTEMS, GENERAL MICRO SYSTEMS may store at SELLER's expense, or return, shipping charges collect, all Work received in advance of the scheduled delivery date.

(c) If SELLER becomes aware of difficulty in performing the Work, SELLER shall timely notify GENERAL MICRO SYSTEMS, in writing, giving pertinent details. This notification shall not change any delivery schedule.

(d) In the event of a termination for convenience or change, no claim will be allowed for any manufacture or procurement in advance of SELLER's normal flow time unless there has been prior written consent by GENERAL MICRO SYSTEMS.

**38. WAIVERS, APPROVALS, AND REMEDIES**

(a) Failure by either party to enforce any of the provisions of this Contract or applicable law shall not constitute a waiver of the requirements of such provisions or law, or as a waiver of the right of a party thereafter to enforce such provision or law.

(b) GENERAL MICRO SYSTEMS' approval of documents shall not relieve SELLER of its obligation to comply with the requirements of this Contract.

(c) The rights and remedies of either party in this Contract are cumulative and in addition to any other rights and remedies provided by law or in equity.



## GENERAL MICRO SYSTEMS, INC.

### 39. WARRANTY

SELLER warrants that all Work furnished pursuant to this Contract shall strictly conform to applicable specifications, drawings, samples, descriptions, and other requirements of this Contract and be free from defects in design, material, workmanship and have an implied warranty of merchantability. This warranty shall begin upon final acceptance and extend for a period of one (1) year. If any nonconforming Work is identified within the warranty period, SELLER, at GENERAL MICRO SYSTEMS' option, shall promptly repair, replace, or reperform the Work. Transportation of replacement Work, return of nonconforming Work, and reperformance of Work shall be at SELLER's expense. If repair, or replacement, or reperformance of Work is not timely, or for any reason it chooses, GENERAL MICRO SYSTEMS may elect to reperform, repair, replace, or repro cure the non-conforming Work at SELLER's expense. All warranties shall run to GENERAL MICRO SYSTEMS and its customers.

### 40. CONFLICT MINERALS

If Seller is providing goods to Buyer under this purchase order, Seller agrees to comply and to use commercially reasonable efforts to: (a) identify whether such goods contain Tantalum, Tin, Tungsten or Gold; (b) conduct a reasonable country of origin inquiry regarding the origin of such minerals in such goods to determine whether such minerals originated in covered countries, as defined in section 1502 of the DODD-FRANK Wall Street Reform and Consumer Protection Act; and (c) if such minerals originated in covered countries, conduct due diligence of the chain of custody of the source of such minerals for the purpose of identifying the smelter of said minerals; and (d) assist Buyer in conducting reasonable due diligence concerning the smelters of such minerals. Seller shall include the substance of this section (40) Conflict Minerals in any agreement between Seller and its Lower Tier Suppliers. Seller shall provide Buyer with reasonable documentation (such as Certificate of Origin) of Seller's and its Lower Tier Suppliers' due diligence efforts, when requested by Buyer.

## SECTION II - FAR AND DFAR FLOWDOWN PROVISIONS

### A. INCORPORATION OF FAR AND DFAR CLAUSES

The Federal Acquisition Regulation (FAR) clauses and Defense Federal Acquisition Regulation (DFAR) referenced below are incorporated herein by reference, with the same force and full effect as if they were given in full text, and are applicable, including any notes following the clause citation, to this Contract. If the date or substance of any of the clauses listed below is different from the date or substance of the clause actually incorporated in the Prime Contract referenced by number herein, the date or substance of the clause incorporated by said Prime Contract shall apply instead, and that all Prime Contract FAR/DFAR clauses extend to the Seller. The Contracts Disputes Act shall have no application to this Contract. Any reference to a "Disputes" clause shall mean the "Disputes" clause of this Contract.

### B. GOVERNMENT SUBCONTRACT

(a) This Contract is entered into by the parties in support of a U.S. Government contract.

(b) As used in the FAR and DFAR clauses referenced below and otherwise in this Contract:

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

**C. NOTES** - The following notes apply to the clauses incorporated by reference below only when specified in the additional phrase following the clause title and date.

1. Substitute "GENERAL MICRO SYSTEMS" for "Government" or "United States" throughout this clause.



## GENERAL MICRO SYSTEMS, INC.

2. Substitute "GENERAL MICRO SYSTEMS Procurement Representative" for "Contracting Officer", "Administrative Contracting Officer", and "ACO" throughout this clause.
3. Insert "and GENERAL MICRO SYSTEMS" after "Government" throughout this clause.
4. Insert "or GENERAL MICRO SYSTEMS" after "Government" throughout this clause.
5. Communication/notification required under this clause from/to the Contractor to/from the Contracting Officer shall be through GENERAL MICRO SYSTEMS.
6. Insert "and GENERAL MICRO SYSTEMS" after "Contracting Officer", throughout the clause.
7. Insert "or GENERAL MICRO SYSTEMS PROCUREMENT REPRESENTATIVE" after "Contracting Officer", throughout the clause.
8. If SELLER is an international contractor, this clause applies to this Contract only if Work under the Contract will be performed in the United States or Contractor is recruiting employees in the United States to Work on the Contract.

### D. AMENDMENTS REQUIRED BY PRIME CONTRACT

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

### E. PRESERVATION OF THE GOVERNMENT'S RIGHTS

If GENERAL MICRO SYSTEMS furnishes designs, drawings, special tooling, equipment, engineering data, or other technical or proprietary information (Furnished Items) which the U. S. Government owns or has the right to authorize the use of, nothing herein shall be construed to mean that GENERAL MICRO SYSTEMS, acting on its own behalf, may modify or limit any rights the Government may have to authorize the Contractor's use of such Furnished Items in support of other U. S. Government prime contracts.

### F. PROVISIONS OF THE FEDERAL ACQUISITION REGULATION INCORPORATED BY REFERENCE

The following FAR clauses apply to this Contract:

- FAR 52.203-6 RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT (SEP 2006) (Applies if this Contract exceeds \$150,000.)
- FAR 52.203-7 ANTI-KICKBACK PROCEDURES (MAY 2014)
- FAR 52.203-17 CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (APR 2014)
- FAR 52.204-2 SECURITY REQUIREMENTS (AUG 1996)
- FAR 52.204-10 REPORTING EXECUTIVE COMPENSATION AND FIRST-TIER SUBCONTRACT AWARDS (OCT 2015) (Subparagraph (d)(2) does not apply. If SELLER meets the thresholds specified in paragraphs (d)(3) and (g)(2) of the clause, SELLER shall report required executive compensation by posting the information to the Government's Central Contractor Registration (CCR) database. All information posted will be available to the general public.)
- FAR 52.209-6 PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (OCT 2015) (Applies if this Contract exceeds \$30,000 except does not apply if this Contract is for commercial off the shelf items.)
- FAR 52.215-20 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA (OCT 2010) (Note 2 applies.)
- FAR 52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA - MODIFICATIONS (OCT 2010) (Note 2 applies.)
- FAR 52.222-21 PROHIBITION OF SEGREGATED FACILITIES (APR 2015)
- FAR 52.222-26 EQUAL OPPORTUNITY (APR 2015)
- FAR 52.222-50 COMBATING TRAFFICKING IN PERSONS (MAR 2015) (Note 2 applies. In paragraph (e) Note 3 applies.)
- FAR 52.225-13 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (JUN 2008)



## GENERAL MICRO SYSTEMS, INC.

- FAR 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS (FEB 2016)
- FAR 52.247-64 PREFERENCE FOR PRIVATELY OWNED U.S. FLAG COMMERCIAL VESSELS (FEB 2006)
- FAR 52.222-36 EQUAL OPPORTUNITY FOR WORKERS WITH DISABILITIES (JUL 2014)
- FAR 52.203-12 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (OCT 2010)(Applicable to Contracts exceeding \$150,000 or the dollar threshold in effect as of the date of the prime contract.)
- FAR 52.222-35 EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS (OCT 2015)
- FAR 52.222-39 NOTIFICATION OF EMPLOYEE RIGHTS CONCERNING PAYMENT OF UNION DUES OR FEES (DEC 2004)
- FAR 52.203-13 CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT (OCT 2015) (Applies if this Contract exceeds \$5,000,000 and the period of performance is more than 120 days. Disclosures made under this clause shall be made directly to the Government entities identified in the clause.)
- FAR 52.223-11 OZONE-DEPLETING SUBSTANCES (MAY 2001) (Applicable if the Work was manufactured with or contains ozone-depleting substances.)
- FAR 52.225-1 BUY AMERICAN ACT -- SUPPLIES (MAY 2014) (Applicable; if the Work contains other than domestic components. Note 2 applies to the first time "Contracting Officer" is mentioned in paragraph (c).)
- FAR 52.225-5 TRADE AGREEMENTS (FEB 2016) (Applicable if the Work contains other than U.S. made or designated country end products as specified in the clause.)
- FAR 52.227-19 COMMERCIAL COMPUTER SOFTWARE LICENSE (DEC 2007) (Applicable only if existing computer software is to be delivered under this Contract.)
- FAR 52.245-1 GOVERNMENT PROPERTY (APR 2012)(ALT I) (APR 2012) ("Contracting Officer" means "GENERAL MICRO SYSTEMS" except in the definition of Property Administrator and in paragraphs (h)(1)(iii) where it is unchanged, and in paragraphs (c) and (h)(4) where it includes GENERAL MICRO SYSTEMS. "Government" is unchanged in the phrases "Government property" and "Government furnished property" and where elsewhere used except in paragraph (d)(1) where it means "GENERAL MICRO SYSTEMS" and except in paragraphs (d)(2) and (g) where the term includes GENERAL MICRO SYSTEMS." The following is added as paragraph (n) "Seller shall provide to GENERAL MICRO SYSTEMS immediate notice if the Government or other contractor (i) revokes its assumption of loss under any direct contracts with Seller, or (ii) makes a determination that Seller's property management practices are inadequate, and/or present an undue risk, or that Seller has failed to take corrective action when required.")

## G. PROVISIONS OF THE DEPARTMENT OF DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT (DFARS)

The following DFARS clauses apply to this Contract:

- DFARS 252.225-7008 RESTRICTION ON ACQUISITION OF SPECIALTY METALS (MAR 2013) (Applicable only if components, raw materials, sub-assemblies, or final assembly contains more than the specified content of metal allowed by this provision.)
- DFARS 252.203-7002 REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)
- DFARS 252.203-7003 AGENCY OFFICE OF THE INSPECTOR GENERAL (DEC 2012) (Applies when FAR 52.203-13 applies to this Contract.)
- DFARS 252.204-7012 SAFEGUARDING COVERED DEFENSE INFORMATION AND CYBER INCIDENT REPORTING (OCT 2016) (Note 2 applies to paragraph (b)(1)(ii). Reports required under paragraph (d) shall be made through GENERAL MICRO SYSTEMS. Note 6 applies to paragraph (d)(5).
- DFARS 252.204-7015 DISCLOSURE OF INFORMATION TO LITIGATION SUPPORT CONTRACTORS (FEB 2014)
- DFARS 252.211-7003 ITEM UNIQUE IDENTIFICATION AND VALUATION (MAR 2016) (Applies if this Contract requires the Work to contain unique item identification. Items subject to unique item identification are identified elsewhere in this Contract. All reports required to be submitted under this clause shall be submitted to GENERAL MICRO SYSTEMS. "Government" means GENERAL MICRO SYSTEMS except in the definition of "issuing agency" in paragraph (a).
- DFARS 252.223-7001 HAZARD WARNING LABELS (DEC 1991) (Applies if this Contract requires the delivery of hazardous materials.)
- DFARS 252.223-7008 PROHIBITION OF HEXAVALENT CHROMIUM (MAY 2011) (Note 2 applies)



## GENERAL MICRO SYSTEMS, INC.

DFARS 252.225-7001	BUY AMERICAN AND BALANCE OF PAYMENTS PROGRAM (NOV 2014) (Applies if the Work contains other than domestic components. Applies in lieu of FAR 52.225-1.)
DFARS 252-225-7007	PROHIBITION ON ACQUISITION OF UNITED STATES MUNITIONS LIST ITEMS FROM COMMUNIST CHINESE MILITARY COMPANIES (SEP 2006) (Applies if SELLER is supplying items on the U.S. Munitions list.)
DFARS 252.225-7009	RESTRICTION ON ACQUISITION OF CERTAIN ARTICLES CONTAINING SPECIALTY METALS (OCT 2014) (Applies if the Work to be furnished contains specialty metals. Paragraph (d) is deleted.)
DFAR 252.225-7012	PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES (FEB 2013)
DFARS 252.225-7021	TRADE AGREEMENTS (OCT 2015) (Applies if the Work contains other than U.S. made, qualifying country, or designated country end products. Applies in lieu of FAR 52.225-5.)
DFARS 252.225-7048	EXPORT CONTROLLED ITEMS (JUN 2013)
DFARS 252.226-7001	UTILIZATION OF INDIAN ORGANIZATIONS, INDIAN OWNED ECONOMIC ENTERPRISES, AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS. (SEP 2004) (Applies if this Contract exceeds \$500,000. Note 2 applies to paragraph (c) the first time "Contracting Officer" appears. In subparagraph (f)(1) "Contractor" shall mean GENERAL MICRO SYSTEMS. GENERAL MICRO SYSTEMS shall have no liability to SELLER for any incentive payment under this clause unless and until the Government provides said incentive payment to GENERAL MICRO SYSTEMS.)
DFARS 252-227-7013	RIGHTS IN TECHNICAL DATA – NONCOMMERCIAL ITEMS (FEB 2014) (Applies in lieu of FAR 52.227-14. Applies to the extent specified in DFARS 252.227-7015.)
DFARS 252.227-7014	RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION (FEB 2014) (Applies in lieu of FAR 52.227-14.)
DFARS 252.227-7015	TECHNICAL DATA – COMMERCIAL ITEMS (FEB 2014)
DFARS 252.227-7019	VALIDATION OF ASSERTED RESTRICTIONS – COMPUTER SOFTWARE (SEP 2011)
DFARS 252.227-7037	VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA (JUN 2013)
DFARS 252.239-7018	SUPPLY CHAIN RISK (OCT 2015) (Applies if this Contract involves the development or delivery of any information technology, whether acquired as a service or as a supply. Note 4 applies.)
DFARS 252.244-7000	SUBCONTRACTS FOR COMMERCIAL ITEMS (JUN 2013)
DFARS 252.246-7003	NOTIFICATION OF POTENTIAL SAFETY ISSUES (JUN 2013) (Applies if this Contract is for (i) parts identified as critical safety items; (ii) systems and subsystems, assemblies, and subassemblies integral to a system; or (iii) repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system. Contractor shall provide notifications to GENERAL MICRO SYSTEMS and the contracting officer identified to SELLER.)
DFARS 252.246-7007	CONTRACTOR COUNTERFEIT ELECTRONIC PART DETECTION AND AVOIDANCE SYSTEM (MAY 2014) (Paragraphs (a) through (e) apply. To the extent this clause conflicts with other provisions of this Contract, this clause shall prevail. In paragraph (c)(2) Note 3 applies. In paragraph (c)(6) Note 6 applies.)
DFARS 252.247-7023	TRANSPORTATION OF SUPPLIES BY SEA (APR 2014)(Applies in lieu of FAR 52.247-64 in all Contracts for ocean transportation of supplies. In the first sentence of paragraph (g), insert a period after "Contractor" and delete the balance of the sentence. Paragraph (f) and (g) shall not apply if this Contract is at or below \$150,000. Notes 1 and 2 apply to paragraph (g).)
DFARS 252.247-7024	NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA (MAR 2000) (Applies if this Contract meets the criteria set forth in paragraph (b)(2)(ii) of the clause. Note 1 and 2 apply.)
DFARS 252.249-702	NOTIFICATION OF ANTICIPATED CONTRACT TERMINATION OR REDUCTION (OCT 2010) (Applies if this Contract exceeds \$650,000. Note 2 applies. Delete paragraph (d)(1) and the first five words of paragraph (d)(2).)

## H. CERTIFICATIONS AND REPRESENTATIONS

Contractor acknowledges that GENERAL MICRO SYSTEMS will rely upon Contractor certifications and representations contained in this clause and in any written offer, proposal or quote, or company profile submission, which results in award of a contract to Contractor. By entering into such contract, Contractor republishes the certifications and representations submitted with its written offer, including company profile information, and oral offers/quotations made at the request of GENERAL MICRO SYSTEMS, and





## GENERAL MICRO SYSTEMS, INC.

Contractor makes those certifications and representations set forth below. Contractor shall immediately notify GENERAL MICRO SYSTEMS of any change of status regarding any certification or representation.

### 1. FAR 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (Applicable to solicitations and contracts exceeding \$150,000)

(a) Definitions. As used in this provision--

"Lobbying contact" has the meaning provided at 2 U.S.C. 1602(8).

The terms "agency," "influencing or attempting to influence," "officer or employee of an agency," "person," "reasonable compensation," and "regularly employed" are defined in the FAR clause of this solicitation entitled "Limitation on Payments to Influence Certain Federal Transactions" (52.203-12).

(b) Prohibition. The prohibition and exceptions contained in the FAR clause of this solicitation entitled "Limitation on Payments to Influence Certain Federal Transactions" (52.203-12) are hereby incorporated by reference in this provision.

(c) Certification. Contractor hereby certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on its behalf in connection with the awarding of this contract.

(d) Disclosure. If any registrants under the Lobbying Disclosure Act of 1995 have made a lobbying contact on behalf of the offeror with respect to this contract, Contractor shall complete and submit, with its offer, to GENERAL MICRO SYSTEMS OMB Standard Form LLL, Disclosure of Lobbying Activities, to provide the name of the registrants. Contractor need not report regularly employed officers or employees of the offeror to whom payments of reasonable compensation were made.

(e) Penalty. Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by 31 U.S.C. 1352. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure required to be filed or amended by this provision, shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

### 2. FAR 52.209-5 Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters

(a) Contractor certifies that, to the best of its knowledge and belief, that CONTRACTOR and/or any of its Principals, (as defined in FAR 52.209-5,) are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency.

(b) Have not, within a three-year period preceding this offer, been convicted of or had a civil judgement rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property.

(c) Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subdivision (a)(1)(i)(B) of this provision; and SELLER has not, within a three-year preceding this offer, had one or more contracts terminated for default by any Federal agency.

(d) Have not, within a three-year period preceding this offer, been notified of any delinquent Federal taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied. Federal taxes are considered delinquent if both of the following criteria apply: (i) The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally



## **GENERAL MICRO SYSTEMS, INC.**

determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted. (ii) The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.

(e) Contractor shall provide immediate written notice to GENERAL MICRO SYSTEMS if, any time prior to award of any contract, it learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances. The certification of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that SELLER knowingly rendered an erroneous certification, in addition to other remedies available, GENERAL MICRO SYSTEMS may terminate this Contract for default.

### **3. FAR 52.222-22 Previous Contracts and Compliance Reports**

(a) Contractor represents that if Contractor has participated in a previous contract or subcontract subject to the Equal Opportunity clause (FAR 52.222-26) (1) Contractor has filed all required compliance reports and (2) that representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

(b) Paragraph (a) applies only to the extent (1) Contractor performs work in the United States, or (2) recruits employees in the United States to Work on this Contract.

### **4. FAR 52.222-25 Affirmative Action Compliance**

(a) Contractor represents: (1) that Contractor has developed and has on file at each establishment, Affirmative Action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (2) that in the event such a program does not presently exist, Contractor will develop and place in operation such a written Affirmative Action Compliance Program within one-hundred twenty (120) days from the award of this Contract.

(b) Paragraph (a) applies only to the extent (1) Contractor performs work in the United States, or (2) recruits employees in the United States to Work on this Contract.