

**Federal Acquisition Regulation (FAR) and Defense
Federal Acquisition Regulation Supplement (DFARS)
Flow-Down Clauses**

PO Terms - U.S. FAR/DFARS Clause Flow-Downs for U.S. Government Contracts

The FAR and DFARS clauses cited below, where applicable by their terms, are incorporated herein by reference as if set forth in full text. The full text of all clauses incorporated by reference are available at:
<http://www.acquisition.gov/>.

- I. When goods or services furnished by the Seller to Sterling Computers for use in connection with a U.S. Government contract or subcontract, in addition to Sterling Computer's General Terms and Conditions, the following provisions shall apply, as required by the terms of the prime contract, or by operation of law or regulation. Otherwise, Sterling Computer's General Terms and Conditions shall govern the contractual relationship of the Parties.
- II. The following clauses set forth in the FAR and DFARS in effect as of the date of the prime contract are incorporated herein by reference with the same force and effect as if they were in full text. In all clauses listed herein, the terms "Government", "Contracting Officer" and "Contractor" shall be applied and revised to suitably identify the contracting parties herein and affect the proper intent of the provision except where further clarified or modified below. "Subcontractor," however, shall mean "Seller's Subcontractor" under this purchase order.
- III. Clauses listed below may not be applicable to specific orders due to the type of subcontract/purchase order to be issued, dollar thresholds under requirements of the FAR, DFARS or Public Law or Mandatory Flow Down requirements of a particular prime contract. Clauses that are not applicable due to monetary threshold, place, performance, type of effort or contract are deemed self-deleting, shall not be removed from this document, and will be considered by all parties to be without force and effect. It is the Seller's obligation to contact Sterling Computers regarding any confusion, ambiguity, or questions the Seller may have regarding the following clauses, however, Sterling Computers is not responsible for providing Seller with legal advice pertaining to the applicability of any clause.
- IV. In certain circumstances, applicable law, statute, or regulation may require submission of a signed certification of compliance from the Seller to Sterling Computers.
- V. In the event that Seller is offering for sale commercial items or services, as defined in FAR § 2.101 and when deemed necessary by Sterling Computers, Seller agrees to provide a written commercial item assertion that fully documents and supports the contention that the items or services are sold or offered for sale in the commercial market place, or is similar in form, fit and function to an item

sold or offered for sale in the commercial marketplace at a fair and reasonable price.

- VI. Sterling Computers reserves the right to include additional FAR and/or DFARS clauses, as required by the express terms of a U.S. Government or prime contract.
- VII. In addition to the foregoing FAR and DFARS clauses, the Seller agrees to comply with the following applicable laws:

A. Cybersecurity:

Sterling Computers is committed to compliance with United States Government requirements regarding cybersecurity and cyber incident reporting. This includes implementing adequate security requirements outlined in NIST SP 800-171 and implemented in the applicable FAR and DFARS clauses (FAR § 52.204- 21 and DFARS § 252.204-7014, § 252.204-7020, § 252.204-7021). Sterling Computer's safeguarding obligations extend not only to information received from the Government during contract performance, but also to any covered defense information that is collected, developed, received, used, or stored by or on behalf of Sterling Computers in support of the performance of the contract. In the event Sterling Computers determines it will need to disclose Controlled Unclassified Information (CUI) or Covered Defense Information (CDI) with any vendor, supplier, or subcontractor ("Seller"), the Seller shall provide an acknowledgement and certification of compliance with the foregoing regulatory provisions.

B. Defense Priority Allocation System:

If so, identified by Sterling Computers, as required by the US Government, an order is a "rated order" certified for national defense use and Seller shall follow all the requirements of the Defense Priorities and Allocation System (DPAS) Regulation (15 C.F.R. Part 700).

C. Anti-corruption:

(1) Seller shall comply with applicable laws and regulations relating to anticorruption, including, without limitation,

- a. the United States Foreign Corrupt Practices Act (FCPA) (15 U.S.C. §§ 78dd-1, et. seq.) irrespective of the place of performance, and
- b. laws and regulations implementing the Organization for Economic Cooperation and Development's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the U.N. Convention Against Corruption, and the Inter-American Convention Against Corruption in Seller's country or any country where performance of this Contract will occur;

(2) In carrying out its responsibilities under this Contract –

- a) Seller represents that it has not paid, offered, promised to pay or authorized and will not pay, offer, promise to pay, or authorize the payment directly or indirectly of any monies or anything of value to
 - i. any person or firm employed by or acting for on behalf of any customer, whether private or governmental, or
 - ii. any government official or employee or any political party or candidate for political office for the purpose of influencing any act or decision or inducing or rewarding any action by the customer in any commercial transaction or in any governmental matter or securing any improper advantage to assist Sterling or Seller in obtaining or retaining business or directing business to any person.
- b) No owner, partner, officer, director, or employee of Seller or of any parent or subsidiary company of Seller is or will become an official or employee of the government or of an agency or instrumentality of a government or a candidate for political office or a political party official during the term of this Contract unless such person obtains the prior written approval of Sterling Computers.
- c) Seller has not made and will not make, either directly or indirectly, any improper payments.
- d) Seller has not made and will not make any facilitating payment (as that term is defined in the FCPA) without the prior written approval of Sterling Computers.

D. Dispute – Government Contracts:

Any reference to the “Disputes clause” in any applicable FAR Clause shall mean this paragraph, Disputes – Government Contracts. Any dispute arising under the agreement between the parties relating to any decision of the Contracting Officer under the prime contract shall be resolved in accordance with the following paragraphs. Notwithstanding any other provisions in the agreement between the parties, any decision of the Contracting Officer

under the prime contract which binds Buyer shall bind both Buyer and Seller to the extent that it relates to this purchase order –provided that:

1. The Buyer notifies with reasonable promptness the Seller of such decision,
2. The Buyer, at its sole discretion, authorizes in writing the Seller to appeal in the name of the Buyer such decision at its own expense, or
3. If Buyer should appeal such decision, Buyer at its sole discretion offers to the Seller the opportunity at its own expense to join Buyer in such

appeal.

4. Any decision upon such appeal, when final, shall be binding upon the Seller.
5. The Seller shall indemnify and save harmless from all liability of any kind incurred by or imputed to Buyer under Section 5, "Fraudulent Claims," of the Contract Disputes Act of 1978, as amended, if Seller is unable to support any part of its claim and it is determined that such inability is attributable to fraud or misinterpretation of fact on the part of Seller.
6. Pending any prosecution, appeal, or final decision or settlement of any dispute arising under this purchase order, the Seller shall proceed diligently, as directed by Buyer, with the performance of this purchase order.
7. Nothing in this clause nor any authorization or offer that may be made shall be deemed to constitute acceptance or acknowledgement by Buyer of the validity of Seller's claim or any part thereof, nor be deemed to limit or in any way restrict Buyer from taking any actions, included available remedies, it deems appropriate to protect its own interests.
8. As used in this clause, the word "appeal" means an appeal taken under the contract Disputes Act of 1978, as amended.

VIII. APPLICABLE TO ALL ORDERS:

- A. The following FAR clauses, as applicable, are deemed "mandatory" by the express language of the clause and, therefore, are not negotiable and apply to all contracts, purchase orders, delivery orders, or any agreement between Sterling Computers and the Seller where the end customer is the United States Government:

52.201-1	Definitions.
52.203-6	Restrictions on Subcontractor Sales to the Government.
52.203-7	Anti-Kickback Procedures.
52.203-12	Limitation on Payments to Influence Certain Federal Transactions.
52.203-13	Contractor Code of Business Ethics and Conduct.
52.203-14	Display of Hotline Poster(s).
52.203-15	Whistleblower Protections Under the American Recovery and Reinvestment
52.203-16	Preventing Personal Conflicts of

52.203-17	Rights and Requirement to Inform Employees of Whistleblower Rights.
52.203-19	Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements.
52.204-2	Security Requirements.
52.204-9	Personal Identity Verification of Contractor Personnel.
52.204-10	Reporting Executive Compensation and First Tier Subcontract Awards.
52.204-14	Service Contract Reporting Requirements.
52.204-15	Service Contract Reporting Requirements for Indefinite-Delivery Contracts.
52.204-21	Basic Safeguarding of Covered
52.204-23	Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities.
52.204-25	Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment.
52.209-6	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment.
52.211-14	Notice of Priority Rating for National Defense Use, Emergency Preparedness, and Energy Use Program.
52.211-15	Defense Priority and Allocation.
52.212-5	Contract Terms and Conditions Required to Implement Statutes or Executive Orders-- Commercial Items.
52.216-5	Price Redetermination-Prospective.
52.216-6	Price Redetermination – Retroactive.
52.216-16	Incentive Price Revision--Firm Target.
52.216-17	Incentive Price Revision--Successive Targets.
52.219-8	Utilization of Small Business Concerns.
52.219-16	Liquidated Damages – Subcontracting Plan.
52.222-20	Contracts for Materials, Supplies, Articles and Equipment.
52.222-26	Equal Opportunity.
52.222-34	Project Labor Agreement.
52.222-35	Equal Opportunity for Veterans.
52.222-36	Equal Opportunity for Workers with Disabilities.
52.222-37	Employment Reports on Veterans.

52.222-40	Notification of Employee Rights Under the National Labor Relations Act.
52.222-41	Service Contract Labor Standards.
52.222-50	Combating Trafficking in Persons.
52.222-51	Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services— Requirements.
52.222-53	Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services— Requirements.
52.222-54	Employment Eligibility Verification.
52.223-18	Contractor Policy to Ban Text Messaging While Driving.
52.225-1	Buy American Act – Supplies.
52.225-2	Buy American Act Certificate.
52.225-5	Trade Agreements.
52.225-6	Trade Agreements – Certificate.
52.225-8	Duty-Free Entry.
52.225-13	Restrictions on Certain Foreign Purchases.
52.227-14	Rights in Data – General.
52.232-40	Providing Accelerated Payments to Small Business Subcontractors.
52.239-1	Privacy or Security Safeguards.
52.242-15	Stop Work Order.
52.244-6	Subcontracts for Commercial Items.
52.245-1	Government Property (or Alt I or Alt II, the Buyer shall so specify. If the Buyer does not Specify the requirement will default to the basic clause).
52.246-2	Inspection of Supplies – Fixed-Price.
52.246-4	Inspection of Services –Fixed-Price.
252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense- Contract-Related Felonies.
252.203-7002	Requirement to Inform Employees of Whistleblower Rights.
252.203-7004	Display of Fraud Hotline Posters.
252.204-7000	Disclosure of Information.
252.204-7008	Compliance with Safeguarding Covered Defense Information Controls.
252.204-7009	Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information.

252.204-7010	Requirement for Contractor to Notify DoD if the Contractor's Activities are Subject to Reporting Under the U.S.-International Atomic Energy Agency Additional Protocol.
252.204-7012	Safeguarding Covered Defense Information and Cyber Incident Reporting.
252.204-7020	NIST SP 800-171 DoD Assessment Requirements.
252.204-7021	Cybersecurity Maturity Model Certification Requirement.
252.209-7002	Disclosure of ownership of control by a foreign government.
252.211-7003	Item Identification and Valuation.
252.217-7012	Liability and Insurance.
252.219-7003	Small Business Subcontracting Plan (DoD Contracts).
252.222-7000	Restrictions on Employment of Personnel.
252.222.7006	Restrictions on the Use of Mandatory Arbitration Agreements.
252.225-7008	Restriction on Acquisition of Specialty Metals (prime contracts above simplified acquisition threshold or that require delivery of specialty metals as end items) .
252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals.
252.225-7013	Duty Free Entry.
252.225-7020	Trade Agreements Certificate.
252.225-7021	Trade Agreements.
252.225-7046	Exports By Approved Community Members in Response to the Solicitation.
252.225-7047	Export by Approved Community Members in Performance of the Contract.
252.225-7048	Export Controlled Items.
252.227-7015	Technical Data - Commercial Items.
252.227-7016	Rights in Bid or Proposal Information.
252.227-7017	Identification and Assertion of Use, Release, or Disclosure Restrictions.
252.232-7017	Accelerating Payments to Small Business Subcontractors—Prohibition on Fees and Consideration.
252.244-7000	Subcontracts for Commercial Items and Commercial Components (DoD contracts).



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252.246-7007

Contractor Counterfeit Electronic Part
Detection and Avoidance System.

252.246-7008

Sources of Electronic Parts.

252.247-7023

Transportation of Supplies by Sea.