

**FAR-DFAR Cost Reimbursement PO Flow Down Requirements
Pertaining to Quantum Imaging, Inc. Purchase Orders**

When the items furnished under this Purchase Order ("PO") pertain to a U.S. Government prime contract or subcontract, the following Federal Acquisition Regulation ("FAR") and Defense Federal Acquisition Regulation Supplement ("DFARS") clauses shall apply in accordance with the terms of the prime contract or higher-tier subcontract, or by operation of law or regulation, and are hereby incorporated by reference. The effective version of each clause shall be the version included in Buyer's prime contract or subcontract (as amended and modified) under which this PO has been issued. In all clauses, except as otherwise required by law, the terms "Government," "Contracting Officer," and "Contractor" shall be deemed and interpreted to identify suitably the contracting parties herein and effect the proper intent of the provision. "Subcontractor," however, shall mean "Seller's Subcontractor" or "Seller" under this Purchase Order. Where a clause specifies the number of days in which an action is required, that number shall be reduced by half. Clauses marked with an asterisk apply to the extent, and with the Alternate(s), if any, included in Buyer's contract.

I. The following FAR clauses apply as indicated and are incorporated by reference with the same force and effect as if they were given in full text.

Applicable to All Purchase Orders

- 52.202-1 Definitions
- 52.204-21 Basic Safeguarding of Covered Contractor Information Systems
- 52.211-5 Material Requirements
- 52.215-13 Subcontractor Certified Cost or Pricing Data – Modifications (unless PO is exempt under FAR 15.403)
- 52.215-20 Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data
- 52.215-21 Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data – Modifications
- 52.216-7 Allowable Cost and Payment
- 52.219-8 Utilization of Small Business Concerns
- 52.222-21 Prohibition of Segregated Facilities
- 52.222-22 Previous Contracts and Compliance Reports
- 52.222-25 Affirmative Action Compliance
- 52.222-26 Equal Opportunity
- 52.222-41 Service Contract Labor Standards
- 52.222-50* Combating Trafficking in Persons
- 52.222-51 Exempt from Application of the Services Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment – Requirements
- 52.222-53 Exemption from Application of the Service Contract Act to Contracts for Certain Services – Requirements
- 52.222-55 Minimum Wages Under Executive Order 13658
- 52.225-8 Duty Free Entry
- 52.225-13 Restrictions on Certain Foreign Purchases
- 52.227-14* Rights in Data – General with Alternates II and III
- 52.227-16 Additional Data Requirements
- 52.233-3* Protest After Award Alt I
- 52.234-1 Industrial Resources Developed Under Title III, Defense Production Act.
- 52.242-1 Notice of Intent to Disallow Costs
- 52.242-13 Bankruptcy
- 52.242-15 Stop Work Order
- 52.243-2 Changes – Cost Reimbursement
- 52.244-6 Subcontracts for Commercial Items
- 52.246-3 Inspection of Supplies – Cost Reimbursement
- 52.246-5 Inspection of Services – Cost Reimbursement
- 52.247-64 Preference for Privately Owned U.S. Flag Commercial Vessels
- 52.247-67 Submission of Transportation Documents for Audit (applies when transportation will be a direct charge)
- 52.249-6 Termination (Cost Reimbursement)
- 52.249-14 Excusable Delays

Applicable to Purchase Orders Over \$3,500

- 52.222-54 Employment Eligibility Verification
- 52.223-18 Encouraging Contractor Policies to Ban Text Messaging While Driving

Applicable to Purchase Orders Over \$10,000

- 52.222-40 Notification of Employee Rights Under the National Labor Relations Act

Applicable to Purchase Orders Over \$15,000

- 52.222-36 Equal Opportunity for Workers With Disabilities

Applicable to Purchase Orders Over \$35,000

- 52.209-6 Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment

Applicable to Purchase Orders Over \$150,000

- 52.203-3 Gratuities
- 52.203-6 Restrictions on Subcontractor Sales to the Government
- 52.203-7 Anti-Kickback Procedures
- 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
- 52.203-12 Limitation on Payments to Influence Certain Federal Transactions
- 52.203-17 Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights
- 52.204 - 4 Printed or Copied Double-Sided on Recycled Paper
- 52.215-2 Audit and Records - Negotiation
- 52.215-14 Integrity of Unit Prices
- 52.222-2 Payment for Overtime Premiums
- 52.222-35 Equal Opportunity for Veterans
- 52.222-37 Employment Reports on Veterans
- 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement

Applicable to Purchase Orders Over \$700,000

- 52.219-9 Small Business Subcontracting Plan

Applicable to Purchase Orders Over \$750,000

- 52.215-12 Subcontractor Certified Cost or Pricing Data (unless PO is exempt under FAR 15.403)

Applicable to Purchase Orders Over \$5,500,000

- 52.203-13 Contractor Code of Business Ethics and Conduct
- 52.203-14 Display of Hotline Posters

Applicable Only to the Extent Indicated

- 52.203-5 Covenant Against Contingent Fees (does not apply to POs for commercial items and for POs exceeding \$150,000)
- 52.204-2 Security Requirements (if PO involves access to classified information)
- 52.204-9 Personal Identity Verification of Contractor Personnel (if PO involves access to Government facilities or systems)
- 52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards (if Seller meets reporting thresholds specified in clause, Seller shall report information directly to the Government via Central Contractor Registration (CCR) database; all information posted will be publicly available)
- 52.208-8 Requires Sources for Helium and Helium Usage Data (if PO includes major helium requirement)
- 52.215-10 Price Reduction for Defective Cost or Pricing Data (if certified cost or pricing data are required)
- 52.215-11 Price Reduction for Defective Cost or Pricing Data – Modifications (if certified cost or pricing data are required)
- 52.215-15 Pension Adjustments and Asset Reversions (if PO meets requirements of FAR 15.408(g))
- 52.215-16 Facilities Capital Cost of Money
- 52.215-17 Waiver of Facilities Capital Cost of Money
- 52.215-18 Reversion or Adjustment of Plans for Post-Retirement Benefits (if PO meets requirements of FAR 15.408(j))
- 52.215-19 Notification of Ownership Changes (if PO meets requirements of FAR 15.408(k))
- 52.215-23* Limitation on Pass-Through Charges (if PO exceeds \$150,000 and supports DoD prime contract or subcontract)
- 52.216-8 Fixed Fee (Applies only if PO includes a fixed fee)
- 52.216-10 Incentive Fee (if the PO type is a Cost Plus Incentive Fee)

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52.216-11	Cost Contract – No Fee (if the PO is placed on a cost reimbursement – no fee basis and is not cost sharing)	52.204-7008	Compliance with Safeguarding Covered Defense Information Controls
52.222-3	Convict Labor (applies when the PO will be performed in the US, Puerto Rico, Northern Mariana Islands, American Samoa, Guam, or the U.S. Virgin Islands)	52.204-7009	Limitations on the Use and Disclosure of Third Party Contractor Reported Cyber Incident Information
52.222-4	Contract Work Hours and Safety Standards Act – Overtime Compensation (if PO exceeds \$150,000 and involves employment of laborers or mechanics)	52.204-7012	Safeguarding Covered Defense Information and Cyber Incident Report
52.222-20	Contracts for Materials, Supplies, Articles, and Equipment Exceeding \$15,000 (applies to POs covered by the statute)	52.204-7015	Notice of Authorized Disclosure of Information for Litigation Support
52.223-3	Hazardous Material Identification and Material Safety Data (if PO requires delivery of hazardous material)	52.223-7008	Prohibition of Hexavalent Chromium
52.223-7	Notice of Radioactive Materials (if PO involves radioactive material)	52.225-7012	Preference for Certain Domestic Commodities
52.223-11	Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons (if work under PO was manufactured with or contains ozone-depleting substances)	52.225-7013	Duty Free Entry
52.224-1	Privacy Act Notification (if PO involves system of records on individuals subject to the Privacy Act)	52.225-7048	Export Controlled Items
52.224-2	Privacy Act (if PO involves system of records on individuals subject to the Privacy Act)	52.227-7013	Rights in Technical Data – Noncommercial Items (applies in lieu of FAR 52.227-14)
52.225-1	Buy American – Supplies (if the PO involves the acquisition of supplies)	52.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (applies in lieu of FAR 52.227-14)
52.225-5	Trade Agreements	52.227-7016	Rights in Bid or Proposal Information
52.225-19	Contractor Personnel in a Designated Operational Area or Supporting a Diplomatic or Consular Mission Outside the United States (if PO meets criteria in FAR 52.225-19(q))	52.227-7019	Validation of Asserted Restrictions – Computer Software
52.227-1*	Authorization and Consent	52.227-7025	Limitation on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends
52.227-3*	Patent Indemnity	52.227-7026	Deferred Delivery of Technical Data or Computer Software
52.227-9	Refund of Royalties (if royalty exceeds \$250)	52.227-7027	Deferred Ordering of Technical Data or Computer Software
52.227-10	Filing of Patent Applications – Classified Subject Matter (if work or patent application may cover classified matters)	52.227-7028	Technical Data or Computer Software Previously Delivered to the Government
52.227-11*	Patent Rights – Ownership by the Contractor	52.227-7030	Technical Data – Withholding of Payment
52.227-13*	Patent Rights – Ownership by the Government	52.227-7037	Validation of Restrictive Markings on Technical Data
52.227-17*	Rights in Data – Special Works	52.231-7000	Supplemental Cost Principles
52.227-18*	Rights in Data – Existing Works	52.239-7018	Supply Chain Risk
52.228-3	Worker's Compensation Insurance (Defense Base Act) (if Defense Base Act applies)	52.243-7001	Pricing of Contract Modifications
52.228-4	Workers' Compensation and War-Hazard Insurance Overseas (if Defense Base Act has been waived)	52.244-7000	Subcontracts for Commercial Items
52.228-5	Insurance – Work on a Government Installation (if PO involves work on a Government installation and exceeds \$150,000)	52.247-7023	Transportation of Supplies by Sea
52.230-2	Cost Accounting Standards (if full CAS coverage applies)	52.247-7024	Notification of Transportation of Supplies by Sea
52.230-3	Disclosure and Consistency of Cost Accounting Practices (if modified CAS coverage applies)	<u>Applicable to Purchase Orders Over \$150,000</u>	
52.230-4	Disclosure and Consistency of Cost Accounting Practices for Contracts Awarded to Foreign Concerns (if modified CAS coverage applies)	52.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense-Contract Related Felonies
52.230-5	Cost Accounting Standards – Educational Institutions (if PO states this clause applies)	<u>Applicable to Purchase Orders Over \$500,000</u>	
52.230-6	Administration of Cost Accounting Standards (if FAR 52.230-2, -3, -4, or -5 applies)	52.226-7001	Utilization of Indian Organizations, Indian-Owned Economic Enterprises and Native Hawaiian Small Business Concerns- (Buyer shall have no liability for incentive payments unless and until approved and paid by the Government)
52.232-20	Limitation of Cost (if the PO is fully funded)	<u>Applicable to Purchase Orders Over \$700,000</u>	
52.232-22	Limitation of Funds (if the PO is incrementally funded)	52.219-7003	Small Business Subcontracting Plan
52.232-40	Providing Accelerated Payments to Small Business Subcontractors (this clause does not apply if Buyer does not received accelerated payments under its prime contract)	52.249-7002	Notification of Anticipated Contract Termination or Reduction
52.232-39	Unenforceability of Unauthorized Obligations	52.215-7000	Pricing Adjustments (if FAR 52.215-12 or -13 applies)
52.237-2	Protection of Government Buildings, Equipment and Vegetation	<u>Applicable to Purchase Orders Over \$1,000,000</u>	
52.237-3*	Continuity of Services	52.222-7006	Restriction on the Use of Mandatory Arbitration Agreements
52.243-6*	Change Order Accounting	<u>Applicable to Purchase Orders Over \$1,500,000</u>	
52.245-1	Government Property (if PO involves access to Government property or the PO requires acquisition of property)	52.211-7000	Acquisition Streamlining
52.247-63	Preference for U.S. Flag Air Carriers	<u>Applicable to Purchase Orders Over \$5,500,000</u>	
52.248-1*	Value Engineering (applies if the PO exceeds \$150,000)	52.203-7003	Agency Office of the Inspector General
		52.203-7004	Display of Fraud Hotline Poster(s) (applies in lieu of FAR 52.203-14)
		<u>Applicable Only to the Extent Indicated</u>	
		52.204-7010	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 (if PO is subject to the provisions of the U.S. International Atomic Energy Agency Additional Protocol)
		52.208-7000*	Intent to Furnish Precious Metals as Government Furnished Material (if item being purchased under PO contains precious metals)
		52.211-7000	Acquisition Streamlining
		52.211-7003	Item Unique Identification and Valuation
		52.222-7000*	Restrictions on Employment of Personnel
II. When the supplies or services furnished under this PO are for use in connection with a U.S. Government Department of Defense prime contract or subcontract, the following DFAR provisions shall apply as indicated.			
<u>Applicable to All Purchase Orders</u>			
52.203-7002	Requirement to Inform Employees of Whistleblower Rights		
52.204-7000	Disclosure of Information		

Effective 03-17-2017

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<p>252.223-7001 Hazard Warning Labels (if PO requires submission of hazardous material data sheets)</p> <p>252.223-7002 Safety Precautions for Ammunition and Explosives (if PO involves ammunition, explosives, or propellants)</p> <p>252.223-7003 Change in Place of Performance – Ammunition and Explosives (applies if DFARS 252.223-7002 applies)</p> <p>252.223-7006 Prohibition on Storage, Treatment, and Disposal of Toxic or Hazardous Materials (if the Seller will have access to a DoD installation under the PO)</p> <p>252.223-7007 Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives (if PO involves arms, ammunition, or explosives)</p> <p>252.225-7001 Buy American and Balance of Payment Programs (applies in lieu of FAR 52.225-1 if work contains other than domestic components)</p> <p>252.225-7004 Report of Intended Performance Outside the United States and Canada – Submission After Award (if Seller intends to perform, outside the U.S. and Canada, any work that exceeds \$700,000)</p> <p>252.225-7007 Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies (if Seller is supplying items on the U.S. Munitions List)</p> <p>252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals (if work contains specialty metals and PO exceeds \$150,000)</p> <p>252.225-7015 Restrictions on Acquisition of Hand or Measuring Tools (if PO involves delivery of hand or measuring tools and if PO exceeds \$150,000)</p> <p>252.225-7016 Restriction on Acquisition of Ball and Roller Bearings (if work supplied under PO contains ball or roller bearings)</p> <p>252.225-7021 Trade Agreements (applies in lieu of FAR 52.225-5 if work contains other than U.S.-made, qualifying country, or designated country end products and the PO exceeds \$150,000)</p> <p>252.225-7025 Restriction on Acquisition of Forgings (if PO is for forging items or other items that contain forging items)</p> <p>252.225-7028 Exclusionary Policies and Practices of Foreign Governments (if PO involves purchase of supplies for international military training or Foreign Military Sales)</p> <p>252.225-7030 Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate (if PO involves acquisition of carbon, alloy, or armor steel plate)</p> <p>252.225-7033 Waiver of United Kingdom Levies (if Seller is a UK firm and PO exceeds \$1,000,000)</p> <p>252.225-7038 Restriction on Acquisition of Air Circuit Breakers (if PO involves delivery of air circuit breakers for naval vessels)</p> <p>252.225-7040 Contractor Personnel Supporting U.S. Armed Forces Deployed Outside the United States (if seller personnel are supporting U.S Armed Forces deployed outside the U.S.)</p> <p>252.225-7043 Anti-Terrorism/Force Protection Policy for Defense Contractors Outside the United States (if Seller will be performing or traveling outside the U.S. under the PO)</p> <p>252.227-7020* Rights in Special Works</p> <p>252.227-7021* Rights in Data – Existing Works</p> <p>252.227-7038* Patent Rights – Ownership by the Contractor (Large Business)</p> <p>252.227-7039* Patents – Reporting of Subject Inventions</p> <p>252.228-7005* Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles</p> <p>252.234-7002 Earned Value Management System (if PO requires use of Earned Value Management System)</p> <p>252.235-7002 Animal Welfare (if PO involves research, development, test, evaluation, or training with live vertebrate animals)</p> <p>252.235-7003 Frequency Authorization (if PO requires developing, producing, constructing, testing, or operating a device requiring a frequency authorization)</p> <p>252.235-7004 Protection of Human Subjects (if PO may include research involving human subjects)</p> <p>252.237-7019 Training for Contractor Personnel Interacting with Detainees (if PO may require interaction with detainees)</p> <p>252.239-7000 Protection Against Compromising Emanations (if PO involves information technology that requires protection against compromising emanations)</p> <p>252.239-7016 Telecommunications Security Equipment, Devices, Techniques, and Services (if PO requires securing telecommunications)</p>	<p>252.239-7018 Supply Chain Risk (if PO involves development or delivery of information technology)</p> <p>252.246-7003 Notification of Potential Safety Issues (if required by DFARS 252.246-7003(f))</p> <p>252.247-7003 Pass-Through of Motor Carrier Fuel Surcharge Adjustment to the Cost Bearer (if Seller is a motor carrier, broker, or freight forwarder)</p> <p>252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance Systems (if PO is for electronic parts or assemblies containing electronic parts)</p> <p>252.247-7023 Transportation of Supplies by Sea – Basic (applies in lieu of FAR 52.247-64 if PO is for ocean transportation of supplies)</p>
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