

Advantech's policy is to provide our Customer Flow Down Requirements to our suppliers:

- Advantech reserves the right to perform source inspection at a supplier facility
 - ✓ Advantech reserves the right of access to supplier facilities for its customer and authorities for verification of products and processes to ensure conformity to specified requirements
 - ✓ Supplier notification of product/ process readiness (target: 48 hours) shall be made by Advantech Purchasing, who will make arrangements with customers for verification
 - ✓ The supplier shall make available the resources, facilities, and equipment to facilitate any such inspections required
 - ✓ This right extends to our customers, applicable regulatory agencies, and any sub-tier suppliers used to fulfill a purchase order.
- Advantech suppliers are required to ensure that persons are aware of their contribution to product or service conformity, their contribution to product safety, and the importance of ethical behavior.
- Certificates of Conformance are required as identified on an Advantech Purchase Order (PO).
- The Quality Plan referenced on the Purchase Order must be followed - no exceptions
- Documents and records associated with a PO are to be retained for a minimum of 7 years
- Advantech Suppliers must maintain conformance and traceability records regarding the product or service provided.
- When utilizing sampling inspection, the method must be following a statistically valid standard (i.e., ANSI Z1.4 or equivalent)
- **Shipments with known nonconformities will not be accepted without prior authorization**
- All "special processes" required by this PO must be performed by qualified personnel, and the processes require validation periodically to ensure output meets requirements. Process validation records must be available upon request.
- Any differences between product requirements and what is provided by the supplier must be identified, communicated, and approved before shipping.
- Suppliers are not, under any circumstance, granted authority to alter the product design and characteristics
- Supplier detection of a nonconforming product must be communicated in writing to the Advantech quality department for a risk assessment
- Outsourcing of an Advantech PO to your suppliers requires communication of all applicable requirements and specifications to your sub-tier supplier
- If providing calibration services, all certificates must identify standards used and must be traceable to NIST Standards
- Source Inspection/ Surveillance may be used by Advantech's quality personnel to evaluate the following:
 - ✓ Supplier capability assessment
 - ✓ The review of the Supplier Quality Management System
 - ✓ Supplier / Subcontractor conformance to Advantech and customer requirements.
- Advantech will accommodate customers' requests for source inspection. If required, Advantech will inform the supplier of the customer visit. The supplier will provide all the necessary facilities, equipment, documentation, etc. needed by Advantech's customer.

ADVANTECH INDUSTRIES, INC.
FAR AND DFARS FLOW DOWN PROVISIONS

The Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) and other government contract clauses referenced below (the "USG Clauses") are incorporated by reference into this Agreement with the same force and effect as if set forth in full text. "Agreement" shall refer to all contracts, subcontracts, purchase orders, delivery orders, or agreements between

Advantech Industries, Inc. (“Buyer”) and the lower-tier supplier (“Seller”). The effective version of the USG Clauses shall be the version in effect as of the date this Order is issued unless a different version appears in Buyer’s Government Contract, in which case the version in Buyer’s Government Contract applies. When a clause uses a word or term that is defined in the FAR or DFARS, the word or term shall have the same meaning as in the definition in FAR 2.101 or DFARS 202.101 in effect on the date of this Contract unless (i) a different definition is otherwise expressly set forth herein; or (ii) the part, subpart, or section of the FAR or DFARS where the clause is prescribed provides a different meaning. Seller shall flow down to its lower-tier subcontractors all applicable USG Clauses and any other requirements of this Order and applicable law so as to ensure that Seller complies with all applicable requirements.

It is intended by the Parties that these USG Clauses shall apply to Seller in such manner as is necessary to reflect the position of Seller as a subcontractor to Buyer, and to ensure Seller’s obligations to Buyer and to the U.S. Government, and to enable Buyer to meet its contract obligations to the U.S. Government. Consequently, in interpreting and applying USG Clauses flowed down to Seller, and as context requires, the terms “Contractor” and “Offeror” shall mean Seller, the term “Contract” shall mean this Order, and the term “Government” “Contracting Officer” and equivalent phrases shall mean Buyer and/or Buyer Representative.

FAR Clauses

FAR Clauses applicable to this Agreement Regardless of the Amount of the Agreement (exceptions as noted)

- 52.203-15 Whistleblower Protections under the American Recovery and Reinvestment Act of 2009 (Applies to Subcontracts funded in whole or in part by Recovery Act funds)
- 52.203-17 Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights
- 52.203-18 Prohibition on Contracting with Entities that Require Certain Internal Confidentiality Agreements or Statements—Representation
- 52.203-19 Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements
- 52.204-21 Basic Safeguarding of Covered Contractor Information Systems (Applicable to all subcontracts for commercial products or services, other than commercially available off-the-shelf items, with subcontracts that may have Federal contract information residing in or transiting through its information system)
- 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
- 52.204-27 Prohibition on a ByteDance Covered Application
- 52.211-5 Material Requirements (Applies to Orders for non-commercial products)
- 52.211-15 Defense Priority and Allocation Requirements
- 52.222-1 Notice to the Government of Labor Disputes (Replace “Contractor” with “Subcontractor” and “Contracting Officer” with “Contractor”)
- 52.222-4 Contract Work Hours and Safety Standards – Overtime Compensation (Applies to Subcontracts that involve the employment of laborers and mechanics)
- 52.222-19 Child Labor – Cooperation with Authorities and Remedies
- 52.222-21 Prohibition of Segregated Facilities (Applicable to all subcontracts and purchase orders subject to the Equal Opportunity clause)
- FAR 52.222-22 Previous Contracts and Compliance Reports
- 52.222-26 Equal Opportunity
- 52.222-50 Combating Trafficking in Persons (JAN 2019) with Alt. I. (MAR 2015) (Paragraph (h) applies only to Subcontracts for supplies (other than for commercially available off-the-shelf (“COTS”) items) or services to be performed outside the U.S. and have an estimated value that exceeds \$500,000)

- 52.222-56 Certification Regarding Trafficking in Persons Compliance Plan (MAR 2015) (Applies only to Subcontracts for supplies (other than for commercially available off-the-shelf (“COTS”) items) or services to be performed outside the U.S. and have an estimated value that exceeds \$500,000)
- 52.223-1 Biobased Product Certification
- 52.223-3 Hazardous Material Identification and Material Safety
- FAR 52.223-4 Recovered Material Certification
- FAR 52.223-9 Estimate of Percentage of Recovered Material Content for EPA-Designated Items (Alternate I)
- 52.223-7 Notice of Radioactive Materials (Applicable to all subcontracts for radioactive materials under paragraph (a) of the clause)
- 52.225-8 Duty-Free Entry (Applies if purchasing foreign supplies in excess of \$15,000)
- 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 (Applies only to small business Subcontractors. Not all agencies provide accelerated payments.)
- 52.234-1 Industrial Resources Developed Under Title III, Defense Production Act
- 52.244-6 Subcontracts for Commercial Products and Commercial Services
- 52.245-1 Government Property (Applies only if Government property is acquired or purchased for Subcontract performance.)
- 52.245-9 Use and Charges (Applies only if Government property is acquired or purchased for Subcontract performance.)
- Termination for Convenience of the Government (Fixed-Price) – (In paragraph (c) the term “120 days” is changed to “60 days.” The term “one year” in paragraph (e) is changed to “six months.” The term “90 days” in paragraph (l) is changed to “45 days,” per FAR 49.502(e).)
- 52.245–17 Special Tooling (Applicable to subcontracts involving special tooling)
- 52.245–18 Special Test Equipment
- 52.247-63 Preference for U.S.-Flag Air Carriers (Applicable to all subcontracts or purchase involving international air transportation)
- 52.247–64 Preference for Privately Owned U.S. Flag Commercial Vessels (Applicable to all subcontracts except those described in paragraph (e)(4))
- 52.249-8 Default (Fixed-Price Supply and Service)

FAR Clauses Applicable If This Agreement Exceeds \$3,500

- 52.222-54 Employment Eligibility Verification (Applicable to all subcontracts that are for services, except for services that are part of a COTS item (or an item that would be a COTS item, but for minor modifications), performed by the COTS provider, and are normally provided for that COTS item, or contraction, and includes work performed in the United States)

FAR Clauses Applicable If This Agreement Exceeds \$10,000

- 52.222-3 Convict Labor
- 52.222-40 Notification of Employee Rights Under the National Labor Relations Act
- 52.223-18 Encouraging Contractor Policies to Ban Text Messaging While Driving
- FAR 52 225-2: Buy American Certificate

FAR Clauses Applicable If This Agreement Exceeds \$15,000

- 52.222-36 Equal Opportunity for Workers with Disabilities

FAR Clauses Applicable If This Agreement Exceeds \$30,000

- 52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards

FAR Clauses Applicable If This Agreement Exceeds \$35,000

- 52.209-6 Protecting the Government’s Interest When Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment (Does not apply to Orders for COTS items)

FAR Clauses Applicable If This Agreement Exceeds \$50,000

- FAR 52.225-4 Buy American-Free Trade Agreements-Israeli Trade Act Certificate

FAR Clauses Applicable If This Agreement Exceeds \$150,000

- 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
- 52.203-12 Limitation on Payments to Influence Certain Federal Transactions
- 52.203-7 Anti-Kickback Procedures
- 52.222-35 Equal Opportunity for Veterans
- 52.222-37 Employment Reports on Veterans
- FAR 52.225-6 Trade Agreements Certificate

FAR Clauses Applicable If This Agreement Exceeds the Simplified Acquisition Threshold¹

- 52.203-6 Restrictions on Subcontractor Sales to the Government (SEP 2006), with Alt. I (OCT 1995)
- 52.219-8 Utilization of Small Business Concerns (Applicable to NASA subcontracts that exceed \$750,000)
- 52.227-1 Authorization and Consent (omission of this clause does not affect this authorization and consent)
- 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement

FAR Clauses Applicable If This Agreement Exceeds \$6 Million

- 52.203-13 Contractor Code of Business Ethics and Conduct (Not applicable if the performance period is less than 120 days)

DFARS Clauses

DFARS Clauses – *applies only to Agreements in Support of a Prime Contract with DoD*

DFARS Clauses Applicable to this Agreement Regardless of the Amount of the Agreement (exceptions as noted)

- 252.203-7002 Requirement to Inform Employees of Whistleblower Rights
- 252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting (Applicable to subcontracts that involve covered defense information, except to identify parties)
- 252.204-7000 Disclosure of Information
- 252.204-7008 Compliance with Safeguarding Covered Defense Information Controls
- 252.204-7010 Requirement for Contractor to Notify DoD if the Contractors Activities Are Subject to Reporting Under the U.S.- International Atomic Energy Agency Additional Protocol (Applicable to all subcontract subject to U.S.-IAEAAP)
- 252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting
- 252.204-7015 Notice of Authorized Disclosure of Information for Litigation Support
- 252.204-7018 Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services
- 252.204-7019 Notice of NIST SP 800-171 DoD Assessment Requirements
- 252.204-7020 NIST SP 800-171 DoD Assessment Requirements
- 252.204-7021 Cybersecurity Maturity Model Certification Requirements
- 252.208-7000 Intent to Furnish Precious Metals as a Government-Furnished Material (Applies only if the Subcontract involves precious metals)
- 252.211-7003 Item Unique Identification and Valuation
- 252.223-7008 Prohibition of Hexavalent Chromium
- 252.225-7007 Prohibition on Acquisition of United States Munitions List Items From Communist Chinese Military Companies
- 252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals (Mandatory if subcontract is for items containing specialty metals.)

¹ The Simplified Acquisition Threshold (SAT) is defined in FAR 2.101.

- 252.225-7013 Duty-Free Entry (Applicable to all subcontracts for qualifying country components or nonqualifying country components with a duty exceeding \$200 per unit)
- 252.225-7016 Restriction on Acquisition of Ball and Roller Bearings (Applies only to Subcontracts for non-commercial items)
- 252.225-7025 Restriction on Acquisition of Forgings
- 252.225-7030 Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate
- 252.225-7042 Authorization to Perform
- 252.225-7048 Export-Controlled Items
- 252.225-7050 Disclosure of Ownership or Control by the Government of a Country that is a State Sponsor of Terrorism
- 252.227-7013 Rights in Technical Data–Noncommercial Items (Mandatory if technical data for commercial items developed in any part at Government expense is delivered by subcontractor.)
- 252.227-7015 Technical Data – Commercial Items (Mandatory for subcontracts in which any technical data related to commercial items will be delivered by subcontractor or supplier for delivery to the Government under the contract.)
- 252.227-7016 Rights in Bid or Proposal Information
- 252.227-7025 Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends
- 252.227-7037 Validation of Restrictive Markings on Technical Data (Mandatory for subcontracts in which any technical data related to commercial items will be obtained from a subcontractor or supplier for delivery to the Government under the contract.)
- 252.227-7038 Patent Rights – Ownership by the Contractor (Large Business) (Mandatory if subcontract is for experimental, developmental, or research.)
- 252.243-7002 Requests for Equitable Adjustment
- 252.244-7000 Subcontracts for Commercial Products or Services
- 252.245-7004 Reporting, Reutilization, and Disposal (Applies only to Subcontracts for which Government Property is provided)
- 252.246-7003 Notification of Potential Safety Issues (Mandatory for subcontracts for parts identified as critical safety items; systems and subsystems, assemblies, and subassemblies integral to a system; or repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system.)
- 252.246-7007 Counterfeit Electronic Part Detection and Avoidance System (Mandatory for subcontracts for electronic parts or assemblies containing electronic parts.)

DFARS Clauses Applicable if this Agreement Exceeds the Simplified Acquisition Threshold

- 252.225-7008 Restriction on Acquisition of Specialty Metals
- 252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals
- 252.247-7023 Transportation of Supplies by Sea (Part of clause applicable to all subcontracts that exceed the simplified acquisition threshold, and part of clause applicable to subcontracts at or below the simplified acquisition threshold)

DFARS Clauses Applicable if this Agreement Exceeds \$150,000

- 252.249-7002 Notification of Anticipated Contract Termination or Reduction

DFARS Clauses Applicable if this Agreement Exceeds \$500,000

- 252.226-7001 Utilization of Indian Organizations and Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns

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Revision History:

Rev.	Change(s)	Date	Authorized By
A	New	09/28/2020	J. Anderson
B	Re-formatted 1 st paragraph. Rephrased sampling inspection section. Added last section.	10/16/2020	J. Anderson
C	Added FAR and DFARS information	04/20/2022	M. Allen
D	Added 52.204-27 Prohibition on a ByteDance Covered Application under FAR requirement	07/12/2023	M. Allen
E	Corrected 3 rd DFARS code	09/06/2023	M. Allen
F	Updated FARS and DFARS information.	11/22/2024	M. Allen