

GOVERNMENT FLOWDOWN CLAUSES (FAR)

If this order is issued under a United States Government prime contract or subcontract, the following clauses to the latest revision, as set forth in the Federal Acquisition Regulations (FAR) in effect in the Prime Contract or subcontract under which this order was issued are incorporated herein by reference and except as noted in the Purchase Order Terms and Conditions, these terms and conditions shall be controlling over any conflicting terms and conditions set forth thereunder. Buyer will advise Seller of the effective date of the clauses upon written request of the Seller. The term "Contractor" shall mean "Seller", the term "contract" shall mean this order, and the terms "Government", "Contracting Officer" and equivalent phrases shall mean "Buyer", as applicable, to fulfill the intent of such clauses. In no event shall the Seller acquire any direct claim or course of action against the United States Government.

1. EXAMINATION OF RECORDS

Seller agrees to make available to Buyer all records relating to the performance of this order should Buyer require such information as elsewhere herein provided or for purposes of resolving any dispute or claim pressed upon Buyer within a period of three years after final payment under this order. Seller further agrees that if this order was awarded in connection with a Government contract (and it exceeds \$10,000), the Comptroller General of the United States or any of his duly authorized representatives shall have access to and the right to examine records of Seller in accordance with the Examination of Records clause, 52.215-1, set forth in the Federal Acquisition Regulations in effect on the date of award of this order. Seller agrees to incorporate the provisions of this clause in all subcontracts pertaining to this order.

52.215-2 Audit and Records - Negotiation

2. TERMINATIONS -- Stop Work

(a) For Convenience -- The clause in Paragraph 52.249-1 and 52.249-2 of FAR is by reference incorporated herein, except the period of "120 days" in 52.249-2(c) is changed to read "60 days".

(b) For Default -- The clause in Paragraph 52.249-8 of FAR is by reference incorporated herein.

(c) Stop Work Order -- The clause in Paragraph 52.242-15 of FAR is by reference incorporated herein, except that the period of "thirty (30) days" is changed to "fifteen (15) days".

(d) The provisions of the above clauses incorporated herein by reference which provide that a failure to agree shall be a dispute within the meaning of the Government contract clause entitled "Disputes" shall have no force or effect. (52.233-1)

(e) Seller shall not include in any claim submitted hereunder any cost of design engineering or development or any cost for special tooling, unless specifically ordered by Buyer as a separate item of work separately priced, notwithstanding any provision of Parts 31, 45, 49 or elsewhere in FAR. Failure of Seller to submit its termination claim within the period prescribed, unless extended by Buyer in writing prior to the expiration of said period, shall constitute a waiver of such claim, and Buyer shall not be required to notify Seller or make any determination thereof.

3. GOVERNMENT CONTRACTS

When it is indicated that this subcontract relates to a Government contract, the following additional terms and conditions shall apply: i) INDEMNIFICATION. Where this order has as one of its purposes manufacture or delivery of supplies, or construction work, Seller agrees to indemnify Buyer and the Government and their officers, agents and employees against liability, including costs and expense, for infringement of any United States Patents arising out of the manufacture or delivery of supplies or out of construction, alteration, modification, or repair of real property (construction work) under this subcontract, or out of the use or disposal by or for the account of the Government such supplies or construction work. ii) The FAR Clause 52.227-2, Notice and Assistance Regarding Patent and Copyright infringement, is incorporated herein by reference and Seller shall comply therewith as Contractor. A copy of each notice sent to the Government shall be sent to Buyer.

4. FAR, OTHER REGULATIONS AND LAWS

If the contract block of this order contains a Department of Defense contract number or the word "military", the following additional paragraphs of FAR in effect on the date of this order are incorporated by reference.

FAR 52.202-1	Definitions
FAR 52.203-2	Certificate of Independent Price Determination
FAR 52.203-3	Gratuities
FAR 52.203-5	Covenant Against Contingent Fees
FAR 52.203-6	Restriction on Subcontractor Sales to the Government
FAR 52.203-7	Anti-Kickback Procedures
FAR 52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity
FAR 52.203-10	Price or Fee Adjustment for Illegal or Improper Activity
FAR 52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
FAR 52.203-12	Limitation on Payments to Influence Certain Federal Transactions
FAR 52.204-2	Security Requirements (excluding the last 13 words of Paragraph (c)). This clause only applies if access to classified material is required
FAR 52.204-5	Women-Owned Business
FAR 52.209-3	First Article Approval Contractor Testing, (Subject to Buyers test plan requirements)
FAR 52.209-5	Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Matters
FAR 52.209-6	Protecting the Government's Interest when Subcontracting with Contractor's Debarred, Suspended or Proposed for Debarment
FAR 52.211-5	Material Requirements
FAR 52.211-6	Brand Name or Equal
FAR 52.211-7	Alternatives to Government Unique Standards
FAR 52.211-11	Liquidated Damages - Supplies, Services, or Research & Development
FAR 52.211-12	Liquidated Damages - Construction
FAR 52.211-13	Time Extensions
FAR 52.211-14	Notice of Priority Rating for National Defense
FAR 52.211-15	Defense Priority and Allocation Requirements
FAR 52.214-7	Late Submissions, Modifications, and Withdrawals of Bids
FAR 52.214-34	Submission of Offers in the English Language
FAR 52.215-2	Audit/Negotiation. Audit by Department of Defense. This clause only applies if this purchase order exceeds \$10,000.
FAR 52.215-9	Changes or Additions to Make or Buy Program
FAR 52.215-10	Price Reduction for Defective Cost or Pricing Data

FAR 52.215-11	Price Reduction for Defective Cost or Pricing Data - Modifications
FAR 52.215-12	Subcontractor Cost or Pricing Data
FAR 52.215-13	Subcontractor Cost or Pricing Data - Modifications
FAR 52.215-15	Pension
FAR 52.215-18	Reversion or Adjustment of Plans for Post-Retirement Benefits (PRB) Other Than Pensions
FAR 52.215-19	Notification of Ownership Changes
FAR 52.215-20	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data
FAR 52.215-21	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data - Modification
FAR 52.219-8	Utilization of Small Business Concerns
FAR 52.219-9	Small Business Subcontracting Plan. This clause only applies if this purchase order exceeds \$500,000 and Seller is not a Small Business
FAR 52.222-1	Notice to the Government of Labor Disputes
FAR 52.222-3	Convict Labor
FAR 52.222-4	Contract Work Hours and Safety Standards Act - Overtime Compensation (excluding Paragraph (e) "Records"). This clause only applies if this purchase order exceeds \$2,500
FAR 52.222-6	Davis Bacon Act
FAR 52.222-7	Withholding of Funds
FAR 52.222-8	Payrolls and Basic Records
FAR 52.222-9	Apprentices and Trainees
FAR 52.222-10	Compliance with Copeland Act Requirements
FAR 52.222-11	Subcontracts (Labor Standards)
FAR 52.222-12	Contract Termination-Debarment
FAR 52.222-13	Compliance with Davis-Bacon and Related Act Regulations
FAR 52.222-14	Disputes Concerning Labor Standards
FAR 52.222-15	Certification of Eligibility
FAR 52.222-16	Approval of Wage Rates
FAR 52.222-17	Labor Standards for Construction Work-Facilities Contracts
FAR 52.222-20	Walsh-Healey Public Contracts Act. This clause only applies if this purchase order exceeds \$10,000.
FAR 52.222-21	Prohibition of Segregated Facilities

FAR 52.222-22	Previous Contracts and Compliance Reports
FAR 52.222-25	Affirmative Action Compliance
FAR 52.222-26	Equal Opportunity. This clause only applies if this purchase order exceeds \$10,000.
FAR 52.222-28	Equal Opportunity Pre-Award Clearance of Subcontracts (\$1,000,000 or more)
FAR 52.222-35	Affirmative Action for Special Disabled and Veterans of the Vietnam Era. This clause only applies if this purchase order equals or exceeds \$10,000.
FAR 52.222-36	Affirmative Action for Handicapped Workers. This clause only applies if this purchase order equals or exceeds \$2,500.
FAR 52.222-37	Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era
FAR 52.223-3	Hazardous Material Identification and Material Safety Data (Attached in full text)
FAR 52.223-6	Drug-Free Work Place
FAR 52.223-7	Notice of Radioactive Materials
FAR 52.223-11	Ozone Depleting Substances
FAR 52.223-14	Toxic Chemical Release Reporting
FAR 52.224-2	Privacy Act
FAR 52.225-1	Buy American Act - Supplies
FAR 52.225-3	Buy American Act – North American Free Trade Agreement – Israeli Trade Act
FAR 52.225-5	Trade Agreements
FAR 52.225-8	Duty-Free Entry
FAR 52.225-13	Restrictions on Certain Foreign Purchases
FAR 52.225-15	Sanctioned European Union Country End Products
FAR 52.226-1	Utilization of Indian Organizations and Indian-Owned Economic Enterprises
FAR 52.227-19	Commercial Computer Software – Restricted Rights
FAR 52.228-5	Insurance – Work on a Government Installation
FAR 52.229-3	Federal, State, and Local Taxes
FAR 52.230-1	Cost Accounting Standards Notice and Certification (Contracts 650K or More)
FAR 52.234-1	Industrial Resources Developed Under Defense Production Act Title III
FAR 52.236-5	Material and Workmanship
FAR 52.236-7	Permits and Responsibilities
FAR 52.236-13	Accident Prevention
FAR 52.242-3	Penalties for Unallowable Costs

FAR 52.242-13	Bankruptcy
FAR 52.242-15	Stop Work Order
FAR 52.242-17	Government Delay of Work
FAR 52.243-1	Changes - Fixed Price
FAR 52.243-2	Changes – Cost Reimbursement
FAR 52.244-5	Competition in Subcontracting
FAR 52.244-6	Subcontracts for Commercial Items
FAR 52.245-2	Government Property (Fixed Price Contracts)
FAR 52.245-5	Government Property (Cost Reimbursement Contracts)
FAR 52.245-17	Special Tooling
FAR 52.245-18	Special Test Equipment
FAR 52.245-19	Government Property Furnished “As Is”
FAR 52.246-2	Inspection of Supplies - Fixed Price
FAR 52.246-4	Inspection of Services - Fixed Price
FAR 52.246-16	Responsibility for Supplies
FAR 52.246-23	Limitation of Liability. (The term “acceptance” as used herein means acceptance of the supplies by the Government).
FAR 52.247-63	Preference for United States Flag Air Carriers
FAR 52.247-64	Preference for Privately Owned U.S. – Flag Commercial Vessels
FAR 52.248-1	Value Engineering
FAR 52.249-1	Termination for Convenience (Short Form) (Except as Noted)
FAR 52.249-2	Termination for Convenience, Fixed Price (Except as Noted)
FAR 52.249-8	Termination for Default, (Except as Noted)
DFAR 252.203-7001	Prohibition on Persons Convicted of Fraud, or Other Defense-Contract-Related Felonies
DFAR 252.204-7000	Disclosure of Information
DFAR 252.208-7000	Intent to Furnish Precious Metals as Government-Furnished Material
DFAR 252.211-7000	Acquisition Streamlining
DFAR 252.219-7003	Small, Small Disadvantaged, and Women-Owned Small Business Subcontracting Plan (DoD Contracts)
DFAR 252.222-7000	Restrictions on Employment of Personnel

DFAR 252.223-7001	Hazard Warning Labels
DFAR 252.223-7002	Safety Precautions for Ammunition and Explosives
DFAR 252.223-7003	Change in Place of Performance – Ammunition and Explosives
DFAR 252.223-7006	Prohibition on Storage and Disposal of Toxic and Hazardous Materials
DFAR 252.223-7007	Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives
DFAR 252.225-7001	Buy American Act and Balance of Payments Program
DFAR 252.225-7008	Suppliers to be Accorded Duty-Free Entry
DFAR 252.225-7009	Duty-Free Entry Qualifying Country End Products and Supplies
DFAR 252.225-7012	Preference for Certain Domestic Commodities
DFAR 252.225-7013	Duty-Free Entry
DFAR 252.225-7014	Preference for Domestic Specialty Metals – includes Alternate 1
DFAR 252.225-7015	Restriction on Acquisition of Hand or Measuring Tools
DFAR 252.225-7016.1	Restriction on Acquisition of Ball and Roller Bearings
DFAR 252.225-7022	Restriction on Acquisition of Polyacrylonitrile (PAN) Carbon Fiber
DFAR 252.225-7025	Restriction on Acquisition of Forgings
DFAR 252.225-7026	Reporting of Contract Performance Outside the United States
DFAR 252.225-7027	Restriction on Contingent Fees for Foreign Military Sales
DFAR 252.225-7030	Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate
DFAR 252.225-7036	Buy American Act – North American Free Trade Agreement Implementation Act – Balance of Payments Program
DFAR 252.227-7014	Rights in Non-Commercial Computer Software and Non-Commercial Computer Software Documentation
DFAR 252.227-7015	Technical Data – Commercial Items
DFAR 252.227-7016	Rights in Bid or Proposal Information
DFAR 252.227-7019	Validation of Asserted Restrictions – Computer Software
DFAR 252.227-7025	Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends
DFAR 252.227-7037	Validation of Restrictive Markings on Technical Data
DFAR 252.228-7001	Ground and Flight Risk
DFAR 252.228-7002	Aircraft Flight Risk
DFAR 252.228-7005	Accident Reporting and Investigation Involving Aircraft, Missiles and Space Launch Vehicles

DFAR 252.231-7000	Supplemental Cost Principals
DFAR 252.234-7001	Earned Value Management System
DFAR 252.243-7001	Pricing of Contract Modifications
DFAR 252.243-7002	Requests for Equitable Adjustments
DFAR 252.244-7000	Subcontracts for Commercial Items and Commercial Components (DoD Contracts)
DFAR 252.246-7000-I	Material Inspection and Receiving Reports
DFAR 252.246-7001	Warranty of Data
DFAR 252.247-7023	Transportation of Supplies by Sea
DFAR 252.247-7024	Notification of Transportation of Supplies by Sea
DFAR 252.249-7002	Notification of Anticipated Contract Termination of Reductions

Price Adjustments. If Buyer's price, including profit or fee, on its Prime Contract or any cost reimbursed thereunder is reduced by application of the clauses referenced above due to defective cost or pricing data furnished by Seller (including data obtained by Seller from its subcontractors), Seller shall indemnify Buyer for the full and total amount of such reduction in price based on defective cost or pricing data furnished Buyer by Seller. Such indemnification shall be by adjustment downward of the price of this purchase order and where necessary by repayment of any sums previously paid by Buyer to Seller, not taking into account any offsets due to its customer not related to this purchase order. Seller may make such provision with its subcontractors for indemnification as it sees fit, but Seller's responsibility to indemnify Buyer shall not be modified or altered by any such agreement between Seller and its subcontractors. Any determination regarding the implementation of Public Law 87-0653, as amended by P.L. 97-86, by the Government which binds Buyer shall be binding on Seller.

Seller's Rights of Appeal Concerning Adverse Determinations involving Cost Accounting Standards and/or Truth in Negotiations. Where Seller is adversely affected by any such determination, and Buyer elects not to appeal such determination, Buyer shall notify Seller. If Seller thereafter timely requests Buyer to appeal such determination (or to bring suit if under a subcontract), Buyer shall so do. Buyer's obligation to appeal at Seller's request shall be limited to its appeal before the ASBCA (or where suit under a subcontract is involved to such action in any trial court of competent jurisdiction). If Buyer shall prosecute such appeal (or suit) either on its own election or upon Seller's request, any final decision by the ASBCA (or trial court) shall be binding on Buyer and Seller. If any such appeal is taken (or suit contemplated) either at the election of Buyer or the request of Seller, Seller shall assist Buyer in the investigation, preparation and prosecution thereof in every reasonable manner and Seller shall be afforded reasonable opportunity to participate in the prosecution thereof. Where Buyer shall take such appeal (or suit) at Seller's request, all costs and expenses of both Seller and Buyer in regard thereto shall be paid by Seller.

DFAR 252.215-7000	Pricing of Adjustments, Aggregate.
-------------------	------------------------------------

Patent Rights

FAR 52.227-1	Authorization and Consent. (ALT 1 & 2)
FAR 52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement
FAR 52.227-3	Patent Indemnity
FAR 52.227-9	Refund of Royalties.
FAR 52.227-10	Filing of Patent Applications. Classified Subject Matter.
FAR 52.227-11	Patent Rights Retention by the Contractor (short form). (If Seller is a small

business firm or a nonprofit organization).

- FAR 52.227-12 Patent Rights Retention by the Contractor (long form). (If Seller is not a small business firm or a nonprofit organization).
- FAR 52.227-13 Patent Rights - Acquisition by the Government
- FAR 52.227-14 Rights in Data - General
- DFAR 252.227-7013 Rights in Technical Data and Computer Software. This clause only applies if (ALT I/ALT II) the delivery of data is required, or where computer software maybe originated, (if applicable) developed, or delivered.
- DFAR 252.227-7030 Technical Data -- Withholding of Payment. This clause only applies if the delivery of data is required by this purchase order.
- DFAR 252.227-7034 Patents - Subcontract
- DFAR 252.227-7039 Patents – Reporting of Subject Inventions

- (a) Patents. The clauses of Part 52 and the provisions of Part 27, as applicable to patents in the Federal Acquisition Regulation (FAR), which are incorporated in the prime contract under which this purchase order is issued, are hereby incorporated herein by reference and the Seller agrees to comply with said clauses and provisions as “Contractor”. However, no Patent Rights clause is incorporated in this purchase order unless it involves research and development.
- (b) Data. The clauses of Part 52 and the provisions of Part 27, as applicable to data in the Federal Acquisition Regulation (FAR) which are incorporated into the prime contract under which this purchase order is issued, are hereby incorporated herein by reference and Seller agrees to comply with said clauses and provisions as “Contractor”.
- (c) The above referenced clauses and provisions will be identified or copies will be furnished upon request.

Cost Accounting Standards

- FAR 52.230-1 Cost Accounting Standards Notices and Certification
- FAR 52.230-6 Administration of Cost Accounting Standards. (If over \$100,000 and not exempt). If Buyer’s price, including profit or fee, on its prime contract (or subcontract) or any cost reimbursed thereunder is reduced by reason of the failure of Seller, or Seller’s subcontractors, to comply with or perform any requirement of FAR 52.230-3, or Buyer’s costs are increased by such failure, Seller shall indemnify Buyer for the full and total amount of such reduction or increase (including any interest required thereby to be paid by Buyer). Where such adjustment shall require a repayment by Seller to Buyer, the interest provided for shall be computed from the time payment was made by Buyer to Seller until repayment is actually made by Seller to Buyer. Any determination by the Government regarding the implementation of cost accounting standards, rules, and regulations which binds Buyer shall be binding on Seller.

5. SUBCONTRACTING

No more than 25% or 10% if this order exceeds \$500,000, of the hours or the dollars may be subcontracted on this order without the express written consent of the Buyer.

6. ACCIDENT REPORTING AND INVESTIGATION INVOLVING PRODUCTS AND SERVICES

- (a) Subcontractor shall report promptly to Aerojet all pertinent facts relating to each accident involving products being developed, manufactured, modified, repaired, tested or overhauled under or in connection with the subcontract, or involving services being performed hereunder. Subcontractor shall also report promptly all

significant occurrences or incidents which could affect the safety or performance of the product or services.

- (b) Notification of such accidents and occurrences will be made to the Aerojet Resident Representative (when assigned to Subcontractor's facility) or to the subcontract administrator designated in the subcontract schedule. Such notice shall be given by telephone, facsimile transmission, or TWX followed by a written report giving pertinent details of the accident or occurrence and the effect or potential effect on subcontract performance and product safety.
- (c) If Aerojet or the cognizant Government Contracting Officer elects to conduct an investigation of the accident or occurrence, Subcontractor will cooperate fully and assist Aerojet or Government personnel until the investigation is complete.

7. AMMUNITION AND EXPLOSIVES -- DFAR 252.223-7002

SAFETY PRECAUTIONS FOR AMMUNITION AND EXPLOSIVES

- (a) The term "ammunition and explosives" means liquid and solid propellants and explosives, pyrotechnics, incendiaries and smoke in any of the following: bulk form, ammunitions, rockets, missiles, warheads, devices and components thereof, except for wholly inert items.
- (b) The Contractor shall comply with the DOD Contractor's Safety Manual for Ammunition and Explosives (DOD Manual 4145.26-M) (the manual) in effect on the date of the solicitation for this contract, and any other additional requirements included in the schedule of the contract. The Contractor shall allow authorized Aerojet and Government representatives to evaluate safety programs, implementation, and facilities and, in this respect, shall allow Aerojet and the Government access to Contractor facilities, personnel and safety program documentation.
- (c) If the Contracting Officer notifies the Contractor of any noncompliance with the manual or schedule provisions, the Contractor shall take immediate steps to correct the noncompliance. Within thirty (30) days (or such other period as the Contracting Officer may direct) from the date of notification, the Contractor shall inform the Contracting Officer of the results of the corrective actions taken. Costs incurred by the Contractor to correct noncompliance with the manual will not, unless otherwise specified within the contract, be reimbursable.
- (d) If the Contractor has been notified of a noncompliance and fails or refuses to take corrective action within the time specified by the Contracting Officer, the Contractor may be directed to cease performance on all or part of this contract until the Contracting Officer determines that satisfactory corrective action has been taken. The Contracting Officer may at any time remove Aerojet or Government personnel whenever the Contractor is in noncompliance with the safety requirements of this clause. Either action by the Contracting Officer shall not entitle the Contractor to an adjustment of the contract price or the delivery or performance schedule unless it is later determined that the Contractor had in fact complied with the manual or schedule provisions. In such a case, an equitable adjustment will be made in accordance with the procedures provided for in the clause of this contract entitled "Changes".
- (e) The Contractor shall immediately notify the Contracting Officer after a mishap involving ammunition or explosives, The Contractor shall also, in accordance with this contract or as required by the Contracting Officer, conduct an investigation and submit a written report of the mishap to the Contracting Officer.
- (f) Neither the requirements of this clause, not any act or failure to act by Aerojet or Government inspections and the degree of surveillance which Aerojet or the Government exercises with respect to the enforcement of the contract terms and conditions is a matter solely within the discretion of Aerojet or the Government, and does not relieve the Contractor of responsibility for performance of the contract. Nor shall any act or failure to act by Aerojet or the Government in surveillance or enforcement of this contract impose or add to any liability of Aerojet or the Government. The Contractor is contractually responsible for ensuring subcontractor compliance with all contract safety requirements and will determine the method by which the adequacy of this compliance is verified. Aerojet or the Government safety surveys of subcontractor facilities are performed in order to prevent the occurrence of any mishap which would endanger the safety of Aerojet or DOD personnel or otherwise adversely impact upon Aerojet or the Government's contractual interests.

- (g) The frequency or number of Government inspections and the degree of surveillance which the Government exercises with respect to the enforcement of the contract terms and conditions is a matter solely within the discretion of the Government, and does not relieve the Contractor of responsibility for performance of the contract. Nor shall any act or failure to act by the Government in surveillance or enforcement of this contract impose or add to any liability of the Government. The Contractor is contractually responsible for ensuring subcontractor compliance with all contract safety requirements and will determine the method by which the adequacy of this compliance is verified. Government safety surveys of subcontractor facilities are performed in order to prevent the occurrence of any mishap which would endanger the safety of DOD personnel or otherwise adversely impact upon the Government's contractual interests.
- (h) The Contractor shall insert this clause, including this paragraph (h), with appropriate changes in the designation of the parties, in every subcontract hereunder which involves ammunition or explosives as defined in paragraph (a) above, except for: subcontracts for inert components containing no explosives, propellants, or pyrotechnics or subcontracts for flammable liquids, acids, powdered metals or other materials having fire or explosive characteristics unless the subcontractor is using or incorporating these materials for initiation, propulsion, or detonation as an integral or component part of an Explosive, an ammunition and explosive end item or a weapon system. Such clause shall include a provision allowing authorized Aerojet or Government safety representatives to evaluate subcontractor safety programs, implementation, and facilities as determined necessary. NOTE: All safety communiques from the Government Contracting Officer or authorized representative will be to the prime Contractor, although copies may be furnished to the subcontractor involved. Prime contractors shall change references to the "Government" to cite the name of the prime Contractor while assuring that the subcontractor(s) understand and agree to the Government's right of access to review compliance with contract safety requirements. In addition, the prime Contractor or higher level subcontractors shall include provisions to allow direction to cease performance of the subcontract as a result of a serious uncorrected or recurring safety deficiency potentially causing an imminent hazard to DOD personnel, property or contract performance.
- (i) The Contractor shall notify the Contracting Officer, or authorized representative, prior to issuing any subcontract when it involves ammunition or explosives. In the event that the proposed subcontract represents a change in place of performance, the Contractor shall request approval for such changes in accordance with the clause of this contract entitled "Change in the Place of Performance Ammunition and Explosives".
- (j) Nothing contained herein shall relieve the Contractor from complying with applicable Federal, state, and local laws, ordinances, codes, and regulations (including the obtaining of licenses and permits) connection with the performance of this contract.

DFAR 252.223-7003

CHANGE IN PLACE OR PERFORMANCE - AMMUNITION AND EXPLOSIVES

- (a) The Offeror must stipulate in the Place of Performance Clause in this solicitation (FAR 52.214-14 or FAR 52.215-20) information pertinent to the place of performance of all ammunition and explosives work covered by the Safety Precautions for Ammunition and Explosives Clause (DFARS 52.223-7002). Failure to furnish this information with the offer may result in rejection of the offer.
- (b) No change in the place(s) of performance shall be permitted between the opening/closing date of the solicitation/Request for Quotation and the award except where time permits and then only upon receipt of the Contracting Officer's written approval.
- (c) Any change in place(s) of performance cited in this offer and in any resulting contract is prohibited unless it is specifically approved in advance by the Contracting Officer.

Form A-64 attached must be executed and returned to Aerojet if the contract you are doing for Aerojet falls under DOD Federal Acquisition Regulations Supplement (DFARS) 252.223-7002 and 252.223-7003 pertaining to suppliers who provide ammunition, explosives, energetic material or testing of the same.

8. FLOW DOWN

Contractor shall include in each lower-tier subcontract the appropriate flow down clauses as required by FAR.

9. NONAPPLICABILITY OF GOVERNMENT DISPUTES CLAUSE

No reference in any of the above FAR clause or elsewhere in this order to the Government contract clause entitled "Disputes" shall apply to this order and shall have no force or effect.

10. SCHEDULE AHEAD OF DELIVERIES

Aerojet reserves the right to delay payment for all unauthorized deliveries that are received 30 or more calendar days prior to the purchase order contractual delivery date. Should storage or shelf life considerations effect the use, cost or otherwise financially impact the Buyer, Aerojet reserves the right to withhold payments from the contract, or at its discretion "offset" this cost from other contracts.