

FUSION FABRICATING & MANUFACTURING

Supplemental Purchase Order Terms and Conditions: U.S. Government Contract Flowdown Requirements

Document ID: FFM-PO-TC-001 Revision: 0 Effective Date: September 10, 2026

Document Owner: Brian Dedischew, Chief Technology Officer

Distribution: Fusion suppliers and subcontractors; Fusion purchasing personnel. This document is publicly distributable. The current revision is posted at https://fusionfabmfg.com/FFM_FLOWDOWN_TC_ACTIVE.PDF and is provided to suppliers upon request and with applicable purchase orders. Fusion retains archived copies of each prior revision; a purchase order is governed by the revision cited on its face.

1. Purpose and Incorporation

These Supplemental Terms and Conditions establish the U.S. Government contract requirements that Fusion Fabricating & Manufacturing, LLC ("Fusion") flows down to its suppliers and subcontractors ("Supplier"). These terms are incorporated by reference into every Fusion purchase order ("PO") that displays the incorporation clause in Appendix A or that references this document number. Acceptance of the PO, in whole or in part, including by performance, constitutes acceptance of these terms and certification of the statements in Section 8.

Referenced FAR and DFARS clauses are incorporated with the same force and effect as if set out in full text. Where a clause is incorporated, "Contractor" means Supplier and "Contracting Officer" or "Government" retains its meaning under the clause, except that notices to the prime contractor are directed to Fusion.

2. Self-Executing Applicability

These terms are incorporated into every Fusion PO. No applicability code or election is required. Each requirement applies, or does not, based on the objective content of the PO: the items ordered and the information furnished. The table below summarizes the triggers; the controlling applicability language is in each section and in the referenced clauses themselves.

If the PO involves...	Then these requirements apply
Any U.S. Government contract work (supplier may handle Federal Contract Information).	Section 3 (General Government Flowdowns). FAR 52.204-21 applies if the supplier stores, processes, or transmits FCI on its systems.
Fusion furnishes, or Supplier generates, information marked CUI or constituting Covered Defense Information (drawings, specifications, models, process data).	Section 4. DFARS 252.204-7012, 252.204-7019, 252.204-7020 (and 252.204-7021 when specified), NIST SP 800-171 safeguarding, incident notification to Fusion, SPRS assessment requirement.
Items containing specialty metals, electronic parts, or PO-identified quality requirements.	Section 5 (Product Integrity Flowdowns), each per its own applicability terms.
Data or articles marked ITAR or identified as ITAR-controlled.	Section 6 in addition to Section 4. ITAR 22 CFR Parts 120 to 130, U.S. Person access restriction, no export or deemed export without authorization.
A commercially available off-the-shelf item with no CUI/CDI or ITAR data furnished.	Section 3 and applicable Section 5 items only. DFARS 252.204-7012/7019/7020 flowdown does not attach to COTS procurements.

If Supplier is uncertain whether furnished information is covered, Supplier shall treat it as covered and contact Fusion before further handling.

3. General Government Flowdowns (All Tiers)

- FAR 52.204-21, Basic Safeguarding of Covered Contractor Information Systems: applies when Supplier stores, processes, or transmits Federal Contract Information on its information systems.
- FAR 52.209-6, Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment.
- FAR 52.204-25, Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment (Section 889).
- FAR 52.211-15, Defense Priority and Allocation Requirements: applies when the PO is identified as a rated order (DO or DX rating shown on the PO face). Supplier shall give the order priority treatment per 15 CFR 700.

4. Covered Defense Information and CUI Requirements

This section applies when Fusion furnishes information marked CUI or constituting Covered Defense Information, or when Supplier generates such information in performance of the PO.

4.1 Safeguarding

- DFARS 252.204-7012, Safeguarding Covered Defense Information and Cyber Incident Reporting, is incorporated in full and without alteration, as required by paragraph (m) of the clause.
- Supplier shall provide adequate security for covered defense information on its systems, implementing NIST SP 800-171 at minimum.
- DFARS 252.204-7019 and 252.204-7020: Supplier shall have a current NIST SP 800-171 assessment (not more than three years old) posted in the Supplier Performance Risk System (SPRS) before award and shall maintain it for the duration of performance.
- DFARS 252.204-7021, Contractor Compliance with the Cybersecurity Maturity Model Certification Level Requirement: applies when specified on the PO or required by the prime contract.

4.2 Cyber Incident Reporting and Notification to Fusion

- Upon discovery of a cyber incident affecting covered defense information or Supplier's ability to perform, Supplier shall report the incident to the Department of Defense at <https://dibnet.dod.mil> within 72 hours, as required by DFARS 252.204-7012(c).
- Supplier shall notify Fusion (brian@fusionfabmfg.com) within 48 hours of discovering any cyber incident in which Fusion-provided data may have been affected, and shall provide the DoD-assigned incident report (ICF) number to Fusion as soon as practicable after submission.
- Supplier shall preserve and protect images of affected systems and relevant monitoring data for at least 90 days from report submission, per DFARS 252.204-7012(e).

4.3 CUI Handling

- CUI transmitted by Fusion will be sent only through Fusion-approved secure channels (currently PreVeil encrypted email or file share). Supplier shall not request or accept CUI through unapproved channels, and shall not store Fusion CUI in systems that do not meet the safeguarding requirements above.
- Supplier shall mark, handle, and limit distribution of CUI per 32 CFR Part 2002 and the markings applied by Fusion, and shall return or destroy CUI upon PO completion when directed.

4.4 Further Flowdown

- Supplier shall flow down DFARS 252.204-7012, 7019, and 7020 (and 7021 when applicable) to its own subcontractors at any tier whose performance involves covered defense information, excluding COTS procurements.

5. Product Integrity Flowdowns (All Government POs, As Applicable)

- DFARS 252.225-7009, Restriction on Acquisition of Certain Articles Containing Specialty Metals: applies when items delivered under the PO contain specialty metals (steel, titanium, and other metals defined in the clause). Supplier shall provide melt-source certifications upon request.
- DFARS 252.246-7007, Contractor Counterfeit Electronic Part Detection and Avoidance System, and 252.246-7008, Sources of Electronic Parts: apply when the PO includes electronic parts or assemblies containing electronic parts.
- Quality requirements: quality clauses, specifications, and customer quality manual requirements identified on the PO face or attached quality requirements document apply in addition to these terms. For BAE Systems work, applicable Land and Armaments Supplier Quality Assurance Manual requirements flow as identified on the PO.

6. ITAR Requirements

This section applies, in addition to Section 4, when data or articles furnished or ordered under the PO are marked ITAR or identified as ITAR-controlled.

- Technical data so furnished is controlled under the International Traffic in Arms Regulations, 22 CFR Parts 120 to 130.
- Access is restricted to U.S. Persons as defined in 22 CFR 120.62. Supplier shall not permit access by foreign persons, including employees, and shall notify Fusion in writing before any circumstance that could constitute an export or deemed export.
- Supplier shall not export, re-export, or transfer the data or resulting articles without prior written authorization from Fusion and the U.S. Department of State.
- Supplier represents that it is registered with the Directorate of Defense Trade Controls where required by 22 CFR Part 122, or is exempt, and will provide its registration status upon request.

7. COTS Procurements

Where the PO procures a commercially available off-the-shelf item and no CUI/CDI or ITAR technical data is furnished, Section 4 and Section 6 do not attach, consistent with the COTS exclusions in the referenced DFARS clauses. Section 3 and applicable Section 5 requirements remain in effect.

8. Certification by Acceptance

By accepting a Fusion PO incorporating these terms, Supplier certifies that: (a) neither it nor its principals are debarred, suspended, or proposed for debarment by the Federal Government; (b) if the PO involves CUI/CDI under Section 4, it has a current NIST SP 800-171 assessment posted in SPRS or has disclosed its actual status to Fusion in writing before acceptance; (c) if the PO involves ITAR-controlled data under Section 6, it will restrict access to U.S. Persons; and (d) it will flow down the required clauses to lower-tier subcontractors per Section 4.4.

9. Order of Precedence and Survival

In the event of conflict, the following order of precedence applies: (1) the PO face including its applicability code; (2) these Supplemental Terms; (3) Fusion's standard commercial PO terms. Sections 4, 6, and 8 survive completion or termination of the PO for as long as Supplier retains Fusion-provided information.

Appendix A: PO Face Incorporation Clause

The following text block is printed on or attached to every Fusion PO:

GOVERNMENT FLOWDOWN: Fusion Supplemental Terms and Conditions FFM-PO-TC-001 (Rev 0, 09/10/2026) are incorporated into this purchase order by reference and apply per their self-executing applicability terms based on the items and information covered by this order. Acceptance of this PO, including by performance, constitutes acceptance of those terms and the certifications in Section 8 thereof. Current revision available at https://fusionfabmfg.com/FFM_FLOWDOWN_TC_ACTIVE.PDF or from sales@fusionfabmfg.com upon request. Archived revisions available upon request.

Appendix B: Notice to Suppliers with Open Purchase Orders

Template letter for retrofitting flowdown terms onto active POs. Send from Fusion purchasing on company letterhead.

Subject: Incorporation of Government Flowdown Terms into Open Fusion Purchase Orders

Dear [Supplier],

Fusion Fabricating & Manufacturing performs work under U.S. Department of Defense prime contracts and subcontracts that require us to flow specific federal clauses to our suppliers. Effective September 10, 2026, Fusion Supplemental Terms and Conditions FFM-PO-TC-001 apply to all new Fusion purchase orders supporting government contract work, and we are incorporating them into your open purchase orders listed below. Orders under which Fusion furnishes controlled technical data are marked with an asterisk.

[List open PO numbers; asterisk those involving controlled technical data]

The document is enclosed. If any of your listed orders is asterisked, please confirm within 10 business days: (1) that your company has a current NIST SP 800-171 self-assessment posted in SPRS, or your actual status; and (2) your acceptance of the incorporated terms for the listed orders. If you believe an order is misidentified, contact us before confirming.

We appreciate your partnership in meeting these requirements. Questions can be directed to me.

Brian Dedischew, CTO, Fusion Fabricating & Manufacturing

Revision History

Revision	Date	Author	Description
0	09/10/2026	Brian Dedischew, CTO	Initial release. Establishes self-executing government flowdown terms incorporated into all Fusion purchase orders.