

REMARK E95
REVISION 01/28/2008

In the event that both Remark E95 and C64 are invoked and made applicable to one or more line items on a purchase agreement or purchase order, E95 shall take precedence in the event of a conflict in terms only with respect to those specific line items for which Remark E95 is invoked.

REQUIREMENT E95

TERMS AND CONDITIONS FOR PROCUREMENT OF SERVICES

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1. SCOPE, TERMS & CONDITIONS, AND DEFINITIONS

- (a) Either Contractor's written acknowledgement or Contractor's full or partial performance under this purchase order, whichever occurs first, will constitute acceptance of all terms and conditions contained herein. Any acceptance of this purchase order is limited to acceptance of the express terms of the offer set forth in this purchase order. Any proposal for additional or different terms or any attempt by Contractor to vary in any degree any of the terms of this offer in Contractor's acceptance or acknowledgement is hereby objected to and rejected, but such proposal shall not operate as a rejection of this offer unless such variances are in the terms of the description, quantity, price or delivery schedule of the goods and or services to be delivered hereunder but shall be deemed a material alteration thereof, and this offer shall be deemed accepted by the Contractor without said additional or different terms. If this purchase order shall be deemed an acceptance of a prior offer by Contractor, such acceptance is limited to the express terms set forth in this purchase order.
- (b) These terms and conditions may be invoked in a purchase agreement, between Purchaser and Contractor, against which Purchaser may place multiple purchase orders. Under such circumstances, each purchase order shall constitute a separate and distinct contract between the parties and these terms and conditions shall be in addition to those of such order, and shall be deemed incorporated in each such order. Regardless of whether an order is issued in connection with a purchase agreement invoking these terms or independently of any purchase agreement, these terms and conditions shall supersede and replace all terms and conditions appearing or referred to on the face or on the reverse of any proposal, acknowledgement, or acceptance or any other communication issued by the Contractor in connection with such order.
- (c) Definitions:

As used throughout these terms and conditions, the following terms shall have the meaning set forth below.

 - (i) "Contractor" means the party contracting with Purchaser to perform the work required under a purchase order placed by Purchaser.
 - (ii) "Purchaser" means the party contracting with Contractor for services and identified as the purchasing entity on the face of this purchase order.

2. NATURE OF SERVICES

- (a) Contractor agrees to undertake the performance of all services called for in any order, to pursue the same diligently, and to complete the same within any time limit specified in the order. With respect to each order, the services contracted for shall be those described in the order, and in any statements of work, plans, specifications, general conditions, or other papers attached to or referred to in the order, which together with these terms and conditions are hereafter called the "Contract Papers." Said services shall include the furnishing of all materials, tools, equipment, labor, superintendence and facilities necessary therefor, excepting however, any items which are to be specifically furnished or performed by Purchaser as provided in the Contract Papers. Orders placed in connection with these terms and conditions may relate to work: (a) called for by contracts between Purchaser and the United States Government (hereinafter referred to as "Government Contracts"; (b) called for by contracts between Purchaser and any other legally constituted body or person; or (c) for Purchaser's own account. Any work relating to Government Contracts will bear the applicable government contract number. All rights conferred on the U.S. Government by these terms and conditions shall apply solely, to Government Contracts where required thereby, and not to other orders.

- (b) If this is a subcontract under a Government Contract, Appendix I of the current revision of GE Aviation standard terms and conditions for purchase of goods, C64, shall apply to this order. Contractor agrees to accept all United States Government FAR and DFAR clauses that are contained in Purchaser's contract with the Government.

3. CONTRACT PRICE

- (a) Contractor shall be compensated for all services performed by Contractor for Purchaser in connection with each order in the manner and amount specified on the order. Payment for labor hour contracts will be made in an amount determined by multiplying the total number of hours actually required to perform each type of work by the hourly rate specified in the order for each type of work performed or as the Parties may otherwise agree. However, the total amount shall not exceed the total price specified in the order.

- (1) The Contractor's normal workweek shall consist of forty (40) hours. Straight time rates apply to all hours worked up to and including forty ("40") hours per week, regardless of the actual day or days worked. Overtime rates (as specified in any applicable order) apply to all hours worked in excess of forty ("40") hours per week, only when such overtime work is authorized by Purchaser.
- (2) Premium pay for any off shift work effort (2nd or 3rd shift) will be negotiated separately and before such work begins.

- (b) It is expressly understood and agreed that the hourly rate so specified shall include (in addition to the wages or salaries to which the employees of Contractor performing such services shall be entitled) compensation to Contractor for time spent by any general administrative, supervisory or clerical employee; overhead expenses, profit, and any and all other direct or indirect costs or expenses in any manner attributed to the performance of said services except such as are hereinafter specifically provided for. Time spent directly on the job by squad leaders, contract engineers and chief designers shall be billed in accordance with the above schedule.

- (c) Contractor shall compute its employees' wages and withhold applicable federal, state and local taxes, and federal social security payments. Contractor shall remit its employee withholdings to the proper government authorities and make employer contributions for FICA and federal and state unemployment insurance payments.

- (d) Straight time rates shall be paid for all hours worked on any holiday on which Contractor's employees are requested by Purchaser to work.

- 4. **QUALITY OF WORK:** All services performed hereunder shall be subject to the inspection of an engineer, manager or other representative designated by Purchaser and shall be in strict accordance with the requirements of the contract papers. The contractor agrees to use only experienced, trained and qualified employees in the performance of services required by any order and all services performed must be of first class quality and workmanship.

5. STANDARD TERMS OF SETTLEMENT (STS)

- (a) **STANDARD:** Contractor shall submit bills to Purchaser weekly, or as otherwise agreed by Purchaser and Contractor, for the work performed in the preceding week or other period. Unless Purchaser chooses the accelerated payment program described in (b) below, Purchaser's standard terms of settlement shall be issuance of payment of the full invoiced amount (not discounted) to Contractor within ninety (90) days (meaning within 90 days of the Payment Start Date (as defined in (d) below)). Settlement and invoicing must be paperless, and in a format acceptable to Purchaser. Contractor must provide banking information to establish electronic funds transfer for U.S. suppliers and wire transfer for non-U.S. suppliers.

- (b) **ACCELERATED PAYMENT PROGRAM:** Purchaser reserves the right to choose the settlement of invoices with Contractor by using Purchaser's accelerated payment program as follows: Contractor agrees to accept the invoice amount discounted by two and one-half percent (2.5%), in exchange for Purchaser's initiation of payment on the 15th day following the Payment Start Date (as defined in (d) below) ("net 15 less 2.5 %"). If payment is initiated earlier than such 15th day, the invoice amount may be further discounted to reflect substantially similar economics as "net 15 less 2.5%".

(c) USE OF GEFCF: Funding for accelerated payment of invoices under the Purchaser accelerated payment program will be provided by General Electric Commercial Finance (“GEFCF”). If Purchaser chooses to settle an invoice pursuant to the accelerated payment program, the following shall occur: (1) title to the Goods that are being delivered shall pass directly to GEFCF on the date of arrival of the item at the specified delivery; (2) once title to the Goods has passed to GEFCF, GEFCF will immediately and directly transfer title to Purchaser; and (3) any and all of the Contractor's obligations under this purchase order, including Contractor's representations and warranties, shall extend to and benefit Purchaser as if title passed directly to Purchaser.

(d) PAYMENT START DATE: As used in this clause, the “Payment Start Date” shall be:

(i) For non-receivable Services: From the invoice date; invoices for services must be dated no earlier than the last day of the period of time during which services that are the subject of the invoice were provided.

(ii) For receivable Services: From the later of (a) the received date as identified in Purchaser's computer system, or (b) the invoice date.

6. BOOKS AND RECORDS; RECORDS RETENTION

(a) Contractor shall maintain complete and accurate records on a job order basis in connection with the work required under any order and all charges for labor or services will be substantiated by proper time clock cards, time vouchers, or other similar records signed by employees doing work under any order.

(b) Purchaser and, when orders relating to Government Contracts are involved, the United States of America and any department thereof, shall have the right from time to time to inspect and audit, during any reasonable hours, all of the Contractor's books and records concerning the work carried on under any order, including those books and records pertaining to overhead and other general expenses. This clause 6 survives the expiration of any order placed for five (5) years following the final payment hereunder.

(c) Contractor shall retain, for four years following final payment by Purchaser, all books, records, accounting procedures and practices, and other data related to the performance of work under this order, regardless of type of data and regardless of whether such items are in written form, in the form of computer data, or in any other form. Retained records shall include, but not be limited to records related to labor, supplies, equipment, material, or services purchased and/or used to perform work under this order. For orders relating to Government Contracts, Contractor shall retain records in accordance with FAR SUBPART 4.7 – CONTRACTOR RECORDS RETENTION.

7. ELECTRONIC COMMERCE. Contractor agrees to participate in all Purchaser current and future electronic commerce applications and initiatives upon Purchaser request. For contract formation administration, changes and all other purposes each electronic message sent between the parties within such applications or initiatives will be deemed: (a) “written and a “writing”; (b) “signed” (in the manner below); and (c) an original business record when printed from electronic files or records established and maintained in the normal course of business. The parties expressly waive any right to object to the validity, effectiveness, or enforceability of any such electronic message on the ground that a “statute of frauds” or any other law requires written, signed agreements. Between the parties, any such electronic documents may be introduced as evidence in any proceedings as business records under the best evidence rule or the business records exception to the hearsay rule. By placing the name or other identifier on any such electronic message, the party doing so intends to sign the message with his/her signature attributed to the message content. The effect of each such message will be determined by the electronic message content and by New York law, excluding any such law requiring signed agreements or otherwise in conflict with this paragraph.

8. CONTRACTOR'S EMPLOYEES

(a) Contractor represents that no employee assigned to provide services to Purchaser under any order has been employed by the United States Department of Defense (“DOD”) in a procurement function within two years of the date of their assignment, where Purchaser would be in violation of the Defense Acquisition Improvement Act of 1986 (10 U.S.C. 2397b, 2397c) if Purchaser compensated such employee. Further, Contractor agrees to advise

Purchaser in writing of all employees assigned to provide services under any order who previously worked for the DOD in any capacity within two years prior to the date of their assignment, including a description of the duties performed for DOD and their last DOD pay grade. If requested by Purchaser, Contractor will have the Contractor's employee obtain a written opinion from an ethics officer in the individual's former DOD agency that the individual may accept compensation when assigned to perform work for Purchaser.

- (b) It is mutually agreed that any of Contractor's personnel performing services under any order shall remain employees of Contractor subject to its right of direction, control and discipline and shall neither become employees of Purchaser nor be entitled to any rights, benefits or privileges of Purchaser employees. As appropriate, Purchaser shall give direction as to the ultimate objective of the project to the contractor. The Contractor is responsible for ensuring that its personnel accomplish the requirements of the project and work consistent with Purchaser's pertinent safety regulations and all other reasonable health, safety, environmental and behavioral requirements. The Contractor shall ensure that its personnel adhere to the provisions herein and that they have the requisite knowledge, training and ability to perform work under any order competently and in accordance with applicable laws, regulations and Purchaser company policies. Contractor's personnel performing services under any order will be provided with copies of Purchaser policies 20.3, 20.4, 20.5 and 20.10 dealing with "health, safety and environmental practices", "business practices", "COMPLIANCE WITH ANTITRUST LAWS", and "STANDARDS OF CONDUCT IN TRANSACTIONS WITH THE UNITED STATES GOVERNMENT". Compliance with these policies is mandatory, and any failure to comply will be cause for immediate removal of Contractor's involved employee or immediate termination of any order.
 - (c) Contractor's employees are not authorized, expressly or otherwise, to enter into any agreements or to make any commitments financial or otherwise, for or on behalf of Purchaser. Specifically, no employee of Contractor shall make contact with the DOD or other United States Government agency employees, members of Congress or Congressional employees regarding the continuation, renewal, amendment or modification of a federal contract to Purchaser.
 - (d) No employee of Contractor shall engage in any other work or business adverse to the interests of Purchaser during the time such employee is assigned to work at or in support of Purchaser.
 - (e) Contractor agrees to comply with, and to execute for Purchaser, such certifications as may be required by the United States Government pursuant to section 6 of the Office of Federal Procurement Policy Act Amendments of 1988 ("Procurement Integrity"), and agrees to report immediately to Purchaser any information concerning a violation or possible violation of the Act or its implementing regulations.
 - (f) Contractor agrees to disclose to Purchaser whether any of its employees it assigns to Purchaser, whether presently or within the past twelve months, has (a) provided services as a consultant to any branch or department of the United States Government at any level or (b) furnished advice, information, direction or assistance (including marketing or lobbying support) to an offeror or any other contractor in support of the preparation or submission of an offer for a United States Government contract by that offeror. If such disclosure is made, Contractor agrees to execute for Purchaser any certifications required by law in respect of such disclosures.
9. **TERMINATION FOR CONVENIENCE:** Purchaser shall have the right, at any time, upon written notice to the Contractor, to terminate all or any work required by any order placed hereunder. Upon receipt of notice to terminate, the Contractor shall thereupon cease work upon the order to the extent required. Contractor shall turn over to Purchaser all completed work and work in process, including all designs, drawings, specifications, plans, lists, and other material required or produced in connection with such work. Upon receipt thereof, Purchaser shall reimburse the Contractor upon the basis expressed in the subject order for all work performed under the order up to the date of Contractor's receipt of notice of termination. In the event Purchaser wrongfully terminates this purchase order or otherwise terminates this order such that, in the absence of this clause, such termination could be construed as a default by Purchaser, the Parties agree that such termination shall be construed as a termination for convenience under this clause 9.
10. **REPORTS:** The Contractor shall render progress reports as often as reasonably requested by Purchaser, pertaining to the services performed hereunder, showing time expended daily by each of its personnel for each component of various projects both periodically and cumulatively. Such reports shall be in a form that will enable Purchaser to evaluate the progress made and the schedules to be met, and to keep a current account of time and monies expended upon each and all projects.

11. SECURITY CLASSIFICATION LAWS & REGULATIONS -- PRECAUTIONS: Contractor agrees to comply with all applicable security classification laws and regulations of the United States Government, insofar as said laws, rules and regulations pertain to any order hereunder. Such compliance shall include, but not be limited to, taking all reasonable precautions to assure that work performed shall be protected against theft, destruction, or unauthorized disclosure.

12. MODIFICATION: No waiver, alteration or modification of any of the provisions of any order or these terms and conditions shall be binding upon either party unless in writing signed by the duly authorized representative of the party intended to be bound thereby.

13. INDEMNITY AND INSURANCE

(a) Contractor shall defend, indemnify, release and hold harmless the Purchaser, its directors, officers, employees, agents representatives, successors and assigns (each an "Indemnified Party"), whether acting in the course of their employment or otherwise, against any and all suits, actions, or proceedings, at law or in equity, and from any and all claims, demands, losses, judgments, damages, costs, expenses (including attorneys' fees), or liabilities (including without limitation claims for personal injury or property damage, claims or damages payable to customers of Purchaser, and breaches of Contractor's obligations, representations, warranties, covenants and/or certifications set forth elsewhere in this Agreement including but not limited to Articles 14, 18, 19, 25, 34 and 37) arising from any act or omission of Contractor, its agents, employees, or subcontractors, or from any conditions of real or personal property of Contractor, except to the extent attributable to the sole and direct gross negligence of Purchaser. An Indemnified Party shall have the right to participate in the selection of counsel and Contractor shall not enter into any settlement agreement that contains any admission of liability on the part of Purchaser and/or any other Indemnified Party.

(b) At a minimum, Contractor will maintain and provide evidence of the following levels of insurance coverage:

- (i) Comprehensive General Liability – Bodily Injury/Property Damage (including coverage for contractual liability insuring the liabilities assumed in this Order, for products liability, contractors protective liability, where applicable, collapse or structural injury and/or damage to underground utilities, where applicable, and coverage for damage to property in the Contractor's custody, care and controls, as well as naming Purchaser as an additional insured) in the amount of \$3,000,000 combined single limit per occurrence;
- (ii) Aviation Products Liability - in the amount of \$5,000,000 minimum per occurrence;
- (iii) Comprehensive Automobile Liability – Bodily Injury/Property Damage covering all owned, hired and non-owned automotive equipment in the amount of \$1,000,000 combined single limit each occurrence, Employers Liability in the amount of \$1,000,000 each occurrence;
- (iv) Property Insurance covering the full value of all goods and services owned, rented or leased by Contractor in connection with this Order;
- (v) Workers Compensation Insurance protecting Contractor from all claims under any applicable Worker's Compensation and Occupational Disease Act. Coverage similar to Workers Compensation and Employers' Liability shall be obtained for each local employee outside the United States where work in connection with this Order is performed

Contractor shall provide Purchaser with a certificate of insurance evidencing that the required minimum coverage are in effect and that Purchaser, its directors, officers, employees, agents and representatives are named as additional insureds, provide a waiver of subrogation clause in favor of the additional insureds, and provide that all coverage provided by the Contractor shall be primary. Such insurance shall also cover the actions of a subcontractor that Contractor may utilize under this Purchase Order. Such insurance shall require the underwriters to provide Purchaser thirty (30) days advance written notice of any cancellation or adverse material change with respect to any of the policies. If Contractor fails to procure or maintain in force the insurance specified herein, Purchaser may secure such insurance and the cost thereof shall be borne by Contractor. It is understood and

agreed that the insurance provided by Contractor hereunder shall operate independent and apart from any obligations imposed upon Contractor under the indemnity provisions of this Purchase Order.

14. CONTRACTOR'S REPRESENTATIONS:

- (a) Contractor represents, warrants, certifies and covenants that it shall perform all activities required under this purchase order in compliance with all applicable international, national, state and local laws, including, but not limited to environmental, health and safety laws and regulations.
- (b) Any goods related to Contractor's services supplied under this purchase order may be exported worldwide, including countries that prohibit the importation of goods manufactured with child labor or forced, indentured or convict labor. Contractor represents, warrants, certifies and covenants that no goods supplied or services provided under this purchase order have been or will be produced or performed using forced, indentured or convict labor, or the labor of persons in violation of the minimum working age laws of the country of manufacture, or in violation of minimum wage, hour of service or overtime laws of the country of manufacture or in violation of minimum wage, hour of service or overtime laws of the country of the country in which the goods will be produced or services will be performed.
- (c) From time to time, at Purchaser's request, Contractor shall provide certificates to Purchaser in form and substance acceptable to Purchaser relating to the requirements of this clause 14. Contractor shall permit Purchaser or its representatives to have reasonable access to the site where work under this order is performed to assess 1) Contractor's work quality and compliance with Purchaser's specifications and 2) Contractor's compliance with its representations, warranties, certifications and covenants hereunder.

15. DISPUTE RESOLUTION

- (a) Except as specifically provided for in paragraph (h) below, the parties intend to forsake litigation and resolve with finality any and all disputes arising under or related to this purchase order, and the goods and/or services provided pursuant to the purchase order, exclusively by the process identified in this article. This article shall remain effective in the event that a petition in bankruptcy is filed by or against a party to this contract or order, or if a party makes an assignment for the benefit of creditors, or if any other insolvency proceeding is commenced against a party. Invocation of this paragraph shall not relieve either party of any obligation, right or duty of performance arising under or related to any purchase order.
- (b) Any and all disputes, controversies or claims arising under or relating to this purchase order or the breach, termination or invalidation thereof or the goods and/or services provided pursuant to the purchase order shall, upon written notice, be referred to a senior management representative from each of the parties who will confer in good faith to attempt to resolve the matter. The party sending the first written notice (the "Initial Notice") shall (1) set forth in detail all of its claims or issues in dispute and (2) designate its representative. The other party shall have 5 business days to designate its representative and add any other issues or claims for resolution not identified in the Initial Notice. The representatives shall have 30 days from the date of the Initial Notice to resolve the issues identified in the notices. If the representatives are unable to resolve the matter within this 30-day period, either party may refer the matter to administered mediation, through the CENTER FOR RESOLUTION OF DISPUTES, 8 W 9th St, Cincinnati OH 45202 (tel 513-721-4466). Such mediation shall be started within 30 days from the date of referral, and the mediation process must be concluded within 30 days from the start date.
- (c) If the dispute or claim is not fully resolved pursuant to paragraph b, either party may after 90 days, but not later than 120 days from the date of the initial notice, make a written demand for binding arbitration to be administered by the American Arbitration Association (AAA) by one arbitrator in accordance with its commercial arbitration rules. A party's failure to make a timely demand for arbitration shall result in the forfeiture of all the claims and issues that party identified in its written notice.
- (d) The arbitration proceedings shall be conducted in Cincinnati, Ohio, and the order shall be interpreted and applied in accordance with the laws of the state of New York without regard to New York's choice of law provisions. The arbitration shall not be consolidated with any claim or controversy of any other party. No discovery shall be conducted except by the written agreement of both parties. All fees and expenses of the arbitration shall be shared equally by the parties. However, each party shall bear the expense of its own counsel,

experts, witnesses, and preparation and presentation of proofs. If court proceedings to stay litigation or compel arbitration are necessary, the party who unsuccessfully opposes such proceedings shall pay all associated costs, expenses and attorney's fees which are reasonably incurred by the other party. The arbitrator shall have no authority to award punitive and exemplary or other damages beyond the prevailing party's actual damages and shall not, in any event, make any ruling, finding, or award that does not conform to the terms and conditions of the order. The arbitration award shall be in writing and shall specify the factual and legal basis for the award. Judgment on the award rendered may be entered in any court of competent jurisdiction, and in connection with enforcing arbitration awards Seller hereby consents and submits to jurisdiction of the Courts of the State of Ohio and the U.S. Federal Courts in the Southern District of Ohio over any action at law, suit in equity or other proceeding that may arise out of this purchase order.

- (e) Either party may at any time, without inconsistency with this order, seek from a court of competent jurisdiction located in Cincinnati, Ohio, any equitable, interim or provisional relief to avoid irreparable injury, or to vindicate an executing party's intellectual property rights, including, without limitation, the recovery of damages for infringement or other misappropriation.
- (f) The parties intend all statements made and documents provided or exchanged in connection with this dispute resolution process to be confidential and neither party shall disclose the existence or content of the dispute or claim, or the results of any dispute resolution process, to third parties other than outside counsel, except with the prior written consent of the other party or pursuant to legal process.
- (g) The parties may by written mutual consent agree to dates and times other than those set forth in this article.
- (h) The provisions of this article shall not modify or displace a party's indemnification obligations or the procedures specified in Article 25, Termination for Convenience. In addition, this article shall not apply to and will not bar litigation regarding any claims related to a party's proprietary or intellectual property rights.

- 16. **FAIR LABOR STANDARDS ACT:** By accepting any order, Contractor represents that the goods or services to be furnished hereunder, were or will be produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended, and unless otherwise agreed in writing, Contractor shall provide to Purchaser, prior to accepting a purchaser order, a certificate stating that the goods or services covered by the invoice were produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended, including section 12(a).
- 17. **DEFAULT:** Purchaser may, by written notice of default to Contractor, terminate the whole or any part of any if: (a) either (i) the Contractor fails to perform within the time specified therein or any extension thereof; or (ii) the Contractor fails to perform any of the other provisions of any order, or so fails to make progress as to endanger performance of any order in accordance with its terms; and (b) in either of these two circumstances, Contractor does not cure such failure within a period of ten ("10") days after receipt of Purchaser's notice or such longer period as Purchaser may authorize in writing. Upon such termination action, Purchaser may procure, upon such terms and from any source or service provider as it shall deem appropriate, supplies or services similar to those terminated, in which case Contractor shall continue performance of such order to the extent not terminated and shall be liable to Purchaser for any excess costs for Purchaser's procurement of such similar supplies or services. In lieu of termination for default, Purchaser, at its sole discretion, may elect (1) to extend the schedule and/or (2) to waive deficiencies in Contractor's performance, in which case an equitable reduction in the purchase order price shall be negotiated. In the event Contractor, for any reason, anticipates difficulty in complying with the required schedule, or in meeting any of the other requirements of any order, Contractor shall promptly notify Purchaser in writing. The rights and remedies of Purchaser provided in this clause shall not be exclusive and shall be in addition to any other rights and remedies provided by law or under any Purchaser purchase order.
- 18. **CITIZENSHIP STATUS:** Only U.S. Citizens, permanent resident aliens or those aliens authorized to be employed in the U.S. shall be permitted to work on Purchaser orders. Contractor must notify Purchaser prior to disclosure by Contractor of Purchaser technical data to non-U.S. persons, or the assignment by Contractor of non-U.S. persons to the involved work to enable Purchaser to review the technical scope and assure any necessary export authorizations are in place.

Contractor certifies to Purchaser that it has (i) confirmed the identity of each individual assigned to work on Purchaser's purchase orders; (ii) verified that such individuals are legally entitled to work in the U.S. and are

employees of Contractor; and (iii) preserved such records as required by the Department of Homeland Security. Contractor shall make all records supporting such certification available to Purchaser at Purchaser's request. There may be jobs that require U.S. citizenship because of national security or exposure to classified information. In such cases, each such job will be separately identified by Purchaser as requiring U.S. citizenship.

19. PURCHASER'S PROPERTY

- (a) All tangible and intangible property, including but not limited to tools, tool drawings, materials, processes, procedures, process parameters, drawings, computer software, documents, information or data of every description furnished to Contractor by Purchaser, or by Purchaser's affiliates, subsidiaries or contractors, or paid for in whole or in part by Purchaser, and any replacement thereof, or any materials affixed or attached thereto, shall be and remain the personal property of Purchaser, and, unless otherwise agreed to in writing by Purchaser shall be used by Contractor solely to render services or provide products to Purchaser. Such property, and whenever practical each individual item thereof, shall be plainly marked or otherwise adequately identified by Contractor as being the property of Purchaser or Purchaser's designee, and shall be safely stored separate and apart from Contractor's property. Contractor shall not substitute any property for Purchaser's property and shall not use such property except in filling Purchaser's purchase orders. Such property while in Contractor's custody or control shall be held at Contractor's risk and shall be insured by Contractor for replacement cost with loss payable to Purchaser. Such property shall be subject to removal at Purchaser's written request, in which event Contractor shall prepare such property for shipment and shall deliver it as directed by Purchaser in the same condition as originally received by Contractor, reasonable wear and tear excepted, all at Contractor's expense. The foregoing shall not be deemed to affect the rights, if any, of the Government in any such property or to grant any rights to Purchaser in conflict with DFARS 252.227-7013, Rights in Technical Data Noncommercial Items, DFARS 252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation, or DFARS 252.227-7015 Technical Data-Commercial Items.
- (b) Purchaser hereby grants Contractor a license to use the tools, drawings, specifications (including Purchaser's 'S' specifications), processes, process parameters, computer software and other data (hereinafter collectively referred to as "Data"), furnished by the Purchaser, or by Purchaser's affiliates, subsidiaries or contractors, or paid for in whole or in part by Purchaser hereunder for the sole purpose of performing this order for Purchaser. All Data is the property of Purchaser and shall not be used, disclosed to others or reproduced for any purpose, including, but not limited to, (i) the design, manufacture, or repair of parts, or to obtain FAA or other Government approval to do so or (ii) to provide any GE or CFMI part by sale or otherwise, to any person or entity other than Purchaser: provided; however, Contractor may provide Data furnished or paid for in whole or in part by Purchaser hereunder to Contractor's contractors for the sole purpose of enabling Contractor's contractors to assist Contractor in performing this purchase order for Purchaser and on condition that Contractor's contractors agree in writing for Purchaser's benefit to the terms of Articles 8, 10 and 20 hereof. This license is nonassignable, and this license is terminable with or without cause by Purchaser at any time. All Data furnished or paid for by Purchaser shall be deemed to be proprietary property to purchaser, whether or not it is marked with any restrictive legend.
- (c) Upon completion of performance of all of the Purchase Order requirements including but not limited to the record retention requirements set forth in Article 5, the Contractor shall destroy all Data furnished by the Purchaser for the sole purpose of performing the Purchase Order. The Purchaser may require the Contractor to provide a certification of the destruction of Data pursuant to Article 14.
- (d) Purchaser shall have the right to audit all pertinent books and records of Contractor, and to make reasonable inspections of Contractor's facilities to verify compliance with this Article 19 and Article 27.
- (e) In the event Contractor, without Purchaser's prior written consent and authorization, designs or manufacturers for sale to any person or entity other than Purchaser any GE or CFMI part, or any part or hardware that is substantially similar to or can replace or repair a GE or CFMI part, or obtains FAA or other governmental approval for such hardware or repair, the Contractor, in any adjudication involving or relating to Purchaser's Data, shall be required to establish by clear and convincing evidence that neither Contractor nor any of its employees, contractors or agents used in whole or in part, directly or indirectly any of Purchaser's Data in such design or manufacture or in obtaining FAA or other governmental approval with respect to such hardware or repair.

- (f) In the event Contractor is notified by Purchaser that Goods ordered under this purchase order are patented, Contractor agrees to mark such Goods with any patent numbers or other markings designated by Purchaser, including updates to such numbers or markings.

20. CHANGES: Purchaser, at any time, shall have the right to make changes in the statement of work, work content, quantities, specifications or delivery schedule. Any such change, which has a significant impact, shall entitle either Contractor or Purchaser to an equitable adjustment. However, no additional charge will be allowed unless authorized by Purchaser's written amendment to this purchase order. Information, such as technical direction or guidance provided to Contractor by representatives of the Purchaser in connection with the Contractor's performance of this purchase order, shall not be construed either as a change within the meaning of this provision or as direction to proceed outside the scope of this order. Nothing in this clause 20, including any disagreement with Purchaser as to the equitable adjustment to be made, shall excuse Contractor from proceeding with the order as changed.

21. CONTRACTOR INFORMATION:

- (a) Notwithstanding any document marking to the contrary, any information, knowledge or data which Contractor has disclosed or may hereafter disclose to Purchaser, or Purchaser's affiliates, subsidiaries or contractors, incident to the placing and filling of this purchase order shall not be deemed to be confidential or proprietary information. Accordingly Purchaser shall not be liable for any use or disclosure thereof.
- (b) With respect to any information, knowledge or data disclosed to Purchaser, or Purchaser's affiliates, subsidiaries or contractors, by Contractor, Contractor warrants that it has the full and unrestricted right to disclose the same to Purchaser, or Purchaser's affiliates, subsidiaries or contractors, without incurring legal liability to others, and that Purchaser, and Purchaser's affiliates, subsidiaries or contractors, shall have full and unrestricted right to use and disclose the same as it may deem fit. Contractor warrants that in the conduct of work under the order, Contractor shall not use confidential or proprietary information of any third party for which Contractor does not have transferable license rights and if such information is in, or comes into, Contractor's possession, during the term of the order, Contractor shall not communicate or otherwise disclose such confidential or proprietary information to Purchaser, or Purchaser's affiliates, subsidiaries or contractors.
- (c) Except as otherwise agreed in writing with Purchaser, Contractor warrants that it is not the proprietor of any intellectual property rights (including copyright, trade secret, patent, application for patent, invention or license right) which would impair or restrict the freedom of Purchaser, or Purchaser's subsidiaries and affiliates, and their respective vendors and customers, to make use of the service rendered, work product called for or produced under this order. In the event that this situation changes, Contractor hereby agrees not to assert any such intellectual property rights against Purchaser, Purchaser's subsidiaries and affiliates, and their respective vendors and customers, on account of any use made of such work product (or derivatives or improvements thereof) by any of them.
- (d) Contractor agrees to obtain the same warranty and commitment contained in this Article 21 running in favor of Purchaser, Purchaser's subsidiaries and affiliates and their respective vendors and customers from each of Contractor's subcontractors.

22. ASSIGNMENT AND CHANGE IN OWNERSHIP OR CONTROL

- (a) Any assignment or attempt to assign this order without the advance written consent of Purchaser shall be null and void and shall give Purchaser the right to terminate this order for default under Article 17.
- (b) If a third party submits a solicited or unsolicited offer to Contractor that would result in a Change of Ownership or Control of Contractor, as defined below, Contractor shall give notice of such offer to Purchaser as early as commercially practical following Contractor's receipt of the offer. The notice shall include the identity of the offeror, the date and time of the offer and the conditions of the offer. Before Contractor accepts the offer, it shall give Purchaser an opportunity, within a reasonable time, to advise Contractor of its objection to the offer. If despite Purchaser's objections, the Change in Ownership or Control occurs, Purchaser has the right at its discretion to terminate this purchase order for default under Article 17 at no cost to Purchaser. In the event of such termination, Contractor agrees to render full cooperation to Purchaser in order to minimize disruption to the Purchaser's program. Pending termination or in lieu of termination, Purchaser may require Contractor to

provide adequate assurance of performance, including, but not limited to the institution of special controls regarding the protection of Purchaser's proprietary information.

- (c) For purposes of sub-paragraph (b), the terms "Change in Ownership or Control" shall mean any of the following: i) the sale of equity shares controlling 20% or more of the voting rights in Contractor or Contractor's parent, ii) the sale, lease, transfer or other disposition of substantially all of the assets of Contractor or Contractor's parent, iii) a merger, reorganization, consolidation, share exchange, re-capitalization, business combination, liquidation or dissolution or similar transaction, iv) a tender offer or exchange offer for any of the outstanding shares of capital stock of Contractor or Contractor's parent, v) a sale by Contractor of the assets relating to the product Contractor produces or will produce for Purchaser or vi) any public disclosure of a proposal or plan or intention to do any of the foregoing.

23. SET-OFF: Purchaser shall be entitled to set off any amount, owing at any time from Contractor to Purchaser, any of Purchaser's divisions, or any of Purchaser's affiliated companies against any amount payable at any time by Purchaser in connection with any order.

24. WORK ON PURCHASER'S OR ITS CUSTOMER'S PREMISES

If Contractor's work under this purchase order involves operations by Contractor on the premises of Purchaser or one of its customers, then:

- (a) Contractor shall comply with all of Purchaser's safety and security procedures and shall take all necessary precautions to prevent the occurrence of any injury to person or property during the progress of such work. Contractor shall maintain such insurance coverage(s) as set forth in Article 13. Indemnity and Insurance.
- (b) Contractor agrees that all of its employees whom may require access to Purchaser's or its customer's premises to perform work pursuant to this order shall be tested and certified (in writing) to be free from the following illegal or unauthorized drugs prior to being assigned to perform such work: cannabinoid metabolites (marijuana) opiate derivatives (heroin, morphine, codeine) cocaine metabolites (benzoylecgonine, ecgonine) amphetamines (methamphetamines) phencyclidine.

In addition, such drug tests shall include screening for prescription drug use. In the event Contractor's employee acknowledges use of prescription drugs, or if the drug screening results are positive for prescription drug use, Contractor shall not assign such employee to perform work pursuant to any order unless, (1) Contractor confirms that there are corresponding documented medical authorizations for use of such prescription drugs; and (2) Contractor determines, using appropriately qualified resources, that the employee is fit to perform the work under any order and free of any impairment that would prevent the employee from performing competent and safe work under any order.

- (c) Contractor's employees shall be retested and recertified to be free of these unauthorized drugs after a six (6) month absence from performing work on Purchaser's or its customer's premises.
- (d) Contractor shall comply with any and all federal, state, or local anti-drug, alcohol abuse and /or drug testing statutes or regulations for any of its employees who may be covered by such statutes or regulations. Contractor shall have, retain, and be able to provide to Purchaser, upon request, an approved drug and alcohol misuse prevention plan.
- (e) Contractor shall conduct a criminal convictions records investigation of its employees before they are assigned to work on any order that requires the employee to enter Purchaser's premises or the premises of a customer of Purchaser (hereinafter collectively "Purchaser Premises"). A Criminal Convictions Records Investigation shall consist of a records search (documented by a written report retained by the Contractor of the results of such search) by the appropriate law enforcement or other local or state agency in each location in which the employee has resided and worked in at least the seven years preceding the date of the criminal conviction records investigation. Contractor is required to use a Purchaser approved source to conduct such Criminal Convictions Records Investigation. Purchaser reserves the right, at its discretion, to request from Contractor documentation of the completion of a criminal convictions records investigation for any employee assigned to work on Purchaser's or its customer's premises. Contractor's failure to have completed a criminal convictions investigation of any of its employees in accordance with this clause shall be grounds for immediate expulsion of

the Contractor and its employees from Purchaser's or its customer's premises and Purchaser shall have the right to terminate all orders for default.

- (f) Contractor shall not assign any person to perform work on Purchaser's or its customer's premises that has been:
 - (i) convicted as an adult of any of the following: domestic violence, theft, assault, drug possession or any sexual offenses.
 - (ii) convicted as an adult of any felony; convicted of more than two misdemeanors in the past 2 years or 5 misdemeanors in the past 7 years
- (g) Purchaser may require Contractor's employees, before entering Purchaser's or its customer's premises, to complete a criminal convictions questionnaire. In the event that Purchaser has grounds to believe that an employee of Contractor has falsified the criminal convictions questionnaire in any way, such person shall not perform work on Purchaser's or its customer's premises.
- (h) Contractor shall include this Article 24 in any Subcontract placed pursuant to a purchase order with a subcontractor who will perform work on Purchaser's or its customer's premises.
- (i) Purchaser reserves the right to deny access to Purchaser's or its customer's premises to any person who appears on government-issued lists of terrorists, suspects, etc., such as the Department of State, Arms Export Control Debarment List; Department of State, Proliferation List; Department of Commerce, Denied Parties List; and Department of Treasury, Specially Designated National List.

25. **RELEASE OF INFORMATION:** Contractor shall not make any announcement, take or release any photographs (except for its internal operation purposes for manufacture and assembly of goods), or release any information concerning this Order or any part thereof or with respect to its business relationship with Purchaser, to any third party, member of the public, press, business entity, or any official body except as required by applicable law, rule, injunction or administrative order, without Purchaser's prior written consent. Purchaser's written approval, if granted, will be subject to any "Acknowledgement of Sponsorship" clause in Purchaser's Government Prime Contract, if applicable. Further, Contractor or its agents shall not use Purchaser's name, photographs, logo, trademark, or other identifying characteristics or that of any of its subsidiaries or affiliates without Purchaser's prior written approval.

26. **NONDISCRIMINATION IN EMPLOYMENT.** Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, age, disability, national origin, or any other characteristic protected by law. Contractor agrees to comply with the applicable provisions of any federal, state, or local law or ordinance, and all lawful orders, rules, and regulations issued thereunder. Contractor shall also comply with any provisions, representations or agreements, or contractual clauses required thereby to be included or incorporated by reference or operation of law in the contract, including but not limited to FAR 52.222-26, FAR 52.222-36, FAR 52.222-37 and the applicable requirements (all of which have been incorporated by reference herein) set forth in 41 CFR Chapter 60, as well as any Executive Orders as now or hereafter issued, amended or codified. Contractor certifies that it is in compliance with the requirements for non-segregated facilities set forth in 41 CFR Chapter 60-1.8.

27. INTELLECTUAL PROPERTY

27.1 INTELLECTUAL PROPERTY OWNERSHIP:

- (a) Purchaser shall be entitled to full ownership of all data, information, inventions, or discoveries, whether patented or unpatented, conceived or first actually reduced to practice in the performance of any order placed by Purchaser with Contractor. Purchaser shall also be entitled to full ownership of all data, information, inventions, or discoveries, whether patented or unpatented, related in any way to the maintenance, repair or overhaul of Goods supplied by Contractor under any purchase order. Contractor hereby assigns and agrees to assign to Purchaser any and all such data, information, inventions, or discoveries and Contractor also assigns and agrees to assign to Purchaser all intellectual property rights thereto, including any trade secrets and patents and copyrights issuing thereon. Contractor further agrees to provide reasonable assistance to Purchaser, at Purchaser's expense, for securing all such intellectual property rights.

- (b) The Contractor agrees to promptly disclose any such data, information, invention or discovery to Purchaser. With respect to any such invention or discovery, the Contractor further agrees that it will cooperate with Purchaser, its officers and agents, in obtaining, at the expense of Purchaser with respect to the prosecution thereof, patents on such inventions or discoveries in the name of and for the benefit of Purchaser in the United States and/or foreign countries to the extent that Purchaser may consider desirable. Contractor will procure from its employees, without charge to Purchaser, the execution of all patent applications, assignments and other instruments necessary to the procurement of such patents and to the vesting of title thereto in Purchaser. Any compensation due Contractor's employees shall be paid solely by Contractor.
- (c) Purchaser shall become the sole owner of any and all notes, reports, memoranda, and any other information (regardless of the media of expression) made or prepared in connection with any order placed by Purchaser. Contractor will not use any material developed by Contractor under any order placed by Purchaser without first obtaining the written consent of Purchaser. All such materials, irrespective of the media of expression, shall be deemed to be works for hire and shall belong exclusively to Purchaser. If by operation of law any of the material is not work made for hire, then Contractor agrees to assign, and hereby assigns, to Purchaser the ownership of such material including all copyrights thereto. Purchaser may obtain and hold in its own name copyrights, registrations, and other protection that may be available in such material, and Contractor shall provide any assistance required to perfect such protection.
- (d) If Contractor is a non-profit institution, and if the work being done hereunder is pursuant to a contract with the U.S. Government which contains provisions regarding retention of intellectual property rights of the Contractor, Contractor shall retain ownership of inventions and Contractor hereby grants and agrees to grant to Purchaser an irrevocable, fully paid license under any patents covering inventions conceived and/or reduced to practice in the course of this order, to make, have made, use and sell such inventions with the right to extend such license to Purchaser's customers, including the U.S. Government, and to any of Purchaser's licensees or co-producers of Purchaser's or Purchaser's affiliates, subsidiaries or contractors products.
- (e) The Contractor agrees that it will cause its employees to execute contracts of employment or other agreements assuring the Contractor the ability to comply fully with the provisions of this Article 27.1

27.2 INTELLECTUAL PROPERTY INDEMNITY:

- (a) Contractor shall indemnify and save Purchaser, and Purchaser's subsidiaries and affiliates, and their respective vendors and customers, harmless from and against any expense or liability, including costs, fees and all damages, arising out of any claim, suit or proceeding that the manufacture or furnishing of Goods and/or services under this purchase order, or the use of such Goods and/or services or sales of such Goods and/or services constitutes infringement of any patent, trade secret or copyright. If an injunction should issue, Contractor shall procure for Purchaser, and Purchaser's subsidiaries and affiliates, and their respective vendors and customers, the rights to continue using said Goods and/or services, or modify them in a manner acceptable to Purchaser so they become non-infringing, or with the written approval of Purchaser, remove said Goods and/or services and refund the purchase price. The forgoing provisions apply to all Goods and/or services provided by the Contractor, including, but not limited to, those for marking, reading or verifying using identification technologies based on 2D symbologies and/or Radio Frequency Identification (RFID).
- (b) Any compensation which may be claimed by or due to any Contractor employee or any of Contractor's contractors' employees in connection with any information, invention or patent or other intellectual property or intellectual property right, whether by agreement, statute, regulation or otherwise, shall be paid solely by Contractor, and Contractor shall indemnify and hold Purchaser and Purchaser's subsidiaries and affiliates, and their respective vendors and customers, harmless from and against any expense or liability, including costs, fees and all damages, arising out of all such claims, suits or proceedings therefore. If an injunction should issue, Contractor shall procure for Purchaser, and Purchaser's subsidiaries and affiliates, and their respective vendors and customers, the rights to continue using the Goods and/or services supplied by the Contractor.

27.3. NON-PROFIT INSTITUTIONS.

- (a) If Contractor is a non-profit institution, any references to indemnification in Standard Remark E95 shall be limited to such indemnification as may be permitted by law or regulation.

- (b) Article 23, Set Off is not applicable to non-profit institutions.
- (c) Article 15, Dispute Resolution, shall be modified to refer to the law of the state under which the non-profit institution is chartered.

28. LABOR NOTICE

- (a) The Contractor shall immediately give notice to Purchaser (to be followed by written notices and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Contractor shall use its best efforts to resolve any such complaint, trouble, dispute or controversy.
- (b) Contractor warrants that Purchaser shall have no liability or bargaining obligations under any collective bargaining agreement between contractor and its employees. Contractor agrees to give Purchaser copies of any collective bargaining agreements existing between it and its employees and agrees to give Purchaser prompt notice of any union organization with respect to its employees.

29. FORMER GE EMPLOYEES: If access is requested to Purchaser's facilities or computer systems, the Contractor must confirm satisfactory performance of the individual for whom access is requested if the individual was previously employed by the Purchaser or its affiliates. The Contractor shall use a form provided by Purchaser to obtain its employee's consent and waiver for Purchaser to release employment information to Contractor regarding the individual's performance when employed by the Purchaser or its affiliates. All forms and more detailed instructions can be found at: http://www.geae.com/aboutgeae/doingbusinesswith/supplier_security_requirements.html

30. PRIOR AGREEMENTS: This instrument contains the entire agreement between the Contractor and Purchaser with respect to orders, contracts or arrangements made or placed hereafter for services and supersedes all pre-existing understandings, agreements, or arrangements with respect thereto.

31. ACCESS TO PURCHASER'S COMPUTER SYSTEMS:

- (a) Contractor shall limit access of its personnel and representatives to Purchaser's computer systems to only to those persons identified on Purchaser's systems security statement and who have been issued a systems user id by Purchaser. Purchaser reserves the right to verify, at any time, the citizenship status of any and all Contractor personnel who have access to Purchaser's computer systems. Such access shall be limited by Purchaser to those systems, which in Purchaser's sole discretion, are required for the Contractor's personnel to perform assigned work and shall be valid until such access is revoked or surrendered. Such access shall be surrendered by Contractor's personnel upon Purchaser's request or upon removal or reassignment by Contractor.
- (b) Contractor agrees to adhere to the Purchaser information technology ("IT") security guidelines detailed herein to the extent such requirements are applicable to goods and services hereunder. If such requirements are not applicable as of the date of this Order, Contractor shall immediately notify Purchaser upon such requirements becoming applicable and before Contractor accesses any Purchaser network or data. Contractor's failure to notify Purchaser in advance shall constitute a material breach of this Order.
- (c) Purchaser IT Security Guidelines:
 - (i) If Contractor is given access to Purchaser's e-mail, computers, systems, electronic storage media or networks, Contractor shall adhere to the requirements contained in the "Guidelines for Acceptable Use of Information Resources"; and
 - (ii) If Contractor will host and/or house any Purchaser data (including, but not limited to, Confidential Information and Purchaser Personal Data) or if Contractor's network will be connected to Purchaser's network, Contractor shall adhere to the requirements contained in the "GE Supplier Information Security Policy".
- (d) Purchaser and Contractor shall agree in good faith to additional security requirements to render Purchaser/Contractor IT environments secure, and Contractor shall implement such changes to comply with Purchaser's security guidelines and/or requests.

- (e) Purchaser reserves the right to to conduct on-site audits of Contractor's facility and practices to determine whether Contractor's compliance with this Article is reasonably sufficient to protect Purchaser's interests. If Purchaser reasonably determines that Contractor's implementation is/are insufficient to protect Purchaser's property and interests, Purchaser may give Contractor notice of such determination. Upon receiving such notice, Contractor shall have forty-five (45) days thereafter to make such policy changes and take the implementation actions reasonably requested by Purchaser.

32. EXPORT AND INTERNATIONAL TRAFFIC-IN-ARMS REGULATIONS:

- (a) Contractor agrees to comply with all export regulations and the INTERNATIONAL TRAFFIC-IN-ARMS REGULATIONS (ITAR) including, but not limited to, parts 122 entitled "Registration of Manufacturer and Exporter" and 130 entitled "Political Contributions, Fees and Commissions."
- (b) With respect to defense articles and services furnished hereunder, contractor agrees that it has not paid, offered or agreed to pay, and agrees that it shall not pay, offer or agree to pay, for the purpose of soliciting, promoting or otherwise to secure the sale of defense articles and services to or for the use of the armed forces of an international organization or non-U.S. Country, any (i) fees or commissions in excess of \$1,000 or (ii) political contribution (including any gift, rebate or payment of expenses) to a non-U.S. Person or entity.
- (c) In the event Contractor is supplying defense articles in connection with the performances of services under this order, Contractor agrees to maintain a valid and current Directorate of Defense Trade Controls ("DDTC") registration. Contractor shall provide its DDTC registration name (whether registered or not, with expiration date to Purchaser and promptly advise Purchaser of any updates or changes to such information, in the format requested by Purchaser.
- (d) If Contractor intends to conduct work for Purchaser in a foreign country, including but not limited to the use of Contractor's own facility outside of the United States or the use of a foreign affiliate or unrelated subcontractor, Contractor must provide advance written notification to Purchaser. Customer is responsible for compliance with applicable export control laws and regulations and for obtaining all export control licenses required by law or requested by Purchaser.

33. TRAVEL EXPENSES: Reasonable and genuine travel expenses (coach airfare, mid-sized rental cars, moderately priced hotels, etc.) required for Purchaser's business purposes will be reimbursed upon submittal of receipts for all items \$15.00 and over. All travel expenses must be detailed in an expense account statement and be submitted to Purchaser with the invoice. In addition, all costs defined as unallowable in the FAR part 31.205 must be identified on the expense account statement. Alcohol and premium airfare are examples of common unallowable costs. If additional information on unallowable costs is needed, please contact the Purchaser's Sourcing representative.

34. ENGLISH LANGUAGE. Except as the parties may otherwise agree, this purchase order, data, notices, shipping invoices, correspondence and other writings shall be written in the English language. In the event of any inconsistency between any terms of this purchase order and any translation thereof into another language, the English language meaning shall control.

35. SEVERABILITY: If any provisions of these terms and conditions or any part hereof are invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, all conditions and provisions of these terms and conditions which can be given effect without such invalid, unlawful or unenforceable provision shall, nevertheless, remain in full force and effect.

36. GRATUITIES:

- (a) Any officers, employees or agents of Purchaser, the United States Government, or Purchaser's customers, are prohibited, with limited exceptions, from soliciting or accepting entertainment, gifts, gratuities, compensation or favors from Contractor. Contractor shall at all times comply with the requirements of this policy. When Contractor has reasonable grounds to believe that a violation of this gratuity policy by Contractor or Purchaser's

representatives may have occurred, Contractor shall promptly report the potential violation to Purchaser by using the supplier hot line (1-800-443-3632) or (513-243-6922) or by reporting it in writing.

- (b) For violation of this clause 36 by Contractor, this purchase order may be terminated in whole or in part. Purchaser may also require Contractor to provide proof that it has implemented internal management controls sufficient to prevent future violations. These rights and remedies of Purchaser are not exclusive and are in addition to any other rights and remedies provided to Purchaser under this purchase order or by law.

37. **PROHIBITED GOODS AND SERVICES:** The United States of America prohibits the importation of Goods or the purchase of services from certain countries. No Goods or services from prohibited countries may be used directly or indirectly in the design, manufacture, test, or other methods of providing any of the items (whether Goods, services, or otherwise) covered by this purchase order. The list of prohibited countries can change from time to time and it is Contractor's responsibility to ensure compliance with such list at all times. Current information can be obtained by accessing the Internet at URL <http://www.treas.gov/ofac/>

38. **GOVERNING LAW:** This purchase order shall be governed by the laws of the State of New York, notwithstanding its conflict of laws rules.

39. **CONTRACTOR SECURITY AND CRISIS MANAGEMENT POLICY:**

(a) **Security and Crisis Management Policy.** Contractor shall have and comply with a company security and crisis management policy, which shall be revised and maintained proactively and as may be requested by Purchaser in anticipation of security and crisis risks relevant to the Contractor's business ("Security and Crisis Management Policy"). The Security and Crisis Management policy shall identify and require Contractor's management and employees to take appropriate measures necessary to do the following:

- (i) provide for the physical security of the people working on Contractor's premises and others working for or on behalf of Contractor;
- (ii) provide for the physical security of Contractor's facilities and physical assets related to the performance of the work, including, in particular, the protection of Contractor's mission critical equipment and assets;
- (iii) protect software related to the performance of work from loss, misappropriation, corruption and/or other damage;
- (iv) protect Purchaser's and Contractor's drawings, technical data and other proprietary information related to the performance of work from loss, misappropriation, corruption and/or other damage;
- (v) provide for the prompt recovery, including through preparation, adoption and maintenance of a disaster recovery plan, of facilities, physical assets, software, drawings, technical data, other intellectual property and/or the Contractor's business operations in the event of a security breach, incident, crisis or other disruption in Contractor's ability to use the necessary facilities, physical assets, software, drawings, technical data or other intellectual property and/or to continue its operations; and
- (vi) ensure the physical integrity and security of all shipments against the unauthorized introduction of harmful or dangerous materials.

Purchaser reserves the right to inspect Contractor's Security and Crisis Management Policy and to conduct on-site audits of Contractor's facility and practices to determine whether such policy and Contractor's implementation of such policy are reasonably sufficient to protect Purchaser's interests. If Purchaser reasonably determines that Contractor's Security and Crisis Management Policy and/or such policy implementation is/are insufficient to protect Purchaser's property and interests, Purchaser may give Contractor notice of such determination. Upon receiving such notice, Contractor shall have forty-five (45) days thereafter to make such policy changes and take the implementation actions reasonably requested by Purchaser. Contractor's failure to take such actions shall give Purchaser the right to terminate this Order immediately without further compensation to Contractor.

(b) **C-TPAT Compliance.** The Customs-Trade Partnership Against Terrorism ("C-TPAT") program of the United States Customs and Border Protection is designed to improve the security of shipments to the United States. This section applies only to Contractors with non-U.S. locations that are involved in the manufacture, warehousing or shipment of goods to Purchaser or to a customer or supplier of Purchaser located in the United States. Contractor agrees that it will review the C-TPAT requirements for foreign manufacturers and that it will maintain a written plan for security procedures in accordance with the recommendations of U.S. Customs and Border Protection as outlined at http://www.customs.gov/xp/cgov/import/commercial_enforcement/ctpat/criteria_importers/ctpat_importer_criteria.xml ("Security Plan"). The Security Plan shall address security criteria such as: container security and inspection, physical access controls, personnel security, procedural security, security training and threat awareness and information technology

security. Note: The C-TPAT recommendations are similar to the Security and Crisis Management Policy requirements in Section 22(a) above, and Contractor's Security and Crisis Management Policy may meet the recommendations of C-TPAT. Upon request of Purchaser, Contractor shall:

- (i) certify to Purchaser in writing that it has read the C-TPAT security criteria, maintains a written Security Plan consistent with the C-TPAT security criteria and has implemented appropriate procedures pursuant to such plan;
- (ii) identify an individual contact responsible for Contractor's facility, personnel and shipment security measures and provide such individual's name, title, address, email address and telephone and fax numbers; and
- (iii) inform Purchaser of its C-TPAT membership status.

Where Contractor does not exercise control of manufacturing or transportation of goods destined for delivery to Purchaser or its customers in the U.S., Contractor agrees to communicate the C-TPAT recommendations to its suppliers and transportation providers and to use commercially reasonable efforts to ensure that such suppliers and transportation providers implement such recommendations. Further, upon advance notice by Purchaser to Contractor and during Contractor's normal business hours, Contractor shall make its facility available for inspection by Purchaser's representative for the purpose of reviewing Contractor's compliance with the C-TPAT security recommendations and with Contractor's Security Plan. Each party shall bear its own costs in relation to such inspection and review. All other costs associated with development and implementation of Contractor's Security Plan and C-TPAT compliance shall be borne by the Contractor.

40. INSPECTION:

(a) All work performed pursuant to these terms and conditions (including but not limited to services, including, but not limited to, engineering and design/development work) shall comply with all applicable specifications and all other requirements of these terms and conditions and shall be subject to inspection and test by the Purchaser and its customer at all times and places. If any inspection or test is made on the premises of Contractor or its supplier, Contractor, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties. All inspections and tests on the premises of Contractor or its supplier shall be performed in such a manner as not to unduly delay the work.

(b) Purchaser's failure to inspect services shall neither relieve Contractor from responsibility for such services as are not in accordance with the order requirements nor impose liabilities on Purchaser therefor. The inspection or test of any services by Purchaser shall not relieve Contractor from any responsibility regarding defects or other failures to meet order requirement, which may be discovered subsequently.

41. CLASSIFIED INFORMATION: Upon completion of work by Contractor under this purchase order, Contractor shall return to Purchaser all classified information furnished by Purchaser in connection herewith, including all reproductions thereof, then in Contractor's possession or control, and Contractor shall surrender classified information or materials developed by Contractor in connection with this order, unless the information has been destroyed or the retention of the information is authorized in writing by Purchaser or the government.

42. EDI (ELECTRONIC DATA INTERCHANGE) and PAPERLESS INVOICING.

(a) Upon Purchaser's request, and within fifteen ("15") days from the date of such request, Contractor shall sign an Electronic Data Interchange ("EDI") Trading Partner Agreement with Purchaser. Following such agreement, the parties shall establish an implementation schedule, which shall call for active EDI communication capability within forty-five ("45") days from the date of the execution of the EDI Trading Partner Agreement.

(b) Paperless invoicing is required. Options acceptable to Purchaser include GSN Web Invoicing, Evaluated Receipt Settlement ("ERS") and EDI.

43. ENVIRONMENTAL MATTERS

(a) Certifications, Representations and Warranties.

1. Supplier represents, warrants, certifies and covenants that it shall perform all activities required under this purchase order in compliance with all applicable national, EU, state/provincial and local environmental, health and safety laws and regulations;

2. Supplier represents, warrants, certifies and covenants that it will take appropriate actions to provide a safe and healthy workplace, and to protect local environmental quality in all of its activities, including without limitation, transport.
3. Supplier represents, warrants, certifies and covenants that each chemical substance constituting or contained in goods sold or otherwise transferred to Purchaser hereunder is on the list of chemical substances compiled and published by (a) the Administrator of the Environmental Protection Agency pursuant to the Toxic Substances Control Act (15 USC Section 2601 et seq.) as amended; or (b) the European Inventory of Existing Commercial Chemical Substances (EINECS) or the European List of Notified Chemical Substances (ELINCS); or (c) any equivalent lists in any other jurisdictions to which Purchaser informs Supplier or the Supplier knows the goods likely will be shipped to or through. Supplier represents, warrants, certifies and covenants that each chemical substance constituting or contained in goods sold or otherwise transferred to Purchaser is pre-registered if required, and registered if required, under Regulation (EC) No 1907/2006 ("REACH"), is not restricted under Annex XVII of REACH and if subject to authorization under REACH is authorized for Purchaser's use.
4. Contractor shall notify Purchaser if it decides not to Preregister or Register substances that will be subject to Preregistration or Registration under REACH and are constituting or contained in goods supplied to Purchaser at least [12] months before their Preregistration or Registration deadline. Contractor will monitor the publication by the European Chemicals Agency of the list of substances meeting the criteria for Authorization under REACH (the "candidate list") and immediately notify Purchaser if any of the goods supplied to Purchaser is manufactured by Contractor with or contains a substance officially proposed for listing on the candidate list. Contractor shall provide Purchaser with the name of the substance as well as with sufficient information to allow Purchaser to safely use the goods or fulfill its own obligations under REACH.
5. Contractor represents, warrants, certifies and covenants that none of the goods supplied under this purchase order contains any: (a) lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBB), polybrominated diphenyl ethers (PBDE), or any other hazardous substances the use of which is restricted under EU Directive 2002/95/EC(27 January 2003)(RoHS Directive), as amended; (b) arsenic, asbestos, benzene, polychlorinated biphenyls (PCBs), carbon tetrachloride, beryllium, or radioactive materials; (c) chemical restricted under the Montreal Protocol on ozone-depleting substances; (d) substance listed on the candidate list of the REACH legislation (Regulation (EC) No 1907/2006) or restricted under Annex XVII of REACH; or(e) other chemical the use of which is restricted in any other jurisdictions to which Purchaser informs Contractor the goods are likely to be shipped or the Contractor knows the goods are likely to be shipped to or through; unless Purchaser expressly agrees otherwise in writing as an addendum to this Purchase Order and Contractor identifies an applicable exemption from any relevant legal restriction on the inclusion of such chemicals or hazardous materials in the goods sold or transferred to Purchaser. Upon request from Purchaser and subject to reasonable confidentiality provisions which enable Purchaser to meet its compliance obligations, Contractor will provide Purchaser with the chemical composition, including proportions, of any substance, preparation, mixture, alloy or goods supplied under this Purchase Order and any other relevant information or data regarding the properties including without limitation test data and hazard information.
6. Unless specifically defined as a requirement by Purchaser engineering drawings or specifications, the use of cadmium plating or nickel cadmium plating is strictly prohibited in the manufacture of this Good. The use of cadmium plating or nickel cadmium plating is strictly prohibited on all tooling, fixturing, and test equipment that is used for manufacturing, assembly, test, or material handling of the Good unless Contractor has notified Purchaser in advance and has obtained its prior written consent to such use. Approval shall not be granted where there is a potential for Contractor's Good to come into contact with titanium containing items.
7. Contractor represents, warrants, certifies and covenants that, except as specifically listed in a mutually agreed, written addendum to this purchase order, none of the goods supplied under this purchase order are subject to electrical or electronic reuse or recycling take back requirements pursuant to applicable national law.

8. Products supplied under this purchase order may be exported worldwide, including to countries that forbid the importation of products manufactured with child labor or with forced, indentured or convict labor. Consequently, Contractor represents, warrants, certifies and covenants that no products supplied under this purchase order have been or will be produced utilizing forced, indentured or convict labor, or utilizing the labor of persons in violation of the minimum working age law in the country of manufacture, or in violation of minimum wage, hour of service, or overtime laws in the country of manufacture.
9. Contractor represents, warrants, certifies and covenants that it has established an effective program to ensure that the activities of any suppliers it utilizes to provide any goods or services that will be incorporated into the goods supplied under this purchase order will be conducted in conformance with sub-parts 43. (a)1 to (a)8 above.

(b) Covenants

1. With respect to any goods or other materials sold or otherwise transferred to Purchaser hereunder, Contractor shall provide all relevant information, including without limitation, safety data sheets in the language and the legally required format of the location to which the goods will be shipped and mandated labeling information, required pursuant to applicable requirements such as: (a) the Occupational Safety and Health Act (OSHA) regulations codified at 29 CFR 1910.1200; or (b) *REACH* or EU Directive 67/548/EC, as amended, if applicable, and (c) any other applicable law, rule or regulation or any similar requirements in any other jurisdictions to which Purchaser informs Contractor the goods are likely to be shipped. For each such material, identification shall reference the stock or part number of the delivered Goods. Hazardous materials include, but are not limited to, materials embedded in a delivered Good in such a manner as to present a potential for personal injury or harm or property damage in the course of normal use, repair, accidents or disposal. All safety data sheets and labels required under this section and HAZCOM shall be provided to General Electric Company, Group Environmental Affairs & Safety, One Neumann Way, M/D T165, Cincinnati, OH 45215.
 2. Where applicable, for any goods specifically listed in a mutually agreed written addendum to this purchase order as “electrical or electronic equipment” as indicated in A7 above, Contractor agrees to assume responsibility for taking back those goods in the future upon the request of Purchaser and treating or otherwise managing them in accordance with the requirements of applicable national legislation. Contractor also agrees to take back as of the date of this purchase order the used goods currently owned by Purchaser or to arrange with a third-party to do so in accordance with all applicable requirements. No additional charge will be sought by Contractor and no additional payments will be due from Purchaser for Contractor’s agreement to undertake these responsibilities.
 3. From time to time, at Purchaser's request, Contractor shall provide certificates to Purchaser relating to any applicable legal requirements or to update sub-part A of this purchase order, in each case in form and substance satisfactory to Purchaser.
 4. Contractor shall permit Purchaser or its representatives to have reasonable access to the sites where the work under this purchase order is performed and to its employees in order to assess (1) work quality, (2) conformance with Purchaser’s specification, and (3) conformance with Contractor’s representations, warranties, certifications and covenants under this purchase order.
44. WAIVER: Purchaser's failure to insist on performance of any of the terms or conditions herein or to exercise any right or privilege or Purchaser's waiver of any breach hereunder shall not thereafter waive any other terms, conditions, or privileges, whether of the same or similar type.

45. PERSONAL DATA PROTECTION

(a) Definitions:

As used throughout this Paragraph 45, the following terms shall have the meaning set forth below.

- (i) “Purchaser Data” means Personal Data and all other information concerning Purchaser, its personnel or clients provided by or on behalf of Purchaser to Contractor; Processed by Contractor; created by Contractor based on information provided by or on behalf of Purchaser or Processed by Contractor; or otherwise maintained by Purchaser or any third party on behalf of Purchaser.
 - (ii) “Notices” means all filings, communications, notices, press releases or reports related to any Security Breach.
 - (iii) “Personal Data” means any information relating to an identified or identifiable individual, including without limitation, name, address, telephone number, e-mail address, business contact information, social security number, driver’s license number, financial account number or other financial information, or medical or health-related information.
 - (iv) “Process” or “Processing” means any operation or set of operations performed upon Purchaser Data, whether or not by automatic means, such as collection, recording, organization, storage, adaptation or alteration, retrieval, accessing, consultation, use, disclosure by transmission, dissemination, or otherwise making available, alignment or combination, blocking, erasure, or destruction.
 - (v) “Security Breach” means any event involving an actual compromise of the security, confidentiality, or integrity of data, including, but not limited to, any unauthorized access or use by a known or unknown 3rd party or an employee of the Service Provider. Security Breach would also include any inadvertent or accidental disclosure by anyone.
- (b) Data Processing: Contractor shall Process Purchaser Data only to the extent necessary to perform the services under this purchase order or as otherwise instructed by Purchaser in writing. Contractor agrees to keep Purchaser Data confidential, and agrees to not disclose such Data to third parties without first receiving the express written approval from Purchaser and satisfying its obligations in Section 45(e) below. Contractor further agrees that it will Process Purchaser Data in a manner consistent with federal and state law, including, but not limited to, the American’s with Disabilities Act and the Family Medical Leave Act.
- (c) Data Security – Access to System: Contractor shall, upon Purchaser’s request, provide Purchaser with all information pertaining to its data security systems and procedures (physical, technological and organizational) reasonably required by Purchaser to assess the adequacy (in Purchaser’s sole discretion) of such systems and procedures with respect to the services to be provided under this purchase order, and shall comply, subject to applicable law, with Purchaser’s Employee Data Protection Standards and Purchaser’s Guidelines for Acceptable Use of GE Information Resources.
- (d) Data Security Measures: Without limiting the foregoing, Contractor shall implement and maintain physical, technical and organizational measures to ensure the security and confidentiality of Purchaser Data in order to prevent, among other things, accidental, unauthorized or unlawful access, use, modification, disclosure, loss, or destruction of Purchaser Data. The security measures taken shall be in compliance with applicable data protection laws and shall be adapted to the risks represented by the Processing and the nature of the Purchaser Data to be Processed, having regard to the state of the art and the cost of implementation.
- (e) Agreements with Third Parties: In the event that the Purchaser provides the Contractor with express written approval to disclose Purchaser Data to a Third Party, Contractor represents and warrants that, to the extent it provides any Purchaser or Personal Data to any of its suppliers, subcontractors and/or agents (such provision being necessary to Service Provider’s performance of Services), it shall maintain with such suppliers, subcontractors and/or agents during the term of this purchase order contractual arrangements obligating such third parties to implement and maintain physical, technical and

organizational data security measures consistent with the obligations placed on Contractor in Section 45(d).

- (f) Security Breach – Notification: Contractor shall notify Purchaser in the most expedient time possible and without unreasonable delay of any Security Breach involving any Purchaser or Personal Data. Contractor shall also provide Purchaser with a detailed description of the Security Breach, the type of data that was the subject of the Security Breach, the identity of each affected person, and any other information Purchaser may request concerning such affected persons and the details of the Security Breach, as soon as such information can be collected or otherwise becomes available.
- (g) Security Breach – Costs: Contractor agrees to take action immediately, at its own expense, to investigate the Security Breach and to identify, prevent and mitigate the effects of any such Security Breach, and to carry out any recovery necessary to remedy the impact. Contractor shall, to the extent permitted by applicable law, provide Purchaser with reasonable notice of and the opportunity to comment on and approve the content of all Notices prior to any publication or communication thereof to any third party, except Purchaser shall not have the right to reject any content in a Notice that Contractor must include in the Notice in order to comply with applicable law. Contractor shall pay for or reimburse Purchaser for all costs, losses and expenses relating to any Security Breach, including without limitation, the cost of Notices that Purchaser makes as a result of: (i) any unauthorized access by Contractor or Contractor Personnel of any Purchaser Data; (ii) any unauthorized access by a third party of any Purchaser Data that is Processed on behalf of Purchaser by Contractor where such unauthorized access is proximately caused by Service Provider's breach of this Agreement, negligence or willful misconduct; or (iii) any failure by Contractor to comply with any laws relating to the privacy or security of Purchaser Data.
- (h) Termination of Purchase Order: Upon termination of this purchase order, for whatever reason, the Contractor shall stop Processing Purchaser Data and shall immediately return to the Purchaser any hard copies of the Purchaser Data in its possession and permanently delete any electronic copies of the Purchaser Data on any of its electronic systems.

APPENDIX I - INTERNATIONAL ORDERS SUPPLEMENT

If Contractor is located outside of the United States, the preceding terms and conditions are modified as follows:

1. RESERVED.
2. Clause 8 (c), a subparagraph of Clause 8, "CONTRACTOR'S EMPLOYEE'S," shall be modified to read as follows: "Contractor's employees are not authorized, expressly or otherwise, to enter into any agreements or make any commitments, financial or otherwise, for or on behalf of Purchaser. Specifically, no employee of Contractor shall make contact with the Department of Defense or other United States Government agency employees, members of the United States Congress, Congressional employees or any analogous foreign government agency or employees thereof regarding the continuation, renewal, amendment or modification of a Government Contract between Purchaser and any government or government agency.
3. Clause 15, "DISPUTE RESOLUTION," is deleted and replaced with the following: "DISPUTE RESOLUTION. This order shall be interpreted in accordance with the laws of the state of New York, USA without regard to New York's choice of law provisions. Except as otherwise provided, the United Nations Convention on Contracts for the International Sale of Goods is not applicable to this order. All disputes arising in connection with this order shall be finally settled under the rules of conciliation and arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said rules. The arbitration shall be held in New York City and any arbitrator's award shall not exceed actual compensatory damages. Notwithstanding the foregoing, each party has the right at any time, at its option and where legally available, to commence an action or proceeding in a court of competent jurisdiction to apply for interim or conservatory measures, but not monetary damages."

4. Clause 16, "FAIR LABOR STANDARDS ACT," shall be deleted.
5. Clause 18, "CITIZENSHIP STATUS," shall be deleted and replaced with the following: "CITIZENSHIP STATUS: For data export purposes, only citizens of the country in which the Contractor is located shall be permitted to work on Purchaser's orders without prior written approval from Purchaser. Contractor shall preserve such records as required by local laws and regulations regarding the citizenship status of Contractor's employees."
6. Clause 26, "NONDISCRIMINATION IN EMPLOYMENT," shall be deleted.
7. Clause 43, "ENVIRONMENTAL MATTERS," shall apply to orders the extent its provisions and/or the legal and regulatory references therein, based on a reasonable interpretation thereof, have extraterritorial application outside of the United States and/or relate to, or arise from, goods, materials, and/or other items to be imported to the United States.

Add the following articles:

I-1. RESERVED

I-2. IMPORTER OF RECORD.

- (a) If Contractor is the U.S. Importer of record, Contractor agrees that Purchaser will not be a party to the importation of any product of this order; that the transactions represented by this order will be consummated subsequent to importation; that the Contractor will neither cause nor permit Purchaser's name to be shown as "IMPORTER OF RECORD" on any customs declaration; and that, if any product related to the services to be performed hereunder must be returned to Contractor, Contractor agrees to be the U.S. Exporter and to comply with all applicable export regulations.
- (b) If Purchaser is the U.S. Importer of record, Contractor shall ship any products related to the services to be performed hereunder to the port of entry as advised by Purchaser and show proper broker notification on all shipping waybills. Any additional transportation or clearance charges incurred by Purchaser due to Contractor's non-adherence to this clause will be the responsibility of Contractor.
- (c) Regardless of which party is the U.S. Importer of Record, Contractor's shipping cartons and documentation must meet all U.S. Customs country of origin marking and invoicing requirements. Contractor will be responsible for any fines or liabilities resulting from insufficient, improper or negligent invoicing or marking of shipments.

I-3. U.S. EXPORTER. If Contractor is the U.S. Exporter for any U.S. Origin bailed or purchased material required by Contractor to complete this order, Contractor shall be responsible for obtaining any required export license, authorizing a U.S. Freight forwarder, and complying with U.S. Export administration regulations/international traffic-in-arms regulations. If Contractor requests Purchaser to export the materials, Purchaser shall be responsible for procuring the export license, utilizing its duly authorized freight forwarder, and complying with U.S. Export Administration Regulations and International Traffic-In-Arms Regulations

The following articles were modified: 13, 15, 19, 27.1, 31, 39, 43 and Appendix I (item 3)