



GENERAL TERMS AND CONDITIONS FOR INTERNATIONAL PURCHASE ORDERS

1. DEFINITIONS

A. Articles	Goods, services, and equipment described in this Order.
B. Buyer	Textron Systems Corporation
C. Order	Purchase Order, subcontract or contract for Articles.
D. Seller	Person or Company providing Articles.

2. ORDERS. These terms and conditions shall be part of Orders Buyer may issue to Seller. Each Order shall contain a description of the Articles and identify the specifications, drawings, quantities, prices, delivery schedule, terms, and place of delivery. EACH SUCH ORDER MUST BE SIGNED BY A BUYER'S AUTHORIZED PROCUREMENT REPRESENTATIVE TO BE VALID.

3. AGREEMENT/ACCEPTANCE/MODIFICATION. An Order is Buyer's offer to Seller and acceptance is expressly limited to its terms without additions, deletions, or other modifications. Seller's commencement of performance, delivery of any Articles, or acknowledgment of this Order shall conclusively evidence such acceptance. NO CHANGE OR MODIFICATION TO THIS ORDER (INCLUDING ANY ADDITIONAL OR DIFFERENT TERMS IN SELLER'S ACCEPTANCE) SHALL BE BINDING ON BUYER UNLESS AGREED TO IN WRITING AND SIGNED BY BUYER'S AUTHORIZED PROCUREMENT REPRESENTATIVE.

4. CHANGES. Buyer may at any time by a written order, and without notice to sureties, if any, make changes within the general scope of this order, in any one or more of the following: (a.) quantity, drawings, designs or specifications, where the supplies to be furnished are to be specifically manufactured for the Buyer in accordance therewith; (b.) method of shipment or packing; (c.) delivery schedule and place or time of delivery; (d.) place of inspection, and (e.) property to be furnished by Buyer. If any such change causes an increase or decrease in the cost and/or the time required for performance of this order, whether or not changed by Buyer's written order, an equitable adjustment may be sought in the price or delivery schedule or both, subject to Buyer's evaluation and negotiation. The negotiated settlement shall be reduced to writing accordingly. Any claim by the Seller for adjustment under this article must be asserted within twenty (20) days from the date of notification of the change. Where the cost of material made obsolete or excess as a result of a change is included in Seller's claim for adjustment, the Buyer shall have the right to prescribe the manner of disposition of such property. NOTHING IN THIS CLAUSE SHALL EXCUSE THE SELLER FROM PROCEEDING WITH THIS ORDER AS CHANGED.

5. TERMINATION/STOP WORK.

- A.** Buyer may terminate, without cause, the whole or (from time to time) any part of the work required under the Order by delivering to the Seller a written Notice of Termination specifying the work terminated and the effective date thereof. In such event, Buyer and Seller will agree upon an equitable adjustment of the Order price, provided that:
- (i) Such adjustment shall not exceed the Order total price;
 - (ii) No amount will be allowed for anticipated profit for performance not rendered; and
 - (iii) Seller's written intent to file a claim for adjustment is received within thirty (30) days from the effective date of termination, AND any claim by Seller resulting from such termination shall be submitted no later than ninety (90) days after the effective date of termination.
- B.** When directed by written notice from Buyer, Seller agrees to stop all or part of the work relating to an Order to the extent specified in the notice for a period up to one hundred eighty (180) days. If a stop work notice is canceled or the period of the stop work order or any agreed extension thereof expires, Seller shall resume work and Buyer and Seller will agree upon a reasonable adjustment in the delivery schedule and price if applicable.

6. DEFAULT.

- A.** Buyer may, by written notice of default to the Seller, terminate this order in whole or in part if the Seller fails to:
- (i) deliver the Articles within the time specified in this order or any extension;
 - (ii) make progress, so as to endanger performance of this order; or
 - (iii) comply with any other provision of this Order.
- B.** Buyer's right to terminate this Order under Clause 6.A.(ii) and 6.A.(iii) herein, may be exercised if Seller does not cure such failure within ten (10) days (or more if authorized in writing by the Buyer) after receipt of notice from the Buyer specifying the failure.
- C.** In the event Buyer terminates the Order in whole or in part, Buyer may procure, upon such terms and in such manner as Buyer deems appropriate, material work or services similar to that terminated, and Seller shall be liable to Buyer for all excess

procurement costs (including administrative costs) that Buyer may incur for such procurement. Seller shall continue performance of the non-terminated portion of the Order as directed by Buyer.

- D.** If an Order is terminated as provided in Clause 6.A above, Buyer may require Seller to transfer title and deliver to Buyer:
- (i) any completed Articles; and
 - (ii) such partially completed supplies and material, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing materials") as Seller has specifically produced or acquired for performance of such part of the Order as has been terminated.
 - (iii) Seller shall, upon direction of Buyer, protect and preserve property in the possession of Seller in which Buyer has an interest. Payment for completed Articles delivered to and accepted by Buyer shall be at the Order price. Buyer may withhold from amounts otherwise due to Seller sums for completed Articles or manufacturing materials as Buyer determines to be necessary to protect Buyer against loss.
- E.** If after notice of termination of an Order it is determined that Seller was not in default, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Clause 5--Termination/Stop Work.
- F.** The rights and remedies of Buyer provided in this Clause are in addition to any other rights and remedies provided by law or under an Order.

7. FORCE MAJEURE. Neither party shall be responsible for delays in delivery or performance because of intervention of a Force Majeure, which term shall include strikes, lockouts, riots, epidemics, war, governmental regulations, fire, explosion, acts of God, or any other cause beyond the control of the party affected. In no event shall lack of finances be considered as a cause beyond the control of a party. The party affected by the Force Majeure shall give prompt notice thereof and, upon cessation of the Force Majeure, take all reasonable steps to resume compliance with its obligations. If a delay in delivery or performance extends beyond one hundred eighty (180) days, then either party may terminate.

8. INSPECTION/QUALITY CONTROL/REJECTION.

- A.** If a U. S. Government contract number appears on the face of an Order, Seller shall assure the quality of the Articles by maintaining a Quality Control System in compliance with MIL-I-45208, latest edition, unless superseded by MIL-Q-9858, latest edition, or another specification in a note on the face of the Order. Seller shall provide all reasonable facilities and assistance to the U. S. Government representative(s) assigned to Seller's facilities under the noted U. S. Government contract number.
- B.** Authorized representatives of Buyer may enter the works of Seller at all reasonable times during normal working hours to conduct inspections and tests of the Articles in process. A like provision giving Buyer the right to enter the works of Seller's subcontractors and suppliers shall be included by the Seller in its major subcontracts and purchase orders under the Order. Buyer may station a representative at Seller's works on a full-time basis with Seller furnishing, free of charge, all reasonable office space and services.
- C.** If an Order contains a notation that TSC quality inspection at source is required, the Articles shall not be packed for shipment until they have been submitted to Buyer's representative for preliminary inspection and completion of this inspection is noted on the packing list and Seller's invoice.
- D.** All material and work will be subject to final inspection and approval by Buyer after delivery, notwithstanding prior payment, it being expressly agreed that payment will not constitute final acceptance. At any time within three (3) months after receipt at destination, Buyer at its option may either reject any material or work not in conformity with the requirements and terms of the Order, or rework the same at Seller's expense. In the event sampling techniques are utilized by Buyer to ascertain material acceptability entire lots may be returned when Acceptable Quality Levels (AQL) indicate rejection. Rejected material may be returned at Seller's risk and expense at the full invoice price plus transportation charges and Buyer's handling charges. No replacement of defective material or work shall be made unless specified by Buyer.

9. WARRANTY. Seller warrants to Buyer and its customers that all Articles covered by the Order will conform to the specifications, drawings, samples, symbols or other description specified by Buyer and will be new, merchantable, and free from defects in material and workmanship and that all Articles covered by the Order which are in accordance with Seller's design, drawings or specifications will be fit and suitable for the purpose intended. Seller will repair or replace at no cost to Buyer all defective or nonconforming Articles for two (2) years after delivery by Seller, or such longer period as may appear on the face of the Order, notwithstanding inspection, acceptance, latent defects and payment by Buyer, and Seller will reimburse Buyer for all costs, expenses and damages incurred by Buyer as a result of such defect or nonconformity. These warranties are in addition to all other warranties specified herein or implied by law and shall survive acceptance and payment. All warranties of Seller shall extend to and be enforceable by Buyer and Buyer's customers.

In addition to any other remedies available to Buyer, Buyer may return any nonconforming material to Seller for correction or replacement, all risk and transportation charges for return and redelivery to



be borne by Seller. If the Seller fails to accept return of nonconforming materials or fails promptly to correct or replace same, Buyer without limiting its other rights may, at Seller's expense, correct or replace the nonconforming material. Note: This warranty does not extend to the U. S. Government under orders for the Armed Services unless specifically provided on the face of the Order.

10. PATENT PROTECTION/INDEMNITY.

- A.** Seller guarantees that the manufacture, delivery, sale or use of the Seller's products will not infringe any U.S. or foreign patent and Seller shall save Buyer harmless from all claims, judgments and decrees that may be entered against Buyer or Buyer's customers, mediate or immediate and against all costs and expenses that Buyer shall incur by reason of any infringement or claim thereof, whether such infringement be direct or indirect arising out of the manufacture, delivery, sale or use of Seller's product. Seller covenants that it will, upon Buyer's request, at Seller's expense defend or assist in the defense of any suit or action that may be brought against Buyer or Buyer's customers, mediate or immediate, or against those selling or using Seller's products for any infringement or claim thereof predicated upon the manufacture, delivery, use or resale of Seller's products.
- B.** Buyer shall save Seller harmless from all loss, damage, or liability which may be incurred on account of any infringement or alleged infringement of a patent arising out of the manufacture, use or sale of Articles manufactured to detail designs developed and furnished by Buyer.

11. BOOKS AND RECORDS. Seller shall provide authorized representatives of Buyer, reasonable access to its books, records and data which will permit the adequate evaluation of cost data, direct materials, labor hours and incorporated rates used to arrive at a price. In addition, any proposals submitted by the Seller, pursuant to the Changes, Default or Termination/Stop Work clauses, shall also include sufficient cost data and reasonable access to Seller data as indicated above.

12. PRICES/DOCUMENTS AND PAYMENT

- A.** Prices will be in U. S. A. Dollars, unless otherwise specified on the face of an Order.
- B.** Itemized invoices must be airmailed to:
Textron Finance Shared Services Center
Attn: Textron Systems Accounts Payables
P O Box 77010
Fort Worth, TX 76177-0010
- C.** Payment shall be made thirty (30) days after receipt of all of the following, unless otherwise provided on the face of an Order:
- (i) an acceptable invoice from Seller;
 - (ii) all required documents; and
 - (iii) receipt at TSC of all invoiced Articles.
- D.** Separate invoices are required for each Order.
- E.** Each invoice must reference the Buyer's Order Number and Order Line Item for each Article.
- F.** Except as otherwise provided in the Order, no payment for extras shall be made unless such extras and the price have been authorized by the Buyer.

13. PACKING, MARKING AND CUSTOMS INVOICES.

- A.** Identification of the Article(s) must include the name of the country of origin.
- B.** All Articles must be prepared and packed BY LINE ITEM for export shipment in a manner acceptable to Buyer and in compliance with carrier regulations so as to prevent damage or deterioration. ORDER LINE ITEMS MUST BE PACKAGED SEPARATELY.
- C.** Each shipment shall contain a packing list clearly referencing the purchase order number and purchase order line item of the shipment. The packing list must clearly delineate line items when more than one line item is included in the shipment.
- D.** All unit containers (individual part box or other innermost package), intermediate containers, and shipping containers (shipping box, crate, or other outermost package) shall be marked in English and in accordance with Buyer's written instructions.
- E.** The No. 1 shipping container in each shipment shall contain one (1) copy in English of:
- (i) the packing list listing the contents of the entire shipment; and
 - (ii) any test reports specified in the applicable specifications.
- F.** All containers and shipping documents must be marked as follows:

NOTIFY THE BROKER PER PURCHASE ORDER INSTRUCTION FOR CUSTOMS CLEARANCE

- G.** Immediately after shipment, airmail one (1) complete set of documents which consists of three (3) copies of commercial invoices and one (1) copy of original shipper's Bill of Lading to the attention of Textron Systems Corporation, Export Traffic

Department. Also, attach one (1) complete set of the above described documents to the air bill/ocean bill and place another set in the No. 1 container.

- H.** Prior to export, one (1) copy of the required Customs Invoice shall be enclosed in a waterproof envelope or wrapper, clearly marked CUSTOMS INVOICE, and securely attached to the outside of the No. 1 shipping container in each shipment.
- I.** Additional copies of packing lists, test reports, and Customs Invoices shall be furnished to Buyer in accordance with Buyer's written instructions.
- J.** Unless otherwise specified, the price stated in the Order includes the costs of preparing and packing for shipment, container marking, and furnishing packing lists and test reports, all in accordance with this clause.
- K.** Seller shall, at its expense, obtain all necessary export licenses, approvals and authorizations required to export Articles. Prior to each shipment of military Articles to Buyer, the Seller is to verify with Buyer that a valid U. S. A. import license is in effect. Seller shall notify Buyer, without delay, of any obstacles or requirements which may delay Seller's exportation of Articles. Buyer's count and weight shall prevail relative to any shipment discrepancies.

14. DELIVERY.

- A.** All Articles shall be delivered in accordance with the terms and place of delivery specified in each Order and shall be governed by the provisions of Incoterms as published by the International Chamber of Commerce, 1990, Paris, France. In case of any conflict between the provisions of an Order and Incoterms, the provisions of the Order shall govern.
- B.** All Articles shall be delivered strictly in accordance with Buyer's delivery schedule specified in the Order. The delivery dates contained herein are the dates that the Articles are required on dock by the Buyer.
- C.** Deliveries shall be strictly in accordance with Buyer's delivery schedule. If Seller fails to meet such schedule, Buyer, without limiting its other remedies, may direct expedited routing and the difference between the expedited routing and the original routing costs shall be paid by Seller. Seller shall not make material commitments or production arrangements in excess of the amount or in advance of the time necessary to meet Buyer's delivery schedule and, unless otherwise specified herein, no deliveries shall be made in advance of Buyer's delivery schedule. At buyer's sole discretion, early shipments will be returned at seller's risk and expense at the full invoice price plus transportation charges and buyer's handling charges. WHEN THE SELLER HAS REASON TO BELIEVE THAT DELIVERIES WILL NOT BE MADE AS SCHEDULED, WRITTEN NOTICE SETTING FORTH THE CAUSE OF THE ANTICIPATED DELAY WILL BE GIVEN IMMEDIATELY TO THE BUYER. When seller anticipates making a change* that may impact their delivered quality or on time delivery to the buyer, the seller shall provide written notification of the anticipated change and seek buyer approval prior to making the change.
- *Including, but not limited to:
- Change in company ownership. Notification within 5 days.
 - Change in senior management including Quality management. Notification within 5 days.
 - Change in process suppliers when supplier is not on Buyer's Approved Supplier List. Must notify prior to change being implemented.
 - Change in Raw Material suppliers when supplier is not on Buyer's Approved Supplier List. Must notify prior to change being implemented.
 - Change in certification status or major disapproval (NADCAP, ISO/AS, Government, etc.) Notification within 5 days.
 - Major change in machinery or inspection methods/techniques. Must notify prior to change.
 - Change of location. Must notify prior to change.
 - Major reduction/change in workforce including labor work stoppage. Immediate notification.
 - Major internal/external process change. Must notify prior to change.
 - Acquisitions that may impact current operation or key personnel. Notification within 5 days.
 - Unplanned subcontract/sub-tier procurement; any outsourcing activity not identified at time of order placement. Must notify prior to change.
 - Change from authorized control or frozen plans. Must notify prior to change.
 - Major modifications in process approach or equipment use. Must notify prior to change.

Failure to notify Buyer of any of the above elements within the required timeframe may result in the immediate disapproval or mandatory source inspection implementation (at Seller's expense) until the change is resolved. If you have any questions or are in need of assistance, please contact your buyer.

Buyer reserves the right to keep Articles shipped ahead of schedule and make payment as if the delivery was made per the delivery schedule. Buyer may change quantity and/or rate of scheduled shipments, or direct temporary suspensions of scheduled shipments, neither of which shall entitle the seller to a modification of the price of goods or services covered by this purchase order.

15. ASSIGNMENT. None of the sums due or to become due nor any of the work to be performed under this order shall be assigned nor shall Seller subcontract for completed or substantially completed material called for by the Order without Buyer's prior written consent.

16. SALES LIMITATIONS. Articles identified by Textron Systems Corporation part numbers may not be sold to third parties without prior written consent of Buyer.



17. **ADVERTISING, ANNOUNCEMENTS AND NEWS RELEASES.** Seller shall not, without first obtaining written consent of Buyer, in any manner advertise or publish or issue any news release or make any public announcements or denial or confirmation of same concerning the fact that Seller has furnished or contracted to furnish the Buyer the material or work herein mentioned.

**18. TECHNICAL INFORMATION: LANGUAGE AND MEASUREMENT**

- A.** All reports, drawings, and other technical documents and information furnished or disclosed shall be in English and shall employ the units of measure customarily used by Buyer in the U. S. A.
- B.** Seller has the right to translate any technical information provided by Buyer. Seller assumes full responsibility for each translation.

19. EXPORT/IMPORT COMPLIANCE. The following restrictions shall apply to all designs, drawings, and other technical documents and information and assistance furnished or disclosed to Seller by Buyer (herein called "technical data" and "technical assistance" respectively) and to any items manufactured by Seller, its corporate entities or subcontractors by use of such technical data and/or technical assistance (herein called "products"). In connection with the disclosure, delivery, or export of technical data or technical assistance by Buyer to Seller, Seller shall comply, and shall cause its corporate entities and subcontractors at all tiers to comply with any export restrictions imposed by any governmental agency of the United States of America, including without limitation the provisions of the Export Administration Act of 1979 (50 USC 2401-2420) and the Export Administration Regulations (15 CFR 768-799) promulgated thereunder; the Arms Export Control Act of 1976 (22 USC 2751-2779), the International Traffic in Arms Regulation (22 CFR 120-128 and 130) promulgated thereunder; and the Foreign Corrupt Practices Act. The Parties acknowledge that these statutes and regulations impose restrictions on import, export, and transfer to third countries of certain categories of data, technical assistance and products, and that authorization from the U.S. Department of State and/or U.S. Department of Commerce may be required before such technical data, technical assistance and products can be provided hereunder, and that such export authorizations may impose further restrictions on use of such technical data, technical assistance and products. Seller shall indemnify and hold Buyer harmless to the full extent of any loss, damage, or expense, including lost profit, attorney's fees and court costs, for any failure or alleged failure of Seller to comply with the above referenced laws and regulations and the United States Customs Modernization Act of 1993.

In addition the Seller shall obtain Buyer's permission in writing before any technical data or proprietary information of the Buyer is provided to any non-US subcontractor or other non-US person, including without limitation any non-US affiliate of the Seller. Seller shall provide Buyer with a detailed list of all potential non-US subcontractors, identify the ultimate parent company of each such non-US subcontractor, and provide full legal names and addresses, e-mail addresses, telephone numbers, and contacts for each such entity to Buyer prior to providing any technical data or product embodying such technical data to any such entity in connection with this Order. Seller shall return all technical data to Buyer after completion or termination of this Order unless otherwise directed by Buyer.

Seller shall provide appropriate certification to Buyer regarding the classification of the product(s) procured under this Agreement on either the United States Munitions List (USML) or the Commerce Control List (CCL). Furthermore, as part of Seller's obligation under this Order, Seller shall provide the USML Category or Export Control Classification Number (ECCN) to Buyer, as applicable.

20. ENGINEERING CHANGE PROPOSAL (ECP). Engineering changes proposed by Seller prior to production baseline configuration must be submitted in writing to Buyer's authorized Procurement representative for approval. While changes must be approved by Buyer in Wilmington, Massachusetts, U. S. A., emergency changes may be coordinated and approved by telephone or facsimile; formal written confirmation copies must be forwarded immediately. After first article conformity approval establishes production baseline, Seller shall comply with Clause 21 Configuration Control Provisions.

21. CONFIGURATION CONTROL PROVISIONS.

- A.** Subsequent to the establishment of the production baseline, any and all engineering changes shall be submitted to Buyer as Engineering Change Proposals (ECPs). Each ECP shall contain sufficient data for processing by Buyer.
- B.** Seller shall submit all proposed engineering changes complete with descriptive drawings. Submittal shall be as one (1) reproducible copy of all drawings. Buyer will classify the change, process accordingly, and either approve or disapprove.
- C.** Incorporation of any change prior to Buyer's written approval shall be at Seller's sole risk. All related engineering documentation changes must specifically receive Buyer's written direction and approval prior to incorporation. Inspection and acceptance of the Articles being procured will be accomplished against the Buyer's approved engineering documentation.
- D.** Waivers for deviations shall be submitted to Buyer in sufficient detail to permit complete review and processing.
- E.** Seller shall be responsible for ascertaining that all subcontractors/suppliers shall be subject to the levels of design control stated herein.

22. VALUE ENGINEERING CHANGE PROPOSAL (VECP). A sharing arrangement for any accepted VECP may be negotiated between the parties.

23. TECHNICAL ASSISTANCE AND DATA. Seller agrees to provide technical data produced for Seller by its subcontractors at no cost to Buyer and upon Buyer's request. Seller agrees that the Buyer owns all rights to the data necessary to manufacture Articles procured under Buyer's Orders.

24. USE AND DISCLOSURE OF DOCUMENTS AND TOOLS.

- A.** All documents and tools including, but not limited to, designs, drawings, models, and patterns furnished to Seller by Buyer shall remain the exclusive property of Buyer; shall be used only in the performance of Orders from Buyer; and shall not be reproduced or disclosed to third parties. Disposition of such documents and tools and any copies shall be as directed in writing by Buyer.
- B.** Unless otherwise provided herein, special tools, equipment, dies, jigs, fixtures and

patterns (hereinafter collectively referred to as "Special Tooling"), used in the manufacture of Articles shall be furnished by and at the expense of Seller, shall be kept in good condition and when necessary, shall be replaced by Seller without expense to Buyer. Buyer may at any time reimburse Seller for the cost of any of the Special Tooling and/or replacements and become the owner and entitled to the possession of same.

- C.** If the price stated on the face hereof includes the cost of any Special Tooling fabricated or acquired by Seller for the purpose of filling the Order, such Special Tooling and any process sheets related thereto shall become the property of Buyer and shall be identified by Seller as such. Unless otherwise specified herein, Buyer shall make payment only upon acceptance of the first run of material or parts fabricated therewith. Seller shall at its own expense maintain such Special Tooling in proper working order and shall be responsible for all loss of or damage thereto while in its possession and shall use the same only for the production of Articles for Buyer, unless otherwise authorized in writing. Seller shall follow its normal industrial practice in maintaining property control records for such Special Tooling and when the Order has been completed, such Special Tooling will be disposed of as Buyer may direct. Seller shall include the substance of this subparagraph in all purchase orders and subcontracts issued by it hereunder.

25. PROGRAM PLAN AND PROGRESS REPORTS. Seller will provide Buyer a detailed plan with a schedule for the accomplishment of major milestones necessary for the performance of Orders within thirty (30) days of receipt of this Order. Monthly, Seller will provide Buyer an update to this program plan along with a cover letter that details the status of the program at that time. The letter will include accomplishments and any problems encountered along with solutions. In addition, the Seller will include information on problems of a long-range nature that could affect the program.

26. MATERIAL. Seller shall supply all material required for the manufacture of all Articles ordered. Casting patterns, forging and extrusion dies established by Buyer, when available, may be used by Seller when authorized by Buyer. Seller shall provide Buyer with current lead time information.

27. DEFECTIVE COST OR PRICING DATA. Seller shall comply with provisions of FAR 52.215-12 and 52.215-14 which are incorporated herein by reference to the extent such clauses are or become applicable to this order. Seller shall reimburse the Buyer any amount Buyer may be obliged to reimburse the United States Government or other customer plus any interest, fines or other penalties imposed upon the Buyer as a result of Seller's or Seller's subcontractors' failure to comply with such provisions and any other provision incorporated into this order relating to providing Buyer or the United States Government cost or pricing data. Seller further agrees to reimburse Buyer for any loss or cost, including, without limitation, attorney's fees, incurred by Buyer in attempting to justify Seller's or its subcontractors' data. Notwithstanding the foregoing, Buyer shall have no obligation to justify the data submitted by Seller provided it gives Seller an opportunity to justify such data directly with Buyer's customer.

28. GRATUITIES. Seller and/or any agent or representative of Seller will not offer gratuities to any employee of Buyer. Failure of Seller to honor this commitment may, at Buyer's option, result in termination of an Order as per Clause 6--Default.

29. NOTICE OF LABOR DISPUTES. Whenever Seller has knowledge that any actual or potential labor dispute may delay an Order hereunder, Seller shall immediately notify and submit relevant information to Buyer. Seller shall insert the substance of this clause in any subcontract hereunder.

30. OFFSET. CREDITS FOR FOREIGN PROCUREMENTS

Buyer reserves the right and declares its intention to claim credit for the value of this order against any offset or industrial cooperation commitment, either present or future, that Buyer may undertake in the Seller's country or, if the seller is a distributor, in the country of origin of the product. Seller agrees to support Buyer by making the necessary documentation available to the appropriate agencies in the Seller's country and will assist Buyer in working with such agencies to effect the proper crediting of the offset activity.

Buyer represents that its business base consists, in part, of international orders, and that it must, from time to time, enter into international offset agreements to secure such orders. To the extent that the goods ordered hereunder are components of Buyer's products/systems sold to a foreign nation or concern or are non-recurring activities, tooling, equipment, engineering, ect. Associated with Buyer's products/systems sold to a foreign nation or concern, and in recognition that such sale results directly or indirectly in business opportunities, sales or revenue for the Seller, the Seller agrees to cooperate with Buyer in the fulfillment of any offsets program obligations that Buyer may be required to accept as a condition of such foreign sale. Seller hereby commits to assume and discharge a proportionate share of said offset obligation(s), either directly or through a mutually agreeable third party, by engaging in such activities as subcontracting, co-production, co-development, technology transfers, countertrade, investments, joint ventures, etc. Buyer's customer countries.

Buyer expressly claims the right to all industrial benefits and other offset credits arising with respect to any goods ordered hereunder, including any related issues by the Seller to sources in the foreign customer's country. The Seller agrees to provide all necessary information in such form as may be required to enable Buyer to obtain the aforementioned offset credits.

31. APPLICABLE LAW AND VENUE. These "GENERAL TERMS AND CONDITIONS FOR INTERNATIONAL PURCHASE ORDERS" and an Order hereunder shall be interpreted and governed by the laws of the Commonwealth of Massachusetts, U. S. A.. In the event of any dispute or claim, the parties hereby agree that any lawsuit or other legal actions shall be filed in the court of general jurisdiction in the Commonwealth of Massachusetts, Cambridge, Middlesex County, Massachusetts, U. S. A., or in the Federal District Court, Eastern Corporation, Boston, Massachusetts, U. S. A.. Seller agrees to submit to the jurisdiction of any such court; agrees to venue in such court; waives any defense of forum nonconveniens; agrees to notice and service of process by mail at its address specified in Clause 33; and agrees to enforcement of any award or judgment in any jurisdiction in which Seller has its business or assets.



32. **COORDINATOR.** Seller shall name a Coordinator who will be Seller's contact with Buyer.



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33. NOTICES. All notices shall be in English, sent by facsimile, confirmed by airmail, and addressed as follows:

Buyer: Textron Systems Corporation
201 Lowell Street
Wilmington, Massachusetts, U. S. A. 01887

Attention: Subcontract Administration

Seller: (Unless otherwise designated in writing, Seller's address is as appears on the face of any Order.)

34. ORDER OF PRECEDENCE. In the event of any inconsistency among the provisions of an Order hereunder, such inconsistency shall be resolved by giving precedence in the following order:

- A. Provisions typed on the face of the Order;
- B. Terms and Conditions;
- C. The Statement of Work;
- D. The Specifications. The performance requirements of the specifications of the Order take precedence over any configurations/design or component requirements as specified in the specifications.

35. BUYER-FURNISHED PROPERTY.

- A. Seller shall not use, reproduce, appropriate or disclose for the benefit of any party other than Buyer, any manufacturing materials and other property or information furnished by Buyer. Seller shall not use the manufacturing materials to produce or manufacture items for any party, other than the Articles required by this Order, without prior written authorization from Buyer.
- B. If the U. S. Government has Buyer's prior authorization, or otherwise holds the right, to direct Seller to use Buyer's manufacturing materials to manufacture Articles for direct sale to the U. S. Government, then Seller may do so without further written authorization from Buyer; provided, however, that Seller shall:
 - (i) give Buyer prior written notice of each such proposed use;
 - (ii) prominently identify each item being provided by Seller for direct sale to the U. S. Government and provide Buyer with applicable U. S. Government Contract Number;
 - (iii) make no claim against Buyer which arises out of Seller's use of the manufacturing materials;
 - (iv) indemnify and hold Buyer harmless from any and all claims and causes of action for wrongful death, bodily injury or property damage based upon, but not limited to, theories of strict liability or negligence, actual or implied, which may arise out of such use and direct sale to the U. S. Government;
 - (v) certify that use of Buyer's technical data will be limited to manufacturing materials for delivery to the U. S. Government and agrees to provide Buyer reasonable access to Seller's books and records to verify compliance herewith;
 - (vi) not to use Buyer's name to identify any items sold to the U. S. Government, permanently and prominently identify such items as being manufactured by Seller and otherwise mark such items in accordance with MIL-STD-130.
- C. In all other cases where Seller has Buyer's authorization to manufacture Articles for direct sale to another party other than Buyer or the U. S. Government, Seller shall:
 - (i) identify each Article in a manner different from identification of Articles manufactured for Buyer pursuant to this Order;
 - (ii) furnish to Buyer a monthly/quarterly report including the name and address of the third party and listing the Articles, by part number and quantity, sold directly to authorized third parties during the prior month/quarter;
 - (iii) make no claim against Buyer which arises out of Seller's use of the manufacturing materials;
 - (iv) indemnify and hold Buyer harmless from any and all claims and causes of action for wrongful death, bodily injury or property damage based upon, but not limited to, theories of strict liability or negligence, actual or implied, which may arise out of such use and direct sale to such authorized third parties.
- D. Title to manufacturing materials furnished by Buyer shall, at all times, remain in Buyer. Buyer does not warrant the accuracy or reliability of any of the manufacturing materials. Seller shall bear the risk of loss, damage or destruction of the manufacturing materials and shall promptly replace or repair, at Seller's expense, any of the manufacturing materials lost, damaged, or destroyed unless such loss, damage or destruction is solely, directly and proximately caused by Buyer's negligence.
- E. All manufacturing materials furnished by Buyer, together with spoiled and surplus materials and articles, shall be returned to Buyer at termination or completion of this Order unless Buyer shall direct otherwise in writing. If Buyer's manufacturing materials are furnished by Seller to its suppliers to procure supplies or services for use in the performance of this Order, or the order of any authorized third party or the

U. S. Government, then Seller shall include in the subcontract for supplies or services a provision substantially in the same form as this Clause 35.

- F. Seller acknowledges that Buyer's manufacturing materials and technical data are unique and proprietary and that monetary damages will be inadequate to compensate Buyer for Seller's breach of this Order. The parties agree that, in addition to any other remedies available to Buyer under this Order, or at law or equity, Buyer will be entitled to seek injunctive relief to enforce the terms of this Order.

36. PARTIAL INVALIDITY: WAIVER. If any provision of these "GENERAL TERMS AND CONDITIONS FOR INTERNATIONAL PURCHASE ORDERS" or an Order hereunder is or becomes void or unenforceable, the other provisions shall remain valid and enforceable. Waiver of one provision of these terms and conditions by Buyer shall in no way act as a waiver of any other provision herein.

37. COMPLETE AGREEMENT. These "GENERAL TERMS AND CONDITIONS FOR INTERNATIONAL PURCHASE ORDERS" and the Orders shall constitute the entire and complete agreement between the parties.

38. EXECUTION OF ORDERS. All Orders issued by Buyer and accepted by Seller are executed in the Commonwealth of Massachusetts, U. S. A..

39. GOVERNMENT REGULATIONS. Seller agrees to comply with U. S. Governmental regulations for the control of the import, export or re-export of commercial, military and/or dual-use products and technology, which are delivered to or received from Buyer in connection with this Order. Specifically, Seller agrees to comply with the U. S. Export Administration Act (50 USC 2401 etseq.) and the U. S. Arms Export Control Act of 1976 (22 USC 2751-2779) which control the import, export and re-export of commercial and military goods.

40. TAXES/DUTIES. Seller shall pay all taxes and import or export duties of any kind outside the U. S. A., including those taxes or duties that may be imposed or assessed on any property furnished by Buyer (data, information, materials, components or tooling), and all fines or penalties imposed by reason of Seller's failure to pay such taxes or duties. All such taxes and duties, existing, new or increased, are included in the price stated in this Order.

41. TITLE. Unless otherwise provided in the Order, title to Articles shall pass to Buyer only upon Buyer's final acceptance of the Articles.

42. SET-OFF. Seller agrees that Buyer shall have the right to set-off against any amounts which may become payable by Buyer to Seller under this Order or otherwise, any amounts which Seller may owe to Buyer, whether arising under this Order or otherwise.

43. PRICE WARRANTY. Seller warrants that the prices charged under this order do not exceed those charged by Seller to any other customer, including preferred customers of the U.S. Government, for purchase of the same items or services in like or similar quantities.

44. APPROVALS. Wherever this Order provides for submittal of designs, components, or other items for approval of Buyer, such approvals shall not be construed as a complete check as to the adequacy of said design, component, or item, nor as an agreement of acknowledgment that the design, component, or item will meet requirements of the Statement of Work under this Order. Such approvals are solely for the purpose of insuring Buyer's knowledge of Seller's plans and progress and will indicate only that Seller's general approach towards meeting requirements under this Order is satisfactory. Such approvals shall in no way relieve the Seller of the responsibility for any error or deficiency which may exist in the submitted design, component, or other item, as Seller shall be responsible for meeting all the requirements of the Statement of Work under this Order.

45. ADMINISTRATION. Notwithstanding any other provisions of this Order or any document referenced herein, TSC's cognizant Subcontract Administrator or Buyer is the only individual authorized to make the changes in or redirect the work required by this Order. Where TSC approval is required under the terms of this Order, it shall be construed to mean the approval of TSC's cognizant Subcontract Administrator or Buyer. In the event the Seller effects any change at the direction of any other person, the change will be considered as having been made without authority and an adjustment will not be made in the Order price or delivery schedule as a result thereof. No agreement or understanding will be binding on TSC unless made in writing and signed by the cognizant Subcontract Administrator or Buyer.

46. INSOLVENCY. If Seller ceases to conduct its operations in the normal course of business, including inability to meet its obligations as they mature, or if any proceeding under the bankruptcy or insolvency laws is brought by or against Seller, or a receiver for Seller is appointed or applied for, or an assignment for the benefit of creditors is made by Seller, Buyer may terminate this order without liability, except for deliveries previously made or for goods covered by this order then completed and subsequently delivered in accordance with the terms of this order.

47. COMPLIANCE WITH GOVERNMENT CONTRACT REQUIREMENTS. Should this order state that it is issued under one or more U. S. Government contracts, the following Federal Acquisition Regulation (FAR) Clauses in effect as of the date of this order apply to this purchase except for work performed outside the United States by employees who were not recruited within the United States:

FAR Clause 52.222-26 Equal Opportunity



R09/26/2005

FAR Clause 52.222-35 Affirmative Action for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans

FAR Clause 52.222-36 Affirmative Action for Workers with Disabilities