

Remark C64ES---Effective February 14, 2003
TERMS AND CONDITIONS OF PURCHASE

BASIC TERMS AND CONDITIONS FOR GE ENGINE SERVICES MALAYSIA SDN. BHD

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BASIC TERMS AND CONDITIONS

1. Definitions: As used throughout this purchase order, the following terms shall have the meanings set forth below.
 - A) "PURCHASER" means the party contracting with Seller for Goods and/or services and identified as the purchasing entity on the face of the purchase order.
 - B) "GOVERNMENT" means the United States of America or any department or agency thereof.
 - C) "PRIME CONTRACT" means a contract which is defined by a government contract number in the schedule of this purchase order and under which this purchase order is made.
 - D) "SELLER" means the party contracting to perform the work hereunder.
 - E) "SUBCONTRACT," unless provided otherwise in this purchase order, means all contracts placed by the Seller or lower tier subcontractors for the specific purpose of performing any portion of the work under this purchase order, and includes, but is not limited to purchase orders and changes, or modifications thereto.
 - F) "FAR" means the Federal Acquisition Regulations.
 - G) "FAR SUPPLEMENT" means authorized supplements to the FAR, including the DOD FAR Supplement (DFARS).
 - H) "Goods" means the product supplied by Seller under this purchase order, including without limitations all components, raw materials, and intermediate assemblies thereof.
2. TERMS AND CONDITIONS: Either Seller's written acknowledgement or Seller'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 purchaser 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 Seller to vary in any degree any of the terms of this offer in Seller'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 but shall be deemed a material alteration thereof, and this offer shall be deemed accepted by the Seller without said additional or different terms. If this purchase order shall be deemed an acceptance of a prior offer by Seller, such acceptance is limited to the express terms set forth in this purchase order.
3. 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 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 purchase 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 this 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 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, the dispute 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.
 - (D) The arbitration proceedings shall be conducted in Malaysia and the purchase order shall be interpreted and applied in accordance with the laws of Malaysia without regard to the choice of law provisions. 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. The arbitrator shall have no authority to award punitive 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 purchase order. The arbitration award shall be in writing and shall specify the factual and legal basis for the award. The right to appeal the award shall be governed by Malaysian law, and any such appeal shall be brought in a court of competent jurisdiction located in Malaysia.

(E) Either party may at any time, without inconsistency with this purchase order, seek from a court of general jurisdiction located in Malaysia, any equitable, interim or provisional relief only to avoid irreparable injury.

(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 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.

4. **PACKAGING REQUIREMENTS:** Packaging requirements are contained in GEES Standard Remark E12ES listed on this purchase order.

5. **TRANSPORTATION:**

(a) Goods covered by this purchase order shall be shipped in accordance with ICC Incoterms, 2000 edition. The applicable shipping and delivery Incoterms will be specified on the face of this purchase order. In any event, title to said Goods shall pass to Purchaser on the title passage date (earlier of the Manufacturing Required Date (MRD) or the use date, unless Goods are delinquent to the MRD, in which case title passage shall occur upon arrival of such Goods at the specified delivery location). Purchaser insures all Goods for which it accepts risk of loss while such Goods are in transit. Therefore, Seller shall not declare any insurance value on such Goods shipped via any carrier.

(b) Seller shall release rail or truck shipments at the lowest released valuation permitted in the governing tariff or classification. No charges for unauthorized transportation will be paid by the Purchaser. Any unauthorized shipment which results in excess transportation charges must be fully prepaid by Seller. If Seller does not comply with the stated delivery schedule, Purchaser may, in addition to any other right which Purchaser may have, require delivery by fastest way. The charges resulting from this mode of transportation must be fully prepaid by Seller and the full cost of the shipment must be absorbed by Seller.

6. **ANTICIPATION OF DELIVERY SCHEDULE:** Unless otherwise agreed to in writing, Seller shall not make material commitments or production arrangements in excess of the amount or in advance of the time necessary to meet firm delivery schedules and those planned schedules that are within lead time.

7. **DELAY AND DEFAULT:** In the event Seller for any reason anticipates any difficulty in complying with the required delivery date, or in meeting any of the other requirements of this purchase order, Seller shall promptly notify Purchaser in writing. In the event of non-delivery, breach, or any other default by Seller, Purchaser's rights will be as specified in Article 45 of the United Nations Convention on Contracts for the International Sale of Goods, but subject always to the following :

(a) Article 45 (in particular Article 45(3) of the said Convention) and the provisions referred to therein shall apply only to the extent that none of the provisions therein shall oust in any manner whatsoever the jurisdiction of the courts of Malaysia and in the event of and to the extent such ouster of jurisdiction, then the said Convention shall not apply but the courts of Malaysia (whether in the enforcement in Malaysia of an arbitral award issued by the International Chamber of Commerce pursuant to Article 3 or otherwise) shall have jurisdiction in determining the rights and obligations of the parties herein with regard to breach(es) and damages under this Agreement.

(b) In any inconsistency or conflict between the provisions of Article 45 of the said Convention (and the provisions therein) and any laws of Malaysia (whether statutes or otherwise), the said Convention shall not apply where the laws of Malaysia is inconsistent or in conflict with the said Article 45 (and the provisions therein) and to the

extent such mandatory (but not otherwise) compliance is required, the said mandatory laws of Malaysia instead shall govern the rights and obligations of the parties herein with regard to breach(es) and damages under this Agreement.

8. PURCHASER'S PROPERTY:

(a) All tangible and intangible property, including, but not limited to tools, tool drawings, materials, drawings, computer software, documents or data of every description furnished to Seller by Purchaser or specifically 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 Seller 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 Seller as being the property of Purchaser or Purchaser's designee, and shall be safely stored separate and apart from Seller's property. Seller 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 Seller's custody or control shall be held at Seller's risk and shall be insured by Seller for replacement cost with loss payable to Purchaser. Such property shall be subject to removal at Purchaser's written request, in which event Seller shall prepare such property for shipment and shall deliver it as directed by Purchaser in the same condition as originally received by Seller, reasonable wear and tear excepted, all at Seller's expense.

(b) Purchaser hereby grants Seller a license to use the drawings, specifications (including Purchaser's "S" specifications), computer software, and other data (hereinafter collectively referred to as "Data") furnished or paid for by Purchaser hereunder for the sole purpose of performing this purchase 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, the design, manufacture or repair of parts or to obtain FAA or other government approval to do so; provided; however, Seller may provide Data furnished or paid for by Purchaser hereunder to Seller's contractors for the sole purpose of enabling Seller's contractors to assist Seller in performing this purchase order for Purchaser and on condition that Seller's contractors agree in writing for Purchaser's benefit to the terms of paragraphs 8 and 10 and Appendix III 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) Purchaser shall have the right to audit all pertinent books and records of Seller, and to make reasonable inspections of Seller's facilities to verify compliance with Section 8B and Appendix III hereof.

(d) In the event Seller, without Purchaser's prior written consent and authorization, designs or manufactures for sale to any person or entity other than Purchaser any 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, Seller, in any adjudication involving or relating to Purchaser's Data, shall be required to establish by clear and convincing evidence that neither Seller 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.

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

9. CHANGES:

(a) Purchaser at any time shall have the right to make changes in the quantities, specifications or delivery schedule.

Any such change which has a significant impact shall entitle either Seller 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 Seller by representatives of the Purchaser in

connection with the Seller'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 purchase order.

If Seller considers that the conduct of any of Purchaser's employees has constituted a change hereunder, Seller shall notify Purchaser immediately in writing as to the nature of the change and its effect on Seller's performance including delivery schedule and the amount to be paid to Seller. In any event, the maximum liability of the Purchaser for obsolescence, scrappage, and/or rework resulting from any change shall be limited to the value of the materials and parts in process at the time of the change, to the extent that such parts are within Seller's normal manufacturing cycle required to meet the established delivery schedule.

- (b) Changes in delivery schedules will be communicated to the Supplier via the purchase order which will be mailed to the Supplier, transmitted via Electronic means, or made available via a web based application
- (c) Nothing in this Article 9, including any disagreement with Purchaser as to the equitable adjustment to be made, shall excuse Seller from proceeding with the purchase order as changed.

10. SELLER'S INFORMATION: Notwithstanding any document marking to the contrary, any knowledge or information which Seller has disclosed or may hereafter disclose to Purchaser incident to the placing and filling of this purchase order shall not be deemed to be confidential or proprietary information and accordingly Purchaser shall not be liable for any use or disclosure thereof .

11. ASSIGNMENT AND CHANGE IN OWNERSHIP:

- (a) Any assignment of this purchase order or any interest therein without the advance written consent of Purchaser, shall be void.
- (b) If a third party submits a solicited or unsolicited offer to Seller that would result in a Change of Ownership or Control of Seller, as defined below, Seller shall give notice of such offer to Purchaser as early as commercially practical following Seller'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 Seller accepts the offer, it shall give Purchaser an opportunity, within a reasonable time, to advise Seller of its objection to the offer. If, despite Purchaser's objections, the Change in Ownership or Control to the third party occurs, Purchaser has the right at its discretion to terminate this order for default under Article 7 and at no cost to Purchaser. In the event of such termination, Seller agrees to render full cooperation to Purchaser in order to minimize disruption to the Purchaser's program. In lieu of termination, Purchaser may require Seller to provide adequate assurance of performance, including, but not limited to the institution of special controls regarding the protection of Purchaser's proprietary information.

For purposes of this sub-paragraph b, the term "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 Seller, ii) the sale, lease, transfer or other disposition of substantially all of the assets of Seller or Seller's parent, iii) a merger, reorganization, consolidation, share exchange, recapitalization, 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 Seller, v) a sale by Seller of the assets relating to the product Seller produces or will produce for Purchaser or vi) any public disclosure of a proposal or plan or intention to do any of the foregoing.

12. SET-OFF: Purchaser shall be entitled to set off any amount owing from Seller to any of Purchaser's affiliated companies against any amount payable under this order.

13. WORK ON PURCHASER'S OR ITS CUSTOMER'S PREMISES: If Seller's work under this purchase order involves operations by Seller on the premises of Purchaser or one of its customers, then:

- (a) Seller 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. Seller shall maintain such public liability, property damage and employees liability and compensation insurance

as will protect Purchaser from said risks and from any claims under any applicable workers' compensation and occupational disease acts, and upon Purchaser's request provide Purchaser proof of such insurance.

- (b) Seller 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 Seller's employee acknowledges use of prescription drugs, or if the drug screening results are positive for prescription drug use, Seller shall not assign such employee to perform work pursuant to any order unless, (1) Seller confirms that there are corresponding documented medical authorizations for use of such prescription drugs; and (2) Seller 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) Seller'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) Seller 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. Seller shall have, retain, and be able to provide to Purchaser, upon request, an approved drug and alcohol misuse prevention plan.
- (e) Seller 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 "GE Premises"). Criminal Convictions Records Investigation shall consist of a records search (documented by a written report retained by the Seller 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 five years preceding the date of the criminal conviction records investigation. Purchaser reserves the right, at its discretion, to request from Seller documentation of the completion of a criminal convictions records investigation for any employee assigned to work on Purchaser's or its customer's premises. Seller'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 Seller and its employees from Purchaser's or its customer's premises and Purchaser shall have the right to terminate all orders for default.
- (f) Seller shall not assign any person convicted of any one of the following to perform work on Purchaser's or its customer's premises that has been:
 - (i) convicted of murder; manslaughter; kidnapping; rape; sexual battery or gross sexual imposition; domestic violence; assault; arson; robbery; burglary; theft; embezzlement; fraud; drug possession, manufacturing or trafficking.
 - (ii) Seller shall not assign any person convicted as an adult of any felony, convicted of more than one misdemeanor in the previous two years, or convicted of more than five misdemeanors in the previous five years to perform work on Purchaser's or its customer's premises.
- (g) Purchaser may require Seller'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 Seller has falsified the criminal convictions questionnaire in any way, such person shall not perform work on Purchaser's or its customer's premises.
- (h) Seller shall include this clause "Drug Testing and Security Checks" in any subcontract placed pursuant to a Purchaser order with a subcontractor who will perform work on Purchaser's premises.

14. **INSPECTION:** All Goods or services including, but not limited to, engineering and design/development work, shall comply with all applicable specifications and shall be subject to inspection and test by Purchaser and its customer at all times and places, including the period of manufacture.

If any inspection or test is made on the premises of Seller or its supplier, Seller, 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 Seller or its supplier shall be performed in such a manner as not to unduly delay the work.

Purchaser's failure to inspect and accept or reject Goods or services shall neither relieve Seller from responsibility for such Goods or services as are not in accordance with the purchase order requirements nor impose liabilities on Purchaser therefor. The inspection or test of any item by Purchaser shall not relieve Seller from any responsibility regarding defects or other failures to meet purchase order requirements which may be discovered subsequently.

For engine components and other ancillary components, Seller shall provide and maintain quality control, inspection, and process control systems acceptable to Purchaser and its customer in accordance with Purchaser's then current supplier quality product requirements, as applicable. Records of all inspection work by Seller shall be kept complete and available to Purchaser and its customer.

15. **RECORD RETENTION REQUIREMENTS:** Seller shall maintain for four (4) years purchase order files for supplies, equipment, material, or services including supporting documentation and back-up files including, but not limited to, invoices and memoranda, e.g., memoranda of negotiations showing the principal elements of price negotiations. Product acceptance records, including inspection records, material certifications, and acceptance test records, shall be retained in accordance with Purchaser's then current supplier quality specification requirements.

16. **STATE SALES TAX:** Subject to the Sale Tax Act 1972, Purchaser may have authority to purchase tangible personal property without payment of tax at the time of purchase. If so, Purchaser shall advise Seller in writing and Purchaser agrees to maintain adequate records of all purchases and pay tax on all taxable items directly to the appropriate tax agency.

17. **RELEASE OF INFORMATION:** No public release of information regarding this purchase order shall be made without the prior written approval of Purchaser.

18. **PARTS COMPLIANCE AND MATERIALS TEST CERTIFICATION:** By acceptance of purchase order, Seller certifies that, except as specifically reported by Seller to Purchaser in accordance with Purchaser's reporting requirements, Goods supplied shall conform to all requirements of this purchase order, including S-485 Engine Services Quality System requirements for suppliers and subcontractors or other referenced specifications in effect as of the date of purchase order placement or as modified pursuant to the "Changes" clause, and that objective quality evidence* of conformance with quality specifications is in place or on file as required by purchase order and available for examination by Purchaser.

*"OBJECTIVE QUALITY EVIDENCE" shall mean any statement of fact pertaining to the quality of a product or service based on observations, measurements or tests which can be fully verified. Evidence must be expressed in terms of specific quality requirements or characteristics. These characteristics are identified in drawings, specifications, and other documents which describe the item, process, or procedure.

In accordance with FAR 145.223 any seller that accepts parts which are regulated by the Federal Aviation Administration (FAA) must provide facility access to the FAA for surveillance of these aviation parts.

19. **NONDISCRIMINATION IN EMPLOYMENT:** Seller will not in the performance of this Agreement discriminate against any employee or applicant for employment because of race, religion, color, sex, age, physical handicap or national origin, save as required of the Seller by any directives/policy guidelines issued by any governmental or semi-governmental departments, bodies or agencies to the contrary.

20. **INTELLECTUAL PROPERTY INDEMNITY:** Seller shall indemnify and save Purchaser and its customers harmless from and against any expense or liability, including costs, fees and 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 (without modification or further combination) or sales of such Goods constitutes infringement of any patent, trade secret or copyright. If an injunction should issue, Seller shall procure for Purchaser and its customers

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the rights to continue using said Goods, 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 refund the purchase price.

21. STANDARD TERMS OF SETTLEMENT: (a) STANDARD: 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 Seller within seventy-five (75) days (meaning within 75 days of the Payment Start Date (as defined in (d) below)). Settlement and invoicing must be paperless, and in a format acceptable to Purchaser. Seller 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 Seller by using Purchaser's accelerated payment program as follows: Seller agrees to accept the invoice amount discounted by two percent (2%), 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 %"). 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%".

(c) USE OF GECF : Funding for accelerated payment of invoices under the Purchaser accelerated payment program will be provided by General Electric Commercial Finance ("GECF"). 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 GECF consistent with clause 5 above; (2) once title to the Goods has passed to GECF, GECF will immediately and directly transfer title to Purchaser; and (3) any and all of the Seller's obligations under this purchase order, including Seller'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 21, the "Payment Start Date" shall be:

(1) For receivable material: From the latest of (a) the manufacturing required date as identified on the part schedules report, (b) the material received date as identified in Purchaser's computer system, or (c) the invoice date; and,

(2) For non-receivable material and/or 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. Subject to the early payment terms described in this clause, Purchaser shall issue payment to supplier in accordance with its standard terms of settlement -- net (payment of the un-discounted invoice amount) seventy five ("75") days. Settlement must be paperless. Seller must provide banking information to establish Electronic Funds Transfer ("EFT") for U.S. suppliers and wire transfer for non-U.S. suppliers.

22. EXPORT AND INTERNATIONAL TRAFFIC-IN-ARMS REGULATIONS: Seller agrees to comply with all export regulations and the provisions of the Arms Act 1960.

With respect to defense articles and services furnished hereunder, Seller certifies 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.

If Seller intends to conduct work for Purchaser in a foreign country, including but not limited to the use of Seller's own facility outside of the U.S. or the use of a foreign affiliate or unrelated subcontractor, Seller must provide advance written notification to Purchaser. Seller 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

23. ENVIRONMENTAL MATTERS:

A. HAZARDOUS SUBSTANCES. Seller warrants that except as specified on the face of the purchase order, none of the chemical substances constituting or contained in the Good(s) sold or otherwise transferred to Purchaser under this order are "environmentally hazardous substances" as defined in the Environmental Quality Act 1974 and "chemical hazardous to health" or "hazardous chemicals" under the Occupational Safety and Health Act 1994 and the regulations made thereunder, and Seller agrees to supply Purchaser with any and all required material data safety sheets. The Seller shall also comply with the relevant provisions under the Poisons Act 1952.

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B. ASBESTOS. Seller agrees to provide Goods which are free of asbestos unless Seller has notified Purchaser in advance and has obtained Purchaser's prior written consent to the use of asbestos. Seller agrees to include this clause in any subcontracts issued hereunder. If Seller intends to rely upon any drawing which requires or permits the use of asbestos, written notice to, and approval by, the cognizant buyer must be obtained prior to such use.

C. USE OF CADMIUM. 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 Seller 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 Seller's Good to come into contact with titanium containing items.

D. OZONE DEPLETING SUBSTANCES("ODS'S"). Seller agrees to comply with the Environmental Quality (Prohibition on the Use of Chlorofluorocarbons and other gases as Propellants and Blowing Agents) Order 1993 regarding warning statements on Goods manufactured with ODS'S, products containing ODS'S, and containers containing ODS'S. The need for warning statements, the specific wording of statements, and the placement of statements shall be in accord with requirements of the relevant Malaysian authorities. Any usage of Class I ODS'S is subject to evaluation and approval of Purchaser or the relevant Malaysian authorities. For purchases of materials to be supplied to the Government, Seller shall also comply with any labeling requirements arising under the Federal Acquisition Regulation (FAR).

Seller will eliminate the use of Class I ODS'S to the maximum extent possible. Any usage of class I ODS'S which cannot be eliminated is subject to evaluation and approval by the Purchaser or the Malaysian authorities. Seller will notify Purchaser of any such use of Class I ODS'S which cannot be eliminated and will provide Purchaser with any requested information which may be required in order to complete the evaluation and approval of the continued usage.

E. REPRESENTATIONS AND WARRANTIES. Seller represents and warrants that it shall perform all activities related to its manufacturing processes in compliance with all applicable federal, state and local environmental, health and safety laws and regulations.

Seller represents and warrants that it will use best efforts to prevent and minimize accidental releases of hazardous substances or constituents to the environment, as well as prevent and minimize risk of endangerment to human health or the environment from any manufacturing process.

Seller represents and warrants that in the event of a release or spill, it will use best efforts to mitigate actual or potential impacts to the environment or human health.

F. ENVIRONMENTAL CLAIMS. Seller agrees to indemnify, release, defend and hold harmless Purchaser, its directors, officers, employees, agents, representatives, successors and assigns, 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, or liabilities resulting from: (1) death or injury to any person, including officers and employees of Seller and those of Purchaser, arising out of or in any way connected with Seller's failure to comply with this Article 23, (2) damage to any property, real or personal, including property of Seller and that of Purchaser, arising out of or in any way connected with Seller's failure to comply with this Article 23, (3) any and all pre-existing conditions of real or personal property of Seller, or (4) any failure to comply with any federal, state, local or otherwise applicable environmental, health, or safety requirements. Seller agrees to include this clause in any subcontracts issued hereunder.

G.. MATERIAL OWNERSHIP. Seller and Purchaser agree that at all times prior to delivery and acceptance by Purchaser of the Goods, all raw materials, wastes and work-in-progress shall remain the property of Seller, except as otherwise provided herein.

H. WASTE MANAGEMENT. Seller shall be directly and solely responsible for managing all wastes associated with its manufacturing process. Seller shall manage any and all such wastes in compliance with applicable federal, state and local legislative regulations.

TERMS AND CONDITIONS OF PURCHASE

I. WASTE DISPOSAL CERTIFICATIONS. Seller agrees to generate and maintain detailed records certifying the proper disposal of all wastes associated with its manufacturing process, including wastes generated from the remediation or cleanup of any releases, leaks or spills. Such records will include the names and addresses of any treatment, storage or disposal facility receiving such wastes, the amount of waste received, and the dates of shipment and receipt. Seller shall maintain all records relating to environmental compliance and waste disposal.

J. PROCESS FLOW DIAGRAM AND MATERIAL BALANCE. Where Seller is relying upon Purchaser engineering drawings to provide Goods, upon request by Purchaser, Seller agrees to make available to Purchaser detailed process flow diagrams for its manufacturing processes, identifying unit quantities of raw material and associated waste. The process flow diagram will contain a material balance for the processes and will indicate the ultimate fate of each raw material or associated waste.

K. NOTIFICATION OF SIGNIFICANT EVENTS. Seller agrees to notify Purchaser in writing within five days after learning of any significant event involving any of its manufacturing or other processes that may affect Seller's ability to comply with its obligations under this purchase order, including but not limited to, any spill, leak or release to the environment which also requires notification to a state or federal agency, including, but not limited to: (A) the date of release; (B) the quantity and type of material released; (C) efforts to clean up the material released; and (D) efforts to mitigate impacts from the release. Notices shall be provided to 1) Purchaser, Attn: Environmental Health & Safety Representative, at Purchaser's address as shown on the face of the order; and 2) General Electric, Group Environmental Affairs & Safety, One Neumann Way, MD T165, Cincinnati, OH 45215, (TEL: (513) 672-3982).

L. HAZARDOUS MATERIAL IDENTIFICATION. Seller shall identify hazardous materials contained in items delivered to Purchaser, provide Material Safety Data Sheets (MSDS) for such Goods, and, where applicable, comply with the Environmental Quality Act 1974, the Occupational Safety and Health Act 1994 and the Poisons Act 1952 (including all Regulations/Orders issued thereunder). For each such material, identification shall reference the stock or part number of the delivered Good. 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 MSDS forms and hazard warning labels required under this section and the Environmental Quality Act 1974, the Occupational Safety and Health Act 1994 and the Poisons Act 1952 (including all Regulations/Orders issued thereunder) shall be provided to 1) Purchaser, Attn: Environmental Health & Safety Representative, at Purchaser's address as shown on the face of the order; and 2) General Electric, Group Environmental Affairs & Safety, One Neumann Way, MD T165, Cincinnati, OH 45215, (TEL: (513) 672-3982).

M. SELLER COMPETENCE. Seller represents and warrants that it possesses the facilities skills, knowledge and expertise to handle and provide the Goods and/or services specified herein in a safe and responsible manner, and that all persons, including any subcontractors, involved in handling any materials processed or provided for under this purchase order will be shown any MSDS associated with such materials and be advised of its safe and proper use and handling.

24. CLASSIFIED INFORMATION: Upon completion of work by Seller under this order, Seller shall return to Purchaser all classified information furnished by Purchaser in connection herewith, including all reproductions thereof, then in Seller's possession or control, and Seller shall surrender classified information or materials developed by Seller 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.

25. TERMINATION FOR CONVENIENCE: Purchaser, by written notice, may terminate this purchase order, in whole or in part, when it is in the Purchaser's interest to do so. The Purchaser shall terminate by delivery to Seller of a notice of termination specifying the extent of termination and the effective date.

After receipt of a notice of termination, and except as directed by Purchaser, Seller shall immediately: (1) stop work as directed in the notice; (2) place no further subcontracts or orders for materials, services, or facilities, except as necessary to complete the continued portion of the purchase order; and (3) terminate all Subcontracts to the extent they relate to work terminated. After termination, Seller shall submit a final termination settlement to Purchaser in the form and in the manner prescribed by Purchaser..

In the event that Purchaser wrongfully terminates this purchase order for default, in whole or in part, such termination becomes a Termination for Convenience under this Article 25.

Seller agrees to waive any claim when a reduction in the quantity on order has an order value which is under \$1,000.00.

When a change in requirements results in a quantity reduction those quantities will be deleted from the delivery schedules on the basis that any quantity with incurred cost will be consumed by future deliveries. Should the quantity with incurred cost not be consumed, this Article 25 applies.

26. RESERVED

27. SECURITY INTEREST: In the event items will be bailed to Seller or progress payments will be made, Seller hereby grants Purchaser a security interest in equipment, machinery, contract rights, inventory, goods, merchandise and raw materials, whether now existing or hereafter arising, and any replacements, improvements, substitutions, attachments, accessories and accessions thereto or thereon provided by Purchaser or purchased by Seller with progress payments or advances made by Purchaser and to be used by Seller in manufacturing products ordered by Purchaser under this purchase order. Seller agrees to execute and deliver all documents requested by Purchaser to protect and maintain Purchaser's security interest.

28. OFFSET REQUIREMENTS: Seller recognizes, as part of this purchase order, that Purchaser may incur international offset and/or revenue sharing obligations which could involve Goods placed under this purchase order. Should any quantity of a Good or Goods placed hereunder become necessary to support such other agreements during the term of this purchase order, Purchaser reserves the right to remove that portion from this purchase order. Any adjustment in forecasted or firm quantities will be pursuant to the Article 9, changes. No adjustment in firm released quantity or schedules will be made within a twelve (12) month delivery period after notification or lead time away, whichever is longer, as a result of this Article 28.

29. RESERVED

30. RESERVED.

31A. EDI (ELECTRONIC DATA INTERCHANGE) AND PAPERLESS INVOICING:

(a) Upon Purchaser's request, Seller shall sign an EDI Trading Partner Agreement with Purchaser within 15 days from the request date. Following such agreement, the parties shall establish an implementation schedule, which shall call for active EDI communication capability within 45 days from the EDI Trading Partner Agreement.

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

31B. RESERVED

32. BAR CODE SHIPPING LABEL: Upon Purchaser's request, all shipment containers for Goods to be delivered hereunder shall be labeled in accordance with Purchaser's bar code shipping label instructions. Seller shall submit example labels for approval within 60 days of said request. Seller shall designate an individual responsible for compliance with said instructions and shall act as Seller's contact for issues concerning bar code labels.

33. MATERIALS SCHEDULING: Upon Purchaser's request, Seller shall work with Purchaser to implement pull production, bin stocking and/or kitting for hardware supplied by Seller. Seller shall provide commitments to Purchaser's schedule via Purchaser's scheduling system within 72 hours of a change in Purchaser's production schedule. If Seller is unable to meet Purchaser's schedule, Seller shall immediately notify Purchaser in advance for proper reconciliation.

34. SELLER'S REPRESENTATIONS AND INDEMNIFICATION: Seller 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.

Goods 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. Seller represents, warrants, certifies and covenants that no Goods supplied under this purchase order have been or will be produced 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.

If Purchaser determines any of Seller's representations, warranties, certifications or covenants hereunder to be untrue, Purchaser shall have the right to terminate this purchase order without further compensation to Seller, and Seller shall defend, indemnify and hold harmless Purchaser and all of its directors, officers, employees, agents and representatives ("Indemnified Party") from and against all claims, losses, loss of use, damages, attorney's fees, actions, liability, demands, judgements, costs and expenses arising from Seller's untrue representations, warranties, certifications and covenants or Seller's failure otherwise to comply with the terms of this purchase order. An Indemnified Party shall have the right to participate in the selection of counsel and Seller shall not enter into any settlement agreement that contains any admission of liability on the part of Purchaser.

From time to time, at Purchaser's request, Seller shall provide certificates to Purchaser in form and substance acceptable to Purchaser relating to the requirements of this paragraph 34. Seller shall permit Purchaser or its representatives to have reasonable access to the site where work under this order is performed to assess 1) Seller's work quality and compliance with Purchaser's specifications and 2) Seller's compliance with its representations, warranties, certifications and covenants hereunder.

35. **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.

36. **SERVERABILITY:** If any provisions of this Remark C64ES or any part hereof is invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, all conditions and provisions of this Remark C64ES which can be given effect without such invalid, unlawful or unenforceable provision shall, nevertheless, remain in full force and effect.

37. **GRATUITIES:** Any officers, employees or agents of Purchaser, the U.S. Government, or Purchaser's customers, are prohibited from soliciting or accepting entertainment, gifts, gratuities, compensation or favors from Seller. Seller shall at all times comply with the requirements of this policy. When Seller has reasonable grounds to believe that a violation of this gratuity policy by Seller or Purchaser's representatives may have occurred, Seller shall promptly report the potential violation to Purchaser by using Purchaser's Integrity Helpline (1-800-443-3632) or by reporting it in writing. For violation of this Article 37 by Seller, this purchase order may be terminated in whole or in part. Purchaser may also require Seller 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.

38. **ACCESS TO PURCHASER'S COMPUTER SYSTEMS:** Access to Purchaser's computer systems by Seller's personnel shall include only those persons identified on Purchaser's systems security statement and who have been issued a systems user ID. Purchaser reserves the right to, at any time, verify the citizenship status of all Seller 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 Seller's personnel to perform assigned work and shall be valid until such access is revoked or surrendered. Such access shall be surrendered by Seller's personnel upon Purchaser's request or upon removal or reassignment by Seller.

39. **CITIZENSHIP STATUS:** For data export purposes, only citizens of the country in which the Seller is located shall be permitted to work on Purchaser's orders without prior written approval from Purchaser. Seller shall provide records as required by local laws and regulations regarding the citizenship status of Seller's employees.

40. **JUDGMENT CURRENCY:** All payments or advances required to be made under this Agreement, whether pursuant to a judgment or otherwise, shall be discharged by payments or advances in U.S. dollars provided that all such payments and advances shall comply with the provisions of the Exchange Control Act 1953 and the directives/guidelines issued by Bank Negara Malaysia including but not limited to all Exchange Control Notices issued by the Controller of Foreign Exchange. No payments or advances required to be made under this Agreement shall be discharged by payments or

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advances in any currency other than U.S. dollars, unless the amount so paid or advanced on prompt conversion to U.S. dollars yields the amount of U.S. dollars to be paid or advanced hereunder. In the event that any payment or advance made by a party hereunder, whether pursuant to a judgment or otherwise, does not, when converted, result in the correct amount of U.S. dollars required to be paid or advanced hereunder, the other party shall have a separate cause of action for the amount of any such action.

41. **REMOVALS AND REPLACEMENTS:** Seller agrees that, notwithstanding the provisions of any warranties, expressed or otherwise, negotiated with respect to Goods purchased from Seller by Purchaser or Purchaser's customers, Seller shall reimburse for labor and material cost including Overhead and General and Administrative (G&A) expense reasonably incurred by Purchaser in connection with:

1. The unscheduled removal and/or replacement of such Goods or components thereof from a higher level assemble due to failure of such Goods to conform to requirements of this purchase order or defective material , workmanship or design; or
2. Any such removal of said Goods at Seller's request; or
3. Any such removal of said Goods required due to any previously required changes to said Goods which Seller has failed to incorporate.

This remedy is not exclusive and shall not be in lieu of any other remedy available at law, in equity or under this purchase order.

42. **EXCLUDED GOODS AND SERVICES:** The Customs (Prohibition of Imports) Order 1998 made pursuant to the Customs Act 1967 prohibits the importation of all goods from Israel and Yugoslavia (Serbia and Montenegro). In addition, for Goods being delivered to the United States, the United States of America prohibits the importation of Goods or services from the following countries: Cuba, Iran, Iraq, Libya, North Korea, territory of Afghanistan controlled by the Taliban, and Yugoslavia (Serbia and Monetenegro). No Goods or services from the aforementioned 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. Such list can change from time to time and it is Seller'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/>

43. **GOVERNING LAW.** This purchase order shall be governed by the laws of Malaysia, notwithstanding its conflicts of laws rules.

44. **SUPPLIER SECURITY AND CRISIS MANAGEMENT POLICY:** Seller shall have and comply with a company security and crisis management policy. Upon Purchaser's request, Seller shall provide Purchaser a copy thereof. Seller shall revise and maintain the policy proactively, and as may be requested by Purchaser, in anticipation of security and crisis risks relevant to the Seller's business. Seller's policy, at a minimum, shall identify, and require the taking, by Seller's management and employees, of the measures necessary to do the following:

- (a) provide for the physical security of the people working on Seller's premises and others working for or on behalf of Seller;
- (b) provide for the physical security of Seller's facilities and physical assets related to the performance of work, including, in particular, the protection of Seller's mission critical equipment and assets;
- (c) protect from the loss of, misappropriation of, corruption of, and/or other damage to software related to the performance of work;
- (d) protect from the loss of, misappropriation of, corruption of, and/or other damage to Purchaser's and Seller's drawings, technical data, and other proprietary information related to the performance of work;
- (e) 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 the Seller's business operations in the event of a security breach, incident, crisis or other disruption of Seller's ability to use the necessary facilities, physical assets, software, drawings, technical data, or other intellectual property or to continue operations.

Purchaser reserves the right to inspect Seller's policy and to conduct on-site audits of Seller's facility and practices to determine whether Seller's policy and Seller's implementation of the policy are reasonably sufficient to protect

Purchaser's interests. If Purchaser reasonably determines that Seller's policy and/or policy implementation is/are insufficient to protect Purchaser's property and interests, Purchaser may give Seller notice of such determination. Upon receiving such notice, Seller shall have forty-five (45) days thereafter to make the policy changes and take the implementation actions reasonably requested by Purchaser. Seller's failure to take such actions shall give Purchaser the right to terminate this purchase order immediately without further compensation to Seller.

APPENDIX I

RESERVED

APPENDIX II INTERNATIONAL ORDERS

IF SELLER IS LOCATED OUTSIDE OF MALAYSIA, THE PRECEEDING TERMS AND CONDITIONS ARE MODIFIED AS FOLLOWS:

1. 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.

2. ANTI-DUMPING. Seller warrants that all sales made hereunder are or will be made at not less than fair value under the Countervailing and Anti-Dumping Duties Act 1993 (including any Customs (Anti-Dumping) Orders pursuant to the Customs Act 1967), and Seller will indemnify, defend and hold Purchaser harmless from and against any costs or expenses (including but not limited to any anti-dumping duties which may be imposed) arising out of or in connection with any breach of this warranty

3. IMPORTER OF RECORD.

A. If Seller is importer of record, Seller agrees that Purchaser will not be a party to the importation of the Goods; that the transaction(s) represented by this purchase order will be consummated subsequent to importation; that Seller will neither cause nor permit Purchaser's name to be shown as "importer of record" on any customs declaration; and that, if the Goods must be returned to Seller, Seller agrees to be Malaysian exporter and to comply with all applicable export regulations.

B. If Purchaser is the importer of record, Seller shall ship the Goods 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 non-adherence to this clause will be the responsibility of Seller.

C. Regardless of which party is the importer of record, Seller's shipping cartons and documentation must meet all Malaysian customs country of origin marking and invoicing requirements. Seller will be responsible for any fines or liabilities resulting from insufficient, improper or negligent invoicing or marking of shipments.

4. MALAYSIAN EXPORTER. If Seller is the Malaysian exporter for any Malaysian origin bailed or purchased material required by Seller to complete this purchase order, Seller shall be responsible for obtaining any required export license, authorizing a Malaysian freight forwarder, and complying with Malaysian export administration regulations/international traffic-in-arms regulations. If the Seller requests the Purchaser to export the materials, the Purchaser shall be responsible for procuring the export license, utilizing its duly authorized freight forwarder, and complying with Malaysian export administration regulations/international traffic-in-arms regulations.

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5. DRAWBACK: If Seller is an importer of record, upon request and where applicable, Seller will provide Purchaser a "Certificate of Delivery" properly executed pursuant to the Customs Act 1967 and/or as required by the Malaysian Royal Customs and Excise Department evidencing that all documentation and payment required of an importer of record under the said Act and/or said Department have been complied with and paid.

6. FORCED, PRISON, OR CHILD LABOR. No forced or prison labor may be used in manufacturing the products to be supplied under this contract, and Seller agrees to comply with all applicable child labor laws including but not limited to the Children and Young Persons (Employment) Act 1966. If forced, prison, or illegal child labor is determined to have been used in the manufacture of the products supplied hereunder, the Purchaser shall be indemnified by Seller and shall have the right to immediately terminate the contract without further compensation to the Seller.

7. ENVIRONMENTAL QUALITY WARRANTY. Regardless of which party is the importer of record, Seller will be responsible for complying with the import restrictions contained in the Environmental Quality Act 1974, the Occupational Safety and Health Act 1994, the Poisons Act 1952 and the Customs Act 1967 and all regulations issued thereunder including but not limited to the Customs (Prohibition of Imports) Order 1988, providing the appropriate certification required under the said Acts and regulations, and any fines or liabilities resulting from breaches of these Acts.

15. Intellectual Property and Export Licenses: In connection with the performance of any work under this purchase order, Seller, at its own cost, shall be responsible for: (1) determining whether, and the extent to which, any foreign or U.S. Government-funded intellectual property that was not provided by Purchaser will be used; (2) if any such foreign or U.S. Government-funded intellectual property will be used, obtaining, on behalf of Purchaser, a license under which the foreign or U.S. Government shall grant to Purchaser the unlimited right to use such intellectual property; (3) determining whether, and the extent to which, export licenses are required for export of all deliverables, whether tangible or intangible, under this purchase order from Seller's country to Purchaser; (4) obtaining the required export license.

All of Purchaser's obligations under this purchase order are conditional upon the issuance of intellectual property and/or export licenses by the foreign or U.S. Government granting Purchaser the right to use such foreign or U.S. Government-funded intellectual property and/or to export from Seller's country all deliverables, whether tangible or intangible under this purchase order.

APPENDIX III

SUPPLEMENTARY TERMS AND CONDITIONS FOR ORDERS INVOLVING OR RESULTING IN EXPERIMENTAL, DEVELOPMENT, RESEARCH WORK OR ENGINEERING SERVICES WORK.

1. DATA RIGHTS.

A. If purchase order is a contract involving or the performance of this purchase order results in experimental, development or research work, Seller hereby assigns and agrees to assign to Purchaser any inventions conceived and/or reduced to practice in the course of this purchase order and Seller also agrees to assign to Purchaser any patents issuing thereon and for this purpose to comply with the requirements of the Patents Act 1983 including the application to the Registrar of Patents under Section 39 of the Patents Act 1983 to record the said assignment. Seller further agrees to provide reasonable assistance to Purchaser, at Purchaser's expense, for securing patents on such inventions. Seller shall be responsible for assuring that its employees have signed appropriate agreements capable of securing such rights to Purchaser. Any compensation due to Seller's employees in connection with any invention shall be paid solely by the Seller.

B. If Seller is a non-profit institution, and if the work being done hereunder is pursuant to a contract which contains provisions regarding retention of intellectual property rights of the Seller, Seller shall retain ownership of inventions and Seller 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 purchase 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 products.

C. If this purchase order is a contract which calls for the delivery of, or results in the creation of original works of authorship, then all such works, irrespective of the media of expression, shall be deemed to be works made for hire and/or commissioned by the Purchaser pursuant to the Copyright Act 1987 and shall belong exclusively to Purchaser. If by ~~Copyright Act 1987~~ ~~not works made for hire~~, then Seller agrees to and does hereby assign to Purchaser the ownership of such works including all copyrights thereto as required pursuant to the Copyright Act 1987. Purchaser

may obtain and hold in its own name copyrights, registrations, and other protection that may be available in such works and Seller shall provide any assistance (at Purchaser's expense) required to perfect such protection.

2. Deleted Articles. The following article is not applicable and is deleted:

9. Changes

3. NON-PROFIT INSTITUTIONS.

A. If Seller is a non-profit institution, any references to indemnification in these terms and conditions shall be limited to such indemnification as may be permitted by law or regulation.

B. Article 12, Set Off, is not applicable to non-profit institutions.

C. Article 3, Dispute Resolution, shall be modified to refer to the law of the state under which the non-profit institution is chartered.

4. RESERVED :

APPENDIX IV

SUPPLEMENTARY TERMS AND CONDITIONS FOR COST REIMBURSEMENT ORDERS.

1. RESERVED

2. TERMS OF SETTLEMENT. Clause 21, Terms of Settlement, is supplemented by the following: "If this is a cost type purchase order, the frequency of invoicing shall be as stated in the body of this purchase order, and unless otherwise stated, shall not be more frequent than once each thirty (30) calendar days. Invoices will be processed for payment in accordance with Purchaser's standard terms of settlement. Payment will require approval of the invoice by the cognizant engineer." Fixed price orders remain subject to Clause 21, Terms of Settlement.

3. RESERVED

4. RESERVED

BELOW ARE THE MODIFICATIONS MADE FROM THE PREVIOUS VERSION DATED JUNE 15, 1999

- ARTICLE 1: MODIFIED
- ARTICLE 2: MODIFEID
- ARTICLE 3: MODIFIED
- ARTICLE 4: MODIFIED
- ARTICLE 5: MODIFIED
- ARTICLE 6: MODIFIED
- ARTICLE 7: MODIFIED
- ARTICLE 8: MODIFIED
- ARTICLE 9: MODIFIED
- ARTICLE 10: MODIFIED
- ARTICLE 11: MODIFIED
- ARTICLE 13: MODIFIED
- ARTICLE 14: MODIFIED
- ARTICLE 18: MODIFIED
- ARTICLE 20: MODIFIED

ARTICLE 22:MODIFIED
ARTICLE 23: MODIFIED
ARTICLE 25: MODIFIED
ARTICLE 28: MODIFIED
ARTICLE 29: DELETED
ARTICLE 30: DELETED
ARTICLE 31A: MODIFIED
ARTICLE 31B: DELETED
ARTICLE 33: MODIFIED
ARTICLE 34: MODIFIED
ARTICLE 35: MODIFIED
ARTICLE 36: MODIFIED
ARTICLE 37: MODIFIED
ARTICLE 39: MODIFIED
ARTICLE 40: DELETED
ARTICLE 41: MODIFIED
ARTICLE 42: MODIFIED
ARTICLE 43: NEW ARTICLE
ARTICLE 44: NEW ARTICLE