

**REMARK E95ES effective October 31, 2003**  
**TERMS AND CONDITIONS FOR PROCUREMENT OF SERVICES**  
**FOR GE CALEDONIAN LIMITED**

**Remark E95ES, when invoked and made applicable to one or more line items on a purchase order, supercedes Remark C64ES with respect to such line item(s), except to the extent that Remark E95ES invokes elements of C64ES.**

**CONTENTS:**

1. Scope, Terms Conditions, Definitions
2. Nature Of Services
3. Contract Price
4. Quality Of Work
5. Billing, Payments, and Standard Terms of Settlement
6. Books And Records; Record Retention
7. Data, and Intellectual Property
8. Contractor's Employees
9. Termination for Convenience
10. Reports
11. Security Classification Laws and Regulations -- Precautions
12. Modification
13. Reserved
14. Contractor's Representations and Indemnification
15. Dispute Resolution
16. Reserved
17. Default
18. Reserved
19. Purchaser's Property
20. Changes
21. Contractor Information
22. Assignment and Change in Ownership
23. Set-Off
24. Work On Purchaser's Or Its Customer's Premises
25. Release Of Information
26. Reserved
27. Intellectual Property Indemnity
28. Labor Notice
29. Former GE Employees
30. Prior Agreements
31. Access To Purchaser's Computer Systems
32. Export And International Traffic In Arms Regulations
33. Travel Expenses
34. Reserved
35. Severability
36. Gratuities
37. Prohibited Goods and Services
38. Governing Law
39. Contractor Security and Crisis Management Policy
40. Inspection
41. Classified Information
42. EDI ( Electronic Data Interchange) and Paperless Invoicing)
43. Environmental Matters
44. Waiver

Appendices: I

## 1. SCOPE, TERMS & CONDITIONS, AND DEFINITIONS

(a) Either Contractor's written acknowledgement or Contractor's full or partial performance under this order, whichever occurs first, will constitute acceptance of all terms and conditions contained herein. Any acceptance of this purchase order is limited to acceptance of the express terms of the offer set forth in this order. Any proposal for additional or different terms or any attempt by Contractor to vary in any degree any of the terms of this offer in Contractor's acceptance or acknowledgement or any other communication issued by the Contractor 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, price or delivery schedule of the services but shall be deemed a material alteration thereof, and this offer shall be deemed accepted by the Contractor without said additional or different terms. If this purchase order shall be deemed an acceptance of a prior offer by Contractor, such acceptance is limited to the express terms set forth in this order.

(b) These terms and conditions may be invoked in a purchase agreement, between Purchaser and Contractor, against which Purchaser may place multiple purchase orders. Under such circumstances, each purchase order shall constitute a separate and distinct contract between the parties and these terms and conditions shall be in addition to those of such order, and shall be deemed incorporated in each such order. Regardless of whether an order is issued in connection with a purchase agreement invoking these terms or independently of any purchase agreement, these terms and conditions shall supersede and replace all terms and conditions appearing or referred to on the face or on the reverse of any proposal, acknowledgement, or acceptance or any other communication issued by the Contractor in connection with such order.

(c) Definitions :

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

- (1) "CAA" means the Civil Aviation Authority of the United Kingdom.
- (2) "Contractor" means the party contracting with Purchaser to perform the work required under a purchase order placed by Purchaser.
- (3) "JAA" means the Joint Airworthiness Authority established under the European Community.
- (4) "Purchaser" means the party contracting with Contractor for services and identified as the purchasing entity on the face of this purchase order.

## 2. NATURE OF SERVICES

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

(b) If the services to be performed by Contractor are in connection with a Government Contract, Contractor agrees to comply with all United States Government Federal Acquisition Regulations (“FAR”), Defense Federal Acquisition Regulations (DFAR) and any authorized supplements to FAR, including those of the United States Department of Defense (“DOD”), which are applicable to such Government Contract.

### 3. **CONTRACT PRICE**

(a) Contractor shall be compensated for all services performed by Contractor for Purchaser in connection with each order in the manner and amount specified on the order. Payment for labor hour contracts will be made in an amount determined by multiplying the total number of hours required to be performed by the hourly rate specified in the order for various categories of work, not to exceed the total price specified in the order.

Premium pay for any off shift work effort (2nd or 3rd shift) will be negotiated separately.

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

(c) Contractor shall compute its employees’ wages and withhold applicable national and local taxes, and national insurance.

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

### 4. **QUALITY OF WORK.**

(a) All services performed hereunder shall be subject to the inspection of an engineer or manager designated by Purchaser and shall be in strict accordance with the requirements of the contract papers. The Contractor agrees to use only experienced, trained and qualified employees in the performance of services required by any order and all services performed must be performed in a workmanlike manner, in accordance with all warranties and obligations imposed by this Agreement or applicable law.

(b) Contractor warrants to Purchaser that the goods supplied pursuant to this order:

- (1) will be of satisfactory quality (within the meaning of the Sale of Goods Act 1979, as amended) and fit for any purpose held out by Contractor or made known to Contractor at the time the order is placed.
- (2) will be free from defects in design, material and workmanship.
- (3) will correspond with any relevant specification or sample.
- (4) will comply with all statutory requirements and regulations relating to the sale of the particular goods.

(c) Without prejudice to any other remedy, if any goods supplied pursuant to this order are not supplied in accordance with this contract then Purchaser shall be entitled:

- (1) to require Contract to repair the goods or to supply replacement goods in accordance with the contract within 7 days; or
- (2) at Purchaser’s sole option (and whether or not Purchaser has previously required Contractor to repair the goods or to supply and replace goods) to treat the contract as discharged by Contractor’s breach and require the repayment of any monies which Purchaser may have paid.

(d) Contractor shall indemnify Purchaser for and against all liability, loss, damages, costs and expenses (including legal expenses) awarded against or incurred or paid by Purchaser as a result or in connection with:

- (1) breach of any warranty given by Contractor in relation to the goods;
- (2) any claims that the goods infringe or that importation use or resale infringes the patent, copyright, design right, trade mark or other intellectual property rights of any other person except to the extent that the claim arises from compliance with any specification supplied by Purchaser;

- (3) any liability under the Consumer Protection Act 1987 (or any other subsequent or relevant legislation) in respect of the goods; and
- (4) any act or omission of Contractor or its employees, agents or sub-contractors in supplying, delivering and installing the goods.

**5. BILLING AND PAYMENTS AND STANDARD TERMS OF SETTLEMENT (STS)**

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

(b) **ACCELERATED PAYMENT PROGRAM:** Purchaser reserves the right to choose the settlement of invoices with Contractor by using Purchaser's accelerated payment program as follows: Contractor agrees to accept the invoice amount discounted by two percent (2%), in exchange for Purchaser's initiation of payment on the 15<sup>th</sup> day following the Payment Start Date (as defined in (d) below) ("net 15 less 2 %). If payment is initiated earlier than such 15<sup>th</sup> day, the invoice amount may be further discounted to reflect substantially similar economics as "net 15 less 2%".

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

(d) **PAYMENT START DATE:** As used in this clause, the "Payment Start Date" shall be 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.

**6. BOOKS AND RECORDS**

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

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

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

## 7. DATA, INTELLECTUAL PROPERTY

(a) Purchaser shall be entitled to full ownership of all data, information, inventions, or discoveries, whether patented or unpatented, conceived or first actually reduced to practice in the performance of any order placed by Purchaser with Contractor.

(b) The Contractor agrees to promptly disclose any such data, information, invention or discovery to Purchaser. With respect to any such invention or discovery, the Contractor further agrees that it will cooperate with Purchaser, its officers and agents, in obtaining, at the expense of Purchaser with respect to the prosecution thereof, patents on such inventions or discoveries in the name of and for the benefit of Purchaser in the United States and/or foreign countries to the extent that Purchaser may consider desirable, and that it will procure from its employees without charge to Purchaser the execution of all patent applications, assignments and other instruments necessary to the procurement of such patents and to the vesting of title thereto in Purchaser.

(c) Purchaser shall become the sole owner of any and all notes, reports, memoranda, and any other written information made or prepared in connection with any order placed by Purchaser and such material shall not be copyrighted by Contractor. Except in the performance of services under this Agreement, Contractor will not use any material developed by Contractor under this Agreement without first obtaining the written consent of Purchaser. All such materials shall be deemed to be works for hire and shall belong exclusively to Purchaser. If by operation of law any of the material is not work made for hire, then Contractor agrees to assign, and hereby assigns, to Purchaser the ownership of such material including all copyrights thereto. Purchaser may obtain and hold in its own name copyrights, registrations, and other protection that may be available in such material, and Contractor shall provide any assistance required to perfect such protection.

(d) If the work under any order under this Agreement is in respect of any government contracts, Contractor and Purchaser shall comply with the rights in data, patents and copyrights clauses as set forth in the government contract, and unless otherwise specified, the rights of Purchaser shall be those of paragraphs 7.1, 7.2 and 7.3.

(e) The Contractor agrees that it will cause its employees to execute contracts of employment or other agreements assuring the Contractor the ability to comply fully with the foregoing provisions of this clause 7.

## 8. CONTRACTOR'S EMPLOYEES

Contractor's employees are not authorized, expressly or otherwise, to enter into any agreements or make any commitments, financial or otherwise, for or on behalf of Purchaser. Specifically, no employee of Contractor shall make contact with the DOD or other United States Government agency employees, members of the United States Congress, congressional employees or any analogous foreign government agency or employees thereof regarding the continuation, renewal, amendment or modification of a Government Contract to Purchaser.

## 9. TERMINATION FOR CONVENIENCE

Purchaser shall have the right, at any time, upon written notice to the Contractor, to terminate all or any work required by any order placed hereunder. Upon receipt of notice to terminate, the Contractor shall thereupon cease work upon the order to the extent required and shall turn over to Purchaser all completed work and work in process, including all designs, drawings, specifications, plans, lists, and other material required or produced in connection with such work and Purchaser, upon receipt thereof, shall reimburse the Contractor upon the basis expressed in the subject order for all work performed under the order to date of receipt of notice of termination. In the event Purchaser wrongfully terminates this purchase order for default, in whole or in part, such termination becomes a termination for convenience under this clause 9.

## 10. REPORTS

The Contractor shall render progress reports as often as reasonably requested by Purchaser, pertaining to the services performed hereunder, showing time expended daily by each of its personnel for each component of various projects both periodically and cumulatively. Such reports shall be in a form which will enable Purchaser to evaluate the progress made and the schedules to be met, and to keep a current account of time and monies expended upon each and all projects.

**11. SECURITY PRECAUTIONS**

The Contractor agrees to take all reasonable precautions to assure that the work carried on hereunder shall be protected against theft, destruction, or unauthorized disclosure. The Contractor further agrees to comply with all applicable security classification laws and regulations of the United Kingdom Government, insofar as said laws, rules and regulations pertain to any order hereunder.

**12. MODIFICATION**

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

**13. RESERVED**

**14. CONTRACTOR'S REPRESENTATIONS AND INDEMNIFICATION**

(a) Contractor represents, warrants, certifies and covenants that it shall perform all activities required under this purchase order in compliance with all applicable international, national, state and local laws, including, but not limited to environmental, health and safety laws and regulations.

(b) Any goods related to Contractor's services supplied under this purchase order may be exported worldwide, including countries that prohibit the importation of goods manufactured with child labor or forced, indentured or convict labor. Contractor represents, warrants, certifies and covenants that no goods supplied or services provided under this purchase order have been or will be produced or performed using forced, indentured or convict labor, or the labor of persons in violation of the minimum working age laws of the country of manufacture, or in violation of minimum wage, hour of service or overtime laws of the country of manufacture or in violation of minimum wage, hour of service or overtime laws of the country of the country in which the goods will be produced or services will be performed.

(c) If Purchaser determines any of Contractor's representations, warranties, certifications or covenants hereunder to be untrue or otherwise breached, Purchaser shall have the right to terminate this purchase order without further compensation to Contractor. Contractor shall defend, indemnify and hold harmless Purchaser and all of its affiliates, directors, officers, employees, customer's, agents and representatives ("Indemnified Party") from and against all claims, losses, loss of use, damages, attorney's fees, actions, liability, demands, judgments, costs and expenses arising out of or resulting from Contractor's untrue or breach representations, warranties, certifications and covenants, from Contractor's negligent (and its subcontractor's) acts or omissions, and from Contractor'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 legal counsel and Contractor shall not enter into any settlement agreement that contains any admission of liability on the part of Purchaser.

(d) From time to time, at Purchaser's request, Contractor shall provide certificates to Purchaser in form and substance acceptable to Purchaser relating to the requirements of this clause 14. Contractor shall permit Purchaser or its representatives to have reasonable access to the site where work under this order is performed to assess 1) Contractor's work quality and compliance with Purchaser's specifications and 2) Contractor's compliance with its representations, warranties, certifications and covenants hereunder.

**15. DISPUTE RESOLUTION**

(a) This contract and any order resulting as a consequence of this contract shall be interpreted in accordance with the laws of the England and Wales and the parties agree to submit to the non-exclusive jurisdiction of the courts of England and Wales. All disputes, differences concerning the interpretation or validity of this contract or the rights and liabilities of either of the parties shall be finally settled under the rules of conciliation and arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said rules. The arbitration shall be held in London and any arbitrator's award shall not exceed actual compensatory damages.

(b) The parties agree that notwithstanding the mechanism of the dispute resolution referred to at (a) above, either party may seek any equitable, interim, provisional or injunctive relief from any court of competent the courts of the Purchaser's place of business or incorporation have concurrent or exclusive jurisdiction in relation to the subject matter of the dispute.

16. **RESERVED**

17. **DEFAULT**

Purchaser may by written notice of default to Contractor (a) terminate the whole or any part of any order in any one of the following circumstances: (i) if the Contractor fails to perform within the time specified therein or any extension thereof; or (ii) if Contractor fails to perform any of the other provisions of any order, or so fails to make progress as to endanger performance of any order in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of ten (ten) days after receipt of Purchaser's notice or such longer period as Purchaser may authorize in writing and (b) upon such termination action Purchaser may procure, upon such terms as it shall deem appropriate, supplies or services similar to those terminated, in which case Contractor shall continue performance of such order to the extent not terminated and shall be liable to Purchaser for any excess costs for Purchaser's procurement of such similar supplies or services. As an alternate remedy, and in lieu of termination for default, Purchaser, at its sole discretion may elect (1) to extend the schedule and/or (2) to waive deficiencies in Contractor's performance, in which case an equitable reduction in the purchase order price shall be negotiated. In the event Contractor for any reason anticipates difficulty in complying with the required schedule, or in meeting any of the other requirements of any order, Contractor shall promptly notify Purchaser in writing. The rights and remedies of Purchaser provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under any Purchaser purchase order.

18. **RESERVED**

19. **PURCHASER'S PROPERTY**

(a) All tangible and intangible property, including but not limited to tools, tool drawings, materials, drawings, computer software, documents, information or data of every description furnished to Contractor 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 Contractor solely to render services or provide products to Purchaser. Such property, and whenever practical each individual item thereof, shall be plainly marked or otherwise adequately identified by Contractor as being the property of Purchaser or Purchaser's designee, and shall be safely stored separate and apart from Contractor's property. Contractor shall not substitute any property for Purchaser's property and shall not use such property except in filling Purchaser's purchase orders. Such property while in Contractor's custody or control shall be held at Contractor's risk and shall be insured by Contractor for replacement cost with loss payable to Purchaser. Such property shall be subject to removal at Purchaser's written request, in which event Contractor shall prepare such property for shipment and shall deliver it as directed by Purchaser in the same condition as originally received by Contractor, reasonable wear and tear excepted, all at Contractor's expense. The foregoing shall not be deemed to affect the rights, if any, of the Government in any such property or to grant any rights to Purchaser in conflict with DFARS 252.227-7013, Rights in Technical Data Noncommercial Items, DFARS 252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation, or DFARS 252.27-7015 Technical Data-Commercial Items.

- (b) Purchaser hereby grants Contractor 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 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 JAA, CAA or FAA or other Government approval to do so; provided; however, Contractor may provide Data furnished or paid for by Purchaser hereunder to Contractor's contractors for the sole purpose of enabling Contractor's contractors to assist Contractor in performing this purchase order for Purchaser and on condition that Contractor's contractors agree in writing for Purchaser's benefit to the terms of this paragraphs 19 and 21 . This license is non-assignable, 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 Contractor, and to make reasonable inspections of Contractor's facilities to verify compliance with section 19b above.
- (d) In the event Contractor, without Purchaser's prior written consent and authorization, designs or manufacturers for sale to any person or entity other than Purchaser any hardware that is substantially similar to or can replace or repair a GE or CFMI part, or obtains JAA, CAA or FAA or other governmental approval for such hardware or repair, the Contractor, in any adjudication involving or relating to Purchaser's Data, shall be required to establish by clear and convincing evidence that neither Contractor nor any of its employees, contractors or agents used in whole or in part, directly or indirectly any of Purchaser's Data in such design or manufacture or in obtaining JAA, CAA or FAA or other governmental approval with respect to such hardware or repair.
- (e) In the event Contractor is notified by Purchaser that Goods ordered under this purchase order are patented, Contractor agrees to mark such Goods with any patent numbers or other markings designated by Purchaser, including updates to such numbers or markings.

**20. CHANGES**

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

**21. CONTRACTOR INFORMATION**

Notwithstanding any document marking to the contrary, any knowledge or information which Contractor shall have disclosed or may hereafter disclose to Purchaser incident to the placing and filling of any order shall not, be deemed to be confidential or proprietary information and accordingly shall be acquired free from any restriction on use or disclosure.

**22. ASSIGNMENT AND CHANGE IN OWNERSHIP**

- (a) Any assignment or attempt to assign this order without the advance written consent of Purchaser shall be null and void and shall give Purchaser the right to terminate this order for default under Article 17.
- (b) If a third party submits a solicited or unsolicited offer to Contractor that would result in a Change of Ownership or Control of Contractor, as defined below, Contractor shall give notice of such offer to Purchaser as early as commercially practical following Contractor's receipt of the offer. The notice shall include the identity of the



offeror, the date and time of the offer and the conditions of the offer. Before Contractor accepts the offer, it shall give Purchaser an opportunity, within a reasonable time, to advise Contractor of its objection to the offer. If despite Purchaser's objections, the Change in Ownership and Control occurs, Purchaser has the right at its discretion to terminate this purchase order for default under Article 17 at no cost to Purchaser. In the event of such termination, Contractor agrees to render full cooperation to Purchaser in order to minimize disruption to the Purchaser's program. Pending termination or in lieu of termination, Purchaser may require Contractor to provide adequate assurance of performance, including, but not limited to the institution of special controls regarding the protection of Purchaser's proprietary information."

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

**23. SET-OFF**

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

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

If Contractor's work under any purchase order involves operations by Contractor on the premises of Purchaser or one of its customers ("Premises"), then:

(A) Contractor shall comply with all of Purchaser's safety and security procedures and shall take all necessary precautions to prevent the occurrence of any injury to person or property during the progress of such work. Contractor shall maintain such public liability, property damage and employees liability and compensation insurance as will protect Contractor from said risks, and upon Purchaser's request provide Purchaser proof of such insurance.

(B) The Contractor shall ensure that it complies with all applicable local, regional, and national legislation and/or regulations related to drug testing.

(C) Where a Contractor's employee may be required to access Premises pursuant to any purchase order, the Contractor shall ensure that either he is in possession or confirms he has seen a criminal conviction certificate in respect of the employee concerned.

(D) The Contractor shall not assign any employee to access a Premises under any purchase order where:

- (i) the Contractor is not in possession or has not seen a criminal conviction certificate in respect of that employee; or
- (ii) the criminal conviction certificate reveals that the employee has been convicted of an offence

(E) The Contractor shall ensure that the provisions of this clause are included in any subcontract pursuant to any purchase order with a subcontractor who will perform work on Premises.

(F) Purchaser reserves the right to deny access to Purchaser's or its customer's premises to any person who appears on government-issued lists of terrorists, suspects, etc., such as the Department of State, Arms Export Control Debarment List; Department of State, Proliferation List; Department of Commerce, Denied Parties List; and Department of Treasury, Specially Designated National List.

**25. RELEASE OF INFORMATION**

No public release (including without limitation, photographs, films, announcements, and denials or confirmations of the placing of any order) shall be made with respect to any order, or the subject matter thereof, without prior written approval of Purchaser.

26. **RESERVED**

27. **INTELLECTUAL PROPERTY**

Contractor 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 Intellectual Property . If an injunction or prohibition should issue, at Purchaser's option, Contractor shall either (i) procure for Purchaser and its customers the rights to continue using said goods, or (ii) modify them in a manner acceptable to Purchaser so they become non-infringing, or with the written approval of Purchaser, (iii) remove said goods and refund the purchase price. For the purposes of this Clause 27, Intellectual Property shall mean any patent, know-how, trademark, copyright, design right or other intellectual property rights whether registered or otherwise which exists in relation to the provision of the services or materials ordered in accordance with this contract.

28. **LABOR NOTICE**

(a) The Contractor shall immediately give notice to Purchaser (to be followed by written notices and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Contractor shall use its best efforts to resolve any such complaint, trouble, dispute or controversy.

(b) Contractor warrants that Purchaser shall have no liability or bargaining obligations under any collective bargaining agreement between Contractor and its employees. Contractor agrees to give Purchaser copies of any collective bargaining agreements existing between it and its employees and agrees to give Purchaser prompt notice of any union organization with respect to its employees.

29. **FORMER GE EMPLOYEES:** Contractor shall not assign to Purchaser's work any of Contractor's employees who are retired employees of Purchaser and who are therefore eligible to provide services directly to Purchaser as temporary employees under GE Pensioner agreements. In response to requests by Purchaser's management, Purchaser's Vice President Human Resources or designee may grant written exceptions to reduce cost or to avoid competitive harm. Contractor shall also not assign to Purchaser's work anyone previously employed by Purchaser or its affiliates without having confirmed satisfactory performance of the individual when employed by Purchaser or its affiliates. The Contractor shall use a form provided by Purchaser to obtain its employee's consent and waiver for Purchaser to release employment information to Contractor.

30. **PRIOR AGREEMENTS**

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

31. **ACCESS TO PURCHASER'S COMPUTER SYSTEMS**

Access to Purchaser's computer systems by Contractor's personnel shall include only those persons identified on Purchaser's systems security statement and who have been issued a systems user ID by Purchaser. Purchaser reserves the right to, at any time, verify the citizenship status of all Contractor personnel who have access to Purchaser's computer systems. Such access shall be limited by Purchaser to those systems, which in Purchaser's sole discretion, are required for the Contractor's personnel to perform assigned work and shall be valid until such access is revoked or

surrendered. Such access shall be surrendered by Contractor's personnel upon Purchaser's request or upon removal or reassignment by Contractor.

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

(a) Contractor agrees to comply with all export regulations and the International Traffic-in-Arms Regulations (ITAR) including, but not limited to, parts 122 entitled "Registration of Manufacturer and Exporter" and 130 entitled "Political Contributions, Fees and Commissions."

(b) With respect to defense articles and services furnished hereunder, Contractor agrees that it has not paid, offered or agreed to pay, and agrees that it shall not pay, offer or agree to pay, for the purpose of soliciting, promoting or otherwise to secure the sale of defense articles and services to or for the use of the armed forces of an international organization or non-U.S. country, any (i) fees or commissions in excess of \$1,000 or (ii) political contribution (including any gift, rebate or payment of expenses) to a non-U.S. person or entity.

(c) In the event Contractor is supplying defense articles in connection with the performances of services under this order, Contractor agrees to maintain a valid and current Office of Defense Trade Controls ("ODTC") registration. Contractor shall provide its ODTC registration name, (whether registered or not with) and expiration date to Purchaser and promptly advise Purchaser of any updates or changes to such information, in the format requested by Purchaser. With respect to defense articles and services furnished hereunder, Contractor 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.

(d) If Contractor intends to conduct work for Purchaser in a foreign country, including but not limited to the use of Contractor's own facility outside of the United States or the use of a foreign affiliate or unrelated subcontractor, Contractor must provide advance written notification to Purchaser. Customer is responsible for compliance with applicable export control laws and regulations and for obtaining all export control licenses required by law or requested by Purchaser.

**33. TRAVEL EXPENSES**

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

**34. RESERVED**

**35. SEVERABILITY**

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

**36. GRATUITIES**

(a) Any officers, employees or agents of Purchaser, any government representing a sovereign and independent state , or Purchaser's customers, are prohibited from soliciting or accepting entertainment, gifts, gratuities, compensation or favors from Contractor. Contractor shall at all times comply with the requirements of this policy. When Contractor

has reasonable grounds to believe that a violation of this gratuity policy by Contractor or Purchaser's representatives may have occurred, Contractor shall promptly report the potential violation to Purchaser by using the supplier hot line (1-800-443-3632) or (513-243-6922) or by reporting it in writing.

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

### **37 PROHIBITED GOODS AND SERVICES**

The United States of America prohibits the importation of goods or the purchase of services from the following countries: Burma, Cuba, Iran, Iraq, Libya, Liberia, North Korea, and Sudan. 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 Contractor's responsibility to ensure compliance with such list at all times. Current information can be obtained by accessing the Internet at URL <http://www.epis.gov/TerList1.html>.

### **38. GOVERNING LAW**

This purchase order shall be governed by the laws of the England and Wales, notwithstanding its conflicts of laws rules.

### **39 CONTACTOR SECURITY AND CRISIS MANAGEMENT POLICY**

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

- (a) provide for the physical security of the people working on Contractor's premises and others working for or on behalf of Contractor;
- (b) provide for the physical security of Contractor's facilities and physical assets related to the performance of work, including, in particular, the protection of Contractor'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 Contractor'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 Contractor's business operations in the event of a security breach, incident, crisis or other disruption of Contractor'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 Contractor's policy and to conduct on-site audits of Contractor's facility and practices to determine whether Contractor's policy and Contractor's implementation of the policy are reasonably sufficient to protect Contractor's interests. If Purchaser reasonably determines that Contractor's policy and/or policy implementation is/are insufficient to protect Purchaser's property and interests, Purchaser may give Contractor notice of such determination. Upon receiving such notice, Contractor shall have forty-five (45) days thereafter to make the policy changes and take the implementation actions reasonably requested by Purchaser. Contractor's failure

to take such actions shall give Purchaser the right to terminate this purchase order immediately without further compensation to Contractor.

#### **40 INSPECTION**

(a) All 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 the Purchaser and its customer at all times and places. If any inspection or test is made on the premises of Contractor or its supplier, Contractor, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties. All inspections and tests on the premises of Contractor or its supplier shall be performed in such a manner as not to unduly delay the work.

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

#### **41 CLASSIFIED INFORMATION**

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

#### **42 EDI (ELECTRONIC DATA INTERCHANGE) AND PAPERLESS INVOICING**

(a) Upon Purchaser's request, Contractor shall sign an EDI (Electronic Data Interchange) 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") and EDI

#### **43. ENVIRONMENTAL MATTERS**

(a) Hazardous Substances. Contractor warrants that, except as specified on the face of the purchase order, none of the chemical substances constituting or contained in any good(s) sold or otherwise transferred to Purchaser under this order are "hazardous substances" as defined in the Chemical (Hazards Information and Packaging for Supply) Regulation 1994 and other regulations from time to time in force.

If Seller is located in the United States, Seller warrants that except as specified on the face of the order, none of the chemical substances constituting or contained in the product(s) sold or otherwise transferred to Purchaser under this order are "hazardous substances" as defined in the Comprehensive, Environmental Response, Compensation and Liability Act (CERCLA), and Seller agrees to supply Purchaser with any and all required material data safety sheets.

(b) Asbestos. Contractor agrees to provide goods and/or materials that are free of asbestos unless Contractor has notified Purchaser in advance and has obtained Purchaser's prior written consent to the use of asbestos. Contractor agrees to include this clause in any subcontracts issued hereunder. If Contractor intends to rely upon any drawing that 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 GEAE engineering drawings or specifications, the use of cadmium plating or nickel cadmium plating is strictly prohibited in the manufacture of any good or delivery

of services under this order. 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 unless Contractor has notified Purchaser in advance and has obtained its prior written consent to such use. Approval shall not be granted where there is a potential for items containing cadmium to come into contact with items containing titanium.

(d) Ozone Depleting Substances ("ODS's"). Seller agrees to comply with all relevant legislation as may from time to time be in force regarding restriction and obligations relating to ODS'S of any kind.

If Seller is located within the U.S., Seller agrees to comply with the U.S. Clean Air Act amendments of 1990 regarding warning statements on products 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 the requirements of the U.S. Environmental Protection Agency Implementing Regulations.

Seller will eliminate the use of Class I ODS'S to the maximum extent possible. Any usage of class I ODS'S that cannot be eliminated is subject to evaluation and approval by the Purchaser in its sole discretion. Seller will notify Purchaser of any such use of Class I ODS'S that 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. Contractor represents and warrants that it shall perform all activities related to this order in compliance with all applicable national, county, state and local environmental, health and safety laws and regulations. Contractor 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. Contractor 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. Contractor 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 Contractor and those of Purchaser, arising out of or in any way connected with Contractor's failure to comply with this article 43, (2) damage to any property, real or personal, including property of Contractor and that of Purchaser, arising out of or in any way connected with Contractor's failure to comply with this Article 43, (3) any and all pre-existing conditions of real or personal property of Contractor, or (4) any failure to comply with any national, state, county or local environmental, health, or safety requirements. Contractor agrees to include this clause in any subcontracts issued hereunder.

(g) Material Ownership. Contractor and Purchaser agree that at all times prior to delivery and acceptance by Contractor of any goods, all raw materials, wastes and work-in-progress shall remain the property of Contractor, except as otherwise provided herein.

(h) Waste Management. Contractor shall be directly and solely responsible for managing all wastes associated with processes it applies to perform work under this order. Contractor shall manage any and all such wastes in compliance with applicable federal, state and local laws and regulations.

(i) Waste Disposal Certifications. Contractor agrees to generate and maintain detailed records certifying the proper disposal of all wastes associated with its processes, 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. Contractor shall maintain all records relating to environmental compliance and waste disposal.

(j) Process Flow Diagram and Material Balance. Where Contractor is relying upon Purchaser's engineering drawings to provide goods, upon request by Purchaser, Contractor agrees to make available to Purchaser detailed process flow diagram 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. Contractor agrees to notify Purchaser in writing within five days after learning of any significant event involving any of its manufacturing processes that may affect Contractor'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 General Electric Company, Group Environmental Affairs & Safety, One Neumann Way, M/D T165, Cincinnati OH 45215, phone: (513) 672-3982.

(l) Hazardous Material Identification. Contractor shall identify hazardous materials contained in goods, materials, and/or other items (hereafter "Items") delivered to Purchaser, provide Material Safety Data Sheets ("MSDS") for such Items, . For each such Item, identification shall reference the stock or part number of the delivered Item. Hazardous materials include, but are not limited to, materials embedded in a delivered Item 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 shall be provided to General Electric Company, Group Environmental Affairs & Safety, One Neumann Way, M/D T165, Cincinnati, OH 45215.

(m) Contractor Competence. Contractor 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.

#### **44. WAIVER**

Purchaser's failure to insist on performance of any of the terms or conditions herein or to exercise any right or privilege or Purchaser's waiver of any breach hereunder shall not thereafter waive any other terms, conditions, or privileges, whether of the same or similar type.

**APPENDIX I**

If Contractor is located outside of the United Kingdom, the preceding Terms and Conditions are modified as follows:

Add the following articles:

I-1 ENGLISH LANGUAGE. Except as the parties may otherwise agree, any order, data, notices, shipping invoices, correspondence and other writings issued pursuant to this agreement shall be written in the English language. In the event of any inconsistency between any terms herein and any translation thereof into another language, the English language meaning shall control.

I-2 RESERVED

I-3 IMPORTER OF RECORD.

A. Purchaser shall be named as the importer of record in the United Kingdom and U.S.A, and Seller shall be named as the importer of record in its own country where Seller is located outside the United Kingdom or outside the USA. Where 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 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.

B. Where Purchaser is the importer of record in the UK, 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 applicable United Kingdom and/or any other country's 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.

I-4 EXPORTER OF RECORD.

A. Purchaser shall be named as the exporter of record in the United Kingdom, and Seller shall be named as the exporter of record in its own country where Seller is located outside the United Kingdom. Where Seller is the exporter for any purchased material required by Seller to complete this order, Seller shall be responsible for obtaining any required authorizations and authorizing the freight forwarder and shall comply with all applicable export regulations. Any additional transportation or other charges incurred by Purchaser will be the responsibility of Seller.

B. Seller shall be responsible for complying with all applicable export regulations, including, where applicable, the U.S. export administration regulations/international traffic-in-arms regulations. Seller shall be responsible for any fines or liabilities resulting from Seller's non-compliance with the aforementioned regulations.

\*\*\*\*\*  
\*\*\*\*\*

Revision summary CHANGES MADE SINCE REVISION DATED February 14, 2003

Articles 14, 24, 27, 31, 37, : modified.

Articles 29 : Added