

PURCHASE ORDER ATTACHMENT FS-11
FOREIGN OFFSET CREDIT PROPOSAL

- I. Raytheon Company products and/or services are purchased by many countries throughout the free world to meet their commercial and defense requirements. Doing business with most foreign countries requires a reciprocal obligation to buy, as a percentage of the contract value, products or services from those foreign countries. This negotiated sum is generally referred to as an "offset".
- II. Offsets can be described as either "direct" or "indirect". First consideration is usually given to direct offset, that is, buying from the foreign country some portion of the product or services being sold by Raytheon to that country. Indirect offsets, that is, offsets not related to the products or services being sold to that foreign country are often feasible.
- III. OFFSET. Raytheon Company has, or anticipates having, offset commitments to the Government(s) of _____ . In addition, buyer has offset obligations in the following countries:

Australia	Denmark	Italy	Sweden
Belgium	Egypt	Korea	Switzerland
Brazil	Finland	Norway	United Kingdom
Canada	Greece	Spain	

Offeror recognizes that if it is the successful supplier under this request for quote, it is expected to use its best efforts to place subcontracts with business concerns within the county(s) noted above and report such subcontracts to Raytheon Company. Raytheon Company will be permitted to be the sole claimant of offset credit for such subcontracts and offeror, if requested, agrees to support Raytheon Company in obtaining credit from the appropriate government agencies.

- IV. Offeror will provide the following information to the Buyer within 30 calendar days after the completion of each calendar quarter during the term of any order:
 - A. Solicitations offered during the calendar quarter to industry in the country(s) listed in III. above, that did not result in awards (include items, dollar value, date of solicitation, and identification of sources):
 - B. Subcontracts of orders placed with countries other than the United States including:
 - 1. Item
 - 2. Value
 - 3. Competitive or noncompetitive
 - 4. Date of Award
 - 5. Identification and location of subcontractor
 - 6. Changes to reported subcontracts that affect the subcontract amount.
 - C. Status of deliveries under subcontracts placed under B. above.
- V. None of the provisions of the resulting order, if any, relieve the Offeror of the need to comply with the International Traffic in Arms Regulations, the Industrial Security Manual, or other laws and regulations governing foreign acquisition and disclosure of information to foreign nations.
- VI. Approximately _____ percent of the total proposed price under this offer represents foreign content or effort within (list countries):

- VII. PURCHASE ORDER CLAUSE. If any order is issued as a result of this solicitation, it will contain a clause substantially implementing the requirements of Section IV. and V. above, plus:
 - A. Seller agrees that Buyer is and shall be solely authorized to claim offset credits for all purchases or purchase commitments so reported to Buyer.

END OF DOCUMENT

THE TEXT OF THIS DOCUMENT SHALL NOT BE CHANGED EXCEPT BY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER.