

**General Provisions – TC-001 (04/02)**

**1. Acceptance of Purchase Order**

Agreement by Seller to furnish the materials or services hereby ordered, or its commencement of such performance, shall constitute acceptance by Seller of this Purchase Order subject to these terms and conditions. In the event that this Purchase Order does not state price or delivery, Buyer will not be bound to any prices or delivery to which it has not specifically agreed in writing. Any terms or conditions proposed by Seller inconsistent with or in addition to the terms and conditions of purchase herein contained shall be void and of no effect unless specifically agreed to by Buyer. Modifications hereof or additions hereto, to be effective, must be made in writing and be signed by Buyer's purchasing representative. These terms and conditions, together with such modifications, information relating to price and delivery, and attachments and exhibits to the Purchase Order as are accepted in writing by Buyer, constitute the entire agreement between the parties; and supersede any prior or contemporaneous written or oral agreements pertaining thereto.

**2. Shipping Instructions**

- (a) Seller shall be responsible for ensuring the proper packaging of materials hereunder.
- (b) Unless otherwise directed, all items shipped in one day from and to a single location must be consolidated on one bill of lading or airbill, as appropriate. No charges will be allowed for packing, crating, freight, local cartage, and/or any other services unless so specified in this Purchase Order or any authorized changes thereto.
- (c) For material purchased F.O.B. origin, the Seller shall not insure and not declare a value except when transportation rates are based on "released value," in which instance the Seller shall annotate on the bill of lading the lowest released value provided in applicable tariffs.
- (d) Seller shall at all times comply with Buyer's written shipping instructions. Seller shall submit all required shipping papers to Buyer prior to final payment.
- (e) The Purchase Order number(s) must appear on all correspondence, shipping labels, and shipping documents, including all packing sheets, bills of lading, airbills, and invoices.

**3. Delivery; Notice of Delay**

- (a) Time is and shall remain a material element of this Purchase Order, and no acts of Buyer, including without limitation modifications of this Purchase Order or acceptance of late deliveries, shall constitute waiver of this provision. Buyer also reserves the right to refuse or return at Seller's risk and expense shipments made in excess of Buyer's orders or in advance of required schedules, or to defer payment on advance deliveries until scheduled delivery dates.
- (b) Seller shall notify Buyer in writing immediately of any actual or potential delay to the performance of this Purchase Order and such notice shall include a revised schedule and shall not constitute a waiver to Buyer's rights and remedies hereunder.

**4. Termination for Convenience**

- (a) Buyer may by notice in writing direct Seller to terminate this Purchase Order or work under this Purchase Order in whole or in part, at any time, and such termination shall not constitute default. In such event, unless Seller shall have defaulted or been in default in performance hereof, Buyer and Seller shall have all rights and obligations accruing to it both at law or in equity, including Buyer's rights to title and possession of goods paid for.
- (b) Seller shall be reimbursed for actual, reasonable, substantiated and allowable costs, plus a reasonable profit for work performed to date of termination. Buyer may take immediate possession of all work so performed upon written notice of termination to Seller.

- (c) Seller's obligations under the warranty, intellectual property, and confidentiality provisions of this Purchase Order shall survive such termination.

**5. Termination for Default**

- (a) Buyer may, by notice in writing, direct Seller to terminate this Purchase Order or work under this Purchase Order in whole or in part at any time for breach of any one or more of its terms.
- (b) In the event of Seller's default hereunder, the Buyer may exercise any or all rights accruing to it, both at law, including those set forth in Article 2 of the Uniform Commercial Code, or in equity.
- (c) Seller's obligations under the warranty, intellectual property, and confidentiality provisions of this Purchase Order shall survive such termination.
- (d) Except for defaults of subcontractors at any tier, Seller shall not be liable for any failure to perform due to any cause beyond its control and without its fault or negligence. Such causes include acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather.

**6. Disputes**

- (a) Any controversy or claim arising out of or relating to this Purchase Order or the breach thereof may be settled at Buyer's sole discretion either by submitting the claim to (i) a court of competent jurisdiction or (ii) binding arbitration, before a single arbitrator, in the state and under the laws of the state from which this Purchase Order is issued, without resort to said State's Conflicts of Law Rules in accordance with the commercial arbitration rules of the American Arbitration Association. The appointing authority shall be the President of the American Arbitration Association. Judgment upon the award rendered by the Arbitrator may be entered in any Court having jurisdiction thereof. The Arbitrators' award may include compensatory damages against either party but under no circumstances will the Arbitrator be authorized to nor shall the Arbitrator award punitive damages or multiple damages against either party. Notwithstanding the above, either party may seek injunctive relief in any court of competent jurisdiction against improper use or disclosure of proprietary information. Buyer reserves the right to abandon arbitration and pursue any available legal or equitable remedy in the event that Seller does not comply with a demand for arbitration within sixty (60) days of notice.
- (b) Pending resolution or settlement of any dispute arising under this Purchase Order, Seller will proceed diligently as directed by Buyer with the performance of this Purchase Order. Irrespective of the place of performance, this Purchase Order will be construed and interpreted according to the laws of the State from which the Purchase Order is issued, without resort to said State's Conflicts of Law Rules.

**7. Remedies**

The rights of both parties hereunder shall be in addition to their rights and remedies at law or in equity. Failure of either party to enforce any of its rights shall not constitute a waiver of such rights or of any other rights.

**8. Proprietary Rights**

- (a) Unless otherwise expressly agreed in writing to the contrary, all specifications, information, data, drawings, software and other items supplied to Buyer by Seller shall be disclosed to Buyer on a non-proprietary basis and may be used and/or disclosed by Buyer without restriction.
- (b) Unless otherwise expressly agreed in writing to the contrary, all specifications, information, data, drawings, software and other items which are (i) supplied to Seller by Buyer or (ii) obtained by Seller and paid for by Buyer in the performance of this Purchase Order shall be maintained as proprietary to Buyer by Seller, shall be used only for purposes of providing goods or services to Buyer pursuant to this Purchase Order, and shall not be disclosed to any third

**General Provisions – TC-001 (04/02)**

party without Buyer's express written consent. All such items supplied by Buyer shall be promptly returned to it on request or upon completion of this Purchase Order.

**9. Buyer's Property**

- (a) All information plus all drawings, tools, jigs, dies, fixtures, materials, and other items supplied or paid for by Buyer shall be and remain the property of Buyer; and Buyer shall have the right to enter Seller's premises and remove any such property at any time without being liable for trespass for damages of any sort.
- (b) All such items shall be used only in the performance of work under this Purchase Order unless Buyer consents otherwise in writing.
- (c) Material made in accordance with Buyer's specifications and drawings shall not be furnished or quoted by Seller to any other person or concern without Buyer's prior written consent.
- (d) Seller shall have the obligation to maintain any and all property furnished by Buyer to Seller and shall be responsible for all loss or damage to said property except for normal wear and tear.

**10. Release Of Information**

Seller shall not publish, distribute, or use any information developed under or about the existence of the purchase order, or use the Raytheon Company name (or the name of any division, affiliate or subsidiary thereof), logo, trademark, service mark, or trade dress for the purpose of advertising, making a news release, creating a business reference, creating a website content or for products or service endorsement without prior written approval of Buyer.

**11. Order Of Precedence**

- (a) In the event of any inconsistency or conflict between or among the provisions of this Purchase Order, such inconsistency or conflict shall be resolved by the following descending order of preference: 1. Typed provisions set forth in this Purchase Order; 2. Documents incorporated by reference on the face page(s) of this Purchase Order; 3. Preprinted or standard terms and conditions either referenced herein and/or set forth on the reverse side of the face page(s) of this Purchase Order; 4. Statement of Work; and 5. Specifications attached hereto or incorporated by reference. Buyer's specifications shall prevail over those of the United States Government, and both of the foregoing shall prevail over specifications of Seller.
- (b) In the event of conflict between specifications, drawings, samples, designated type, part number, or catalog description, the specifications shall govern over drawings, drawings over samples, whether or not approved by Buyer, and samples over designated type, part number, or catalog description. In cases of ambiguity in the specifications, drawings, or other requirements of this Purchase Order, Seller must, before proceeding, consult Buyer, whose written interpretation shall be final.

**12. Warranty**

- (a) Seller warrants the materials delivered or services rendered on this Purchase Order to be new, free from defects in workmanship, materials, and design and to be in accordance with all the requirements of this Purchase Order. These warranties shall survive final acceptance and payment.
- (b) This warranty entitlement shall enure to the benefit of both Buyer and Buyer's customers.
- (c) Seller shall be liable for and save Buyer harmless from any loss, damage, or expense whatsoever that Buyer may suffer from breach of any of these warranties. Remedies include repair, replacement or reimbursement of the purchase price of nonconforming goods at Buyer's election.

**13. Inspection**

- (a) All material and workmanship shall be subject to inspection and test at all reasonable times and places by Buyer or Buyer's customer before, during and after performance and delivery. The Buyer may require Seller to repair, replace or reimburse the purchase price of rejected material or Buyer may accept any materials and upon discovery of nonconformance, may reject or keep and rework any such materials not so conforming. Cost of repair, rework, replacement, inspection, transportation, repackaging, and/or reinspection by Buyer shall be at Seller's expense.
- (b) If inspection and test are made on the premises of Seller or Seller's lower tier subcontractors, Seller shall furnish without additional charge all reasonable facilities and assistance for the safe and convenient inspection and tests required by the inspectors in the performance of their duty. The foregoing provisions of this Article are supplementary to and not in lieu of the provisions of (a) above.
- (c) Buyer's failure to inspect does not relieve Seller of any responsibility to perform according to the terms of the Purchase Order.

**14. Changes**

- (a) Buyer shall have the right by written order to suspend work or to make changes from time to time in the services to be rendered or the materials to be furnished by Seller hereunder or the delivery date. If such suspension or changes cause an increase or decrease in the cost of performance of this Purchase Order or in the time required for its performance, an equitable adjustment shall be negotiated promptly and the Purchase Order shall be modified in writing accordingly. Any claim by Seller for adjustment under this clause must be asserted in writing within twenty (20) days from the date of receipt by Seller of notification of the change or suspension and shall be followed as soon as practicable with specification of the amount claimed and supporting cost figures. However, nothing herein shall excuse the Seller from proceeding with this Purchase Order as changed pending resolution of the claim.
- (b) Information, advice, approvals or instructions given by Buyer's technical personnel or other representatives shall be deemed expressions of personal opinion only and shall not affect Buyer's and Seller's rights and obligations hereunder unless set forth in a writing which is signed by Buyer's purchasing representative and which states it constitutes an amendment or change to this Purchase Order.

**15. Intellectual Property**

- (a) Seller warrants that the sale, use, or incorporation into manufactured products of all machines, parts, components, services, devices, material, and rights furnished or licensed hereunder which are not of Buyer's design, composition, or manufacture shall be free and clear of infringement of any valid patent, copyright, trade mark, or other proprietary rights. Seller shall indemnify and save Buyer and its customers harmless from any and all expenses, liability, and loss of any kind (including all costs and expenses including attorneys' fees) growing out of claims, suits, or actions alleging such infringement, which claims, suits, or actions Seller, hereby, agrees to defend. Seller may replace or modify infringing goods with comparable goods acceptable to Buyer of substantially same form, fit, and function so as to remove the source of infringement, and shall extend this provision thereto. If the use or sale of any of the above items is enjoined as a result of such claim, suit or action, Seller, at no expense to Buyer, shall obtain for Buyer and its customers the right to use and sell said item.
- (b) Any invention or intellectual property first made or conceived by Seller in the performance of this Purchase Order or which is derived from or based on the use of information supplied by Buyer shall be considered to be the property of Buyer; and Seller shall execute such documents necessary to perfect Buyer's title thereto.

**16. Taxes**

**General Provisions – TC-001 (04/02)**

Prices set forth in this purchase order are inclusive of all taxes, except Sales taxes. Sales taxes may be listed separately on Seller's invoice, however, Buyer shall reimburse Seller only in those cases where it does not have a valid exemption certificate.

7. Subcontracts for Commercial Items and Commercial Components (DoD Contracts)	252.244-7000
8. Transportation of Supplies by Sea (DoD Contracts)	252.247-7023
9. Notification of Transportation of Supplies by Sea (DoD Contracts)	252.247-7024

**17. Assignments**

Seller may not assign any rights or obligations due or to become due under this Purchase Order without the prior written consent of Buyer. Any purported assignment by Seller without such consent shall be void. Buyer may assign this Purchase Order to (i) any affiliated company, (ii) any successor in interest, or (iii) Buyer's customer. Buyer shall have the right at any time to set off any amount owing from Seller to Buyer or Buyer's subsidiaries and/or affiliates against any amount due and owing to Seller or any of its subsidiaries pursuant to this Purchase Order or any other contractual agreement between Buyer and Seller or their respective subsidiaries and/or affiliates.

**18. Compliance with Law**

- (a) Seller warrants that the materials to be furnished and the services to be rendered under this Purchase Order shall be manufactured, sold, and used in compliance with all relevant federal, state, local laws and regulations and applicable international prohibitions on child labor. Seller certifies that with respect to the production of the articles and/or the performance of the services covered by this Purchase Order, it has fully complied with Sections 6, 7, 12, and 15 of the Fair Labor Standards Act of 1938, as amended, and of regulations and orders of the United States Department of Labor under Section 14 thereof.
- (b) Seller warrants that all equipment and materials delivered under this Purchase Order are in conformance with the latest OSHA requirements.
- (c) The Seller warrants that in the performance of this Purchase Order, it will comply with all applicable U. S. Department of Transportation regulations on hazardous materials and any other pertinent Federal, state, or local statutes, laws, rules, or regulations; and Seller further agrees to save Buyer harmless from any loss, damage, fine, penalty, or expense whatsoever that Buyer may suffer as a result of Seller's failure to comply with this certification. The foregoing is in addition to and not in mitigation of any other requirements of this Purchase Order.
- (d) Seller warrants that it has not offered or given and will not offer or give to any employee, agent, or representative of Buyer any gratuity or any kickback within the meaning of the Anti-Kickback Act of 1986 with a view toward securing any business from Buyer or influencing such person with respect to the terms, conditions, or performance of any contract with or Purchase Order from Buyer. Any breach of this warranty shall be a material breach of each and every contract between Buyer and Seller.
- (e) For orders placed in support of and charged to a U.S. Government Prime Contract procuring an item meeting the Federal Acquisition Regulation (FAR) definition of a commercial item, the following clauses set forth in the FAR or the Defense Federal Acquisition Regulation Supplement (DFARS) in effect as of the date of the Prime Contract are incorporated herein by reference. In all clauses listed herein the terms "Government" and "Contractor" shall be revised to identify properly the contracting parties under the Purchase Order.

1. Utilization of Small Business Concerns	52.219-8
2. Equal Opportunity	52.222-26
3. Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era	52.222-35
4. Affirmative Action for Workers with Disabilities	52.222-36
5. Subcontracts for Commercial Items and Commercial Components	52.244-6
6. Preference for Domestic Specialty Metals, Alternate 1(DoD Contracts)	252.225-7014

**19. Insurance and Indemnity against Claims**

- (a) Seller shall be responsible for the actions and failure to act of all parties retained by, through, or under Seller in connection with the performance of this Purchase Order. Seller shall also maintain such General Liability, Property Damage, Employer's Liability, and Worker's Compensation Insurance and Motor Vehicle Liability (Personal Injury and Property Damage) Insurance as are specified in this Purchase Order or if none are specified, such amount as will protect Seller (and its subcontractors) and Buyer from said risks and from any claims under any applicable Workers' Compensation, Occupational Disease, and Occupational Safety and Health statutes including the Occupational Safety and Health Act.
- (b) Seller shall without limitation as to time, indemnify and save Buyer harmless from all claims which may be asserted against property covered hereunder, including without limitation mechanic's liens or claims arising under Worker's Compensation or Occupational Disease laws and from all claims for injury to persons or property arising out of or related to such property unless the same are caused solely and directly by Buyer's negligence.

**20. International Transactions**

- (a) Payment will be in United States dollars unless otherwise agreed to by specific reference in the Purchase Order.
- (b) Seller agrees that the Buyer or its designees may exclusively use the value of the Purchase Order to satisfy any of its international offset obligations with Seller's country, subject to the offset qualifying laws, rules and regulations of that country.

**21. Export/Import Controls**

- (a) Seller shall control the disclosure of and access to technical data, information and other items received under this Purchase Order in accordance with U.S. export control laws and regulations, including but not limited to the International Traffic in Arms Regulations (ITAR). Seller shall indemnify Buyer for all liabilities, penalties, losses, damages, costs or expenses that may be imposed on or incurred by Buyer in connection with any violations of such laws and regulations by Seller.
- (b) Information furnished to Seller under this Purchase Order may contain technical data, as defined in ITAR 120.10. Seller is advised and hereby acknowledges that such technical data, relating to export controlled items appearing on the U.S. Munitions List (USML) at ITAR Part 121, may not be exported, disclosed or transferred, as defined in ITAR 120.17, to any foreign person (whether in the United States or abroad), as defined in ITAR 120.16, without first complying with all relevant requirements of ITAR Parts 120-130 (22 CFR 120-130), including the requirement for obtaining any written export authorization from the U.S. Department of State, Office of Defense Trade Controls (ODTC), or otherwise make and document the determination that an ITAR licensing exemption applies, as the case may be. A downloadable copy of the ITAR is accessible at the ODTC web site at [www.pmdtc.org](http://www.pmdtc.org).
- (c) If performance under this Purchase order requires Seller to export, as defined in ITAR 120.17, temporarily import into the U.S. , as defined in ITAR 120.18, or reexport or retransfer, as defined in ITAR 120.19, defense articles, as defined in ITAR 120.6, or to export defense services, as defined in ITAR 120.9, relating to items appearing on the USML at ITAR Part 121, to a foreign person (whether in

**General Provisions – TC-001 (04/02)**

the United States or abroad), as defined in ITAR 120.16, Seller is advised and hereby acknowledges that such defense articles may not be exported, temporarily imported, reexported or retransferred and such defense services may not be exported to a foreign person in the U.S. or abroad without complying with all relevant requirements of ITAR Parts 120-130, including the requirement to obtain any written export, temporary import or reexport or retransfer authorization from ODTC, or otherwise make and document the determination that an ITAR licensing exemption applies, as the case may be.

Controls (ODTC) may also be required pursuant to the relevant requirements of the ITAR.

- (d) Seller is further advised that if it engages in the United States in the business of either manufacturing or exporting defense articles as defined in ITAR 120.6 or defense services as defined in ITAR 120.9, then Seller is required by ITAR Part 122 to register with the U.S. Department of State, Office of Defense Trade Controls (ODTC) using forms accessible at the ODTC web site at [www.pmdtc.org](http://www.pmdtc.org). Manufacturers of defense articles who do not engage in exporting of same must nevertheless register with ODTC. Registration does not by itself confer export rights or privileges, but is generally a precondition to the issuance of any license or other approval by ODTC.
- (e) Information furnished to Seller under this Purchase Order, if not regulated by the ITAR, may contain technical data, as defined in the U.S. Department of Commerce, Bureau of Export Administration (BXA), Export Administration Regulations (EAR) Part 772 (15 CFR 772) relating to export controlled items appearing on the Commerce Control List (CCL) at EAR Part 774 (15 CFR 774). Seller is advised and acknowledges that such technical data may not be exported out of the U.S. or to a foreign national in the U.S., as defined in EAR Part 772, without complying with all relevant requirements of EAR Parts 730-774(15 CFR 730-774), including the requirement to obtain any written export authorization from BXA, or to otherwise make and document the determination that a licensing exception applies, as the case may be. A downloadable copy of the EAR is accessible at the BXA web site at [www.bxa.doc.gov](http://www.bxa.doc.gov).
- (f) If performance under this Purchase order requires Seller to export or reexport, as defined in EAR Part 772, commodities, technology or software as defined in EAR Part 772, that do not relate to items appearing on the USML, but do relate to items appearing on the CCL, Seller is advised and hereby acknowledges that such commodities, technology or software may not be exported out of the U.S., reexported from one foreign country to another foreign country or to a foreign national outside the U.S. without complying with all relevant requirements of EAR Parts 730-774, including the requirement to obtain any written export authorization from BXA, or to otherwise make and document the determination that a licensing exception applies, as the case may be.
- (g) If performance under this Purchase Order requires the Seller to permanently import into the U.S. articles appearing on the U.S. Treasury Department, Bureau of Alcohol, Tobacco & Firearms (BATF) U.S. Munitions Import List at 27 CFR Part 21, Seller is advised and hereby acknowledges that such items may not be permanently imported into the U.S. without an approved import permit issued by BATF pursuant to 27 CFR Part 47, Subpart E, unless an exemption applies. Additionally, if Seller is engaged in the business, in the U.S., of importing articles appearing on the U.S. Munitions Import List, Seller must register with BATF pursuant to 27 CFR Part 47, Subpart D. Downloadable copies of the BATF regulations and forms are accessible at the BATF web site at [www.atf.treas.gov](http://www.atf.treas.gov).
- (h) If performance under this Purchase Order requires the Seller to export out of the U.S. machineguns, destructive devices, explosives and certain other firearms, as defined in 27 CFR Part 179, Subpart B, Seller is advised and hereby acknowledges that such items may not be exported out of the U.S. without an approved export permit issued by BATF pursuant to 27 CFR Part 178, Subpart K and 27 CFR Part 179, Subpart H. Seller is also advised that an approved export license issued by the U.S Department of State, Office of Defense Trade