

International Terms and Conditions of Purchase Raytheon Company, International Terms Rev. 1, TC-004 (09/00)

General Provisions

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 and with such data relating to price and delivery as are accepted in writing by Buyer, constitute the entire agreement between the parties; and supersedes any prior or contemporaneous written or oral agreements thereon.

2. Shipping Instructions

- Seller shall be responsible for ensuring the proper packaging of materials hereunder.
- 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.
- 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.
- 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.
- The Purchase Order number(s) must appear on all correspondence, shipping labels, and shipping documents, including all packing sheets, bills of lading, and airbills.

3. Currency

Payment will be in United States dollars unless otherwise agreed to by specific reference in the Purchase Order.

4. Delivery; Notice of Delay

- 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.
- 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.

5. Termination for Convenience

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

6. Termination for Default

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

7. Disputes

- The parties shall attempt to amicably resolve any dispute, controversy, or claim arising under or relating to this Agreement. If the parties reach an impasse in resolving such dispute, either party may refer the dispute to binding arbitration under the Rules of the London Court of International Arbitration in effect on the date of this Agreement, by three (3) arbitrators appointed in accordance with said Rules. All proceedings will be conducted in the English language applying the applicable law of this Agreement with the location of the arbitration in London, England, or such other location as the Parties may mutually agree. The parties shall share equally the costs of the arbitration unless and until the arbitral panel in the final award apportions the fees. The award decision of the arbitral panel shall be final and binding on both parties and both parties waive the right to any appeal under any system of law. The award shall be enforceable before any court of competent jurisdiction upon the application to such court by either party. The arbitral panel shall be instructed that no award may be made of indirect, consequential, punitive or multiple damages.
- This Purchase Order shall be enforced and interpreted under the laws of the state from which this Purchase Order is issued, exclusive of the choice of law rules thereof, as if the Purchase Order were to be wholly performed within that state.
- Notwithstanding the above, either party may seek injunctive relief in a court of competent jurisdiction against improper use or disclosure of proprietary information.
- 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.

8. Remedies

- The rights of both parties hereunder shall be in addition to their rights and remedies at law or in equity. Failure of Buyer to enforce any of its rights shall not constitute a waiver of such rights or of any other rights.
- In no event shall Seller be entitled to anticipatory profits or to special (including multiple or punitive), incidental, or consequential damages.

9. Proprietary Rights

- 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.
- 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 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 order.

10. Buyer's Property

- 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.
- All such items shall be used only in the performance of work under this Purchase Order unless Buyer consents otherwise in writing.
- 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.
- 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.

11. Release Of Information

Seller shall not publish any information developed under this Purchase Order nor distribute it nor make any news release about the existence or subject matter of this Purchase Order without prior written approval of the Buyer.

12. Order Of Precedence

- 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.
- 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.

13. Warranty

- Seller warrants the materials delivered or services rendered on this Purchase Order to be 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 pursuant to UCC 2-601 and 2-608.
- This warranty entitlement covers both Buyer and Buyer's customers.
- 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.

14. Inspection

- 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.
- 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.
- Buyer's failure to inspect does not relieve Seller of any responsibility to perform according to the terms of the Purchase Order.

15. Changes

- 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 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.
- 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.

16. Intellectual Property

- 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.
- 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.

17. Taxes

Seller agrees to pay all local, state, and Federal excise, sales, and use taxes when applicable (unless otherwise agreed in writing). All such taxes shall be listed separately on Seller's invoice.

18. 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. Buyer may assign this Purchase Order to (i) any affiliated company, (ii) any

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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.

19. Offsets

The Buyer or its designees may use the value of this Purchase Order in satisfying offset obligations.

20. 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.
- (b) The Seller certifies 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.
- (c) 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.
- (d) Seller shall control the dissemination 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, and 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.

21. Indemnity against Claims

- (a) Seller shall defend, indemnify, and hold harmless Buyer and Buyer's directors, officers, employees, and agents from any personal injury or property damage claim, suit, action, expense, loss, or damage whatsoever, including but not limited to such claims, etc., under strict liability or products' liability, together with attorney's fees, arising out of or in any way connected with Seller's performance or failure to perform this Purchase Order or that of Seller's agents, employees, or subcontractors. 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 (or 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.