Date: April 16, 2004

EXHIBIT A

GOVERNMENT PROVISIONS
APPLICABLE TO
PRIME CONTRACT 41-110

The clauses contained in the following are taken from the prime contract and are incorporated by reference.

DEFINITIONS (Clause 1 of the prime contract)

As used throughout this Contract, the following terms shall have the meaning set forth below:

1. "NAPMO" means NATO AEW&C Programme Management Organisation and includes the NATO AEW&C Programme Management Agency (NAPMA); NATO Maintenance & Supply Agency (NAMSA); the NATO AEW&C Force Command (NAEWFC); and the NATO E-3A Component.

2. "NAPMA" means NATO AEW&C Programme Management Agency, the executive management agency for NAPMO requiring services and supplies to be provided under the Contract, and includes its designated representatives, successors or assignees.

3. "Buyer" means NAPMO represented by its executive agency NAPMA.

4. The "Contract" means the agreement made between the Buyer and the Seller containing this Contract in its entirety and any other document incorporated by reference and any TRN issued under this Contract, for the provision of work required therein.

5. The "Work" means supplies and services identified in Exhibit B, Statement of Work to be provided by the Seller including the submission of data.

6. "Seller" means the Seller who has entered into this Contract with Buyer for the performance of the work as ordered under the Contract.

7. "SubSeller" means a Seller, or any other party at any tier, with whom the Seller has negotiated an agreement to perform part of the work required under the Contract.

8. "Subcontract" means, except as otherwise provided in this Contract, any agreement, Contract, or Purchase Order made by the Seller with any subSeller for fulfillment of any part of this Contract, and any agreement, contract or purchase order thereunder.

9. "Ottawa Agreement" means the Agreement on the Status of the North Atlantic Treaty Organisation, National Representatives and International Staff signed in Ottawa on 20 September 1951.

10. MMOU means the Multilateral Memorandum of Understanding on the NATO E-3A Cooperative Programme signed on 06 December 1978 by the Ministers of Defence of the participating governments.

11. "Contracting Officer" (CO) means the individual fully authorised by NAPMA to negotiate, to make decisions and to enter into an agreement on behalf of NAPMA for the purposes of carrying out the Contract.

12. "Seller's Representative" (CR) means the individual fully authorised by the Seller to negotiate, to make decisions and to enter into an agreement on behalf of the Seller for the purposes of carrying out the Contract.

13. "Technical Data" means recorded information regardless of the form or method of the recording, of a scientific or technical nature (including computer software or software documentation). The term does not include computer software or data incidental to contract administration such as financial and/or management information.

14. "Technical Assistance" means technical data and know-how provided for the purpose of performing this Contract.

15. "Computer Software" means computer programs and computer databases including applicable documentation concerning its description and/or use.

16. "NATO Member country" for the purposes of this contract, means a member country of NATO participating in the E-3 AEW&C Programme, i.e., Belgium, Canada, Denmark, France, Germany, Greece, Italy, Luxembourg, The Netherlands, Norway, Portugal, Spain, Turkey, The United Kingdom and the United States of America

17. “Seller Affiliates” means The Prime Seller’s Company and any wholly-owned subsidiary, and any subSeller or assignee of either of them.

18. “Cost” means all direct and indirect expenses caused by an event and allocable to that event according to the Prime Seller’s standard accounting principles.

19. “Data” means all recorded information, whether written or otherwise, provided to Buyer by Seller. Data includes Computer Software.

20. “Proprietary Information” means Data and other information provided to Buyer pursuant to this Contract and that is properly identified as proprietary by markings. Any other definition or expression mentioned in the Contract shall have the meaning assigned to it in the relevant section where it is used.

IMMUNITY OF BUYER PROPERTY AND ASSETS (Clause 2 of the prime contract)

1. The Seller is aware that according to the Ottawa Agreement dated 20 September 1951, (5UST 1087, TIAS 2992, 200 UNTS 3), any Buyer documentation, information, data of whatever kind, any other Buyer assets used or to be used in the performance of the Contract, in the possession of the Seller and/or his SubSellers and by whomsoever held, wheresoever located, is immune from search, requisition, confiscation, expropriation or any other form of interference.

2. The Seller agrees that in cases of any such interference: a. Seller will take all reasonable actions necessary to prevent the above mentioned Buyer property and assets becoming subject of such interference, and if the interference has taken place, to take all necessary actions provided for under national or international law to prevent Buyer losing its rights (for this purpose the Seller is authorised to act on behalf of the Buyer until the time the Buyer is in the position to pursue his rights himself or by authorised responsibility).

b. Seller will inform the Buyer by the quickest means available; and

c. Seller will include in its contracts with any of its subSellers clauses which reflect the responsibilities outlined at Paragraphs a. and b. above.

MOST FAVOURED CUSTOMER (Clause 3 of the prime contract)

1. The Seller guarantees that the prices under this Contract will not be less favourable than the prices recalculated to comparable conditions quoted, obtained, or to be obtained for any other customer. The Seller is obligated to render reasonable evidence required thereto. If the Seller has quoted or will quote more favourable prices to any other customer, he will so notify the Buyer, and these more favourable prices will be applicable to this Contract. Overpayments will be reimbursed.

2. If the Buyer wants to have investigated the compliance with the guarantee in Paragraph 1 above and this cannot be determined by the Buyer on the basis of market prices or competition, the Buyer may request the government of the Supplier Nation to investigate the reasonableness of the prices offered in accordance with the pricing regulations for government military orders in force in the Supplier Nation. The Seller agrees to co-operate in such investigation and undertakes to furnish to the authorities concerned all reasonable information required. The Buyer cost of such investigation is not to be an expense of the Seller.

FORCE MAJEURE (Clause 5 of the prime contract)

1. In the event the Seller is delayed in performing any of its obligations in this contract and such delay is caused by but not limited to: (a) acts of God, (b) acts of the public enemy, and (c) strikes and embargoes or boycotts causing cessation, slow-down or interruption of work, which causes are beyond the reasonable control of the Seller and without the fault or negligence of the Seller or subSellers, such delay shall be excused and the period of such delay shall be added to the time for performance of the obligation delayed.

2. In the event any such delay due to the foregoing causes or events occurs or is anticipated, the Seller shall promptly notify the Buyer of such delay or expected delay and the cause and estimated duration of such delay. In the event of a delay due to the foregoing causes or events, the Seller shall exercise due diligence to shorten and avoid the delay and shall keep the Buyer advised as to the continuance of the delay and steps taken to shorten or terminate the delay.

TAXES AND DUTIES (Clause 7 of the prime contract)

1. The Buyer, as a subsidiary body of NATO is by application of the Ottawa Agreement dated 20 September 1951, exempt from all taxes and duties.

2. Goods and services sold to the Buyer are exempt from taxes and customs duties under paragraph 1 above. The Seller is responsible for obtaining and preparing any documentation required to facilitate this exemption.

3. However, if the Seller is compelled to pay any readily identifiable tax or duty in relation to this Contract, he will provide written notification to the Buyer when such tax or duty is levied upon him and seek reimbursement of such tax or duty in accordance with the Clause entitled “Changes”. Reimbursement shall be limited to those Seller incurred costs, excluding profit. The Seller shall identify the law or governmental regulation pursuant to which such tax or duty is enforced.

DEFAULT (Clause 8 of the prime contract)

1. The Buyer may, subject to the provisions below, by written notice of default to the Seller, terminate the whole or any part of this Contract if either of the following two circumstances is not cured within a period of 30 working days (or such longer period as the Buyer may authorise in writing) after receipt of written notice from the Buyer specifying such failure. A working day means a day of business of both Buyer and Seller and excludes holidays normally observed by either party.

a. If the Seller fails to perform the Work within the time specified herein or any extension thereof and is not due to Force Majeure; or,

b. If the Seller fails to perform any of the other requirements of this Contract;

2. In the event the Buyer terminates this Contract in whole or in part, the Buyer may procure, upon such terms and in such manner as may be deemed appropriate, supplies or services similar to those so terminated and the Seller shall be liable to the Buyer for any reasonable excess costs for such similar supplies or services, provided that the Seller shall continue the performance of this Contract to the extent not terminated under the provisions of this Clause.

3. The Seller shall be liable for excess costs, unless the failure to perform the Contract arises out of causes beyond his control. If the failure to perform is caused by the default of a subSeller, the Seller is also liable for excess costs, unless he can demonstrate that he has taken all reasonable action to seek other sources and means for assuring contractual performance.

4. If this Contract is terminated, the Buyer, in addition to any other rights provided in this Clause, may require the Seller to transfer title and delivery to the Buyer in the manner and to the extent so directed.

a. Any completed supplies, and,

b. Such partially completed supplies and materials, plans, information and contract rights (hereinafter called "materials") as the Seller has specifically produced or specifically acquired for the performance of such part of this Contract as has been terminated; and the Seller shall protect and preserve property in possession of the Seller in which the Buyer has an interest.

c. Payment for completed supplies delivered to and accepted by the Buyer shall be at the contract price. Materials delivered to and accepted by the Buyer and for the protection and preservation of property shall be in an amount agreed upon by the Seller and the Buyer; failure to agree to such amount shall constitute a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes" .

5. If, after notice of termination of this Contract under the provisions of this Clause, it is determined for any reason that the Seller was not in default under the provisions of this Clause, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to the clause entitled “Termination for Convenience of the Buyer”.

TERMINATION FOR CONVENIENCE OF THE BUYER (Clause 9 of the prime contract)

1. In the event the Buyer determines, by issuing a formal written notice to that effect, that the work ordered hereunder is no longer required the Seller agrees to immediately cease its work hereunder and cancel any subcontracts hereunder and will use its best endeavours to effect such stoppage and/or cancellation on terms as favourable to the Buyer as can be granted or obtained.

2. Any termination exercised under the provisions of this Clause, will entitle the Seller to submit to the Buyer a claim for reimbursement of cost and expenses incurred by the Seller for the terminated portion of the Contract. Work in hand will be paid for in accordance with the terms and conditions of the Contract and with the work order. The reimbursement of all other costs and expenses associated with the terminated work will be the subject of negotiation. These reimbursable costs include but are not limited to, the following:

a. The total of the costs incurred in the performance of the work terminated, including initial costs and preparatory expense allocable thereto, but excluding any costs attributable to supplies or services paid or to be paid under Paragraph 2 above, for work in hand.

b. The total of the cost of settling and paying termination settlement proposal under terminated subcontracts that are properly chargeable to the terminated portion of the Contract is not included in Paragraph a. above.

c. The total of a fair and reasonable profit/fee.

d. The reasonable costs of settlement of the work terminated including:

(1) Accounting, legal, clerical, administrative and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data;

(2) The termination and settlement of subcontracts (excluding the amounts of such settlements); and

(3) Storage, transportation, and other costs incurred, reasonably necessary for the preservation, protection, and/or disposition of the terminated inventory. Such claim will be submitted to the Buyer not later than six (6) months after receipt of the Buyer's notice of termination. The Seller's claim will be fully documented, substantiated and justified. Its settlement will be negotiated between the Buyer and the Seller. Failure to reach agreement on the settlement of the Seller's claim shall constitute a dispute within the meaning of the Clause hereof entitled "Disputes".

DISPUTES (Clause 10 of the prime contract)

1. The Buyer is an integral part of the North Atlantic Treaty Organisation (NATO). The Buyer shares in the international personality of NATO as well as in the juridical personality possessed by NATO by virtue of Article 4 of the Ottawa Agreement. The juridical personality of the Buyer is subsumed in that of NATO and cannot be distinguished from it. Rights and privileges that apply to NATO and that are specifically addressed in Article 4 to 11 and 24 of the Ottawa Agreement apply to the Buyer.

2. Therefore, any dispute arising out of the Contract shall be settled according to the following arbitration clause:

a. The party instituting the arbitration proceedings shall advise the other party by registered letter, with official notice of delivery, of his desire to have recourse to arbitration. Within a period of thirty days from the date of receipt of this letter, the parties shall jointly appoint an arbitrator. In the event of failure to appoint an arbitrator, the dispute or disputes shall be submitted to an Arbitration Tribunal consisting of three arbitrators, one being appointed by the Buyer, another by the other party, and the third, who shall act as President of the Tribunal, by these two arbitrators. Should one of the parties fail to appoint an arbitrator during the fifteen days following the expiration of the first period of thirty days, or should the two arbitrators be unable to agree on the choice of the third member of the Arbitration Tribunal, within thirty days following the expiration of the said first period, the appointment shall be made, within twenty-one days, at the request of the party instituting the proceedings, by the Secretary General of Permanent Court of Arbitration at The Hague.

b. Regardless of the procedure concerning the appointment of this Arbitration Tribunal, the third arbitrator will have to be of a nationality different from the nationality of the other two members of the Tribunal.

c. Any arbitrator must be of the nationality of any one of the member states of NATO and shall be bound by the rules of security in force within NATO.

d. Any person appearing before the Arbitration Tribunal in the capacity of an expert witness shall, if he is of the nationality of one of the member states of NATO, be bound by the rules of security in force within NATO, if he is of another nationality, no NATO classified documents or information shall be communicated to him.

e. An arbitrator who, for any reason whatsoever, ceases to act as an arbitrator shall be replaced under the procedure laid down in the first Paragraph of this clause.

f. The Arbitration Tribunal will take its decisions by a majority vote. It shall decide where it will meet and, unless it decides otherwise, shall follow the arbitration procedures of the International Chamber of Commerce in force at the date of the signature of the present Contract.

g. The awards of the arbitrator or of the Arbitration Tribunal shall be final and there shall be no right of appeal or recourse of any kind. These awards shall determine the apportionment of the arbitration expenses.

SECURITY (Clause 14 of the prime contract)

1. The Seller will comply with all the security requirements prescribed by NATO and the National Security Authority (NSA) or Designated Security Agency (DSA) of each NATO country in which the Contract is performed. He will be responsible for the safeguarding of NATO classified information, material and equipment entrusted to him or generated by him in connection with the performance of the Contract.

2. If the Buyer issues instructions which, in the opinion of the Seller and his SubSellers, are not in accordance with the national implementation instructions, the Buyer shall be informed accordingly without delay and the Seller shall then await instructions from the Buyer on how to proceed. The Seller shall not be held liable for delay while waiting for these instructions.

LIABILITY (Clause 16 of the prime contract)

1 NAPMO will retain the risk of loss of or damage to the Aircraft including material and equipment used therein for loss of use thereof.

2 The Prime Seller and its subSellers shall only be responsible for loss or destruction of, or damage to the NAPMO property provided under this Contract that results from:

a. willful misconduct or lack of good faith on the part of the Prime Seller and its subSeller's managerial personnel

b. failure on the part of the Prime Seller and its subSellers, due to willful misconduct or lack of good faith on the part of the Prime Seller and its subSeller's managerial personnel, to establish and administer a program or system for the control, use, protection, preservation, maintenance, and repair of NATO property as required by this contract.

3. EXCLUSION OF LIABILITIES.

a. Disclaimer and Release. The warranties, conditions, representations, obligations and liabilities of the Prime Seller and its subSellers and remedies of NAPMO set forth in this agreement, are exclusive and in substitution for, and NAPMO hereby waives, releases and renounces all other warranties and other obligations and liabilities of the Prime Seller and its subSellers, any other rights, claims and remedies of NAPMO against the Prime Seller and its subSellers, express or implied, arising by law or otherwise, with respect to any nonconformance or defect in any hardware/services provided under this agreement, including but not limited to:

(1) any implied warranty of merchantability or fitness;

(2) any implied warranty arising from course of performance, course of dealing or usage of trade;

(3) any obligation, liability, right, claim or remedy in tort, whether or not arising from the negligence of the Prime Seller and its subSellers and

(4) any obligation, liability, right, claim or remedy for loss of or damage to any property of NAPMO, including without limitation any NATO E-3A aircraft.

b. Exclusion of Consequential and other Damages. The Prime Seller and its subSellers shall have no obligation or liability, whether arising in contract (including warranty), tort (whether or not arising from the negligence of the Prime Seller and its subSellers), or otherwise, for loss of use, revenue or profit or for any other incidental or consequential damages with respect to any nonconformance or defect in any items or services delivered under this contract or other things provided under this contract.

c. Definitions. For the purpose of this Clause, the term "The Prime Seller" includes The Prime Seller's Company, its divisions, subsidiaries, the assignees of each, and its subSellers, suppliers and affiliates, and their respective directors, officers, employees and agents.

EXAMINATION OF RECORDS (Clause 17 of the prime contract)

1. This clause is applicable to this Contract only (i) if the price, or any of the prices, to be paid for the supplies and/or services to be furnished hereunder is/are other than (a) firm fixed price(s), or (ii) if this Contract is terminated by the Buyer, in whole or in part, and the Seller submits a termination claim as a result thereof, or (iii) in the event a dispute arises between the parties and arbitration proceedings are instituted pursuant to the clause of this Contract entitled "Disputes".

2. The Seller agrees that the respective national audit agency shall, until the expiration of three (3) years after final payment under this Contract have access to and the right to examine any pertinent books, documents, papers, and records of the Seller/subSeller involving transactions related to this Contract.

3. The period of access and examination described above for records which relate to either appeals under the "Disputes" clause of this Contract or litigation, or the settlement of claims arising out of the performance of this Contract, shall continue until such appeals, litigation or claims have been disposed of.

4. No examination of subSeller records is required for subcontracts less than US $100,000 or equivalent Euros.

5. The Seller shall include this Clause in all subcontracts priced at or above US $100,000 or equivalent Euros. Examination with respect to such subSeller effort shall be limited to the Seller in accordance with Paragraph 4 above.

EXPORT LICENSING AND DISCLOSURE REVIEW (Clause 19 of the prime contract)

1. The Seller is aware that according to the Multinational Memorandum of Understanding on the NATO E-3A Cooperative Program all participating Governments have agreed to arrange for the grant of any export licenses necessary for the program. In implementation of this program principle, it shall be the Seller's responsibility to obtain any export license(s) as may be required under this Contract.

2. The Seller shall prepare technical data in accordance with the Statement of Work of this Contract and such technical data may be subject to the Export Administration Act of 1979 (50 USC App. 2401-2420) and the Arms Export Control Act (22 USC 2751, et seq.) and the International Traffic in Arms Regulation (22 CFR, Subchapter M, 120-128, 130). For purposes of this Contract, delivery of such data to foreign addressees is contingent upon release authorization by the USAF FDPO.

3. In the event any Government does not provide to the Seller written approval of Technical Assistance Agreements and any other licenses, export or import licenses, visas, residence permits, work permits, non-transfer and end use certificate or other similar government actions or approvals necessary: (1) to perform this contract; (2) to export from or to deliver to NAPMO any items involved in the performance of this contract; or (3) to permit the Seller and its subSellers to contract with their Euro-Canadian subSellers (at any tier) consistent with the performance and delivery schedules of this Contract, an equitable adjustment shall be negotiated. Failure to reach agreement will constitute a dispute as laid down in the clause entitled "Disputes".

RIGHTS IN TECHNICAL DATA (Clause 21 of the prime contract)

1. NAPMO shall have the right to use, duplicate, or disclose Technical Data provided under this Contract, in whole or in part, for NATO AWACS purposes which include maintenance, repair and support within the NATO AWACS program by NAPMO countries industry, as long as any companies within the NAPMO countries are identified to the Seller by the Buyer or other NAPMO organization and those companies execute for the Seller a Non-Disclosure Agreement or other proprietary information agreement as identified by the Seller.

2. All data delivered or disclosed under this Contract, but not originally developed under this Contract, and validated as Proprietary Information to the Seller or his SubSeller shall be clearly marked with the appropriate proprietary legend(s). If data, on legitimate grounds, is identified as Proprietary Information, then the restrictions imposed by paragraph 3. below shall apply to that Data.

3.

a. The Buyer agrees not to divulge any of the Seller's proprietary information, and further to protect said proprietary information in accordance with its associated marking(s). The Buyer agrees to provide immediate notification to the Seller upon discovery that Seller's proprietary information was improperly released or disclosed. Buyer's notification shall include the name of recipient(s) to whom said Data was disclosed to and the steps taken for recovery of said Data by the Buyer.

b. Should the Buyer deem it necessary to release any of the Seller's proprietary information to any third parties, other than NATO Organisations and participating NAPMO Governments and their industries performing maintenance, repair and support within the NATO AWACS program, then the Buyer shall first obtain the Seller's prior written consent to release such data in accordance with paragraph 1. above. Parties receiving such information are subject to the same limitation for further release. Such Proprietary Information may be used by the Buyer but only for purposes of operation and maintenance of the Contract Items.

c. Except as may be otherwise provided herein, Proprietary Information will in no event be used for any design or manufacturing purpose without the Seller's prior written consent. Buyer will not be precluded from disclosing or using any Data or information marked as proprietary which:

(1) Is known to Buyer at the time of receipt from Seller or is received from a source other than Seller without a restriction on further disclosure;

(2) Is or subsequently becomes freely available to the public without breach of the provisions of this Clause;

(3) Is subsequently developed by Buyer through means independent of the information provided by Seller.

d. Nothing contained herein or in any subsequent communication made pursuant to this Contract will be construed as a waiver of any Boeing Affiliate's rights or any third party's rights in Proprietary Information. All Proprietary Information delivered hereunder will remain the property of the originator.

e. Trademarks. Buyer will not use the trademark "Boeing" or its equivalent, or any other trademarks of Boeing, without the express written approval of Boeing's Authorized Representative.

f. Copyright. Delivery of Data under this Contract does not convey the copyright in that Data to Buyer.

4. This Clause shall survive the expiration, completion or termination of this Contract.

WARRANTY (Clause 25 of the prime contract)

1. The Seller warrants that the work and deliverables under this Contract shall be free from defect in material and workmanship at the time of delivery and acceptance by the Buyer. The Buyer shall notify the Seller of a defect in writing within fourteen (14) days after the defect is discovered, and the notice shall thoroughly describe the defect. For the warranty period as stipulated in the applicable TRN, the Seller shall, on receipt of written notice of a defect from the Buyer, at the Seller's option repair, or replace without delay, any deliverables or work that prove to be defective. Transportation and insurance costs for defective parts returned to the Seller shall be at the Buyer's charge and transportation and insurance costs for parts replaced or repaired by the Seller shall be at the Seller's charge.

2. In the event of the Seller's failure to fulfill his obligation to repair or replace the defective item within the time stipulated in each TRN, or as extended in accordance with subpara 3 below, the Buyer shall have the right to have the defective item repaired or replaced by a third party and to recover the direct and demonstrated cost from the Seller.

3. Should the Seller be aware from the outset that the stipulated turn-around-time for a repair or replacement is not achievable, then the Seller should formally request the Buyer to grant an extension of the response time. The request should contain a detailed rationale why the response time cannot be achieved and should specify the extension required. Each request will be assessed on its merits and the Buyer will not refuse any reasonable request.

4. Repaired items will be warranted for either the remaining period against the original warranty or three (3) months whichever is greater, commencing from the date of return to the Buyer. Replaced items will be warranted for the same duration as the original warranty, commencing from the date of return to the Buyer.

5. This warranty shall not apply to consumable and extendible items (such as batteries, fuses...) and to defects arising from or connected with Buyer's failure to operate or maintain the supplies in accordance with the Seller's specifications

and documentation and generally with standard practices of equipment operations and shall not be applicable to defects arising from or connected with (i) any combinations of the supplies with equipment not approved by the Seller (ii) or any modification of the supplies performed by others but the Seller (iii) or any accident of the supplies (iv) or normal wear and tear (v) or defective installation, maintenance or storage (vi) or inadequate energising.

6. This clause sets forth Seller's exclusive warranties and liabilities, express or implied, for defective work and equipment.

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A = ADDED
D = DELETED
R = REVISED