

Date: January 21, 2004

EXHIBIT A

**GOVERNMENT PROVISIONS
APPLICABLE TO
PRIME CONTRACT 4300143839 L/C**

THE PRIME CONTRACT IS NOT YET DEFINITIZED. THEREFORE, THE CLAUSES CONTAINED IN THIS EXHIBIT A MAYBE CHANGED, DELETED OR ADDED TO UPON DEFINITIZATION OF THE PRIME CONTRACT. BY ACCEPTANCE OF THIS SOLICITATION/CONTRACT, THE SUPPLIER AGREES TO ACCEPT ALL MANDATORY FLOWDOWN CLAUSES OR CHANGES TO THE CLAUSES CONTAINED IN THIS EXHIBIT A THAT BECOME REQUIRED BY THE DEFINITIZATION OF THE PRIME CONTRACT.

The clauses contained in the following Government regulations are incorporated by reference. Where necessary or appropriate to derive proper meaning in a subcontract situation, "Contractor" shall mean Seller. Government clauses cited elsewhere in the contract shall be those in effect in effect November 20, 2003.

FAR/DFARS

<u>Reference</u>	<u>Title</u>
52.204-2	Security Requirements (AUG 96) (Applies only if the contract requires access to classified information, "Government" means Buyer or the Government.)
52.211-5	Material Requirements (AUG 00) ("Contracting Officer" means Buyer.)
52.215-15	Pension Adjustments and Asset Reversions (DEC 98) ("Contracting Officer" means Buyer and Seller's cognizant ACO.) (Applicable only if contract is other than firm-fixed-price or if certified cost or pricing data was provided.)
52.215-18	Reversion or Adjustment of Plans for Post-Retirement Benefits (PRB) Other than Pensions (OCT 97) (Applicable only if the contract is other than firm-fixed price or if certified cost or pricing data was provided.)
52.215-19	Notification of Ownership Changes (OCT 97)
52.215-20	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data (OCT 97). [Contracting Officer shall mean Buyer in subparagraph (a).]
52.219-8	Utilization of Small Business Concerns (OCT 00)
52.222-21	Prohibition of Segregated Facilities (FEB 99) (Certification required. The clause is to be included in every subcontract or purchase order subject to the equal opportunity clause.)
52.222-26	Equal Opportunity (APR 02) [Subparagraphs (b)(1) through (11)]
52.223-3	Hazardous Material Identification and Material Safety Data (JAN 97) (Applies only if hazardous material will be delivered)
52.223-7	Notice of Radioactive Materials (JAN 97) (In paragraph (1) insert "sixty (60)" before "days".)
52.225-8	Duty-Free Entry (FEB 00)
52.225-13	Restrictions on Certain Foreign Purchases (JUL 00) ("Contracting Officer" means Buyer.)
52.227-1	Authorization and Consent (JUL 95)
52.227-9	Refund of Royalties (APR 84)
52.227-10	Filing of Patent Applications - Classified Subject Matter (APR 84) (Applies only if contract will involve access to classified information)
52.227-11	Patent Rights - Retention by Contractor (Short Form) (JUN 97) (Applies only if Special Provision F.1 is included and Seller is a small business or non-profit organization.)

- 52.227-12, Patent Rights - Retention by Contractor (Long Form) (JAN 97) [Applies only if Special Provision F.1 is included. If Seller is a small business or nonprofit organization, include FAR 52.227-11, Patent Rights - Retention by the Contractor (Short Form), in such subcontract or purchase order instead of this clause.]
- 52.234-1 Industrial Resources Developed Under Defense Production Act Title III (DEC 94)
- 52.237-2 Protection of Government Buildings, Equipment and Vegetation (APR 84) (Applies only if work will be performed on a government installation. "Contracting Officer" means Buyer.)
- 52.242-15 Stop Work Order (AUG 89) ("Contracting Officer" means Buyer)
- 52.244-6 Subcontracts for Commercial Items and Commercial Components (MAY 01)
- 52.245-2 Government Property (Fixed Price Contracts) (DEC 89)
- 52.245-17 Special Tooling (APR 84) (This clause applies only if tooling is acquired for or furnished by the Government and to be retained for use by the Seller.)
- 52.247-63 Preference for U.S.-Flag Air Carriers (JAN 97)
- 252.215-7000 Pricing Adjustments (DEC 91)
- 252.223-7001 Hazard Warning Labels (DEC 91)
- 252.223-7002 Safety Precautions for Ammunition and Explosives (MAY 94) (Applies only if contract involves ammunition or explosives.)
- 252.223-7003 Change in Place of Performance -- Ammunition and Explosives (DEC 91) (Applies only if DFARS 252.223-7002 applies.)
- 252.223-7007 Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives (SEP 99)
- 252.225-7009 Duty-Free Entry--Qualifying Country Supplies (End Products and Components) (AUG 00)
- 252.225-7010 Duty-Free Entry--Additional Provisions (AUG 00)
- 252.225-7014 Preference for Domestic Specialty Metals, Alt. I (MAR 98) (Applies only if contract item contains specialty metals.)
- 252.225-7016 Restriction on Acquisition of Ball and Roller Bearings (DEC 00) (Applies only if contract item contains ball or roller bearings.)
- 252.225-7025 Restriction on Acquisition of Forgings (JUN 97) (Applies only if delivered items could contain forging items)
- 252.225-7043 Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States (JUN 98)
- 252.227-7025 Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends (JUN 95)
- 252.228-7005 Accident Reporting and Investigation Involving Aircraft, Missiles and Space Launch Vehicles (DEC 91)
- 252.231-7000 Supplemental Cost Principles (DEC 91)
- 252.235-7003 Frequency Authorization (DEC 91) (Applies only if contract involves developing, producing, testing or operating a device requiring radio frequency authorization.)
- 252.243-7001 Pricing of Contract Modifications (DEC 91)
- 252.245-7001 Reports of Government Property (MAY 94). Seller will provide information Buyer may require to complete Buyer's annual report.
- 252.247-7024 Notification of Transportation of Supplies by Sea (MAR 00) ("Contracting Officer" and, in the first sentence of paragraph (a), "Contractor" means Buyer.)

The following clauses also apply if the contract price exceeds \$10,000:

- 52.222-36 Affirmative Action for Workers with Disabilities (JUN 98)

The following clause also applies if the contract price exceeds \$25,000:

- 52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 01)
- 52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 01)

The following clauses also apply if the contract price exceeds \$100,000:

- 52.203-6 Restrictions on Subcontractor Sales to the Government (JUL 95)
- 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (APR 91) (Seller's signed proposal provided the required certification.)
- 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (JUN 97) (The disclosures of Seller and its lower tier subcontractors required by paragraph (c) shall be submitted to the Buyer.)
- 52.215-2 Audit and Records-Negotiation (JUN 99) (Applies if the contract is cost reimbursement, incentive, time-and-materials, labor hour, or price redeterminable type or any combination of these; if cost or pricing data was required; or if cost funding or performance reports will be furnished.)
- 52.215-14 Integrity of Unit Prices (OCT 97) (Excluding paragraph (b)). (Not applicable if only services will be provided.)
- 52.222-4 Contract Work Hours and Safety Standards Act - Overtime Compensation (SEP 00)
- 52.223-14 Toxic Chemical Release Reporting (OCT 00) (Paragraph (e) is deleted and "Contracting Officer" in paragraph (d) means Buyer.)
- 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (AUG 96). (A copy of each notice sent to the Government will be sent to Buyer.) ("Contracting Officer" means Buyer.)
- 52.228-5 Insurance - Work on Government Installation (JAN 97) (This clause applies only if work is to be done on a Government installation.)
- 52.247-64 Preference for Privately-Owned U.S. Flag Commercial Vessels (JUN 00)
- 52.248-1 Value Engineering (FEB 00) [excluding subparagraph (f)]. ("Contracting Officer" shall mean Buyer. If a Value Engineering Change Proposal is accepted by the Government, Seller's share will be 50% of the instant concurrent and future contract net acquisition savings and collateral savings that Buyer receives from the Government. Seller's negotiated share of net acquisition savings or collateral savings shall not reduce the Government's share of concurrent or future savings or collateral savings. Buyer's payments to Seller under this clause are conditioned upon Buyer's receipt of authorization for such payments from the Government.)
- 252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense Contract Related Felonies (MAR 99) (This clause does not apply to the purchase of commercial items or commercial components. "Contractor" and "contract" are not changed in paragraphs (a) and (b). In paragraph (e), "Government" shall mean Government or Buyer. In paragraph (f), "through the Buyer" is inserted after "Contracting Officer". Paragraph (g) is deleted and "Contracting Officer" shall mean Contracting Officer.)
- 252.209-7000 Acquisition from Subcontractors Subject to On-Site Inspection Under the Intermediate - Range Nuclear Forces (INT) Treaty (NOV 95)
- 252.247-7023 Transportation of Supplies by Sea (MAY 02) (In paragraph (d) "45 days" is changed to 60 days.)

The following clauses also apply if the contract price exceeds \$500,000:

- 52.215-21 Requirement For Cost or Pricing Data or Information Other Than Cost or Pricing Data – Modifications (OCT 97). "Contracting Officer" shall mean Buyer in subparagraph (a).
- 52.219-9 Small Business Subcontracting Plan (JAN 02) (Applies only if Seller is not a small business. "Contracting Officer" in paragraph (c) means Buyer.)
- 52.230-2 Cost Accounting Standards (APR 98) (This clause applies only if Seller is subject to Cost Accounting Standards (CAS).

- 52.230-3 Disclosure and Consistency of Cost Accounting Practices (APR 98) [excluding paragraph (b)]. This clause applies only if Seller is subject to Cost Accounting Standards (CAS). In paragraph (c), "Government" shall mean Government.
- 52.230-6 Administration of Cost Accounting Standards (NOV 99) (Add "Buyer and "before "Contracting Officer" in paragraph (e).)
- 252.219-7003 Small, Small Disadvantaged and Women-Owned Business Small Business Subcontracting Plan (DoD Contracts) (APR 96)
- 252.225-7026 Reporting of Contract Performance Outside the United States" (JUN 00) (not applicable if only commercial products are involved.) (This clause applies only if this contract is not for commercial items, construction, ores, natural gases, utilities, petroleum products and crudes, timber (logs), or subsistence.)
- 252.249-7002 Notification of Proposed Program Termination or Reduction (DEC 96). (In paragraph (c), "2 weeks" is changed to 10 days.)

The following clauses also apply if the contract price exceeds \$1,000,000:

- 252.211-7000 Acquisition Streamlining (DEC 91)
- 252.225-7032 Waiver of United Kingdom Levies (OCT 92)

The following clauses also apply if Technical Data or Computer Software will be Generated or Delivered:

- 52.227-14 Rights in Data - General (JUN 87)
- 252.227-7013 Rights in Technical Data--Noncommercial Items (NOV 95)
- 252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (JUN 95)
- 252.227-7016 Rights in Bid or Proposal Information (JUN 95)
- 252.227-7018 Rights in Noncommercial Technical Data and Computer Software - Small Business Innovation Research (SBIR) Program (JUN 95)
- 252.227-7019 Validation of Asserted Restrictions - Computer Software (JUN 95)
- 252.227-7026 Deferred Delivery of Technical Data (APR 88)
- 252.227-7027 Deferred Ordering of Technical Data or Computer Software (APR 88)
- 252.227-7030 Technical Data - Withholding of Payment (MAR 00) (This clause applies only if the delivery of data is required by this contract.) ("Contracting Officer" and "Government" means Buyer.)
- 252.227-7036 Declaration of Technical Data Conformity (JAN 97)
- 252.227-7037 Validation of Restrictive Markings on Technical Data (SEP 99)

Additional Provisions:

PRICING OF ADJUSTMENTS. When costs are a factor in any determination of a contract price adjustment pursuant to the "Changes" clause or any other provision of this contract, or when the allowability of costs under this contract are to be determined, determination of such costs shall be in accordance with FAR Part 31.

DEFENSE PRIORITY RATING. If a defense priority rating is identified on the face of this contract, this is a rated order certified for national defense use and the Seller shall follow all the requirements of the Defense Priorities and Allocations Systems Regulation (15 CFR Part 700), including accepting or rejecting this contract in writing within fifteen (15) working days after receipt of DO rated or ten (10) days after receipt if DX rated. If rejected, the reason(s) for such rejection shall be included in the notice to the Buyer.

ANTI-KICKBACK PROCEDURES. Seller agrees to abide by the Anti-Kickback Act of 1986 (41 U.S.C. 51 through 58) and FAR 52.203-7, "Anti-Kickback Procedures" which is incorporated herein by reference, except that subparagraph (c)(1) of FAR 52.203-7 shall not apply to Seller, and further that in subparagraphs (c)(2), (c)(3), and (c)(5), the term "Contractor" shall mean Seller, and in subparagraph (c)(4) the term "Prime Contractor" shall mean Buyer and the term "Subcontractor" shall mean Seller. In addition to reporting possible violations of the Anti-Kickback Act to the Government pursuant to 41 U.S.C. §57(c), Seller shall report such possible violations, if related to Buyer, to the Director of Materiel and/or the Division Counsel of the Boeing division or subsidiary issuing this contract. Seller agrees to hold Buyer harmless from, defend Buyer against, and indemnify Buyer for all costs, expenses, and offsets Buyer may incur as a consequence of violations of this clause by Seller or by Seller's subcontractors or suppliers. The rights and obligations set forth in this clause shall survive completion of, final payment under, or termination of, this order.

TRUTH IN NEGOTIATIONS ACT. (Applicable if certified cost or pricing data was provided.) Seller shall comply with the provisions of FAR 52.215-10 and 52.215-12 which are incorporated herein by reference to the extent such clauses are or become applicable to this contract. In the absence of other instructions, Seller shall submit cost or pricing data for changes which exceed the established threshold consistent with the cost or pricing data instructions applicable to the proposal for this contract. Seller shall reimburse the Buyer any amount by which this contract is determined by the Government to have been overpriced because of Seller's or Seller's subcontractor's failure to comply with such provisions plus any interest, fines or other penalties imposed upon the Buyer as a result of the Seller's or the Seller's subcontractor's defective pricing.

TRUTH IN NEGOTIATIONS ACT - MODIFICATIONS. (Applies if certified cost or pricing data was not provided.) Seller shall comply with the provisions of FAR 52.215-11 and 52.215-13 which are incorporated herein by reference to the extent such clauses are or become applicable to this contract. In the absence of other instructions, Seller shall submit cost or pricing data for changes which exceed the established threshold consistent with the cost or pricing data instructions applicable to the proposal for this contract. Seller shall reimburse the Buyer any amount by which this contract is determined by the Government to have been overpriced because of Seller's or Seller's subcontractor's failure to comply with such provisions plus any interest, fines or other penalties imposed upon the Buyer as a result of the Seller's or the Seller's subcontractor's defective pricing.

A = ADDED
D = DELETED
R = REVISED