

Date: October 2000**EXHIBIT A****GOVERNMENT PROVISIONS
APPLICABLE TO
PRIME CONTRACT **DAAH23-00-G-0343****

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 September 2000.

| <u>FAR/DFARS Reference</u> | <u>Title</u> |
|-----------------------------------|---|
| 52.203-10 | Price or Fee Adjustment for Illegal or Improper Activity (JAN 97) |
| 52.211-5 | Material Requirements (OCT 97) ("Contracting Officer" means Buyer.) |
| 52.211-15 | Defense Priority and Allocation Requirements (SEP 90) |
| 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) |
| 52.219-8 | Utilization of Small Business Concerns (OCT 99) |
| 52.222-1 | Notice to the Government of Labor Disputes (FEB 97) ("Contracting Officer" means Buyer.) |
| 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 (FEB 99) [Subparagraphs (b)(1) through (11)] |
| 52.225-13 | Restrictions on Certain Foreign Purchases (JUL 00) |
| 52.227-1 | Authorization and Consent (JUL 95) |
| 52.227-3 | Patent Indemnity (APR 84) |
| 52.242-15 | Stop Work Order (AUG 89) ("Contracting Officer" means Buyer) |
| 52.244-5 | Competition in Subcontracting (DEC 96) |

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| 52.244-6 | Subcontracts for Commercial Items and Commercial Components (OCT 98) |
| 252.204-7000 | Disclosure of Information (DEC 91) (Seller will submit requests for authorization through Buyer.) |
| 252.215-7000 | Pricing Adjustments (DEC 91) |
| 252.225-7002 | Qualifying Country Sources as Subcontractors (DEC 91) |
| 252.225-7009 | Duty-Free Entry--Qualifying Country Supplies (End Products and Components) (MAR 98) |
| 252.225-7010 | Duty-Free Entry--Additional Provisions (MAR 98) |
| 252.225-7012 | Preference for Certain Domestic Commodities (MAY 99) |
| 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 (AUG 98) |
| 252.225-7025 | Restriction on Acquisition of Forgings (JUN 97) (Applies only if delivered items could contain forging items) |
| 252.231-7000 | Supplemental Cost Principles (DEC 91) |
| 252.244-7000 | Subcontracts for Commercial Items and Commercial Components (DoD Contracts) (FEB 97) |
| 252.248-7000 | Preparation of Value Engineering Change Proposals (MAY 94) |

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

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| 52.222-20 | Walsh-Healy Public Contracts Act (DEC 96) |
| 52.222-35 | Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (APR 98) |
| 52.222-36 | Affirmative Action for Workers with Disabilities (JUN 98) |
| 52.222-37 | Employment Reports on Disabled Veterans and Veterans of the Vietnam Era (JAN 99) |

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

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| 52.203-6 | Restriction 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) |
| 52.215-2 | Audit and records Negotiation (JUN 99) |
| 52.215-14 | Integrity of Unit Prices (OCT 97) |
| 52.227-2 | Notice and Assistance regarding Patent and Copyright Infringement (AUG 96) |

- 52.248-1 Value Engineering (FEB 00) [excluding subparagraph (f)]. (This clause applies only if this contract is for \$100,000 or more. "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 applies only if this contract exceeds the FAR Part 13 simplified acquisition threshold and 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 (INF) Treaty (NOV 95)
- 252.225-7026 Reporting of Contract Performance Outside the United States (JUN 00)

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

- 52.219-9 Small Business Subcontracting Plan (OCT 99) (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) and if this contract exceeds \$500,000. Per 52.230-6(e)(1), self-deleting clauses shall not be used.)
- 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), and if this contract exceeds \$500,000. 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).) (This clause applies only if FAR 52.230-2 or -3 is contained in the prime contract.)
- 252.225-7026 Reporting of Contract Performance Outside the United States (JUN 00)

Additional Provisions:

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 ten working days after receipt of DO rated or five 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.