

AEROJET SUPPLEMENTAL TERMS & CONDITIONS

1. FOREIGN OFFSET CREDITS

This order in its entirety is to be considered part of the Aerojet offset program and as such, is not transferable or to be assigned to any other organization or business. Any offset credit generated by this order shall belong to Aerojet. Should any purchases be made from foreign sources as a result of this order, you are required to provide the following information to the Buyer:

- a) purchase order number
- b) purchase order value
- c) foreign country the purchase order was placed with
- d) description of goods or services purchased

2. ORDER OF PRECEDENCE

This order and all documents incorporated by reference constitute the entire agreement of the parties as to the subject matter hereof. In the event of any inconsistency among the foregoing, the inconsistency shall be resolved by giving precedence in the following order: (i) the purchase order; (ii) if applicable, the government contract clauses unless specifically stated otherwise herein; (iii) the terms and conditions; (iv) the specifications; (v) the drawings; and (vi) the other documents incorporated by reference.

3. TOXIC SUBSTANCES CONTROL ACT (TSCA)

By acceptance of this contract, the Seller agrees to provide any and all data to the Buyer via fax to the Procurement Department prior to delivery regarding materials that are part of or on the TSCA listing. Should any material, subcomponent material or assembly, contain these controlled materials, the accompanying packing slip included with the shipment will also be marked accordingly.

4. BANKRUPTCY

By acceptance of this contract, the Seller agrees and novates title to all materials, tooling, and any other property that was purchased under the terms of this contract back to the Buyer. This material, tooling, and property will be returned, shipped at the Buyer's cost. The Seller agrees to defend and pursue this action to assure the release of said raw materials, work in process, tooling, and test equipment, understanding that this release is a contractual obligation that supersedes any bankruptcy claim or right to ownership.

5. ITAR DATA

No technical data furnished to Seller by Aerojet as part of this Order, or developed by Seller directly from such data during performance of this Order, shall be reexported to any foreign national, firm or country, including foreign nationals employed by or associated with the United States, without first complying with the licensing, approval, and all other requirements of the U.S. export control laws, regulations, and directives, including but not limited to the Arms Export Control Act (22 USC 2778), International Traffic in Arms Regulations (22 CFR, Part 120-130), Export Administration Act (50 USC 2401-2410 as amended), Export Administration Regulations (15 CFR Part 730-799) and DoD directive 5230.25, Withholding of Unclassified Technical Data from Public Disclosure. Seller agrees to obtain written consent of Aerojet prior to submitting any request for authority to export any such technical data.

6. SHOW CAUSE LETTER

Should the Seller, due to unforeseen circumstances, delay or not show adequate progress toward the completion of the subcontract, the Buyer will notify the Seller formally (in writing) that a show cause letter and/or a recovery plan is required. This plan will be provided within five (5) working days of the request for review by the Buyer. This plan will not constitute or be assumed to be an approved contract change until such time that it be made part of the contract.

7. STOP WORK ORDER

Buyer may at any time, by written notice to Seller, require Seller to stop all or any part of the work called for by this order for a period of up to ninety (90) days after the notice is delivered to Seller (Stop Work Order). Upon receipt of the Stop Work Order, Seller shall forthwith comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of ninety (90) days after a Stop Work Order is delivered to Seller, or within any extension of that period to which the parties have agreed, Buyer shall either cancel the Stop Work Order, or terminate the work covered by this order as provided in the TERMINATION FOR DEFAULT or the TERMINATION FOR CONVENIENCE paragraphs of this order, whichever may be appropriate. Seller shall resume work upon cancellation or expiration of any Stop Work Order. An equitable adjustment shall be made in the delivery schedule or prices hereunder, or both, and this order shall be modified in writing accordingly, if the Stop Work Order results in an increase in the time required for the performance of this order or in Seller's costs properly allocable thereto.

8. TERMINATION FOR DEFAULT

a) Buyer may, subject to the provisions of subparagraph c) below, by written notice of default to Seller, terminate the whole or any part of this order in any one of the following circumstances: (i) if Seller fails to make delivery of the goods or to perform this work within the time specified herein or any extension thereof; or (ii) if Seller fails to perform any of the other provisions of this order, or so fails to make progress as to endanger performance of this order in accordance with its terms, and does not cure such failure within a period of ten (10) days (or longer period as Buyer may authorize in writing) after receipt of notice from Buyer specifying such failure.

b) In the event Buyer terminates this order in whole or in part as provided in subparagraph a) above, Buyer may procure, upon such terms and in such manner as Buyer may deem appropriate, supplies or services similar to those so terminated, and Seller shall be liable to Buyer for any excess costs for the same; provided, that Seller shall continue the performance of this order to the extent not terminated hereunder.

c) Except with respect to defaults of subcontractors, Seller shall not be liable for any excess costs if the failure to perform this order arises out of causes beyond the control and without the fault or negligence of Seller.

If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both Seller and the subcontractor, and without the fault or negligence of either of them, Seller shall not be liable for any excess costs for failure to perform, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Seller to meet the required delivery schedule. The terms "subcontractor(s)" shall mean subcontractor(s) at any tier.

d) If this contract is terminated as provided in subparagraph a) above, Buyer, in addition to any other rights provided in this order, may require Seller to transfer title and deliver to Buyer, in the manner and to the extent directed by Buyer, (i) any completed goods, and (ii) such partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans,

drawings, information and contract rights (hereinafter called "manufacturing materials") as Seller has specifically produced or specifically acquired for the performance of such part of this order as has been terminated; and Seller shall, upon direction of Buyer, protect and preserve property in the possession of Seller in which Buyer has an interest. Seller's failure or refusal to transfer title and delivery to Buyer such manufactured materials within thirty (30) days after receipt of Buyer's demand to transfer title and deliver, shall entitle Buyer to reasonable attorney's fees necessary to assert a cause of action to recover possession of the manufacturing materials. Payment for completed goods delivered to and accepted by Buyer shall be at the contract price.

Payment for manufacturing materials delivered to and accepted by Buyer and for the protection and preservation of property shall be in an amount agreed upon by Buyer and Seller. Failure to agree to such amount shall be a dispute concerning a question of fact within the meaning of the paragraph of this order entitled DISPUTES. Buyer may withhold from amounts otherwise due Seller for such completed supplies or manufacturing materials such sum as Buyer determines to be necessary to protect Buyer against loss because of outstanding liens or claims of former lien holders.

- e) If, after notice of termination of this order under the provision of this paragraph, it is determined for any reason that Seller was not in default under the provisions above, or that the default was excusable under the provisions of this paragraph, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to a termination for convenience of Buyer.
- f) The rights and remedies of Buyer provided in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this order.

9. TERMINATION FOR CONVENIENCE

Buyer may, in good faith, at any time, for any reason, by written notice terminate all or part of this order for Buyer's convenience. If this order is terminated, in whole or in part, for Buyer's convenience, Seller shall be paid an amount, to be mutually agreed upon, which shall be adequate to cover the reasonable cost of Seller's actual performance of work under this order to the effective date of termination, plus a reasonable profit thereon; provided that no amount shall be paid to Seller for (i) any anticipatory profits related to work under this order not yet performed, or (ii) costs incurred due to Seller's failure to terminate work as ordered on the effective date of termination. In no event shall the total amount paid under this provision exceed the prices set forth in this order for the work terminated. This provision operates precedent to and/or in lieu of any other termination for convenience incorporated by reference herein.

10. DISPUTES

Except as otherwise provided in this order, any dispute arising under or relating to this order, not resolved by agreement of the parties shall be decided by Buyer. Such final decision shall be reduced to writing and issued to the Seller. If the Seller disagrees with the Buyer's decision, Seller must, within thirty (30) days after the date of receipt of such final decision so notify Buyer in writing. Seller's failure to notify Buyer within thirty (30) days of receipt of Buyer's written final decision shall be deemed a forbearance and waiver of Seller's claims relating to the dispute. Seller shall, at all times, continue to perform in accord with the Buyer's final decision. Seller's failure to so proceed shall be deemed a material breach and entitle Buyer to equitable relief in the form of specific performance and such reasonable attorney's fees as is necessary to obtain Seller's continued performance hereunder. This provision operates precedent to and/or in lieu of any other disputes clause incorporated by reference herein.

11. PATENTS AND COPYRIGHTS

Seller agrees to defend, indemnify and hold harmless Buyer, its customer and agents against any liability, including without limitation costs, expenses and attorney fees, for or by reason of any actual or alleged infringement of any patent or copyright arising out of the manufacture, use, sale, delivery or disposal of goods furnished under this order and not attributable to Seller's compliance with Buyer's specific written instructions.

Buyer shall notify Seller, as soon as practicable, of any claim of infringement received by Buyer. In the event of any such claim against Buyer, Seller shall furnish to Buyer, when so notified by Buyer, all evidence and information in possession of Seller pertaining to such claim. Seller shall report to Buyer promptly and in reasonable written detail, each notice or claim of patent or copyright infringement relating to the performance of this order of which Seller has knowledge. Where payment is made, at Buyer's expense, for experimental, developmental, or research work performed under this order, Seller shall disclose and does hereby assign to Buyer all inventions resulting therefrom and does grant Buyer the right to use for any purpose all data specified to be deliverable hereunder.

12. LABOR DISPUTES

Whenever any actual or potential labor dispute delays or threatens to delay the timely performance of this order, Seller shall immediately give notice thereof to Buyer. Seller shall insert the substance of this provision in its orders to Seller's subcontractors and lower tier subcontractors issued as part of Seller's performance of this purchase order.

13. PACKING AND SHIPMENT

- a) Unless otherwise specified, all work is to be packed in accordance with good commercial practice unless other requirements are specifically specified in this order.
- b) A complete packing list shall be enclosed with all shipments. Seller shall mark containers or packages with necessary lifting, loading, and shipping information, including the AEROJET purchase order number, item number, dates of shipment, and the names and addresses of consignor and consignee. Bills of Lading shall include this purchase order number.