

COMMERCIAL PROPELLANT TERMS & CONDITIONS

QUALITY ASSURANCE PROVISIONS

Quality Assurance Provisions identified on the purchase order as "QAPS" are applicable to this contract by reference of Aerojet's Attachment #24. Automotive Products Supplier Quality Requirements manual SQR97.0 may also be incorporated by reference on the purchase order. The Certifications that require a written document must be returned in duplicate with applicable signatures and titles on each partial as well as complete shipment. Failure to comply with this provision of the contract will delay the inspection process and payment for material received.

BLANKET ORDERS

If this order is identified as a blanket order, the following conditions apply:

The order is not a commitment by the Buyer and does not contain firm requirements. The order should not be construed as an obligation to purchase material from the Seller. The Buyer will release requirements on a Material Release/Supplier Schedule (MR/SS) form.

The MR/SS form will authorize production and delivery of material in two (2) classifications. The first classification is firm. These quantities and delivery dates are firm requirements. The second classification is raw/firm. For the raw/firm classification, the Seller is authorized to procure all material to support the quantities on the MR/SS.

Any commitment by the Seller beyond that authorized on the MR/SS will be at the Seller's risk.

The Buyer reserves the right to change or terminate the order. In the event of a change or termination, the Buyer and Seller will negotiate a settlement in good faith, based upon the above conditions.

SHIPPING CONTAINER - MARKING

Carton labels must be prominently displayed on all shipping containers, i.e.: packages, cartons, etc.

All outside shipping containers and their contents must be properly classified, described, packaged, marked, and labeled according to the current applicable regulations of the U.S. Department of Transportation. Special handling instructions must be included with all hazardous articles.

PACKAGING

Packaging will be industry standards unless otherwise directed on the purchase order.

SHIPPING AND DELIVERY INSTRUCTIONS

Material must be shipped to arrive at the Camden, AR plant, or any drop ship point designated, by the date specified on the purchase order or on the MR/SS. If the Seller is unable to meet the schedule, it is the Seller's responsibility to notify the Buyer.

OVERSHIPMENT, beyond any amount authorized, or shipments more than 15 days in advance of the due date, may be returned via commercial carrier, collect, at the discretion of the Buyer. Agreement of shipped and received accumulative totals is imperative. If the Seller's records do not coincide with Buyer's receiving records, the Buyer's records shall be considered correct until proven otherwise to the Buyer's satisfaction. All parts returned to the Seller must be deducted from his accumulative shipping total.

SALE/LEASE

Seller shall provide prior written notice of any pending sale, lease, conveyance, exchange, transfer, or other disposition of all or substantially all of its business assets and/or interest therein. Failure to provide adequate notice shall be regarded as a material breach of contract and Buyer may, in addition to other remedies available at law, terminate for default this order by giving written notice to Seller.

INSPECTION

Notwithstanding the results of tests performed by Seller, in the event that any test specimen fails any test performed by the Buyer, within the scope of the specification, the Buyer reserves the right to return to the Seller the specimen, as well as the

remainder of the lot, for testing of the particular attribute(s) which failed, and all such tests shall be performed at Seller's expense. All freight charges resulting from the failure shall be borne by the Seller.