

TERMS AND CONDITIONS FOR SUBCONTRACTORS PERFORMING ON AEROJET PROPERTY

It is mutually agreed that this Purchase Order does not constitute the Seller as a Legal Representative of the Buyer for any purpose whatsoever, and that in the performance of the work called for hereunder the Seller shall act as an independent subcontractor. The Seller is not granted, expressly or impliedly, any right or authorization to assume or to create any obligation or responsibility in behalf of or in the name of the Buyer, or to bind the Buyer in any manner whatsoever.

Subcontractor's Responsibilities

1. Insurance

Seller agrees to procure and/or maintain during the period of performance hereunder at least the following insurance coverage:

- a) Workmen's Compensation Insurance in the amounts required by the laws of the state or the states in which the work is to be performed.
- b) Employer's Liability Insurance of not less than \$100,000 per person/\$300,000 for any one accident.
- c) Public Liability Insurance of not less than \$1,000,000 combined single limit per occurrence and annual aggregate. (Copy of certificate to be provided to the Buyer).
- d) If any part of the work hereunder is sublet, Seller shall provide Owner's and Contractor's Protective Liability Insurance having limits of not less than \$1,000,000 combined single limit per occurrence and annual aggregate, plus name the Buyer as an additional named insured. (Copy of certificate to be provided to the Buyer).
- e) Comprehensive Automobile Liability limits of not less than \$500,000 combined single limit per occurrence and annual aggregate.
- f) Such other insurance coverage as Buyer may, from time to time, require with respect to performance hereunder.

2. Regulations

All employees, agents, and representatives of the Seller shall be subject to the reasonable rules and regulations at any time promulgated by Buyer for the safe, orderly, and efficient conduct of operations on Buyer's property. Seller shall enforce observance of such rules and regulations and shall maintain discipline and good order among its employees, agents, and representatives. Seller's employees, agents, and representatives, during such time as they are on the Buyer's premises, shall abide by the same rules and regulations with respect to fire protection, security regulations, and safety that govern the Buyer's employees.

3. Lockout/Tagout

All employees, agents, and representatives of the Seller involved in servicing and maintenance of machinery, equipment, utilities, and/or facilities that has hazardous energy (i.e., electricity, hydraulic, pneumatic, steam, stored, or residual energy, etc.) in which unexpected start-up or release of stored energy could cause injury to employees, must comply with OSHA regulation 29CFR 1910.147, "the control of hazardous energy (lockout/tagout)". The Seller is required to comply with the Buyer's Lockout/Tagout Program when working at the Buyer's facility (or the Seller must inform the Buyer's Safety Department of differences between the Seller's and the Buyer's Lockout/Tagout Programs). The Seller will be responsible for providing its employees, agents, and representatives with Lockout/Tagout related hardware (i.e., locks, tags, lockout devices, hasps, etc.). A copy of the Buyer's written Lockout/Tagout Program can be obtained from the Buyer's Safety Department.

4. Confined Space

All employees, agents, and representatives of the Seller performing work involving permit-required confined space entry must comply with OSHA regulation 29CFR1910.146. The Seller is responsible for providing the required monitoring, protective, and rescue equipment necessary to perform permit-required confined space entry. A copy of the Buyer's written Confined Space Entry Procedure can be obtained from the Buyer's Safety Department.

5. Safety of Controlled or Hazardous Materials

Should the project involve renovation or any type of work on existing structures, building, or any type facility or equipment, the Seller must take full responsibility for the following:

- A. Should the Seller, during the course of this project, encounter any type of hazardous material, chemicals, or any component thereof, the Seller is to cease all efforts and remove all employees from the work area. The Seller will contact the Buyer's Facilities Engineer and the Buyer's Safety Department within two (2) hours, and, in writing, define the concern and location of same.
- B. Should the Seller leave the work site due to any suspected or known hazardous materials, they will not return to the work site without authorization from the Buyer's Procurement Department.
- C. Exiting from the work site, as stated above, will be considered a safety issue and will not be subject to remobilization or stand down costs.

6. Payment and Invoices

The Subcontractor or Seller, as provided for in this purchase order, assumes all rights and responsibilities for payment to any and all second or third tier subcontractors or employees. The Buyer will not provide payment for wages and materials to any company or individual, except the Subcontractor noted on the face of the purchase order.

7. Damage to Buyer Provided Materials or Equipment

By acceptance of this purchase order, the Subcontractor or Seller accepts all responsibility regarding Buyer furnished materials and equipment. Should the Seller damage or otherwise render any material, equipment, or subcomponent inoperable during the performance of this purchase order, the Seller will replace said material, equipment, or subcomponent with a replacement approved by Buyer prior to installation, without financial consideration or payment from Buyer.

8. Warranties on Subcontractor or Seller Furnished Items

The Subcontractor or Seller will be responsible for all warranties either expressed or implied for a period of not less than one (1) year from the date of installation. The Seller agrees to pursue all warranty claims on behalf of Buyer, and should this claim render Buyer equipment, buildings, or general operations inoperable, the Seller agrees to replace said equipment or return the building to an operable condition at the Seller's cost without financial consideration from Buyer.

9. Indemnification

The Subcontractor or Seller, as noted on this purchase order, hereby agrees to indemnify and hold harmless Buyer, its officers, employees, agents, and representatives harmless from any and all claims, liabilities, losses and damages, costs or expenses, including reasonable attorney's fees by reason of: a property damage or personal injury, including death or dismemberment, of whatever

nature arising out of or as a result of or in connection with the Subcontractor or Seller, its employees, agents or lower tier subcontractors' performance, expenses, or other charges incurred or anticipated to be incurred hereunder.

10. Final Acceptance

Final acceptance by Buyer will consist of a formal "walk through" of the project with the Subcontractor or Seller. The Buyer will provide to the Subcontractor or Seller a written "repair or replacement list" to which the Subcontractor will immediately provide all necessary labor and materials to bring the building, equipment, or operation to a state that is acceptable to the Buyer.

11. Retainage

The Buyer reserves the right to retain ten percent (10%) of the total subcontract or purchase order value until such time as all deliveries, construction, repair, replacement, or warranty work is completed and approved by Buyer without benefit of interest, claims, or any other fees.

12. Codes, Permits, & Standards

The Subcontractor or Seller warrants and understands that performance under this purchase order is to be completed in full compliance and consideration of all local, state, and federal codes, and specifications for materials and services. This requirement includes and is not limited to all state and federal OSHA safety standards regarding employees, agents, or representatives of the Seller.

13. Field Changes

The Subcontractor or Seller, by acceptance of this purchase order, takes full financial liability for all field changes not approved by the Buyer in writing, prior to any such change(s) being implemented. Should such a change not be authorized in writing by the Buyer's Procurement Department, the Seller will be responsible for all costs, labor, and materials related to this change without benefit of financial recovery from the Buyer.

14. Bonds, Bids, & Performance

Bid bonds, when requested by the Buyer, will be submitted in duplicate with the submission of the bid/proposal and will provide details as to the name, address, telephone, and fax number of the bonding company. All bid bonds will be for the total proposed price as supplied by the Seller.

Performance bonds, when requested, will be submitted within ten (10) days of pre-award notification. Failure to provide bonds, as stated above, will allow the Buyer to award the contract to the next successful bidder without recourse from the individual notified during the pre-award period.

Performance bonds will be provided in duplicate and will list the Buyer as the contracting agent. These bonds will be for the entire cost as proposed and can be exercised by Buyer for non-performance, default, or termination.