

Date: January 2003

EXHIBIT A

**GOVERNMENT PROVISIONS
APPLICABLE TO
PRIME CONTRACT 30012089**

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 TBD.

FAR/DFARS

<u>Reference</u>	<u>Title</u>
52.214-28	Subcontracting Cost or Pricing Data - Modifications - Sealed Bidding (Applicable to Sealed Bidding Solicitations and Purchase Orders over \$100,000, or for DoD, Coast Guard, and NASA Solicitations and Purchase Orders over \$500,000.)
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.)
52.219-8	Utilization of Small Business Concerns (OCT 00)
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 (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".)
52.225-11	Restrictions on Certain Foreign Purchases (JUL 02) ("Contracting Officer" means Buyer.)
52.227-1	Authorization and Consent (JUL 95)
52.227-3	Patent Indemnity (APR 84)
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.]
52.227-13	Patent Rights - Acquisition by the Government
52.228-3	Workers' Compensation Insurance (Defense Base Act)
52.236-13	Accident Prevention (NOV 91) ("Contracting Officer" means Buyer.)
52.242-15	Stop Work Order (AUG 89) ("Contracting Officer" means Buyer)
52.244-5	Competition in Subcontracting (DEC 96)

- 52.246-25 Limitation of Liability -- Services (FEB 97)
- 52.247-63 Preference for U.S.-Flag Air Carriers (JAN 97)
- 252.204-7000 Disclosure of Information (DEC 91) (Seller will submit requests for authorization through Buyer.)
- 252.208-7000 Intent to Furnish Precious Metals as Government-Furnished Material (DEC 91)
- 252.215-7000 Pricing Adjustments (DEC 91)
- 252.222-7000 Restrictions on Employment Personnel
- 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.)
- 252.223-7005 Hazardous Waste Liability (OCT 92) (Applies only if work will be performed on a Government installation.)
- 252.223-7007 Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives (SEP 99)
- 252.225-7009 Duty-Free Entry--Qualifying Country End Products and Supplies
- 252.225-7010 Duty-Free Entry--Additional Provisions (AUG 00)
- 252.225-7014 Preference for Domestic Specialty Metals (MAR 98) (Applies only if contract item contains specialty metals.)
- 252.225-7019 Restriction on Acquisition of Foreign Anchor and Mooring Chain (Applies if restricted welded shipboard anchor or mooring chain are being delivered.)
- 252.225-7025 Foreign Source Restrictions
- 252.225-7028 Exclusionary Policies and Practices of Foreign Governments (DEC 91)
- 252.225-7029 Restriction on Acquisition of Air Circuit Breakers (Applies if contract is for a naval vessel.)
- 252.225-7030 Restriction on Acquisition of Carbon, Alloy and Armor Steel Plate (OCT 92)
- 252.227-7033 Rights in Shop Drawings
- 252.227-7034 Patents - Subcontracts
- 252.228-7005 Accident Reporting and Investigation Involving Aircraft, Missiles and Space Launch Vehicles (DEC 91)
- 252.235-7002 Animal Welfare (Applicable if contract involves research of live vertebrate animals.)
- 252.235-7003 Frequency Authorization (DEC 91) (Applies only if contract involves developing, producing, testing or operating a device requiring radio frequency authorization.)
- 252.239-7016 Telecommunications Security Equipment, Devices, Techniques, and Services (DEC 91). This clause applies only if this contract requires securing telecommunications.
- 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:

- 52.222-20 Walsh-Healey Public Contracts Act (DEC 96)
- 52.222-35 Affirmative Action for Special Disabled Veterans and Veterans of the Vietnam ERA
- 52.222-36 Affirmative Action for Handicapped Workers
- 52.222-37 Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era (JAN 99)

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 Buyer's Material Representative.)
- 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)
- 52.227-2 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.)
- 52.246-24 Limitation of Liability -- High-Value Items (Feb 1997) ["Government's" shall mean Government's or Buyer's in paragraph (e).
- 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 Special Prohibition on Employment (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)
- 252.231-7000 Penalties for Unallowable Costs
- 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:**
- 52.219-9 Small Business Subcontracting Plan (JAN 02) (Applies only if Seller is not a small business. "Contracting Officer" in paragraph (c) means Buyer.)
- 52.220-4 Labor Surplus Area Subcontracting Program
- 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.
- 52.230-5 Administration of Cost Accounting Standards
- 252.219-7003 Small Business and Small Disadvantaged Business Subcontracting Plan (DoD Contracts)

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.)

252.249-7001 Notification of Substantial Impact on Employment

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

252.210-7003 Acquisition Streamlining

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 and Computer Software

252.227-7018 Restrictive Markings on Technical Data

252.227-7019 Identification of Restricted Rights Computer Software

252.227-7026 Deferred Delivery of Technical Data or Computer Software

252.227-7027 Deferred Ordering of Technical Data or Computer Software (APR 88)

252.227-7029 Identification of Technical Data

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.)

252.227-7037 Validation of Restrictive Markings on Technical Data (SEP 99)

252.246-7001 Warranty of Data (DEC 91) ("Contracting Officer" means Buyer.)

Additional Provisions:

"CHANGES CLAUSE." The time period to claim for an equitable adjustment shall be ten (10) days. Change General Provisions references in "Changes" clause from 25 days to 10 days.

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