Purchase Order General Provisions
Raytheon Canada Limited, Waterloo Facility

1. GENERAL.
(a) Agreement by Seller to furnish the materials or services hereby ordered, or its commencement of such performance, shall constitute acceptance by Seller of this Purchase Order subject to these terms and conditions. Any terms or conditions proposed by Seller inconsistent with or in addition to the Purchase Order General Provisions herein contained, whether proposed prior or subsequent to issuance by Buyer of this Purchase Order, shall be void and of no effect unless specifically agreed to by Buyer. Modifications hereof or additions hereto, to be effective, must be made in writing and be signed by Buyer’s purchasing representative.

(b) This Purchase Order and the attachments and documents incorporated herein constitute the complete and exclusive statement of the terms of this agreement between Buyer and Seller and supersede all prior representations, understandings, and communications relating hereto. The invalidity in whole or in part of a paragraph, subparagraph, provision or article of this Purchase Order shall not affect the validity of any other paragraph, subparagraph, provision or article of this Purchase Order. It is mutually agreed that each paragraph, subparagraph, provision and article of this Purchase Order is severable from each other and every other paragraph, subparagraph, provision or article contained in this Purchase Order and constitute separate and distinct provisions.

2. COMPLIANCE WITH LAWS AND REGULATIONS.
Seller warrants that he has been duly authorized to operate and to do business in the jurisdiction in which the work is to be performed; that he has obtained, at no cost to Buyer or its customer(s), all necessary and required licenses and permits required in connection with this Purchase Order, and that he will comply fully with all pertinent laws, decrees, regulations and labor standards of such country or countries during the performance of this Purchase Order. The provision of the U.N. Convention on Contracts for the International Sale of Goods shall not apply to this agreement.

3. WARRANTIES.
(a) Seller warrants that all items delivered hereunder, including services, will be free from defects in material and workmanship and will conform to applicable specifications and drawings and, to the extent such items are not manufactured pursuant to detailed designs furnished by Buyer, that all items will be free from defects in design and suitable for the intended purpose.

(b) In addition to other remedies which may be available at law or in equity, Buyer, at its option, may return to Seller any nonconforming or defective items and may, at Buyer’s option, require correction or replacement of the item, all at Seller’s risk and expense. If Buyer does not require correction or replacement of nonconforming or defective items, Seller shall repay such portion of the purchase price or such additional amount as is equitable under the circumstances. These rights of Buyer are in addition to but shall not be limited by Seller’s standard warranty or any statutory or other warranty implied or imposed by law. Inspection and acceptance of items by Buyer or its customer, or payment therefor, shall not relieve Seller of its responsibilities hereunder.

4. CHANGES.
(a) Buyer may, at any time, by a written order, make changes in drawings, designs or specifications, where the items to be furnished are to be specially manufactured for the Buyer in accordance therewith; method of shipment or packaging, place or time of inspection, delivery, or acceptance; and in the amount of any property or services furnished by Buyer. If any such change causes an increase or decrease in the price of this Purchase Order or in the time required for its performance, Seller shall promptly notify Buyer thereof and assert its claim for adjustment within twenty (20) days after the change is ordered, and an equitable adjustment shall be made. However, nothing in this article shall excuse Seller from proceeding immediately with the Purchase Order as changed.

(b) Changes shall not be binding upon Buyer except when specifically confirmed in writing signed by a member of Buyer’s Purchasing Department which expressly states that it constitutes an amendment or change to this Purchase Order. Information, advice, approvals, or inspections given by Buyer’s technical personnel or other representatives shall be deemed expressions of personal opinions only and shall not affect Buyer’s and Seller’s rights and obligations hereunder.

(c) The Seller agrees not to make any changes in materials or design of the supplies to be delivered to Buyer and agrees not to make any changes in procedures or processes which might affect the fit, form, function, safety, weight, maintainability, service life, reliability, replaceability, or interchangeability of the supplies to be delivered to Buyer without prior written approval of Buyer.

5. SUSPENSION OF WORK.
(a) Buyer may at any time by written Notice of Suspension of Work, order the Seller to suspend all or part of the work for such period of time as he may deem to be appropriate for the convenience of the Buyer. Upon receipt of such a notice, the Seller shall forthwith comply with its terms and take all reasonable steps to minimize the incidence of costs allocable to the work covered by the notice during the period of work suspension, and shall provide proper care and protection of all related work in progress and all materials, supplies and equipment Seller has on hand for the performance of the work. Buyer may at any time thereafter by written notice cancel the Notice of Suspension of Work or terminate the suspended work pursuant to the provisions of the article entitled “TERMINATION”.

(b) If the performance of all or any part of the work is suspended beyond ninety (90) days, an equitable adjustment shall be made in the performance or delivery schedules, the Purchase Order price, or any other terms as may be affected by such suspension. Seller shall assert its claim, if any, for such adjustment within thirty (30) days after the end of the period of work suspension. However, no adjustment shall be made for any suspension to the extent that performance would have been so suspended by any other cause, including the fault or negligence of Seller. Also no adjustment shall be made under this article for any suspension for which an equitable adjustment is provided for or excluded under any other provision of this Purchase Order.

(c) In no event shall Seller be entitled to any adjustment for prospective profits or any damages whatsoever including, without limitation, incidental or consequential damages, whether directly or indirectly resulting from such suspension.

6. COMPLIANCE WITH DELIVERY/PERFORMANCE SCHEDULE.
(a) Time is of the essence in the performance under this Purchase Order. Seller shall perform the work and make deliveries hereunder no earlier than required to comply with the performance schedules, unless otherwise authorized in writing by Buyer.

(b) Seller agrees to notify Buyer immediately, if at any time it appears that the delivery schedules may not be met. Such notification shall include the reasons for any possible delays, and steps being taken to remedy any such problems. Seller further agrees to take such action as Seller considers appropriate to regain current delivery schedule including the performance of overtime, weekend, holiday work, or the establishment of additional shift work, to the extent such actions are permitted by local laws and regulations. Such actions shall be taken at no additional cost to Buyer.

7. ASSIGNMENT AND SUBCONTRACTING.
(a) Neither this Purchase Order nor any interest herein nor claim hereunder may be assigned or delegated by Seller, nor may all or substantially all of this Purchase Order be further subcontracted by Seller without the prior written consent of Buyer. Such consent, however, shall not be deemed to relieve Seller of its obligations to comply fully with the requirements of this Purchase Order.
Notwithstanding such assignment, no classified, or other confidential security information shall be furnished to the assignee or any other third party except upon prior written approval of Buyer.

8. TERMINATION.

(a) This Purchase Order may at any time be terminated in whole or in part by written notice from the Buyer. Such notice shall specify the effective date of such termination. If such termination is for the convenience of the Buyer and is not caused by the Seller’s failure to fulfill the requirements or make progress so as to endanger performance of this Purchase Order, the Buyer, deducting any amount(s) previously paid, shall pay a proportional price for all work performed plus a profit on such work but excluding profit on direct costs incurred due to termination. The total amount to be paid by the Buyer in the event of convenience termination shall be determined by negotiation, but it shall in no event exceed the price of this Purchase Order.

(b) The Buyer may terminate this Purchase Order for default in whole or in part if:

(i) the Seller fails to deliver the supplies or to perform the services specified in the Purchase Order within the time set forth in the Purchase Order;

(ii) the Seller fails to make progress so as to endanger performance;

(iii) the Seller becomes insolvent, fails to pay its debts as they become due, or makes or proposes to make an assignment for the benefit of creditors; or

(iv) the Seller fails to perform any other provision of this Purchase Order, including, without limitation, the provisions of the article entitled “EXPORT CONTROLS – UNITED STATES TECHNOLOGY”.

In the event of termination pursuant to this subparagraph (b), Seller shall be liable for the excess cost of procuring similar supplies or services from an alternate source. Buyer at its option may require Seller to transfer title to any completed work at the specified contract price or uncompleted work, tooling, drawings, information or material at an equitable price. Buyer shall have such additional remedies for default as may be available at law or in equity whether or not it terminates this Purchase Order.

(c) In the event of either default or convenience termination, Seller shall use its best efforts to reduce cost incurrence on terminated work and, to the extent or part not terminated, shall diligently continue performance of the work not terminated in accordance with the terms of this Purchase Order.

9. EXCUSABLE DELAY.

(a) Neither of the parties shall be in default for any failure or delay in performance hereunder when such failure or delay is the result of a force majeure, which is hereby defined as any event which is beyond their control and without their fault or negligence. Such events may include, but are not restricted to:

(i) acts of God or of the public enemy,

(ii) acts of government in either its sovereign or contractual capacity,

(iii) strikes, lockouts or other industrial disputes,

(iv) transportation breakdowns or freight embargoes,

(v) riots, mutinies, civil commotion, war or war-like operations, sabotage.

(b) Seller shall be excused and not held liable for delay in performance or in delivery on the part of Seller’s suppliers due to causes of force majeure as defined above, unless the supplies or services to be furnished by such suppliers were obtainable from other sources in sufficient time to permit Seller to meet the required performance schedules.

(c) Seller shall duly verify the beginning and duration of such events by documents certified or confirmed by a cognizant government authority or other evidence acceptable to the Buyer. These documents or other evidence shall clearly show the nature of the event, its beginning and end.

(d) To the extent such delay is unavoidable, the date of delivery or of performance may be extended at Buyer’s option for a period equal to the duration of the delay, but Seller shall not be entitled to any extra compensation for such delay.

(e) The portion of this Purchase Order affected by such failure or delay or the Purchase Order in whole may also be terminated at Buyer’s option. If such termination occurs, it shall be deemed a termination for convenience subject to the provisions of the article entitled: “TERMINATION”.

10. PROPERTY RIGHTS.

Any property furnished by Buyer or its Customer to Seller shall remain the property of Buyer or its Customer, as the case may be, and shall be plainly so marked and safely stored. Seller shall not use such property except in the performance of work under this Purchase Order and shall not substitute any other property therefor. Seller shall be fully responsible for all such property upon delivery thereof to Seller.

11. PATENT INDEMNITY.

(a) To the extent items are not supplied pursuant to detailed designs furnished by the Buyer, Seller shall at its own expense hold harmless Buyer and its Customer and shall defend either or both of them, from and against any suit or proceeding based on a claim that the use or sale of any item supplied under this Purchase Order constitutes infringement of any patent, copyright, trademark, or proprietary information rights of others, and Seller shall pay all damages and costs, including legal costs, awarded therein against the Buyer or its Customer, provided the Seller is notified promptly in writing of the suit or proceeding and shall be given adequate authority, information and assistance, at Seller’s expense, for the defense of same, subject to the rights of Buyer and its Customer to participate at their own expense and to be fully advised by Seller in advance of all actions taken.

(b) In the event said item in such suit is held to constitute infringement and its use or sale is enjoined, Seller shall, at its own expense, procure for Buyer and/or its customer the right to use or sell the item; or substitute an equivalent, but non-infringing item acceptable to Buyer and/or its Customer and extend this patent indemnity thereto; or, subject to the approval of Buyer and/or its Customer remove said item and refund the purchase price and any costs incurred by Buyer for transportation and installation thereof.

12. SELLER’S DATA.

(a) Seller agrees that any document, such as drawings, or any printed or written material furnished to Buyer under the terms of this Purchase Order may be used and duplicated in connection with further use or disposition of the work performed under this Purchase Order. Buyer agrees to reproduce any restrictive legends or copyright notice on copies thereof and abide by military security requirements relating thereto, if any.

(b) (i) To the extent that Seller established a claim to statutory copyright in the data first produced and furnished in the performance of this Purchase Order, Seller grants the Buyer a royalty-free, non-exclusive, irrevocable, world-wide license to publish, distribute, translate, duplicate, exhibit or perform any such data copyrighted by the Seller with the right to grant sublicenses.

(ii) Exclusive of computer software, related documentation and other proprietary data, the Seller agrees to grant a license for the benefit of the Buyer of the same scope as set forth in Article 12(b)(i) to any technical data delivered under this Purchase Order that is copyrighted by the Seller.

(iii) Exclusive of computer software and related documentation, the Seller further agrees not to knowingly
include any material copyrighted by others in technical data delivered under this Purchase Order without first obtaining at no additional cost a license therein for the benefit of the Buyer of the same scope as set forth in Article 12(b)(i).

(c) To the extent that this Purchase Order is for the purchase of “off-the-shelf” computer software, the following provisions apply:

Notwithstanding any other provision of Buyer’s License Agreement, Buyer may transfer the computer software licensed hereunder to a foreign noncommunist Government with the following restrictive rights:

This computer software is the property of Seller. It may not be used, duplicated, nor disclosed by the foreign noncommunist Government except as provided below:

(i) Use this computer software with the computer for which it was acquired, including use at any foreign noncommunist Government installation to which the computer may be transferred;

(ii) Use this computer software with a backup computer if the computer for which it was acquired is inoperative;

(iii) Copy this computer software for safekeeping (archives) or backup purposes;

(iv) Modify this computer software or combine it with other software, subject to the provision that where the derivative software contains portions which shall remain identifiable as protected data, such portions shall be subject to the above restrictions; and

(v) Disclose this computer software for use by on-site employees of support service contractors provided such contractors agree to protect such computer software from unauthorized use or disclosure.

(d) Any greater rights which the foreign noncommunist Government may have acquired in this computer software are stated in this Purchase Order.

13. INDUSTRIAL PROPERTY RIGHTS.

(a) Seller agrees that any information disclosed by Buyer to Seller for the purpose of this Purchase Order shall be used only in performance thereof, provided, however, that when the Government of Canada or any other government has an independent right to use such information as determined solely by Buyer upon request by Seller, Seller may use such information for the Government of Canada or any other government, as the case may be, to the extent of such right. Nothing in this article, however, shall restrict Seller’s right to use or disclose any information, which is or becomes generally known to the public without breach of this provision by the Seller or is rightfully obtained from other sources. Upon completion or termination of this Purchase Order, Seller shall return all such information to Buyer, or make such other disposition thereof as may be directed or approved by Buyer.

(b) Subject to applicable national security regulations, Buyer and the government representative(s) shall have the right of access on a non-interference basis, to any area of Seller’s or his suppliers’ premises where any part of the work is being performed. Seller shall, without additional costs to Buyer, provide all reasonable in-plant accommodations, facilities and assistance for the safety and convenience of the Buyer and the government representative(s) in the performance of their duties.

(c) In Purchase Order to ensure that the equipment satisfies the program requirements and to demonstrate compliance with applicable technical specifications, Seller and Seller’s suppliers shall perform factory tests as required by the Purchase Order and the Buyer or government representative(s) may witness such tests and review any test data in connection therewith. The Seller shall give Buyer such advance notice as is reasonably necessary to allow Buyer to witness any required test. The work set forth in the Purchase Order is subject to inspections and monitoring in accordance with the requirements of this Purchase Order and the quality program set forth therein at the Seller’s or Seller’s supplier’s facility and may be performed by the Buyer or a government authorized representative at their sole discretion. Inspection by the Buyer or the government representative(s) shall not relieve the Seller from responsibility for any omission, defect, fault or other failure to meet the requirements of the Purchase Order. If any item is found to be defective in material, workmanship or otherwise not in conformance with the requirements of this Purchase Order, the Buyer shall have the right to reject such defective item(s) or require its prompt correction all at Seller’s expense.

(d) The Seller shall keep and maintain proper and adequate inspection, test and related records, which shall be available for inspection by the Buyer or the government representative and shall allow copies thereof to be made and extracts taken therefrom, and shall furnish all information which may be required by the Buyer or the government representative(s).

(e) All items also may be subject to further inspection and acceptance at Buyer’s plant, Seller’s plant, or site of installation, notwithstanding any payments or other prior inspection. Final acceptance shall be at the Buyer’s facility or such other place as may be designated in writing by the Buyer’s materiel representative.

15. SECURITY.

Seller shall provide and maintain a system of security controls in accordance with security requirements of this Purchase Order, if any, and any other security requirements which may be imposed by Buyer’s customer.

16. PUBLICITY.

Seller agrees that it will not, without prior written approval of Buyer, publicize this Purchase Order or any of Seller’s performance hereunder, disclose any details in connection with said performance to third parties, or use Buyer’s name in connection with Seller’s publicity.

17. PAYMENTS AND INVOICES.

(a) Invoices including any required supporting documents shall be submitted in accordance with the payment terms specified elsewhere in this Purchase Order. The time for payment shall not commence before Buyer’s receipt, actual or scheduled whichever is later, of items at their destination or before performance by Seller in accordance with the requirements of this Purchase Order. Without limiting Buyer’s other remedies, if data is deficient or is not furnished when scheduled, Buyer may withhold payments (or such portion thereof as Buyer may deem equitable) until such deficiency or delinquency is cured.

(b) Without limiting Buyer’s other remedies, Buyer may set off, withhold or abate from any payments due under this Purchase Order or any other agreement between the parties, any liquidated damages that may be due under this Purchase Order. If this Purchase Order contains no provision for liquidated damages and in the opinion of Buyer, acting reasonably, any deliverable is deficient or is not furnished when scheduled, Buyer may withhold from any payments due hereunder or
under any other agreement between the parties, such amount as
determined by the Buyer, until such deficiency or delinquency is
cured.

(c) Buyer shall further have the right to recover from Seller by set off or
otherwise against any amounts owed to the Seller under this Purchase
Order or any other agreement between the parties, the price of any
items returned to Seller under the terms of this Purchase Order.

(d) Unless otherwise specified in the payment terms of this Purchase
Order, payments will be made in Canadian Dollars.

18. TAXES AND DUTIES.
Except as may be otherwise provided in the Purchase Order, the price of this
Purchase Order is inclusive of all taxes, assessments, fees, licenses, customs
charges and duties and other mandatory governmental charges imposed on
the Seller, his suppliers and their employees in the performance of the work.
If Seller has included in the price any such charges in excess of the
requirements of the applicable laws or regulations, the price of this Purchase
Order shall be correspondingly reduced.

19. IMPORT/EXPORT DOCUMENTATION INDEMNIFICATION.
(a) To the extent items furnished hereunder are to be exported, Seller
warrants that all import-export documentation, including but not
limited to all copies of packing sheets, invoices (commercial and
Customs), and special customs documentation, are accurate and
accurate and correspond to the actual items shipped. Seller shall indemnify
and hold Buyer harmless against any and all losses, claims, seizures,
forfeitures, fines, penalties, assessments and damages of any kind
whatsoever arising out of any violation by Seller of the applicable
Customs Regulations due to Seller’s errors in import/export
documentation.

(b) Seller also agrees that upon notification by Buyer of a violation, Seller
shall immediately provide Buyer with assistance and documentation
to rectify Seller’s errors and settle matters related thereto with the
Customs authorities. In the event of actual monetary losses by Buyer
as a result of the foregoing circumstances, Buyer may elect, at its
option, to request direct payment or affect an offset against any
amount, due to that time or in the future, by Buyer to Seller.

20. LIABILITY.
If Seller or any of his suppliers is required by the terms of this Purchase
Order to perform, or does perform work on the premises of the Buyer or its
Customer, Seller agrees to indemnify and hold harmless Buyer and the
Buyer’s Customer, their officers, employees, agents and invitees from and
against all claims, judgments, liabilities, losses, injuries and damages of
every nature (including costs and expenses incident thereto) caused by acts
or omissions to act by Seller, its suppliers, their officers, employees, agents
and invitees, directly and indirectly arising out of the performance of work
under this Purchase Order.

21. DOCUMENT LANGUAGE AND MEASUREMENTS.
(a) All documentation furnished, including the exchange or
correspondence under this Purchase Order, unless otherwise specified in
this Purchase Order, will be written in the English language.

(b) This Purchase Order is drawn up in the English language only. In the
event of any inconsistency between any terms of this Purchase Order,
and any translation thereof into another language, the English
language meaning shall control.

(c) All measurements applicable to the work performed herein will be in
accordance with the system of measurements specified in the
Statement of Work. If not so specified, it may be in the metric system.

22. PRICES.
Seller warrants that any unit prices charged herein do not exceed the unit
prices charged during the term of this Purchase Order by Seller to other
customers of Seller in substantially similar transactions.

23. NOTICES.
All notices required to be given by Buyer or Seller to the other party under
the terms of this Purchase Order shall be written in English and shall be sent
by registered letter, or by telegram, facsimile or telex, confirmed promptly
by registered letter, and shall be effective at the time of receipt of the
original notification by the other party.

24. ADDITIONAL AMENDMENTS.
Seller, upon the request of Buyer, shall negotiate amendments to this
Purchase Order to incorporate additional provisions or changes to current
provisions, as Buyer may deem necessary for compliance with provisions of
Buyer’s contract with its Customer or of any amendments thereto. If such
amendments to this Purchase Order cause an increase or decrease in the
price of, or the time required for, the performance of this Purchase Order, an
equitable adjustment shall be made in the price, payment terms, delivery
schedules and/or any other terms of this Purchase Order as may be effected
pursuant to the provisions of the article entitled “CHANGES”.

25. DISPUTES.
(a) Irrespective of the place of performance of any work hereunder, the
Buyer and Seller agree that this Purchase Order was entered into in the
Province of Ontario (Canada) and shall be construed and interpreted
according to the laws of Ontario without resort to the Province’s
conflict of laws rules.

(b) Pending final resolution of any dispute under this Purchase Order,
Seller shall proceed diligently with the performance of this Purchase
Order in accordance with Buyer’s decision or direction concerning the
subject matter of such dispute.

26. RIGHTS AND REMEDIES OF BUYER.
The rights and remedies of the Buyer set forth herein shall be in addition to
any other rights and remedies provided in law or equity.

27. OFFSET CREDIT.
Buyer represents that it has or may have in the future certain offset
commitments with the Government of Canada or with the Government of
the Seller’s country. Seller agrees to support Buyer in obtaining offset credit
for this Purchase Order with the appropriate Government agencies if so
required by Buyer.

28. PRECEDENCE.
Conflicting provisions hereof, if any, shall prevail in the following
descending order of precedence: 1) typed provisions set forth on this
Purchase Order, 2) Buyer’s Purchase Order Attachments, 3) the preprinted
portion of this Purchase Order, including these Purchase Order General
Provisions, 4) statement of work, and 5) specifications attached or
incorporated by reference. Buyer’s specifications shall prevail over those of
any agency of the Government of Canada or Buyer’s Government, and both
shall prevail over those of Seller.

29. INDEMNIFICATION AGAINST CLAIMS.
(a) Seller shall defend, indemnify, and hold harmless Buyer and Buyer’s
directors, officers, employees, and agents from any personal injury or
property damage claim, suit, action, lien, expense, loss, or damage
whatsoever, including but not limited to such claims, etc. under strict
liability or products’ liability, together with attorney’s fees, arising out of
or in any way connected with Seller’s performance or failure to
perform this Purchase Order or that of Seller’s agents, employees, or
subcontractors. Seller shall be responsible for the actions and failure to
act of all parties retained by, through, or under Seller in connection with
the performance of this Purchase Order. Seller shall also
maintain such General Liability, Property Damage, Employer’s
Liability, and Worker’s Compensation Insurance and Motor Vehicle
Liability (Personal Injury and Property Damage) insurance as are
specified in this Purchase Order or if none are specified, such amount
as will protect, Seller (or its subcontractors) and Buyer from said risk
and from any claims under any applicable Occupational Health and
Safety regulations including the Ontario or applicable Workers’
Compensation Act.
(b) Seller shall without limitation as to time, indemnify and save Buyer harmless from all claims which may be asserted against property covered hereunder, including without limitation mechanic’s liens or claims arising under Worker’s Compensation or Occupational Disease laws and from all claims for injury to persons or property arising out of or related to such property unless the same are caused solely and directly by Buyer’s negligence.

30. EXPORT CONTROLS – UNITED STATES TECHNOLOGY
   (a) For each item of United States origin that is ordered by Buyer under this Purchase Order, Seller shall:

   (i) furnish to Buyer:

      a. a copy of the documentation from the United States Government commodity licensing jurisdiction which shall contain the Export Control Classification Number (ECCN) or United States Munitions List (USML) classification as determined by the licensing jurisdiction; and

      b. a then-current complete description of all restrictions on re-export imposed by the relevant authority on the items;

   (ii) immediately notify the Buyer in the event of any change in any of the following:

      a. the U.S. commodity licensing jurisdiction;

      b. the ECCN or USML classification; or

      c. the re-export restrictions relevant to the item; and

   (iii) indemnify Buyer for all liabilities, penalties, losses, damages, costs or expenses, including legal fees, that may be imposed on or be incurred by Buyer in connection with the failure of Seller to comply with subparagraphs (i) and (ii). Without limiting the generality of the foregoing, Seller shall provide, at its own expense, all necessary and reasonable assistance to Buyer, including access to Seller’s documentation and employees, to permit Buyer to mitigate the consequences of Seller’s failure to comply with the obligations of subparagraphs (i) and (ii) above.