

**STANDARD TERMS AND CONDITIONS  
OF PURCHASE ORDER**

1. Definitions:

- (a) The term "Buyer" means Raytheon Canada Limited, by and through its Raytheon ELCAN Optical Technologies group, acting through its duly authorized representative.
- (b) The term "Seller" means the individual partnership, corporation, or association contracting to furnish the article(s) described in the statement of articles to be furnished.

2. Acceptance of Purchase Order:

Agreement by Seller to furnish the materials, products, or services hereby ordered, or its commencement of such performance, or acceptance of any payment, shall constitute acceptance by Seller of this Purchase Order, subject to these terms and conditions. In the event that this Purchase Order does not state price or delivery, Buyer will not be bound to any prices or delivery to which it has not specifically agreed in writing. Any terms or conditions proposed by Seller inconsistent with or in addition to the terms and conditions of purchase herein contained shall be void and of no effect unless specifically agreed to by Buyer in writing. Modifications hereof or additions hereto, to be effective, must be made in writing and be signed by Buyer's purchasing representative. These terms and conditions, together with any referenced exhibits, attachments or other documents, constitute the entire agreement between the parties with respect to the subject matter of this Purchase Order; and supersede any prior or contemporaneous written or oral agreements pertaining thereto.

3. Shipping and Packing:

- (a) Seller shall comply with the following requirements in connection with shipments and packing:
  - i Seller shall make shipments in strict accordance with Buyer's instructions and will be held strictly accountable for any deviations therefrom. Any additional freight charges or costs incurred due to such deviations shall be for Seller's account. Should the materials and equipment furnished hereunder aggregate a carload shipment or more, Seller shall forward in carload lots, unless otherwise authorized in writing by Buyer. Shipping notices shall be sent immediately to Buyer at the address herein shown, specifying car number, initial and routing.
  - ii Seller shall furnish Buyer with original Bills of Lading, packing lists, and receipted freight bills, and all other shipping documents requested, in the manner and quantities requested by Buyer. Seller shall furnish Buyer with Material Safety Data Sheets (MSDS) for any hazardous materials.
- (b) Seller agrees to comply with all shipping and packing instructions specified in this Purchase Order and required by law; in particular, the Occupational Health and Safety Act (OHS) and Workplace Hazardous Materials Information System (WHMIS) Regulation, the Hazardous Products Act and Controlled Products Regulation and the Transportation of Dangerous Goods Act.
- (c) Purchase Order number(s) must appear on all correspondence, shipping labels, and shipping documents, including all packing sheets, bills of lading, airbills, and invoices.
- (d) If ocean packing is required, and detailed instructions are not given, all items of equipment and material shall be packed properly and carefully in accordance with the best established practices for overseas shipment.
- (e) Packing shall be suitable and adequate to protect said equipment and material during transit under conditions which will involve multiple handling, storage and exposure to the elements of weather. All crates and boxes shall be well made, of good materials, durable, be constructed of lumber not less than one inch thick, and be well banded with steel straps. Where necessary due to weight or bulk, skids shall be provided for proper handling and transportation. Insofar as possible, all packaging and the dimensions of all packages, bundles, boxes and crates shall be such as to reduce the total volume, of such packages, bundles, boxes and crates to a minimum.
- (f) On Canadian and U.S.A. shipments, if packing is not specified, and detailed instructions are not given, Seller shall use whatever packing, boxing or crating that is suitable and adequate for the mode of transportation to be used and necessary to protect all items of equipment and materials furnished hereunder from damage in transit.
- (g) All packages, boxes, crates, bundles and pieces shall be plainly marked by the Seller with such markings as may be specified by Buyer.
- (h) Unless otherwise agreed upon in writing, Seller's price shall include, and Buyer assumes no obligation for, any charges for packing or cartage.

4. Delivery; Notice of Delay:

- (a) Time is of the essence of this Purchase Order. Delivery shall be made within the time specified, and failure to deliver in accordance with the delivery schedule under this Purchase Order, if unexcused, shall be considered a material breach of this Purchase Order. No acts of Buyer, including without limitation modifications of this Purchase Order or acceptance of late deliveries, shall constitute waiver of this provision. Buyer also reserves the right to refuse or return, at Seller's risk and expense, shipments made in excess of Buyer's orders or in advance of required schedules, or to defer payment on advance deliveries until scheduled delivery dates.
- (b) Seller shall notify Buyer in writing immediately of any actual or potential delay to the performance of this Purchase Order. Such noticed shall include a proposed revised schedule but such notice and proposal or Buyer's receipt or acceptance thereof shall not constitute a waiver to Buyer's rights and remedies hereunder.

5. Termination for Convenience:

Buyer shall have the right at any time to cancel this Purchase Order and any contract resulting therefrom, in whole or in part, for convenience and without cause, by telefacsimilie, written or oral notice to Seller, and such termination shall not constitute default. Upon such cancellation Seller shall cease performance hereunder, except as otherwise specified by Buyer, and, provided Seller is not in default, Seller shall be entitled only to the following payments:

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- i If this Purchase Order covers standard stock items of equipment and material, Buyer's only obligation shall be to pay for items and work accepted prior to cancellation.
- ii If this Purchase Order covers items of equipment and material manufactured or fabricated to Buyer's specifications, or specifications prepared by Seller for Buyer, Seller shall be paid an equitable cancellation charge in such amount as may be agreed upon by Buyer and Seller, provided, however, that such amount shall not exceed the lessor of one month's requirement of product or the total price of this Purchase Order. Buyer, however, shall be entitled to such work and materials as have been completed at the time of such cancellation.

6. Termination for Default:

In the event of default by Seller to comply with any one or more of the terms, conditions or requirements of this Purchase Order; or for failure to make progress so as to endanger performance of this Purchase Order; or failure to provide adequate assurance of future performance; Buyer may, at its option, terminate this Purchase Order in whole or in part without prejudice to any rights, elections or remedies Buyer may have, and without penalty or liability, except to pay for conforming goods received and accepted or for work completed and accepted prior to the Buyer exercising its option herein. In the event of partial termination, Seller is not excused from performance of the non-terminated balance of work under the Purchase Order.

7. Force Majeure.

Except for defaults of Seller's subcontractors at any tier, neither Buyer nor Seller shall be liable for any failure to perform due to any cause beyond their reasonable control and without their fault or negligence. Such causes include, but are not limited to, acts of God or of the public enemy, acts of the Government in its sovereign or contractual capacity, fires, floods, epidemics, terrorism, quarantine restrictions, strikes, freight embargoes, and unusually severe weather. In the event that performance of this Purchase Order is hindered, delayed or adversely affected by causes of the type described above ("Force Majeure"), then the Party whose performance is so affected shall so notify the other Party's authorized representative in writing and, at Buyer's option, this Purchase Order shall be completed with such adjustments as are reasonably required by the existence of Force Majeure or this Purchase Order may be terminated by the Buyer for convenience in accordance with article 5 above.

8. Disputes.

If a dispute arises, the parties shall meet and negotiate in good faith to settle any allegation of breach or question of interpretation relating to these terms. If parties are unable to settle the matter within thirty (30) days after their first meeting, then upon the demand of either party, the matter shall be submitted to binding arbitration in accordance with the rules of the American Arbitration Association. The arbitration proceeding shall take place in Toronto, Ontario, Canada, and shall be conducted in the English language. The arbitration tribunal shall consist of three (3) members, one (1) appointed by each party and the third appointed by the first two members. The arbitration tribunal shall resolve the questions submitted, award the relief to which each party may be entitled, and allocate the costs of arbitration. The arbitration award shall be final, binding on the parties, not subject to appeal, and enforceable by any court having jurisdiction over the necessary party or its assets. Until final resolution of any dispute hereunder, Seller shall diligently proceed with the performance of this Contract as directed by Buyer.

9. Remedies:

- (a) Except as otherwise provided herein, the rights and remedies herein granted to or reserved to Buyer shall be cumulative and shall be exercisable individually or collectively and additional to any other or further remedies in law or equity provided. Failure of Buyer to enforce any of its rights shall not constitute a waiver of such rights or of any other rights and shall not be construed as a waiver or relinquishment of any such provisions, rights, or remedies; rather, the same shall remain in full force and effect.
- (b) Buyer shall be entitled at all times to set off any amount owing at any time from Seller or any of its affiliated companies to Buyer, against any amount payable at any time by Buyer or any of its affiliated companies to Seller.

10. Proprietary Rights.

- (a) Unless otherwise expressly agreed in writing to the contrary, all specifications, information, data, drawings, software and other items supplied to Buyer by Seller shall be disclosed to Buyer on a non-proprietary basis and may be used and/or disclosed by Buyer without restriction unless the Buyer has executed a separate agreement restricting the use and disclosure of such information, data, software and the like.
- (b) Unless otherwise expressly agreed in writing to the contrary, all specifications, information, data, drawings, software and other items which are (i) supplied to Seller by Buyer or (ii) obtained or developed by Seller in the performance of this Purchase Order or paid for by Buyer shall be proprietary to Buyer, shall be used only for purposes of providing goods or services to Buyer pursuant to this Purchase Order, and shall not be disclosed to any third party without Buyer's express written consent. All such items supplied by Buyer or obtained by Seller in performance of this Purchase Order or paid for by buyer shall be promptly provided to Buyer on request or upon completion of this Purchase Order.
- (c) Unless otherwise expressly agreed in writing to the contrary, any invention or intellectual property first made or conceived by Seller in the performance of this Purchase Order or which is derived from or based on the use of information supplied by Buyer shall be considered to be the property of Buyer; and Seller shall execute such documents necessary to perfect Buyer's title thereto. Unless otherwise expressly agreed in writing to the contrary, any work performed pursuant to this Purchase Order which includes any copyright interest shall be considered a "work made for hire."

11. Buyer's Property.

- (a) All drawings, tools, jigs, dies, fixtures, materials, information, and other property supplied by Buyer or Buyer's customer, or paid for by Buyer, shall be and remain the property of Buyer; and if Seller fails to return such property upon Buyer's demand, Buyer shall have the right, upon reasonable notice, to enter Seller's premises and remove any such property at any time without being liable for trespass or damages of any sort.
- (b) All such items shall be used only in the performance of work under this Purchase Order unless Buyer consents otherwise in writing.
- (c) Material made in accordance with Buyer's specifications and drawings shall not be furnished or quoted by Seller to any other person or concern without Buyer's prior written consent.

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- (d) Seller shall have the obligation to maintain any and all property furnished by Buyer to Seller and shall be responsible for all loss or damage to said property except for normal wear and tear.

12. Release of Information.

Seller shall not publish, distribute, or use any information developed under or about the existence of this Purchase Order, or use the Raytheon ELCAN Optical Technologies name, logo, trademark, service mark, or trade dress for the purpose of advertising, making a news release, creating a business reference, creating a website content or for products or service endorsement without prior written approval of Buyer.

13. Encumbrances.

Seller warrants that the equipment and materials furnished hereunder, both at the time of contracting and at the time of delivery, or any point in between, will be free and clear of any and all security interests, chattel mortgages, liens, claims and encumbrances of any kind whatsoever, and that Seller will defend, same harmless and indemnify Buyer and Buyer's customer from and against losses, damages, costs and expenses, which occur by reason of any actual or alleged breach of this warranty.

14. Order of Precedence

- (a) In the event of any inconsistency or conflict between or among the provisions of this Purchase Order, such inconsistency or conflict shall be resolved by the following descending order of precedence: 1. Order-specific provisions which are typed or handwritten on the Purchase Order as additions to the pre-printed terms; 2. Documents incorporated by reference on the face page(s) of this Purchase Order; 3. These General Terms and Conditions of Purchase and Supplements thereto; 4. Statement of Work; and 5. Specifications attached hereto or incorporated by reference. Buyer's specifications shall prevail over those of the Seller.
- (b) In the event of conflict between specifications, drawings, samples, designated type, part number or catalog description, the specifications shall govern over drawings, drawings over samples, whether or not approved by Buyer, and samples over designated type, part number, or catalog description. In cases of ambiguity in the specifications, drawings, or other requirements of this Purchase Order, Seller must, before proceeding, consult Buyer, whose written interpretation shall be final.

15. Warranty:

- (a) Seller warrants that all items delivered under this Purchase Order; shall be new and of first class materials and workmanship; shall be free from defects in materials and workmanship; shall conform to applicable specification, drawings, samples or other descriptions herein set forth; shall be free from design defects (except where it has been proven, to the Buyers satisfaction, that such defects were solely and directly the result of detailed designs furnished by Buyer); and shall be suitable for the service or use intended by Buyer. Seller further warrants that any and all services to be performed hereunder shall be performed by qualified personnel, fully experienced in performing such services pursuant to the requirements of this Purchase Order. These warranties shall survive final acceptance and payment.
- (b) If any items furnished hereunder, or any part or parts thereof fail to comply with said warranties within one (1) year from the date of initial operation or eighteen (18) months from date of shipment, whichever occurs first, Seller shall at Buyer's option, and without waiver by Buyer of any other remedies provided by law or by this Purchase Order, at Seller's own risk and expense, either (1) correct the defect, (2) replace the defective item, (3) remove such defective item and refund such portion of the Purchase Order as is equitable under the circumstances. If Seller refuses or fails promptly to correct such defect or defects, or replace such items when requested by Buyer, Buyer may, by contract or otherwise, correct such defects or replace such items, and Seller shall reimburse Buyer for any and all costs incurred by Buyer in effecting such corrections and replacements.
- (c) Buyer's approval of any designs furnished by Seller shall not relieve Seller of any of its obligations under any provisions of this Purchase Order, including, but not limited to, the provisions of this Warranty.
- (d) Seller's warranties hereunder shall extend to Buyer, Buyer's successors, assigns, customers and sub-vendees, and same are entitled to bring suit directly against Seller for damages caused by any breach of said warranties.
- (e) Seller's warranties herein enumerated shall be cumulative and shall not be deemed to exclude any other additional or further warranties provided by equity or law.

16. Inspection and Testing:

- (a) Seller shall comply with all inspection and testing instructions that may be attached to this Purchase Order, or contained in the specifications or drawings referred to therein.
- (b) Buyer and Buyer's customer reserve the right, at all reasonable times and places, to inspect at Seller's or its subcontractor's, assignee's or sub-supplier's plant all items of materials and equipment ordered pursuant hereto, and to witness any testing thereof before, during and after performance and delivery. Buyer and Buyer's customer also reserve the right to use an inspection agency to make any such inspection or to witness any such tests or to verify that the controls exercised and the materials provided conform with requirements of the Purchase Order. Verification by the Buyer and Buyer's customer shall not relieve the Seller of his responsibility to provide conforming materials nor shall it preclude subsequent rejection. When verification is performed at Seller's or its subcontractor's, assignee's or sub-supplier's plant, the verification shall not be used by the Seller as evidence of effective control of quality.
- (c) The Seller shall provide the Buyer and Buyer's customer with the accommodation and facilities required for the proper accomplishment of this work, without additional charge, and shall provide any assistance necessary for verification, documentation or release of materials. The Buyer and Buyer's customer shall have the right of access to any area of the Seller's or his subcontractor's premises where any part of the contracted work is being performed, and shall be afforded unrestricted opportunity to verify compliance with system procedures and conformance of materials and services with contract requirements. The Seller or his subcontractor shall make his inspection equipment available for reasonable use for verification purposes and personnel of the Seller or his subcontractor shall be made available for operation of such inspection equipment

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as required. The foregoing provisions of this Article are supplementary to and not in lieu of the provisions of Section 16(b) above.

- (d) Seller is responsible for providing, controlling, calibrating and maintaining inspection, measuring and test equipment suitable to demonstrate conformance of materials with contract requirements. All standards and measuring equipment shall be calibrated using standards traceable to national (or international) standards. Jigs, fixtures, templates, patterns or other devices used as media of inspection shall be proven capable of verifying the acceptability of materials prior to release for use during manufacture. Each standard and measuring equipment shall be calibrated at periodic intervals established by Seller or his subcontractor on the basis of stability, purpose and usage. The Seller or his subcontractor shall develop and maintain records in respect of all standards and measuring equipment. These records shall demonstrate that each standard and item of measuring equipment is capable of performing measurements within the designated limits and these records shall be made available for review by the Buyer and Buyer's customer when requested.
- (e) All items of materials and shipment are subject to Buyer's inspection within a reasonable time after arrival at ultimate destination. If any items of materials or equipment or any workmanship are found to be defective, inferior or not in conformance with this Purchase Order, Buyer shall have the right to reject same. The Buyer may require Seller to repair, replace or reimburse the purchase price of rejected material or Buyer may accept any materials and upon discovery of nonconformance, may reject or keep and rework any such non-conforming materials. Cost of repair, reworks, replacement, inspection, transportation, repackaging, and/or reinspection by Buyer shall be at Seller's expense. Buyer's acceptance of work and services shall not be deemed to diminish Buyer's rights or be final or binding on Buyer if latent defects, fraud, or misrepresentation on the part of Seller exists.
- (f) Neither making nor waiving inspection, nor failing to inspect or reject by Buyer shall relieve Seller of any of its obligations, responsibilities or liabilities under this Purchase Order.
- (g) Seller shall be responsible for all inspection required to comply with all applicable federal, provincial and local laws, ordinances, regulations and manufacturer's standards.

17. Changes:

- (a) Buyer, acting through its purchasing representative, shall have the right at any time by written supplement to this Purchase Order to make changes in the extent of the work, the drawings, specifications or other description herein, the time, rate, or place of delivery, or the materials, quantities, and/or equipment covered hereby, or to suspend work on this Purchase Order. Any such changes or suspension shall become effective upon delivery to Seller by Buyer of such written supplement. Should any change or suspension increase or decrease the cost of, or the time required for performance of this Purchase Order, an equitable adjustment in the price or delivery schedule or both, shall be negotiated promptly, and the Purchase Order shall be modified in writing accordingly. Any claim by Seller for adjustment under this Article 17(a) must be asserted in writing within ten (10) days from the date of receipt by Seller of notification of the change or suspension and shall be followed as soon as practicable with specification of the amount claimed and supporting cost figures. Seller waives any claim for adjustment of price or delivery date not submitted to Buyer within such ten-day period. However, nothing herein shall excuse the Seller from proceeding with this Purchase Order as changed pending resolution of the claim.
- (b) Seller shall make no substitutions in the materials or equipment covered by this Purchase Order, or any parts or component thereof, or deviations from the drawings or specifications relating thereto, without the express written consent of Buyer's purchasing representative.
- (c) Information, advice, approvals or instructions given by Buyer's technical personnel or other representatives shall be deemed expressions of personal opinion only and shall not affect Buyer's and Seller's rights and obligations hereunder unless set forth in a writing which is signed by Buyer's purchasing representative and which states it constitutes an amendment or change to this Purchase Order.

18. Infringement:

Seller warrants that all work, materials, services, equipment, parts and other items provided by Seller pursuant to this Purchase Order, and/or any combination thereof, shall be free from claims of infringement (including misappropriation) of third party intellectual property rights and that any use or sale of such items by Buyer or any of Buyer's customers shall be free from any claims of infringement. Seller shall indemnify and save Buyer, and its customers harmless from any and all expenses, liability, and loss of any kind (including all costs and expenses including attorneys' fees) arising out of claims, suits, or actions alleging such infringement, which claims, suits, or actions Seller, hereby, agrees to defend, at Seller's expense, if required to do so by Buyer. Seller may replace or modify infringing items with comparable goods acceptable to Buyer of substantially the same form, fit, and function so as to remove the source of infringement, and Seller's obligations under this Purchase Order including those contained in Section 15 Warranty and in this Section 18 shall apply to the replacement and modified items. If the use or sale of any of the above items is enjoined as a result of such claim, suit or action, Seller, at no expense to Buyer, shall obtain for Buyer and its customers the right to use and sell said item.

19. Taxes:

Except as may otherwise be provided in this Purchase Order, the prices stated herein include, and Seller is liable for and shall pay, all applicable federal, provincial, state and local taxes and duties imposed on or measured by this Purchase Order except for applicable sales and use taxes that are separately stated on Seller's invoice and which payment has been approved in advance by the Buyer. Prices shall not include any such tax or duty for which Buyer has furnished a valid exemption certificate or other evidence of exemption. Seller agrees to accept and use any such exemption certificates supplied by Buyer, if acceptable to the taxing authorities. In case it shall ever be determined that any tax or duty included in the prices stated herein was not required to be paid by Seller, or, if required to be paid, is subject to refund, the price shall be decreased by the amount thereof, or such amount shall be paid to Buyer, as Buyer may elect. The price shall be similarly decreased if Seller, through fault or negligence or failure to follow Buyer's instructions, is required to pay, or does not obtain a refund or drawback of, any such tax or duty.

20. Assignment and Subcontracting:

- (a) Seller shall not assign nor subcontract the whole or any part of this Purchase Order, or any monies due or to become due hereunder, without the prior written approval of Buyer. Any purported assignment or delegation by Seller without such consent



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shall be void. In the event such written approval is given, Seller shall bind its subcontractors or assignees, as the case may be, to the terms and conditions of this Purchase Order. Any such subcontracting by Seller shall not relieve Seller of any obligations, responsibilities or liabilities under the terms and conditions of this Purchase Order, or in any way be detrimental to Buyer. Buyer may assign this Purchase Order to (i) any affiliated company, (ii) any successor in interest, or (iii) Buyer's customer.

- (b) Seller shall promptly notify the Buyer in writing of any organizational changes made by Seller, including name or ownership changes, mergers or acquisitions.

21. Compliance:

Seller warrants that in the furnishing of the equipment and materials, and in the performance of the services, required hereunder, Seller will comply with all applicable federal, provincial and local laws, ordinances and regulations, including, but not limited to those concerning health, safety and employment of persons, and that Seller will obtain all necessary licenses and permits and pay all fees, taxes and other charges thereby required, and will furnish, upon Buyer's request, such evidence of compliance with any such laws, ordinances and regulations and the payment of any such fees, taxes or charges as Buyer may request. Seller agrees to defend, save harmless and indemnify Buyer and Buyer's customer from and against losses, damages, costs and expenses which occur by reason of any actual or alleged breach of this warranty.

22. Worker's Compensation, Safety and Insurance:

Where work in connection with this Purchase Order is to be performed by Seller at the plant site of Buyer or of Buyer's customer, Seller agrees to furnish Buyer, promptly following acceptance of this Purchase Order, and prior to the commencement of any such work, certificates of insurance satisfactory to Buyer, evidencing the following:

- i Workers Compensation Insurance in complete compliance with the applicable Workers Compensation Law fully protecting Buyer and Buyer's customer from all worker compensation claims arising out of, or during the course of employment to completion of the Seller's work hereunder.
- ii Comprehensive General Liability including coverage of the risks hereinafter mentioned in this sub-paragraph in amounts not less than \$1,000,000 for bodily injury to any one person and \$2,000,000 for bodily injury for any one accident, and \$1,000,000 for property damage for any one accident, or in such other amounts as are specified by the Buyer.
- iii Comprehensive Automobile Liability in amounts not less than \$1,000,000 for bodily injury to any one person and \$2,000,000 for bodily injury for any one accident, and \$1,000,000 for property damage for any one accident.
  - (b) All safety and security regulations that are enforced by the Buyer will apply to the employees of the Seller, including smoking designations and protective clothing.
  - (c) When it is necessary to work with or in the immediate vicinity of any hazardous chemicals, the Seller will contact the Buyer beforehand for proper safety instructions, as outlined in the Workplace Hazardous Materials Information System (WHMIS). This especially applies to processes involving extreme heat or open flame.

23. Indemnity Against Claims.

Seller shall, without limitation, indemnify and save Buyer and its customer(s) and their respective officers, directors, employees and agents harmless from and against (i) all claims and resulting costs, expenses and liability which arise from personal injury, death, or property loss or damage attributed to, or caused by, the goods, services or other items supplied by Seller pursuant to this Purchase Order, including, without limitation, latent defects in such goods, services or other items, except to the extent that such injury, death, loss or damage is caused solely and directly by the negligence of Buyer, and (ii) all claims (including resulting costs, expenses and liability) by the employees of Seller or any of its subcontracts.

24. Liens:

Seller agrees to defend and hold harmless Buyer and Buyer's customer from and against any and all laborer's, materialmen's and/or mechanic liens, claims and suits arising out of or in connection with this Purchase Order and shall indemnify same against all losses, damages, costs and expenses incurred in connection therewith. Seller shall keep the premises of Buyer and Buyer's customer free from any and all such liens and encumbrances. Whenever Buyer requests it, Seller shall furnish Buyer with proof satisfactory to Buyer that all such liens, claims and suits have been discharged, satisfied and released, or, at the option of Buyer, with a satisfactory surety bond indemnifying Buyer and its customer against any claims based thereon.

25. Assembly:

All mechanical equipment and all machinery shall be assembled and tested in Seller's shop in accordance with applicable industry standards and practice to insure that all parts fit properly, and, only if necessary to facilitate shipping, knocked down as may be required. Anything herein to the contrary notwithstanding, however, if the terms of this Purchase Order or any drawings, specifications or other documents made a part thereof specify the degree of assembly required, Seller may comply with the assembly requirements so specified.

26. Independent Contractor:

It is agreed that Seller and all persons performing services pursuant to this Purchase Order on Seller's behalf, shall act as independent contractors and not as agents or employees of Buyer or Buyer's customer, and that such persons shall at no times be, or represent themselves to be, agents, servants, or employees of Buyer or Buyer's customer. Seller agrees to defend and hold harmless Buyer and Buyer's customer from and against all threats, claims, and suits, and to indemnify same against all losses, damages, costs and expenses arising out of a breach of this provision.

27. Invoices:

Unless otherwise noted herein, all invoices shall be submitted in duplicate in accordance with instructions on the Purchase Order. All prepaid freight charges shall be shown separately on invoices. Invoices will not be approved for payment until Buyer has received from Seller detailed

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packing lists and Bills of Lading, in accordance with instructions on Buyer's Purchase Order. Buyer's standard terms of payment are net 90 days from receipt by Buyer of a valid invoice.

28. Transfer of Risk and Property:

Risk of loss of, or damage to, the equipment and materials furnished hereunder, or any portion thereof, shall remain with Seller until the delivery of the equipment and materials, or any portion thereof, at Buyer's premises at 450 Leitz Road, Midland, Ontario, Canada, or the destination indicated by Buyer in the Purchase Order. Property in the equipment and materials furnished hereunder shall remain with Seller until acceptance by Buyer. Buyer shall be deemed not to have accepted them until it has had a reasonable opportunity of examining them for the purpose of ascertaining whether they are in conformity with the Purchase Order.

29. Export Control.

- (a) Seller shall comply with all applicable United States and Canadian export control laws and regulations, including, but not limited to, the requirements of the Arms Export Control Act, 22 U.S.C. 2751-2794, the International Traffic in Arms Regulation (ITAR), 22 C.F.R. 120 et seq., the Export Administration Act, 50 U.S.C. app. 2401-2420, and the Export Administration Regulations, 15 C.F.R. 730-774 the Defence Production Act R.S., 1985, c.D.1, and the Export and Import Permits Act R.S., 1985, c.E-19.
- (b) Without limiting the foregoing, Seller shall not transfer any export controlled item, technical data or services to any employee of the Seller or to the Buyer unless the Seller has received prior authorization from the United States and Canadian Governments in the form of an export license, export agreement, or applicable license exemption or exception.
- (c) Seller shall notify Buyer if any use, sale, import or export by the Seller to be delivered under this Purchase Order is restricted by any export control laws or regulations applicable to the Seller. Seller shall provide reasonable assistance to the Buyer to obtain necessary import authorizations, export licenses, permits, agreements or amendments thereto as may be required by law to effect the export or import of goods, technical data or services related to the Purchase Order.
- (d) Seller shall immediately notify the Buyer if the Seller is listed in any Denied Parties List or if the Seller's export privileges are otherwise denied, suspended or revoked in whole or in part by any government entity or agency.
- (e) If Seller is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, Seller represents that it maintains an effective export/import compliance program in accordance with all applicable regulations, including but not limited those of the United States International Traffic in Arms Regulations (ITAR).
- (f) If the technical data required to perform this Purchase Order is subject to the United States International Traffic in Arms Regulations (ITAR), Seller shall comply with the following:
  - i The technical data shall be used only in performance of Work required by this Purchase Order; and
  - ii The data shall not be disclosed to any other person, including lower-tier subcontractors within the same country, unless said person is expressly authorized pursuant to an export license or export agreement; and
  - iii Any rights in the data may not be acquired by Seller or any other Non-U.S. Person; and
  - iv Seller shall at Buyer's direction return all of the technical data exported to Seller pursuant to this Purchase Order upon fulfillment of its terms; and
  - v Unless otherwise expressly directed by Buyer, Seller shall deliver the Work only to Buyer, or to an agency of the U.S. Government if so directed by the Buyer.

30. Waiver:

No claim or right arising out of breach of this Purchase Order can be discharged in whole or in part by waiver or renunciation thereof, unless said waiver or renunciation is in writing and signed by a duly authorized representative of Buyer.

31. Severability

If any provision of this Purchase Order or application thereof is found invalid, illegal or unenforceable by law, the remainder of this Purchase Order will remain valid, enforceable and in full force and effect, and the parties will negotiate in good faith to substitute a provision of like economic intent and effect.

32. Survivability

Seller's obligations, including but not limited to obligations under the Termination for Convenience; Termination for Default; Proprietary Rights; Release of Information; Warranty; Infringement; Compliance; Worker's Compensation, Safety and Insurance; Indemnity Against Claims, Liens; and Export Control provisions of this Purchase Order, shall survive termination, expiration, or completion of this Purchase Order.

33. Applicable Law:

All matters relating to the validity, construction and interpretation of this Purchase Order and any agreement resulting therefrom shall be interpreted in accordance with the laws of the Province of Ontario, Canada.

34. Entire Agreement:

This Purchase Order, when accepted by Seller, together with any drawings, specifications, data and attachments, shall constitute the entire agreement between the parties and shall supersede any other agreement or understandings made prior thereto. No modification thereof, additions thereto or deletions therefrom shall be binding upon Buyer, unless made in writing and executed by a duly authorized representative of the Buyer. Terms and conditions contained in any acknowledgement of this Purchase Order which are different from or in addition to the terms and conditions of this Purchase Order shall not be binding on the Buyer whether or not they would materially alter this order, and Buyer hereby objects thereto. Seller will be deemed to have assented to all terms and conditions contained herein if any part of the goods covered by this Purchase Order is shipped to Buyer.

Tel: 705.526.5401  
Fax: 705.528.7121

35. Canadian Suppliers:

A factor in Raytheon Company's placement of this subcontract with your Canadian company is to support current Industrial and Regional Benefits (IRB) obligation including the Protected Military Satellite Communications (MilSatCom), AN/ALR-67(V)3 Defensive Electronic Warfare Suite (DEWS), Phalanx Close-In Weapons System Omnibus II, and Halifax Class Modernization (HCM) programs or other anticipated IRB obligations. The Raytheon supplier understands and acknowledges that procurements arising from this subcontract qualifying as IRB will be exclusively and irrevocably assigned to Raytheon Company by execution of this subcontract for its sole use and will be claimed for IRB credit in accordance with applicable laws and rules. So that Raytheon may be able to ensure transparency in its IRB obligations, the supplier agrees to provide promptly, upon request, the necessary international procurement information at no additional cost, including, for example, IRB Recipient benefits, the PO number, value, item description, Canadian Content Value (CCV), and international supplier identity.

## Part Number Suffix Definitions

Part Numbers that have a suffix “B” is a part without surface treatment

Part Numbers that have a suffix “M” is a part that is molded and requires further operations

Part Numbers that have a suffix “C” is a part that is casted

Part Numbers that have a suffix “X” is a part that is unfinished or incomplete

Part Numbers that have a suffix “G” is a part that is an uncoated optic

Part Numbers that have a suffix “P” is a part that is unpainted

## Destination Country

Suffix	Country
AUS	Australia
CAN	Canada
KWT	Kuwait
NZL	New Zealand
SAU	Saudi Arabia
USA	United States