

REMARK E95
REVISION 11/11/1999

REQUIREMENT E95

TERMS AND CONDITIONS FOR PROCUREMENT OF SERVICES

* REMARK E95 SUPERSEDES REMARK C64 *

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APPENDICES:

I

1. SCOPE

1.1 This basic agreement shall apply to any purchase or other order issued to contractor by GE and accepted by contractor calling for the furnishing of any services.

1.2 Each such order shall constitute a separate and distinct contract between the parties; the terms and conditions of this basic agreement shall be in addition to those of such order, shall be deemed incorporated in each such order, and shall supersede and replace all terms and conditions appearing or referred to on the face or on the reverse of any proposal, acknowledgement, or acceptance or any other communication issued by the contractor.

2. NATURE OF SERVICES

2.1 Contractor agrees to undertake the performance of all services called for in any order, to pursue the same diligently, and to complete the same within any time limit specified in the order. With respect to each order, the services contracted for shall be those described in the order, and in any plans, specifications, general conditions, or other papers attached to or referred to in the order, which together with this agreement are hereafter called the "contract papers", and said services shall include the furnishing of all materials, tools, equipment, labor, superintendence and facilities necessary therefor, excepting however, any items which are to be specifically furnished or performed by GE as provided in the contract papers. Orders placed in connection with this agreement may relate to work: (a) called for by contracts between GE and the United States government (hereinafter referred to as "GOVERNMENT CONTRACTS"; (b) called for by contracts between GE and any other legally constituted body or person; or (c) for GE's own account. Any work relating to government contracts will bear the applicable government contract number. All rights conferred on the government by this agreement shall apply solely to government contracts where required thereby, and not to other orders.

2.2 If this is a subcontract under a government contract, contractor agrees to accept all U.S. Government FAR and DFAR clauses which are contained in GE's contract with the Government.

3. CONTRACT PRICE

3.1 Contractor shall be compensated for all services covered in any order which are performed for GE in connection with each such order in the manner and amount specified on the order. For labor hour contracts, payment will be made in an amount determined by multiplying the total number of hours actually required to perform each type of work by the hourly rate specified in the order for each type of work performed. However, the total amount shall not exceed the total price specified in the order.

3.1.1 The contractor's normal workweek shall consist of forty (40) hours. Straight time rates apply to all hours worked up to and including forty (40) per week, irrespective of the actual day or days worked. Overtime rates (as specified in any applicable order) apply to all hours worked in excess of forty (40) per week, only when such overtime work is authorized by GE.

3.1.2 Premium for any off shift work effort (2nd or 3rd shift) will be negotiated on a separate basis.

3.2 It is expressly understood and agreed that the hourly rate so specified shall include (in addition to the wages or salaries to which the employees of contractor performing such services shall be entitled) compensation to contractor for time spent by any general administrative, supervisory or clerical employee; overhead expenses, profit, and any and all other direct or indirect costs or expenses in any manner attributed to the performance of said services except such as are hereinafter specifically provided for. Time spent directly on the job by squad leaders, contract engineers and chief designers shall be billed in accordance with the above schedule.

3.3 Contractor shall compute its employee's wages and withhold applicable federal, state and local taxes, and federal social security payments. Contractor shall remit its employee withholdings to the proper government authorities and make employer contributions for FICA and federal and state unemployment insurance payments.

3.4 Straight time rates shall be paid for all hours worked on any holiday on which contractor's employees are requested by GE to work.

4. **QUALITY OF WORK.** All services performed hereunder shall be subject to the inspection of an engineer or manager designated by GE and shall be in strict accordance with the requirements of the contract papers. The contractor agrees to use only experienced, trained and qualified employees in the performance of services required by any order and all services performed must be of first class quality and workmanship.

5. BILLING AND PAYMENTS

5.1 Billing will be made weekly or as agreed to by both GE and contractor for the work performed in the preceding week or period and payment will be made in accordance with GE standard terms of settlement.

STANDARD TERMS OF SETTLEMENT (STS): subject to the early payment terms described in this clause, GE shall issue payment to contractor in accordance with its standard terms of settlement -- net payment of the undiscounted invoice amount) sixty ("60") days. GE reserves the right to settle invoices with contractor using GE's accelerated payment program. Contractor agrees to accept, in exchange for GE's payment in fifteen ("15") days, the invoice amount discounted by 1.5%. Funding for accelerated payment of invoices under the GE accelerated payment program will be provided by General Electric Capital Corporation ("GECC"). In the event that GEAE chooses to settle an invoice pursuant to the accelerated payment program, the following shall occur: (1) title to any items which are being delivered shall pass directly to GECC on the date of arrival of the item at the specified delivery location; (2) once title to the items has passed to GECC, GECC will immediately and directly transfer title to GE; and (3) any and all of contractor's obligations under this purchase order, including contractor's representations and warranties, shall extend to and benefit GE as if title passed directly to GE. For purposes of this article, the number of days within which GE shall issue payment for invoices shall be counted from the invoice date; invoices for services must be dated no earlier than the last day of the period of time during which services that are the subject of the invoice were provided.

6. BOOKS AND RECORDS

6.1 the contractor shall maintain complete and accurate records on a job order basis in connection with the work required under any order and all charges for labor or services will be substantiated by proper time clock cards, time vouchers, or other similar records signed by employees doing work under any order.

6.2 GE and, when orders relating to government contracts are involved, the UNITED STATES OF AMERICA and any department thereof, shall have the right from time to time to inspect and audit, during any reasonable hours, all of the contractor's books and records concerning the work carried on under any order, including those books and records pertaining to overhead and other general expenses. This clause survives the expiration of any order placed for five (5) years following the final payment hereunder.

7. DATA, PATENTS AND COPYRIGHTS

7.1 GE shall be entitled to full ownership of all data, information, inventions, or discoveries, whether patented or unpatented, conceived or first actually reduced to practice in the performance of any order placed in connection with this agreement.

7.2 The contractor agrees to promptly disclose any such data, information or discovery to GE. With respect to any such invention or discovery, the contractor further agrees that it will cooperate with GE, its officers and agents, in obtaining, at the expense of GE with respect to the prosecution thereof, patents on such inventions or discoveries in the name of and for the benefit of GE in the united states and/or foreign countries to the extent that GE may consider desirable, and that it will procure from its employees without charge to GE the execution of all patent applications, assignments and other instruments necessary to the procurement of such patents and to the vesting of title thereto in GE.

7.3 GE shall become the sole owner of any and all notes, reports, memoranda, and any other written information made or prepared in connection with this agreement and such material shall not be copyrighted by contractor. Contractor will not use any material developed by contractor under this agreement without first obtaining the written consent of GE. All such materials shall be deemed to be works for hire and shall belong exclusively to GE. If by operation of law any of the material is not work made for hire, then contractor agrees to assign, and hereby assigns, to GE the ownership of such material including all copyrights thereto. GE may obtain and hold in its own name copyrights, registrations, and other protection that may be available in such material, and contractor shall provide any assistance required to perfect such protection.

7.4 If the work under any order under this agreement is in respect of any government contracts, contractor and GE shall comply with the rights in data, patents and copyrights clauses as set forth in the government contract, and unless otherwise specified, the rights of GE shall be those of paragraphs 7.1, 7.2 and 7.3.

7.5 The contractor agrees that it will cause its employees to execute contracts of employment or other agreements assuring the contractor the ability to comply fully with the foregoing provisions of this clause 7.

8. CONTRACTOR'S EMPLOYEES

8.1 Contractor represents that no employee assigned to provide services to GE under this agreement has been employed by the united states department of defense in a procurement function within two years of the date of their assignment, where GE would be in violation of the defense acquisition improvement act of 1986 (10 U.S.C. 2397b, 2397c) if GE compensated such employee. Further, contractor agrees to advise GE in writing of all employees assigned to provide services under this agreement who previously worked for the united states department of defense in any capacity within two years prior to the date of their assignment, including a description of the duties performed for DOD and their last DOD pay grade. If requested by GE, contractor will have the contractor's employee obtain a written opinion from an ethics officer in the individual's former DOD agency that the individual may accept compensation when assigned to perform work for GE.

8.2 It is mutually agreed that any of contractor's personnel performing services under this agreement or any order shall remain employees of contractor subject to its right of direction, control and discipline and shall neither become employees of GE nor be entitled to any rights, benefits or privileges of GE employees. As appropriate, GE shall give direction as to the ultimate objective of the project to the contractor. The contractor is responsible for ensuring that its personnel accomplish the requirements of the project and work consistent with GE's pertinent safety regulations and all other reasonable health, safety, environmental and behavioral requirements. The contractor shall ensure that its personnel adhere to the provisions of this agreement and that they have the requisite knowledge, training and ability to perform work under this order competently and in accordance with applicable laws, regulations and GE company policies. Contractor's personnel performing services under this agreement or any order will be provided with copies of GE policies 20.3, 20.4, 20.5 and 20.10 dealing with "health, safety and environmental practices", "business practices", "COMPLIANCE WITH ANTITRUST LAWS", and "STANDARDS OF CONDUCT IN TRANSACTIONS WITH THE UNITED STATES GOVERNMENT". Compliance with these policies is mandatory, and any failure to comply will be cause for immediate removal of contractor's involved employee or immediate termination of this agreement or any order issued thereunder.

8.3 Contractor's employees are not authorized, expressly or

otherwise, to enter into any agreements or make any commitments, financial or otherwise, for or on behalf of GE. Specifically, no employee of contractor shall make contact with the DOD or other U.S. Government agency employees, members of congress or congressional employees regarding the continuation, renewal, amendment or modification of a federal contract to GE.

8.4 No employee of contractor shall engage in any other work or business adverse to the interests of GE during the time such employee is assigned to work at GE.

8.5 Contractor agrees to comply with, and to execute for GE such certifications as may be required by the united states government pursuant to section 6 of the OFFICE OF FEDERAL PROCUREMENT POLICY ACT AMENDMENTS OF 1988 ("PROCUREMENT INTEGRITY"), and agrees to report immediately to GE any information concerning a violation or possible violation of the act or its implementing regulations.

8.6 Contractor agrees to disclose to GE whether any of its employees it assigns to GE presently, or within the past twelve months, has (a) provided services as a consultant to any branch of department of the us government at any level or (b) furnished advice, information, direction or assistance (including marketing or lobbying support) to an offeror or any other contractor in support of the preparation or submission of an offer for a us government contract by that offeror. If such disclosure is made, contractor agrees to execute for GE any certifications required by law in respect of such disclosures.

9. TERMINATION OF ORDERS

GE shall have the right, at any time, upon written notice to the contractor, to terminate all or any work required by any order placed hereunder. Upon receipt of notice to terminate, the contractor shall thereupon cease work upon the order to the extent required and shall turn over to GE all completed work and work in process, including all designs, drawings, specifications, plans, lists, and other material required or produced in connection with such work and GE, upon receipt thereof, shall reimburse the contractor upon the basis expressed in this agreement for all work performed under the order to date of receipt of notice of termination.

10. REPORTS

The contractor shall render progress reports as often as reasonably requested by GE, pertaining to the services performed hereunder, showing time expended daily by each of its personnel for each component of various projects both periodically and cumulatively. Such reports shall be in a form which will enable GE to evaluate the progress made and the schedules to be met, and to keep a current account of time and monies expended upon each and all projects.

11. SECURITY PRECAUTIONS

The contractor agrees to take all reasonable precautions to assure that the work carried on hereunder shall be protected against theft, destruction, or unauthorized disclosure. The contractor further agrees to comply with all applicable security classification laws and regulations of the united states government, insofar as said Laws, rules and regulations pertain to this agreement or any order hereunder.

12. MODIFICATION

No waiver, alteration or modification of any of the provisions of this agreement shall be binding upon either party unless in writing signed by the duly authorized representative of the party intended to be bound thereby.

13. TERMINATION OF AGREEMENT

This agreement may be terminated at any time by either party upon thirty (30) days notice in writing to the other party. Any such termination, however, shall not affect any order which may then be outstanding in connection with this agreement.

14. LEGAL COMPLIANCE AND INDEMNITY

Contractor shall comply with all applicable federal, state and local laws including, but not limited to, the provisions of title vii of the CIVIL RIGHTS ACT of 1964, and will indemnify and hold GE harmless from and against any claims, demands, suits, losses, damages, costs and expenses arising out of contractor non-compliance or alleged non-compliance with any such laws, including common law tort and wrongful discharge actions. In addition, contractor shall indemnify and hold GE harmless from and against any and all liabilities, claims, demands, suits, losses, damages, costs and expenses for bodily injury to or death of any person, or damage to or destruction of any property, directly caused by any negligent act of omission on the part of contractor, its officers or employees, except to the extent such liabilities, claims, suits, losses, damages, costs and expenses result from any negligent or willful act or omission on the part of GE, its officers, employees, or agents.

15. DISPUTE RESOLUTION

(a) Except as specifically provided for in paragraph h below, the parties intend to forsake litigation and resolve with finality any and all disputes arising under or related to this contract. Exclusively by the process identified in this article. This article shall remain effective in the event that a petition in bankruptcy is filed by or against a party to this contract, or if a party makes an assignment for the benefit of creditors, or if any other insolvency proceeding is commenced against a party.

(b) Any and all disputes, controversies or claims arising under or relating to this contract or the breach, termination or invalidation thereof shall upon written notice, be referred to a senior management representative from each of the parties who will confer in good faith to attempt to resolve the matter. The party sending the first written notice (the "initial notice") shall (1) set forth in detail all of its claims or issues in dispute and (2) designate its representative. The other party shall have 5 business days to designate its representative and add any other issues or claims for resolution not identified in the initial notice. The representatives shall have 30 days from the date of the initial notice to resolve the issues identified in the notices. If the representatives are unable to resolve the matter, either party may refer the matter to administered mediation, through the CENTER FOR RESOLUTION OF DISPUTES 8 W 9TH ST, CINCINNATI OH 45202 (TEL 513-721-4466). Such mediation shall be started within 30 days from the date of referral, and the mediation process must be concluded within 30 days from the start date.

(c) If the dispute or claim is not fully resolved pursuant to paragraph b, either party may after 90 days, but not later than 120 days from the date of the initial notice, make a written demand for binding arbitration to be administered by the AMERICAN ARBITRATION ASSOCIATION (AAA) by one arbitrator in accordance with its commercial arbitration rules (effective as of November 1993), and judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. A party's failure to make a timely demand for arbitration shall result in the forfeiture of all the claims and issues that party identified in its written notice.

(d) The arbitration proceedings shall be conducted in Cincinnati, OH, and the contract shall be interpreted and applied in accordance with the laws of the state of New York without regard to New York's choice of law provisions. Each party will be permitted to take the deposition of one individual, limited to no longer than four hours. No other discovery shall be conducted except by the written agreement of both parties. All fees and expenses of the arbitration shall be shared equally by the parties. However, each party shall bear the expense of its own counsel, experts, witnesses, and preparation and presentation of proofs. The arbitrator shall have no authority to award punitive or other damages beyond the prevailing party's actual damages and shall not, in any event, make any ruling, finding, or award that does not conform to the terms and conditions of the contract. The arbitration award shall be in writing and shall specify the factual and legal basis for the award. The right to appeal the award shall be governed by New York law, and any such appeal shall be brought in a court of general jurisdiction located in Cincinnati, OH.

(e) Either party may at any time, without inconsistency with this contract, seek from a court of general jurisdiction located in Cincinnati, OH, any equitable, interim or provisional relief only to avoid irreparable injury.

(f) The parties intend all statements made and documents provided or exchanged in connection with this dispute resolution process to be confidential and neither party shall disclose the existence or content of the dispute or claim, or the results of any dispute resolution process, to third parties other than outside counsel, except with the prior written consent of the other party or pursuant to legal process.

(g) The parties may by written mutual consent agree to dates and times other than those set forth in this article.

(h) The provisions of this article shall not modify or displace the procedures specified in Article 9, TERMINATION OF ORDERS. In addition, this article shall not apply to and will not bar litigation regarding any claims related to a party's proprietary or intellectual property rights.

16. FAIR LABOR STANDARDS ACT

By accepting any order, contractor represents that the goods or services to be furnished hereunder, were or will be produced in compliance with the requirements of the FAIR LABOR STANDARDS ACT of 1938, as amended, and unless otherwise agreed in writing, contractor shall insert a certificate on all invoices submitted in connection with any order stating that the goods or services covered by the invoice were produced in compliance with the requirements of the FAIR LABOR STANDARDS ACT of 1938, as amended, including section 12(a).

17. DEFAULT

GE may by written notice of default to contractor (a) terminate the whole or any part of any order in any one of the following circumstances. (i) if the contractor fails to perform within the time specified therein or any extension thereof; or (ii) if contractor fails to perform any of the other provisions of any order, or so fails to make progress as to endanger performance of any order in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of ten (ten) days after receipt of GE's notice or such longer period as GE may authorize in writing and (b) upon such termination action GE may procure, upon such terms as it shall deem appropriate, supplies or services similar to those terminated, in which case contractor shall continue performance of such order to the extent not terminated and shall be liable to GE for any excess costs for GE's procurement of such similar supplies or services. As an alternate remedy, and

in lieu of termination for default, GE, at its sole discretion may elect (1) to extend the schedule and/or (2) to waive deficiencies in contractor's performance, in which case an equitable reduction in the purchase order price shall be negotiated. In the event contractor for any reason anticipates difficulty in complying with the required schedule, or in meeting any of the other requirements of any order, contractor shall promptly notify GE in writing. The rights and remedies of GE provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under any GE purchase order.

18. CITIZENSHIP STATUS

Only U.S. Citizens, permanent resident aliens or those aliens authorized to be employed in the U.S. Shall be permitted to work on GE orders. Contractor certifies to GE that it has verified that each individual assigned to work on any order hereunder is legally entitled to work in the U.S. And has preserved such records as required by the immigration and naturalization service. There may be jobs which require U.S. Citizenship because of national security or exposure to classified or export restricted information. In such cases, each such job will be separately identified by GE as requiring U.S. Citizenship.

19. GE'S PROPERTY

All tools, equipment, materials, drawings, computer programs, or other documented data of every description furnished to contractor by GE or specifically paid for by GE, and any replacement thereof, or any materials affixed or attached thereto, shall be and remain the personal property of GE. Such property, and whenever practical each individual item thereof, shall be plainly marked or otherwise adequately identified by contractor as "PROPERTY OF GE" and shall be safely stored separate and apart from contractor's property. Contractor shall not substitute any property for GE's property and shall not use such GE property except in filling GE's orders. Such property while in contractor's custody or control shall be held at contractor's risk. Such property shall be subject to removal at GE's written request, in which event contractor shall prepare such property for shipment and shall deliver it as directed by GE in the same condition as originally received by contractor, reasonable wear and tear excepted, all at the contractor's expense. The foregoing shall not be deemed to affect the rights, if any, of the united states government in such property. Contractor shall keep confidential all drawings, specifications and other data furnished or specifically paid for by GE and shall not divulge, export from its own country, or use, directly or indirectly, such drawings, specifications or data to or for the benefit of any other party without obtaining GE's prior written consent. Except as required for the efficient performance of this order, contractor shall not make copies or permit copies to be made without the prior written consent of GE. If consent is given for any reproduction, in whole or in part, any notice thereon shall be provided on such reproductions. This provision shall not apply to information in the public domain otherwise than as a result of a breach of this provision nor shall it limit any rights the government may have in such drawings, specifications or other data.

20. CHANGES

GE shall have the right to make changes in any order, but no additional charge will be allowed unless authorized in writing by GE. If such change affects performance or the amount to be paid by GE, contractor shall notify GE immediately, and negotiate an adjustment, in accordance with this "CHANGES" clause.

21. CONTRACTOR INFORMATION

Notwithstanding any document marking to the contrary, any knowledge or information which contractor shall have disclosed or may hereafter disclose to GE incident to the placing and filling of any order shall not, unless otherwise specifically agreed upon in a written proprietary information agreement between the parties which refer to or is incorporated in the agreement, be deemed to be confidential or proprietary information and accordingly shall be acquired free from any restriction on use or disclosure (other than restriction which may result from a claim for patent infringement by GE).

22. NON-ASSIGNMENT

Assignment of this agreement or any order or any interest therein, without the written consent of GE, shall be void.

23. SET-OFF

GE shall be entitled to set off any amount, owing at any time from contractor to GE or any of GE's affiliated companies against any amount payable at any time by GE in connection with any order.

24. WORK ON GE'S OR ITS CUSTOMER'S PREMISES

If contractor's work under any order involves operations by contractor on the premises of GE or one of GE's customers, contractor shall take all necessary precautions to prevent the occurrence of any injury to person or property during the progress of such work. Except to the extent that any such injury is determined to be due solely and directly GE's or GE's

customer's negligence, contractor shall defend, indemnify and hold harmless GE or GE's customers against any and all claims, demands, suits, losses, damages, costs, and expenses, which are asserted by contractor's employees against GE, or which are due in any way from any act or omission of the contractor, its agents, employees, or subcontractors. Contractor shall maintain such public liability, property damage, and employee's liability and compensation insurance as will protect GE and GE's customers from said risks and from any civil claim or claims under any applicable workers' compensation and occupational disease acts. Upon request by GE, contractor shall provide the appropriate certifications of insurance and worker's compensation insurance for filing on GE's premises.

25. RELEASE OF INFORMATION

No public release (including without limitation, photographs, films, announcements, and denials or confirmations of the placing of any order) shall be made with respect to any order, or the subject matter thereof, without prior written approval of GE.

26. NONDISCRIMINATION IN EMPLOYMENT

26.1 Contractor will comply with executive order 11246 and the EEO clause as defined in 41 CFR 60-1.4(a) by not discriminating against any employee or applicant for employment because of race, religion, color, sex, age, or national origin. Contractor will further take affirmative action to employ and advance its employees without regard to race, color, religion, sex, age, or national origin.

26.2 Contractor will also comply with the affirmative action clauses for veterans and handicapped workers as defined in 41 CFR 60-250 and 41 CFR 60-741 by not discriminating against any employee or applicant for employment because of physical or mental handicap or because he or she is a disabled veteran or veteran of the Vietnam war. Contractor will further take affirmative action to employ and advance its employees without regard to physical or mental handicap or because he or she is a disabled veteran or a veteran of the Vietnam war.

26.3 In the event that subcontracting opportunities exceeding \$10,000 exist, contractor will comply with 49 CFR ch. 1 sec. 52.219-8 and 48 CFR ch. 1 sec. 52.219-13 in using best efforts to give small business concerns, small disadvantaged business concerns and woman-owned small business the maximum practicable opportunity to participate. In the event that the subcontracting opportunities exceed \$500,000, contractor will comply with 48 CFR ch. 1 sec. 52.219-9 in adopting a subcontracting plan.

27. PATENT AND COPYRIGHT INDEMNITY

Contractor shall handle at contractor's expense all claims and defend any suit or proceeding brought against GE or its customers so far as based on any claim that the performance of services, manufacture or furnishings of goods under this order, or the use or sale of such goods constitutes infringement of any patent or copyright of any country and contractor shall indemnify and save GE and its customers harmless from and against any expense or liability, including costs and damages arising out of such suit or proceeding. If an injunction should issue, contractor shall procure for GE and its customers the rights to continue using said goods, or modify them in a manner acceptable to GE, so they become non-infringing, or with the written consent of GE, remove said goods and refund the purchase price.

28. LABOR NOTICE

28.1 The contractor shall immediately give notice to GE (to be followed by written notices and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The contractor shall use its best efforts to resolve any such complaint, trouble, dispute or controversy.

28.2 Contractor warrants that GE shall have no liability or bargaining obligations under any collective bargaining agreement between contractor and its employees. Contractor agrees to give GE copies of any collective bargaining agreements existing between it and its employees and agrees to give GE prompt notice of any union organization with respect to its employees.

29. DRUG TESTING AND SECURITY CHECKS

29.1 The contractor agrees that all of its employees who perform work on GE property shall be tested and certified (in writing) to be free from the following illegal or unauthorized drugs* prior to being assigned to perform services called for in any order.

- Cannabinoid metabolites (marijuana)
- Opiate derivatives (heroin, morphine, codeine)
- Cocaine metabolites (benzoylecgonine, ecgonine)
- Amphetamines (methamphetamines)
- Phencyclidine

* Positive tests for prescription drugs will be reviewed by the contractor on an individual basis to determine medical authorization and suitability for assignment.

29.2 The contractor's employees must be retested and recertified to be free of these unauthorized drugs after a six (6) month absence from working at GE.

29.3 Contractor agrees to comply with any and all federal, state or local anti-drug and/or drug testing statutes or regulations for any of its employees who may be covered by these.

29.4 Contractor agrees to conduct appropriate security checks if required by GE.

30. PRIOR AGREEMENTS

This instrument contains the entire agreement between the contractor and GE with respect to orders, contracts or arrangements made or placed hereafter for services and supersedes all pre-existing understandings, agreements, or arrangements with respect thereto.

31. ACCESS TO GE'S COMPUTER SYSTEMS

Access to GE's computer systems by contractor's personnel shall include only those persons identified on GE's systems security statement and who have been issued a systems user id. GE reserves the right to, at any time, verify the citizenship status of all contractor personnel who have access to GE's computer systems. Such access shall be limited by GE to those systems, which in GE's sole discretion, are required for the contractor's personnel to perform assigned work and shall be valid until such access is revoked or surrendered. Such access shall be surrendered by contractor's personnel upon GE's request or upon removal or reassignment by contractor.

32. EXPORT AND INTERNATIONAL TRAFFIC-IN-ARMS REGULATIONS

Contractor agrees to comply with all export regulations and the INTERNATIONAL TRAFFIC-IN-ARMS REGULATIONS (ITAR) including, but not limited to, parts 122 entitled "registration of manufacturer and exporter" and 130 entitled "POLITICAL CONTRIBUTIONS, FEES AND COMMISSIONS."

With respect to defense articles and services furnished hereunder, contractor agrees that it has not paid, offered or agreed to pay, and agrees that it shall not pay, offer or agree to pay, for the purpose of soliciting, promoting or otherwise to secure the sale of defense articles and services to or for the use of the armed forces of an international organization or non-U.S. Country, any (i) fees or commissions in excess of \$1,000 or (ii) political contribution (including any gift, rebate or payment of expenses) to a non-U.S. Person or entity.

33. TRAVEL EXPENSES

Reasonable and genuine travel expenses (coach airfare, mid-sized rental cars, moderately priced hotels, etc.) Required for GE business purposes will be reimbursed upon submittal of receipts for all items \$15.00 and over. All travel expenses must be detailed in an expense account statement and be submitted to GE with the invoice. In addition, all costs defined as unallowable in the federal acquisition regulation part 31.205 must be identified on the expense account statement. Alcohol and premium airfare are examples of common unallowable costs. If additional information on unallowable costs is needed, please contact the GE requestor/internal contact.

34. DATE PROCESSING REQUIREMENTS

A. In addition to any other warranties and representations provided by seller to purchaser, whether pursuant to this agreement, by law, equity, or otherwise, seller represents and warrants that

1. Any product(s) and/or services provided by seller hereunder, including, without limitation, each item of hardware, software, or firmware; any system, equipment, or products consisting of or containing one or more thereof; and any and all enhancements, upgrades, customizations, modifications, maintenance, and the like ("products/services") shall be year 2000 compliant at the time of delivery and at all times thereafter and in all subsequent updates or revisions of any kind, and

2. Seller's supply of the products/services to purchaser shall not be interrupted, delayed, decreased, or otherwise affected by dates prior to, on, after or spanning January 01, 2000. For purposes of this agreement, year 2000 compliant means that

1. The products/services accurately process, provide and/or receive date data (including without limitation calculating, comparing, and sequencing), within, from, into, and between centuries (including without limitation the twentieth and twenty-first centuries), including leap year calculations, and

2. Neither the performance nor the functionality nor seller's supply to purchaser of the products/services will be affected by dates prior to, on, after, or spanning January 01, 2000. The design of said products/services to ensure compliance with the foregoing warranties and representations shall include, without limitation, date data century recognition, calculations that accommodate same century and multi-century formulae and date values, and date interface values that reflect the century. In particular, but without limitation,

I. No value for any current date will cause any error, interruption, or decreased performance in the operation of such products/services,

II. All manipulations of date-related data (including, but not limited to, calculating, comparing, sequencing, processing and outputting) will produce correct results for all valid dates, including when used in combination with other products,

III. Date elements in interfaces and data storage will specify the correct century to eliminate date ambiguity without human intervention, including leap year calculations,

IV. Where any date is represented without a century, the correct century will be unambiguous for all manipulations involving the element,

V. Authorization codes, passwords, and zaps (purge functions), should function normally and in the same manner prior to, on, after and spanning January 01, 2000, including, without limitation, the manner in which they function with respect to expiration dates and cpu serial numbers. No obligation of seller under this purchase order shall be excused by reason of the failure of seller's or any other person's products/ services to be year 2000 compliant, nor shall such occurrence(s) be deemed a force majeure event.

B. Seller will include the foregoing language in all agreements entered into with third parties in furtherance of or relating to the purpose(s) of this agreement, including, but not limited to, suppliers, sub-suppliers, and contractors.

C. If at any time the products/services are found, by purchaser or any other of seller's customers, not to be year 2000 compliant, then, in addition to any other obligation of seller under the law, pursuant to this purchase order, at equity, or otherwise, at no additional charge to purchaser, seller shall, by no later than thirty (30) days after receipt of a report of noncompliance from purchaser or such other seller customer(s), render the products/services year 2000 compliant, and shall thereafter distribute such corrected version to purchaser, and, at purchaser's option, install such corrected version for purchaser, all free of charge. In doing so, seller shall not require purchaser to make any changes to the products/services except to install or have installed any changes provided by seller, shall not require or cause to be made any changes to purchaser's data unless purchaser in its sole discretion approves such changes, and shall not require or cause to be made any changes to any other product or service that purchaser uses in its business operations.

D. In addition to seller's obligations as set forth above, seller shall indemnify and hold purchaser harmless from and against any claims, costs, losses, damages, or expenses (including reasonable attorney's fees) incurred by purchaser as a result of any failure of the products/services to be year 2000 compliant. Seller will further indemnify and hold purchaser harmless from and against any claims, costs, losses, damages, or expenses (including reasonable attorney's fees) arising out of or relating to any failure of seller's or seller's suppliers', sub-suppliers', or contractors' products/ services to be year 2000 compliant. Notwithstanding anything herein to the contrary, the liability of seller for a breach of seller's year 2000 compliant representation and warranty shall not be subject to any limitations or exclusions of remedies or warranties contained in this agreement between the parties.

E. Any statute of limitations that might be applicable to seller's year 2000 compliant warranty and representation shall not accrue or begin to run until the later of January 01, 2000, or the time when such statute of limitations would otherwise accrue or begin to run, and, with respect to any claim based on any failure of the products/ services to be year 2000 compliant, seller shall not assert any defense based on or alleging the passage of time from the date of this agreement to January 01, 2000.

APPENDIX I

If contractor is located outside of the United States, the preceding terms and conditions are modified as follows:

1. Article 14, "LEGAL COMPLIANCE AND INDEMNITY," shall be modified to replace the words contained in the first sentence, "all applicable federal, state and local laws, including, but not limited to, the provisions of the civil rights act of 1964", with the following words: "all applicable local laws." The balance of article 14 shall remain the same.

2. Article 8.3, "CONTRACTOR'S EMPLOYEE'S," shall be modified to read as follows: "contractor's employees are not authorized, expressly or otherwise, to enter into any agreements or make any commitments, financial or otherwise, for or on behalf of GE. Specifically, no employee of contractor shall make contact with the DOD or other U.S. Government agency employees, members of the U.S. Congress, congressional employees or any analogous foreign government agency or employees thereof regarding the continuation, renewal, amendment or modification of a U.S. Government contract to GE.

3. Article 15, "DISPUTE RESOLUTION," is deleted and replaced with the following: "dispute resolution. This order shall be interpreted in accordance with the laws of the state of New York, USA without regard to New York's choice of law provisions. Except as otherwise provided, the united nations convention on contracts for the international sale of goods is not applicable to this order. All disputes arising in connection with this order shall be finally settled under the rules of

conciliation and arbitration of the INTERNATIONAL CHAMBER OF COMMERCE by one or more arbitrators appointed in accordance with the said rules. The arbitration shall be held in New York City and any arbitrator's award shall not exceed actual compensatory damages."

4. Article 16, "FAIR LABOR STANDARDS ACT," shall be deleted.

5. Article 18, "CITIZENSHIP STATUS," shall be deleted and replaced with the following: "CITIZENSHIP STATUS" for data export purposes, only citizens of the country in which the contractor is located shall be permitted to work on GE orders without prior written approval from GE. Contractor shall preserve such records as required by local laws and regulations regarding the citizenship status of contractor's employees.

6. Article 26, "NONDISCRIMINATION IN EMPLOYMENT," shall be deleted.

Add the following articles:

A. ENGLISH LANGUAGE. Except as the parties may otherwise agree, any order, data, notices, shipping invoices, correspondence and other writings issued pursuant to this agreement shall be written in the English language. In the event of any inconsistency between any terms of this contract and any translation thereof into another language, the English language meaning shall control.

B. FORCED, PRISON, OR CHILD LABOR. No forced or prison labor may be used in manufacturing the products to be supplied under this agreement, and/or services to be performed under this agreement, and contractor agrees to comply with all applicable child labor laws. If forced, prison, or illegal child labor is determined to have been used in the manufacture of the products supplied or services performed hereunder, GE shall be indemnified by contractor, and shall have the right to immediately terminate the contract without further compensation to the contractor.

C. IMPORTER OF RECORD.

1. If contractor is the U.S. Importer of record, contractor agrees that GE will not be a party to the importation of any product of this order; that the transactions represented by this order will be consummated subsequent to importation; that the contractor will neither cause nor permit GE's name to be shown as "IMPORTER OF RECORD" on any customs declaration; and that, if any product related to the services to be performed hereunder must be returned to contractor, contractor agrees to be the U.S. Exporter and to comply with all applicable export regulations.

2. If purchaser is the U.S. Importer of record, contractor shall ship any products related to the services to be performed hereunder to the port of entry as advised by GE and show proper broker notification on all shipping waybills. Any additional transportation or clearance charges incurred by GE due to contractor's nonadherence to this clause will be the responsibility of seller.

3. Regardless of which party is the U.S. Importer of Record, contractor's shipping cartons and documentation must meet all U.S. Customs country of origin marking and invoicing requirements. Contractor will be responsible for any fines or liabilities resulting from insufficient, improper or negligent invoicing or marking of shipments.

D. U.S. EXPORTER. If contractor is the U.S. Exporter for any U.S. Origin bailed or purchased material required by contractor to complete this order, contractor shall be responsible for obtaining any required export license, authorizing a U.S. Freight forwarder, and complying with U.S. Export administration regulations/international traffic-in-arms regulations. If contractor requests GE to export the materials, GE shall be responsible for procuring the export license, utilizing its duly authorized freight forwarder, and complying with U.S. Export Administration Regulations and International Traffic-In-Arms Regulations

Revision summary

Article 5.1 changed GEAE to GE.

Article 18 modified

Appendix I added