

SECTION 2: SCOPE

GENERAL ELECTRIC AND IHI ENTERED INTO AN AGREEMENT ON APRIL 18, 1984 TITLED "REVENUE SHARING AGREEMENT FOR THE LM1600 ENGINE PROGRAM".

THIS ADMINISTRATIVE DOCUMENT IS ISSUED SOLELY FOR THE PURPOSE OF PROVIDING AN ADMINISTRATIVE VEHICLE TO IMPLEMENT SOME OF THE PROVISIONS OF THE ABOVE AGREEMENT, SUCH AS;

1. CONFIGURATION CONTROL
2. SOURCE QUALIFICATION REQUIREMENTS
3. PRODUCTION RELEASES AND SCHEDULING
4. RECORDING OF PARTS ARRIVING AT GE
5. QUALITY CONTROL REQUIREMENTS
6. NON CONFORMING MATERIAL CONTROL (MRB)
7. REPAIR/REPLACEMENT LOGISTICS.

COMPENSATION AND TERMS AND CONDITIONS ARE AS AGREED UPON BETWEEN THE PARTIES IN THE ABOVE REFERENCED AGREEMENT. IN ADDITION CERTAIN PROVISIONS OF THE GE TERMS AND CONDITIONS, GT75-08 AND GT75FC, SHALL SUPPLEMENT THE ABOVE AGREEMENT, RECOGNIZING THAT IN THE EVENT OF ANY CONFLICT BETWEEN THESE SUPPLEMENTS, PRESENTED BELOW IN SECTION 6 AND THE ABOVE REFERENCED REVENUE SHARING AGREEMENT, THE AGREEMENT SHALL GOVERN.

FOR EASE OF REFERENCE THIS DOCUMENT IS DIVIDED IN (6) MAJOR SECTIONS AS FOLLOWS:

SECTION 1; DEFINES ALL THE ITEMS THAT IHI IS REQUIRED TO SHIP TO GE.

SECTION 2; THIS SECTION IS PRESENTED TO DEFINE THE SCOPE OF THIS ADMINISTRATIVE DOCUMENT INCLUDING IT'S PURPOSE, FUNCTIONS AND LIMITATIONS.

SECTION 3; PERTAINS TO LOGISTICS AND CONTROL SUCH AS COMMUNICATIONS, SHIPPING AND MARKING, U.S. CUSTOMS DUTY PROCEDURES, ETC.

SECTION 4; DEFINES THE PROVISIONS FOR INVOICING.

SECTION 5; PRESENTS SUPPLEMENTS TO THE TERMS AND CONDITIONS DEFINED IN THE AGREEMENT.

SECTION 6; DEFINES THE QUALITY PLAN FOR SOURCE QUALIFICATION/ CERTIFICATIONS, AND FOR PRODUCTION PARTS.

SECTION 3: LOGISTICS AND CONTROL

A) COMMUNICATION REQUIREMENTS

- 1) ALL CORRESPONDENCE RELATED TO THIS ORDER BY IHI TO GE IS TO BE ADDRESSED TO THE BUYER DESIGNATED ON THIS ORDER:

ATTN: S.J. CUMMINGS
GENERAL ELECTRIC CO.
1000 WESTERN AVE.
MZ 3-7433
LYNN, MA 01910

- 2) ALL CORRESPONDENCES RELATED TO THIS PURCHASE ORDER BY GE TO IHI WILL BE ADDRESSED TO THE IHI COORDINATOR:

ATTN: N. NOZAWA

IHI
6-2 MARUNOUCHI 1-CHROME
CHIYODA-KU
TOKYO 100, JAPAN

B) PRODUCTION AND PRODUCTION STATUS REPORTING

- 1) A PRODUCTION STATUS AND DELIVERY REPORT IS TO BE SUBMITTED MONTHLY BY IHI TO THE BUYER. THIS REPORT AS A MINIMUM WILL PROVIDE THE FOLLOWING INFORMATION AND IN GENERAL ACCORD WITH THE FOLLOWING FORMAT:

PART NO.	P.O. NUMBER		DATE			
ORDER QTY	SHIPPED QTY		PREPARED BY			
PRODUCTION STATUS						
IHI PROD. LOT	LOT QTY	AT OPER. NO.	WKS. TO COMPLETION	DATE TO FINAL INSP.	EXP SHIP DATE	COMMENTS OR CASE RECORD

- 2) PROVIDE THE BUYER A WEEKLY REPORT BY TELEX OR RAPIFAX DETAILING ALL SHIPMENTS MADE BY IHI FOR THE WEEK. AS A MINIMUM IT SHOULD DETAIL THE FOLLOWING INFORMATION.
 - I) PART NUMBER AND DESCRIPTION
 - II) QUANTITY OF PARTS SHIPPED DURING THE WEEK AND FOR EACH SHIPMENT
 - III) DATE OF SHIPMENT(S) FROM JAPANESE POINT OF DEPART-
URE AND EXPECTED DATE OF ARRIVAL IN USA AND POINT
OF ENTRY.
 - IV) CARRIER AND AIRWAY BILL OR BILL OF LADING

C) SHIPPING AND PREPARATION FOR SHIPPING

- 1) IHI IS RESPONSIBLE FOR ALL PACKAGING, SHIPPING, CUSTOMS CLEARANCE, FEES, LOCAL TRANSPORTATIONS, INSURANCE AND LOGISTICS REQUIRED TO PRESENT THESE PARTS TO THE GE RECEIVING DOCK INDICATED ON THIS ORDER. PROVIDED HOWEVER THAT TITLE TO PARTS, INCLUDING RISK OF LOSS OF DAMAGE SHALL REMAIN WITH IHI, AS PROVIDED FOR IN THE ABOVE REFERENCED REVENUE SHARING AGREEMENT.
- 2) EACH SHIPMENT IS TO BE MADE FOR THE SCHEDULED QUANTITIES ONLY OVER SHIPMENTS ARE SUBJECT TO RETURN TO IHI AT IHI EXPENSES.
- 3) THE BILL OF LADING, THE PACKING SLIP AND THE CUSTOMS INVOICE ARE TO BE IN THE ENGLISH LANGUAGE AND MUST CONTAIN THE FULL 14 DIGIT ADMINISTRATIVE ORDER NUMBER AND A.O. ITEM NUMBER. IN ADDITION A COMPLETE SET OF THESE DOCUMENTS ARE TO BE MAILED TO GE AT:

ATTENTION TRAFFIC DEPARTMENT, IMPORT
GENERAL ELECTRIC CO.
BUILDING 1101A
1000 WESTERN AVE.

- 4) A SHIPMENT COMPOSED OF MULTIPLE CARTONS OR BOXES IS PERMITTED BUT MUST BE MARKED SUCH AS BOX 1 OF 3, BOX 2 OF 3, BOX 3 OF 3. IN ADDITION ONE COPY OF THE PACKING SLIP, BILL OF LADING AND CUSTOM'S INVOICE MUST BE ATTACHED TO THE OUTSIDE OF CARTON #1 OF THE SERIES AND A DUPLICATE SHEET PACKED INSIDE. THE CONTENTS OF THE BOX SHOULD BE CLEARLY INDICATED TO INCLUDE:
 - I. PART NUMBER AND DESCRIPTION.
 - II. QUANTITIES IN EACH BOX.
 - III. PURCHASE ORDER NUMBER AND ITEM NUMBER.
- 5) PREPARATION OF INVOICES FOR CUSTOMS PURPOSES AS A MINIMUM MUST CONTAIN THE FOLLOWING INFORMATION.
 - I. THE FULL 14 DIGIT ADMINISTRATIVE ORDER NUMBER AND ADMINISTRATIVE ORDER ITEM NUMBER; THE DRAWING NUMBER AND PART DESCRIPTION AND THE QUANTITY SHIPPED.
 - II. FOR CUSTOMS PURPOSE STATE THE PER UNIT PRICE FOR THIS PART AND THE TOTAL VALUE OF THE SHIPMENT.
 - III. THE INVOICE MUST BE IN ENGLISH LANGUAGE AND INCLUDE THE FOLLOWING STATEMENT: "GE MASS EXEMPT REG. NO. 140689340".
 - IV. IHI MUST CLEARLY DISTINGUISH AND MAKE SEPARATE SHIPMENTS FOR MILITARY PARTS AND COMMERCIAL PARTS:
 - I) FOR SHIPMENTS AGAINST THE MILITARY REQUIREMENTS THE INVOICE MUST CLEARLY STATE THE FOLLOWING:
 - COUNTRY OF ORIGIN
 - THE APPLICABLE CONTRACT NUMBER OR NUMBERS INDICATED ON THIS ORDER
 - AND THE FOLLOWING STATEMENT:

"UNITED STATES DEPARTMENT OF DEFENSE DUTY FREE ENTRY IS TO BE CLAIMED PURSUANT TO SCHEDULE 8, PART 3, ITEM 832.00 , TARIFF SCHEDULES OF THE UNITED STATES. UPON ARRIVAL OF SHIPMENT AT PORT OF ENTRY, DISTRICT DIRECTOR OF CUSTOMS, KINDLY RELEASE THE SHIPMENTS UNDER 8.59CP AND NOTIFY THE TRANSPORTATION OFFICER, DCASR, NEW YORK, DRCN-PT, 60 HUDSON STREET, NEW YORK, 10013, WHO WILL EXECUTE CUSTOMS FORMS 7501 AND 7501A AND THE DUTY FREE ENTRY CERTIFICATE."
 - II) FOR SHIPMENTS AGAINST COMMERCIAL REQUIREMENTS THE INVOICE MUST CLEARLY SPELL OUT THE FOLLOWING:
 - COUNTRY OF ORIGIN
 - MUST INSERT THE FOLLOWING STATEMENT:
 - 1) PART(S) SPECIFICALLY IDENTIFIED IN THIS INVOICE ARE TO BE USED IN MARINE AND INDUSTRIAL APPLICATIONS.
- 6) THREE COPIES OF THE ABOVE INVOICES, MUST ACCOMPANY EACH SHIPMENT FOR USED BY THE US BUREAU OF CUSTOMS.

D) RECEIPT OF PARTS AT GE

PARTS ARRIVING AT GENERAL ELECTRIC WILL BE RECEIVED AND DOCUMENTED IN GE'S NORMAL RECEIVING METHOD AND WILL BE ASSIGNED A RECEIVING "LOT NUMBER".

E) COMMERCIAL INVOICES

THE PROCEDURE FOR COMMERCIAL INVOICES ARE SEPARATELY ADDRESSED IN SECTION 4, INVOICING.

SECTION 4: INVOICING

- A. INDICATE ADMINISTRATIVE ORDER NUMBER AND ITEM NUMBER ON ALL INVOICES AS WELL AS THE CONTRACT NUMBER.

SECTION 5: TERMS AND CONDITIONS SUPPLEMENT

- A. DELIVERY SCHEDULE. UNLESS OTHERWISE AGREED IN WRITING, SELLER SHALL NOT MAKE MATERIAL COMMITMENTS OR PRODUCTION ARRANGEMENTS IN EXCESS OF THE AMOUNT OR IN ADVANCE OF THE TIME NECESSARY TO MEET PURCHASER'S DELIVERY SCHEDULE. IT IS SELLER'S RESPONSIBILITY TO COMPLY WITH THIS SCHEDULE AND PURCHASER'S REQUIREMENTS. GOODS SHIPPED TO PURCHASER IN ADVANCE OF SCHEDULE MAY BE RETURNED TO SELLER AT SELLER'S EXPENSE.
- B. MILITARY SECURITY REQUIREMENTS. SELLER AGREES THAT PRIOR MILITARY SECURITY CLEARANCE WILL BE OBTAINED BY ANY OF ITS PERSONNEL REQUIRING ACCESS TO BUYER'S PLANT PREMISES FOR THE PURPOSE OF PERFORMING THE WORK COVERED BY THIS PURCHASE ORDER WHERE SUCH CLEARANCE IS REQUIRED BY GOVERNMENT RULES, REGULATIONS, OR SECURITY AGREEMENTS.
- C. FOR WORK ON PURCHASER'S OR ITS CUSTOMER'S PREMISES. IF SELLER'S WORK UNDER THIS ORDER INVOLVES OPERATIONS BY SELLER ON THE PREMISES OF PURCHASER OR ONE OF ITS CUSTOMERS, SELLER SHALL TAKE ALL NECESSARY PRECAUTIONS TO PREVENT THE OCCURRENCE OF ANY INJURY TO PERSON OR PROPERTY DURING THE PROGRESS OF SUCH WORK AND EXCEPT TO THE EXTENT THAT ANY SUCH INJURY IS DUE SOLELY AND DIRECTLY TO PURCHASER'S OR ITS CUSTOMER'S NEGLIGENCE, AS THE CASE MAY BE, SHALL INDEMNIFY PURCHASER AGAINST ALL LOSS WHICH MAY RESULT FROM ANY ACT OR OMISSION OF THE SELLER, ITS AGENTS, EMPLOYEES, OR SUBCONTRACTORS, AND SELLER SHALL MAINTAIN SUCH PUBLIC LIABILITY, PROPERTY DAMAGE AND EMPLOYEE'S LIABILITY AND COMPENSATION INSURANCE AS WILL PROTECT PURCHASER FROM SAID RISKS AND FROM ANY CLAIMS UNDER ANY APPLICABLE WORKMAN'S COMPENSATION AND OCCUPATIONAL DISEASE ACTS.
- D. RECORD RETENTION REQUIREMENTS. SELLER SHALL MAINTAIN MATERIAL RECORDS IN ACCORDANCE WITH GENERAL ELECTRIC SPECIFICATION P1TF3 AND/OR OTHER APPLICABLE GENERAL ELECTRIC SPECIFICATIONS CONTAINING RECORD RETENTION REQUIREMENTS.
- E. REVIEW & APPROVAL. REVIEW OR APPROVAL BY BUYER OF SELLER/S PROCEDURES, SYSTEMS, DESIGN CONCEPTS, SPECIFICATIONS, DRAWINGS OR OTHER INFORMATION SHALL NOT BE DEEMED TO RELIEVE SELLER OF ITS OBLIGATION TO FURNISH GOODS IN CONFORMANCE WITH THE REQUIREMENTS OF THIS ORDER.
- F. PARTS COMPLIANCE AND MATERIALS TEST CERTIFICATION. BY ACCEPTANCE OF THIS ADMINISTRATIVE ORDER, SELLER CERTIFIES THAT EXCEPT AS SPECIFICALLY STATED TO THE CONTRARY ON CASE-RECORDS PER PURCHASER'S SPECIFICATION P1TF1, GOODS SUPPLIED SHALL CONFORM TO ALL REQUIREMENTS OF THIS ADMINISTRATIVE ORDER, AND THAT OBJECTIVE QUALITY EVIDENCE* OF CONFORMANCE TO EACH SPECIFIC DRAWING AND SPECIFICATION REQUIRED BY THIS ADMINISTRATIVE ORDER IS ON FILE AND AVAILABLE FOR EXAMINATION BY PURCHASER. EACH LOT OF SHIPMENT OF CASTINGS, FORGINGS, RAW MATERIAL OR FINISHED PARTS MADE TO SPECIFICATIONS THAT REQUIRE REPORTING OF NUMERICAL TEST RESULTS, SHALL BE ACCOMPANIED BY A COPY OF A LABORATORY TEST REPORT FORMULATED IN ACCORDANCE WITH SAID SPECIFICATIONS AND MADE BY OR AT THE ORDER OF THE SELLER WHICH LISTS THE NUMERICAL RESULTS OF THE SPECIFIC TESTS.

*OBJECTIVE QUALITY EVIDENCE: ANY STATEMENT OF FACT PERTAINING TO THE QUALITY OF A PRODUCT OR SERVICE BASED ON OBSERVATIONS MEASUREMENTS OR TESTS WHICH CAN BE FULLY VERIFIED. EVIDENCE MUST BE EXPRESSED IN TERMS OF SPECIFIC QUALITY REQUIREMENTS OR CHARACTERISTICS. THESE CHARACTERISTICS ARE IDENTIFIED IN DRAWINGS, SPECIFICATIONS, AND OTHER DOCUMENTS WHICH DESCRIBE THE ITEM PROCESS OR PROCEDURE.

- G. SOURCE SUBSTANTIATION TESTING. THE GOODS SUPPLIED UNDER THIS ORDER MAY BE SUBJECT TO SUBSTANTIATION TESTING IN ACCORDANCE WITH PURCHASER'S PROCESS CHANGE CONTROL PROGRAM IN ACCORDANCE WITH GE SPECIFICATION P1TF17, "SUBSTANTIATION REQUIREMENTS".
- H. EXAMINATION OF RECORDS. (APPLICABLE ONLY U.S. MILITARY ORDERS EXCEEDING \$10,000). THE COMPTROLLER GENERAL OF THE UNITED STATES OR ANY OF HIS DULY AUTHORIZED REPRESENTATIVES SHALL UNTIL THE EXPIRATION OF THREE (3) YEARS AFTER THE FINAL PAYMENT UNDER THIS ORDER OR FOR THE TIME PERIOD SPECIFIED IN APPENDIX M OF THE ARMED SERVICES PROCUREMENT REGULATIONS, WHICHEVER EXPIRES EARLIER, HAVE ACCESS TO AND THE RIGHT TO EXAMINE ANY DIRECTLY PERTINENT BOOKS, DOCUMENTS, PAPERS, AND RECORDS OF SELLER INVOLVING TRANSACTIONS RELATED TO THIS ORDER.
- I. NEW MATERIAL. EXCEPT AS TO ANY SUPPLIES AND COMPONENTS WHICH THE SPECIFICATION OR SCHEDULE SPECIFICALLY PROVIDES NEED NOT BE NEW, THE SELLER REPRESENTS THAT THE SUPPLIES AND COMPONENTS TO BE PROVIDED UNDER THIS ORDER ARE NEW (NOT USED OR RECONDITIONED, AND NOT OF SUCH AGE OR SO DETERIORATED AS TO IMPAIR THEIR USEFULNESS OR SAFETY). IF AT ANY TIME DURING THE PERFORMANCE OF THIS ORDER, THE SELLER BELIEVES THAT THE FURNISHING OF SUPPLIES OR COMPONENTS WHICH ARE NOT NEW IS NECESSARY OR DESIRABLE, HE SHALL NOTIFY THE PURCHASER IMMEDIATELY, IN WRITING INCLUDING THE REASONS THEREFOR AND PROPOSING ANY CONSIDERATION WHICH WILL FLOW TO THE PURCHASER IF AUTHORIZATION TO USE SUCH SUPPLIES IS GRANTED.
- J. PROPRIETARY DATA. THE INFORMATION CONTAINED IN THIS DOCUMENT IS THE PROPERTY OF GENERAL ELECTRIC COMPANY AND IS DISCLOSED IN CONFIDENCE. IT SHALL BE RETURNED UPON REQUEST, AND SHALL NOT BE USED/EXCEPT TO RENDER SERVICE TO GENERAL ELECTRIC COMPANY, DISCLOSED TO OTHERS OR REPRODUCED WITHOUT THE EXPRESS WRITTEN CONSENT OF GENERAL ELECTRIC COMPANY. IF CONSENT IS GIVEN FOR ANY REPRODUCTION, THIS NOTICE SHALL BE PROVIDED THEREON. THE FOREGOING IS SUBJECT TO ANY RIGHTS THE U.S. GOVERNMENT MAY HAVE IN SUCH INFORMATION. USE OF THE INFORMATION IN THIS DOCUMENT TO MANUFACTURE PRODUCTS OR TO PROVIDE SERVICES OTHER THAN FOR GENERAL ELECTRIC COMPANY WILL BE SUBJECT TO NEGOTIATION OF SUITABLE TERMS AND COMPENSATION TO THE GENERAL ELECTRIC COMPANY.
- K. CHANGES AND BUYER APPROVAL

THE ABOVE ADMINISTRATIVE ORDER DEFINES THE COMPLETE OBLIGATIONS BETWEEN IHI AND GE IN REGARDS TO THE TASKS DEFINED IN SECTION I.

GE AND IHI HAVE THE RIGHT TO MAKE CHANGES AS DEFINED IN THE REVENUE SHARING AGREEMENT. IN THE EVENT OF SUCH CHANGES THIS ADMINISTRATIVE ORDER WILL BE REVISED TO INCORPORATE SUCH CHANGES, PROVIDED HOWEVER, THAT NEITHER IHI NOR GE WILL TAKE ANY STEPS TO ACT ON SUCH CHANGES WITHOUT THE EXPRESSED AUTHORIZATION OF THE BUYER AND THE APPROPRIATE REVISION OF THIS ADMINISTRATIVE ORDER.

- L. THE TECHNICAL DATA AND INFORMATION SUPPLIED BY GENERAL ELECTRIC COMPANY AS A BASIS FOR THIS ORDER IS THE PROPERTY OF GENERAL ELECTRIC COMPANY AND IS FURNISHED SOLELY TO ENABLE SELLER TO RENDER SERVICE TO GENERAL ELECTRIC COMPANY, AND THIS DATA AND INFORMATION/ INCLUDING ANY AND ALL COPIES THEREOF/SHALL BE PROMPTLY RETURNED,

UPON REQUEST, TO GENERAL ELECTRIC COMPANY AFTER COMPLETION OF SUCH SERVICE. SELLER SHALL NOT, AT ANY TIME, REPRODUCE OR USE SUCH TECHNICAL DATA AND INFORMATION FOR ANY OTHER PURPOSE. SELLER SHALL TAKE ALL REASONALBE CARE TO ENSURE THAT SUCH TECHNICAL DATA AND INFORMATION IS NOT DISCLOSED TO OTHER PARTIES, EXCEPT FOR THE PURPOSE OF ENABLING SELLER TO RENDER SERVICE TO GENERAL ELECTRIC COMPANY, PROVIDED, HOWEVER, THAT IN ALL SUCH CASES, SELLER SHALL REQUIRE ACCEPTANCE OF THIS PROVISION BY THE OTHER PARTY. THE FOREGOING SHALL NOT BE DEEMED TO AFFECT RIGHTS, IF ANY, WHICH THE U.S. GOVERNMENT MAY HAVE OR THEREAFTER ACQUIRE IN SUCH TECHNICAL DATA AND INFO.

SECTION 6: QUALITY REQUIREMENTS

SECTION 6 DESCRIBES THE QUALITY REQUIREMENTS FOR THIS RELEASE FOR BOTH CERTIFICATION AND PRODUCTION HARDWARE. FOR EASE OF REFERENCE IT IS PRESENTED IN 3 MAJOR PARTS:

PART A; IS THE TEST THAT DESCRIBES THE QUALITY STANDARD REMARKS (SR) STATED BY INDEX IN PARTS B & C.

PART B; REQUIREMENTS FOR THE TOP LEVEL ASSEMBLY.

PART C; REQUIREMENTS FOR EACH DETAIL PART THAT MAKES UP THE ASSEMBLY (WHERE REQUIRED).

ADDITION, THE CERTIFICATION REPORTS, DATA, COUPONS, ETC. THAT ARE TO SHIPPED TO GE ARE DEFINED IN SECTION 1 AS DELIVERABLE LINE ITEMS.

RT A - LEGEND