

Date: August 2001

EXHIBIT A

**GOVERNMENT PROVISIONS
 APPLICABLE TO U.S. SUPPLIER
 PRIME CONTRACT F19628-97-C-0112**

The clauses contained in the following Government regulations are incorporated by reference. Where necessary or appropriate to derive proper meaning in a subcontract situation, "Contractor" shall mean Seller. Government Clauses listed below or cited elsewhere in the contract shall be those in effect in June 1997.

<u>FAR/DFARS Reference</u>	<u>Title</u>	
52.204-2	Security Requirements (Applies only if the contract requires access to classified information, "Government" means Buyer or the Government.)	
52.211-5	Material Requirements ("Contracting Officer" means Buyer.)	
52.211-7	(DELETED)	D/Rev. B
52.211-15	Defense Priority and Allocation Requirements	
52.215-15	Pension Adjustments and Asset Reversions (DEC 98) ("Contracting Officer" means Buyer and Seller's cognizant ACO.) (Applicable only if contract is other than firm-fixed-price or if certified cost or pricing data was provided.)	A/Rev. G
52.215-18	Reversion or Adjustment of Plans for Post-Retirement Benefits (PRB) Other than Pensions (OCT 97) (Applicable only if the contract is other than firm-fixed price or if certified cost or pricing data was provided.)	A/Rev. G
52.215-19	Notification of Ownership Changes (OCT 97)	A/Rev. G
52.215-27	Termination of Defined Benefit Pension Plans ("Contracting Officer" means Buyer and Seller's cognizant ACO.) (Applicable only if contract is other than firm-fixed-price or if certified cost or pricing data was provided.)	
52.215-40	Notification of Ownership Changes	
52.219-8	Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns	
52.222-1	Notice of Labor Disputes ("Contracting Officer" means Buyer.)	
52.222-21	Prohibition of Segregated Facilities (FEB 99) (Certification required. The clause is to be included in every subcontract or purchase order subject to the equal opportunity clause.)	A/Rev. G
52.222-29	Notification of Visa Denial	
52.223-3	Hazardous Material Identification and Material Safety Data (Applies only if hazardous material will be delivered) (In paragraph (b) insert: "None.") Group A and B hardware being delivered under LL/PAR contract are classified as "articles" and require no material safety data sheets (MSDS).	
52.225-10	Duty-Free Entry	

52.225-11	Restrictions on Certain Foreign Purchases ("Contracting Officer" means Buyer.)	
52.227-10	Filing of Patent Applications - Classified Subject Matter (Applies only if contract will involve access to classified information)	
52.227-11	Patent Rights - Retention by Contractor (Short Form). (Applies only if Special Provision F.1 is included and Seller is a small business or non-profit organization.)	
52.227-12	Patent Rights - Retention by Contractor (Long Form) (Applies only if Special Provision F.1 is included and Seller is <u>not</u> a small business or non-profit organization.)	
52.234-1	(DELETED)	D/Rev A
52.237-2	Protection of Government Buildings, Equipment and Vegetation. (Applies only if work will be performed on a government installation. "Contracting Officer" means Buyer.)	
52.242-15	Stop Work Order	
52.244-5	Competition in Subcontracting (Not applicable to CLINs identified in Section B as "Type Contract: Y")	
52.244-6	Subcontracts for Commercial Items and Commercial Components	
252.204-7000	Disclosure of Information	
252.215-7000	Pricing Adjustments	
252.223-7001	Hazard Warning Labels (As required in paragraph C, insert: "None")	
252.225-7002	(DELETED)	D/Rev. B
252.225-7009	Duty-Free Entry-Qualifying Country End Products and Supplies	
252.225-7010	Duty-Free Entry--Additional Provisions	
252.225-7012	Preference for Certain Domestic Commodities	
252.225-7016	(DELETED)	D/Rev A
252.225-7037	Duty-Free Entry--NAFTA Country End Products and Supplies	
252.227-7025	Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends	
252.231-7000	Supplemental Cost Principles	
252.235-7003	Frequency Authorization (Applies only if contract involves developing, producing, testing or operating a device requiring radio frequency authorization.)	
252.247-7024	(DELETED)	D/Rev. B

The following clause also applies if the contract price exceeds \$2,500:

52.222-36	Affirmative Action for Handicapped Workers
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The following clauses also apply if the contract price exceeds \$10,000:

52.222-20	Walsh-Healy Public Contracts Act
52.222-35	Affirmative Action for Special Disabled and Vietnam Era Veterans
52.222-37	Employment Report on Special Disabled Veterans and Veterans of the Vietnam Era.

The following clauses also apply if the contract price exceeds \$100,000:

52.203-6	Restrictions on Subcontractor Sales to the Government (JUL 95)	
52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (Seller's signed proposal provided the required certification.)	
52.203-12	Limitation on Payments to Influence Certain Federal Transactions. (The disclosures of Seller and its lower tier subcontractors required by paragraph (c) shall be submitted to Buyer's Material Representative.)	
52.215-2	Audit and Records-Negotiation (Applies only if contract is other than Firm-Fixed-Price, if cost or pricing data was required or if cost, funding or performance reports will be furnished.)	
52.223-2	Clean Air and Water (Also applicable if Seller's facility has been the subject of a conviction under the Clean Air Act or Federal Water Pollution Control Act.)	
252.203-7001	Special Prohibition on Employment	
252.209-7000	Acquisition from Subcontractors Subject to On-Site Inspection Under the Intermediate-Range Nuclear Forces (INF) Treaty	
252.225-7026	(DELETED)	D/Rev. B
252.243-7002	Certification of Requests for Equitable Adjustment	A/Orig.
252.247-7023	Transportation of Supplies by Sea	
252.249-7002	Notification of Anticipated Contract Termination or Reduction In paragraph (e), "two weeks" is changed to 10 days.)	

The following clauses also apply if the contract price exceeds \$500,000:

52.215-39	Reversion or Adjustment of Plans for Post-Retirement Benefits other than Pensions. (Applicable only if certified cost or pricing data is provided.)
52.219-9	Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan. (Applies only if Seller is <u>not</u> a small business. "Contracting Officer" in paragraphs (b) and (c) means Buyer.)

The following clause also applies if the contract price exceeds \$1,000,000:

252.211-7000	Acquisition Streamlining
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The following clauses also apply if Technical Data or Computer Software will be Generated or Delivered:

252.227-7013	Rights in Technical Data--Noncommercial Items (Replace paragraph (k)(2) with: "In the event a subcontractor refuses to accept any such provisions, Boeing shall use reasonable efforts to negotiate provisions which are most nearly equivalent.")
252.227-7014	Rights in Noncommercial Software and Noncommercial Software Documentation (Replace paragraph (k)(2) with: "In the event a subcontractor refuses to accept any such provisions, Boeing shall use reasonable efforts to negotiate provisions which are most nearly equivalent.")
252.227-7019	Validation of Asserted Restrictions - Computer Software
252.227-7027	Deferred Ordering of Technical Data or Computer Software
252.227-7030	Technical Data - Withholding of Payment ("Contracting Officer" and "Government" means Buyer.)
252.227-7036	Declaration of Technical Data Validity
252.227-7037	Validation of Restrictive Markings on Technical Data

The following Air Force FAR Supplement clauses are applicable as indicated:

5352.204-9000	(DELETED)	D/Rev. B
5352.223-9001	Health and Safety on Government Installations (Applies only if work will be performed on a Government installation.)	R/Orig.

The following NATO clauses are required by the prime contract:**1. Export of Technology**

In the event the U.S. Government does not provide to the Seller written approval of Manufacturing License and Technical Assistance Agreements and any other licenses, export or import licenses, visas, resident permits, work permits, or other similar governmental actions or approvals necessary: (1) to perform this contract; (2) to export from or to deliver to NAPMO any items involved in the performance of this contract; or (3) to permit the Seller and its subcontractors to contract with their Euro-Canadian subcontractors (at any tier) consistent with the performance and delivery schedules of this contract; an equitable adjustment shall be negotiated pursuant to the "Changes" clause hereof.

2. Rights of Participating NATO Governments to Audit Reports (R/Rev. B)

Seller agrees that NAPMO may receive from the Contracting Officer reports of audit of the Contractor and subcontractors, derived pursuant to the clause titled "Audit and Records - Negotiation." The Seller shall identify proprietary or sensitive data and/or information in source documentation for the aforementioned audit reports.

3. Disallowance of Overceiling IR&D and B&P Costs (R/Rev. B)

The recovery of overceiling IR&D and B&P costs for the NATO Mid-Term EMD and any follow-on Production and Retrofit Program will not be charged.

4. Subcontract Management/Consent

a. Prior to the award of a subcontract to a Euro-Canadian subcontractor, Seller shall notify the appropriate Contracting Officer. This notification shall comply with the requirements of paragraph (c) of FAR 52.244-1, "Subcontracts - Fixed Price Contracts." [R/Rev A]

b. The Contracting Officer reserves the right to review and consent to all Euro-Canadian subcontracts prior to award of definitive instruments. Consent by the Contracting Officer to any such subcontract or any provisions thereof shall not be construed to be a determination of the acceptability of any critical subcontract price or of any amount paid under any critical subcontract or to relieve the Seller of any responsibility for performing this contract, unless such consent specifically provides otherwise. [A/Rev A]

c. It is contemplated that the Contracting Officer's review of Euro-Canadian subcontracts may include participation by the NAPMO staff and representatives of the respective host government as well as the particular Euro-Canadian subcontractor in order to assure full understanding by all of the above of the terms, conditions, special requirements and contract administration arrangements which pertain to this contract. The review will include: [A/Rev A 10/97]

(i) Flowdown of all contract clauses required by this purchase contract.

(ii) Verification that the Euro-Canadian subcontract has been priced in accordance with national pricing regulations as defined by the applicable National Audit Authority.

(iii) Verification that the audit findings of the applicable National Audit Authority have been utilized in the negotiated agreement.

5. Customs and Duties

a. This contract contains no provisions or costs for customs or duties imposed by those countries identified in paragraph d, below. In the event a foreign country imposes such customs, duties or similar charges, Seller's incurred costs are reimbursable to Seller. Reimbursement shall be limited to those Seller incurred costs, including applicable overhead and G&A expense, but excluding profit. The contract price will be increased accordingly. [R/Orig.]

b. The NAPMO, acting on behalf of NATO shall enjoy the privileges of exemption from taxes, customs, duties, and quantitative restrictions on imports and exports in respect of any item or aspect of the Programs as set out in Articles IX and X of the Agreement on the status of the North Atlantic Treaty Organization, National Representatives and International Staff (Ottawa, 20 September 1951). Identifiable taxes, customs, duties or other charges levied by any participating nation in connection with the activities covered by this arrangement will be borne by the government of the participating nation, either directly or by waiver or by an appropriate increase of that participating nation's contribution.

c. Taxes levied by non-participating nations and not waived by them will be borne by NAPMO

d. The countries contemplated by paragraph a are: Belgium, Luxembourg, Canada, Denmark, Germany, Greece, Italy, The Netherlands, Norway, Portugal, Spain, Turkey and United Kingdom [R/Rev. B]

e. Paragraph a. through d. of this Special Contract Requirement shall be inserted verbatim in all subcontracts and purchase orders awarded by the Seller in all cases where such taxes and customs duties would otherwise apply. [R/Orig.]

6. Data. (Applicable only if technical data will be delivered.) [A/Orig.]

"DATA

A. FAR/DFARS - Application and Definitions. This contract includes DFARS 252.227-7013 RIGHTS IN TECHNICAL DATA -- NON COMMERCIAL ITEMS AND DFARS 252.227-7014 RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION. The definitions set forth therein shall apply in this clause. In addition, 'Operation' means the use of an E-3 AWACS AEW System for its intended purpose, and 'Support' means Organizational, Intermediate, and Depot Level Maintenance, as well as Engineering Analysis of the E-3 AWACS AEW System.

B. Provision/Furnishment of Technical Data. Boeing, as the manufacturer and supplier of the E-3 AWACS AEW System,

has an interest in ensuring that its customers receive the full use and benefit of their purchase over its useful life. NAPMO, as an owner and operator of a fleet of E-3 AWACS AEW Systems, has an interest in ensuring that its Operation and Support of those Systems will not be impeded by a lack of necessary technical data.

C. Identification of Technical Data. Consequently, the parties have attempted to identify technical data which NAPMO will need for fleet Operation and Support, and to specify that technical data in the list of technical data which is to be delivered under this contract. The parties recognize that it may not be possible at the time of contracting to anticipate each and every need for technical data NAPMO may experience over the term of this contract. Accordingly, the parties agree that if NAPMO needs Seller or subcontractor proprietary technical data for Operation or Support, Seller or its subcontractors may provide such technical data under the provisions of DFARS 252.227-7013 RIGHTS IN TECHNICAL DATA AND COMPUTER SOFTWARE as limited rights technical data. Similarly, non-proprietary technical data may be provided as unlimited rights technical data.

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D. Data Disclosure Policy. The parties recognize that such technical data may be subject to the provisions of the Export Administration Act of 1979 (50 USC 2401-2420) and the Export Administration Regulations promulgated thereunder (15 CFR 768-799), and the Arms Export Control Act (22 USC 2778), and the International Traffic in Arms Regulations (22 CFR 120-128 and 130). The parties acknowledge that these statutes and regulations impose restrictions on import, export and transfer to third countries of certain categories of data, that licenses from the U.S. Department of State and/or the U. S. Department of Commerce may be required before such data can be disclosed hereunder, and that such license may impose further restrictions on use and further disclosure of such data.

E. Flow Down Provisions. Seller shall undertake to insert the provisions of this clause in all subcontracts and purchase orders requiring delivery of technical data. In the event a subcontractor refuses to accept any of such provisions, Seller shall use reasonable efforts to negotiate provisions which are most nearly equivalent."

7. Time and Materials Contract Line Item Implementation

(Applicable to CLINs/SubCLINs 0005, 0007, 0018 and 0021) [A/Rev. G]

Notwithstanding any other contract provisions, the Seller shall maintain sufficient accounting records for verification of the hours, categories of labor, material costs, equipment costs and travel costs incurred in the performance of this contract. It is further understood and agreed that these accounting records shall be available for Government review by national audit agencies during the performance of the contract. Subcontractor National Audit Authorities shall review all subcontractor Time and Material (T&M) invoices and shall certify to the accuracy of the invoices in accordance with the subcontractor's national audit laws, policies, and procedures. A copy of the certification shall be provided to the Buyer.

8. RECOVERY OF NAPMO'S PRO RATA SHARE OF NONRECURRING COSTS ON FOREIGN COMMERCIAL SALES [A/Rev. G]

a. In the event the Seller or its subcontractors, intends to enter into foreign commercial sales or license agreements for the items developed under this contract or essentially similar items, it shall promptly notify the Buyer and the Contracting Officer.

(i) The phrase "foreign sales or license agreements" includes all sales to or license agreements with foreign buyers that are subject to the Arms Export Control Act, including foreign governments and international organizations, directly by the U.S. domestic firms.

b. The Seller agrees that his rights to enter into production for foreign sales of the items or essentially similar items are expressly contingent upon compliance with the provisions of this clause.

c. The Seller further agrees to flow-down this clause, substantially as written, in all NATO Mid Term EMD and Long Lead subcontracts. The Seller's obligations will be limited to reporting to the NAPMO such foreign commercial sales or license agreements that applicable subcontracts enter into. The NAPMO will be responsible for recoupment of any amount or amounts due directly from such subcontractors.