

Date: May 1999

EXHIBIT A

**GOVERNMENT PROVISIONS
APPLICABLE TO
PRIME CONTRACT 1201022**

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 cited elsewhere in the contract shall be those in effect in February 1999.

| <u>FAR/DFARS Reference</u> | <u>Title</u> |
|---------------------------------------|---|
| 52.208-1 | Required Source for Jewel Bearings and Related Items (Applies only if items to be delivered contain such items.) |
| 52.211-5 | Material Requirements (OCT 97) ("Contracting Officer" means Buyer.) |
| 52.211-15 | Defense Priority and Allocation Requirements (SEP 90) |
| 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.) |
| 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.) |
| 52.219-8 | Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns (JAN 99) |
| 52.222-1 | Notice of Labor Disputes (FEB 97) ("Contracting Officer" means Buyer.) |
| 52.222-26 | Equal Opportunity (APR 84) [Subparagraphs (b)(1) through (11)] |
| 52.223-3 | Hazardous Material Identification and Material Safety Data (JAN 97) (Applies only if hazardous material will be delivered) |
| 52.223-7 | Notice of Radioactive Materials (JAN 97) (In paragraph (1) insert "sixty (60)" before "days".) |

- 52.225-11 Restrictions on Certain Foreign Purchases (AUG 98) ("Contracting Officer" means Buyer.)
- 52.227-1 Authorization and Consent (JUL 95)
- 52.242-15 Stop Work Order (AUG 89) ("Contracting Officer" means Buyer)
- 52.247-63 Preference for U.S.-Flag Air Carriers (JAN 97)
- 18-52.219-74 Use of Rural Area Small Businesses (SEP 90)
- 18-52.227-70 New Technology (JUL 95) (Applies only if the contract involves experimental, developmental or research work.)
- 18-52.228-72 Cross Waiver of Liability for Space Shuttle Services (SEP 93)
- 18-52.228-76 Cross Waiver of Liability for Space Station Operations (DEC 94)
- 18-52.228-78 Cross Waiver of Liability for NASA Expendable Launch Vehicle (ELV) Launches (SEP 93)

The following clauses also apply if the contract price exceeds \$10,000:

- 52.222-20 Walsh-Healy Public Contracts Act (DEC 96)
- 52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans (APR 98)
- 52.222-36 Affirmative Action for Workers with Disabilities (JUN 98)
- 52.222-37 Employment Reports on Disabled Veterans and Veterans of the Vietnam Era (JAN 99)

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 (APR 91) (Seller's signed proposal provided the required certification.)
- 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (JUN 97) (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 (AUG 96) (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.)
- 52.215-14 Integrity of Unit Prices (OCT 97) (Excluding paragraph (b)). (Not applicable if only services will be provided.)
- 52.222-4 Contract Work Hours and Safety Standards Act - Overtime Compensation (JUL 95)
- 52.223-2 Clean Air and Water (APR 84) (Also applicable if Seller's facility has been the subject of a conviction under the Clean Air Act or Federal Water Pollution Control Act.)
- 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (AUG 96) ("Contracting Officer" means Buyer.)
- 52.247-64 Preference for Privately-Owned U.S. Flag Commercial Vessels (JUN 97)
- 18-52.244-70 Geographic Participation in the Aerospace Program (APR 85)

The following clause also applies if the contract price exceeds \$500,000:

- 52.219-9 Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (JAN 99) (Applies only if Seller is not a small business. "Contracting Officer" in paragraphs (b) and (c) means Buyer.)

The following clauses also apply if Technical Data or Computer Software will be Generated or Delivered:

- 52.227-14 Rights in Data - General (JUN 87)
- 52.227-16 Additional Data Requirements (JUN 87)
- 18-52.227-14 Rights in Data -- General (Undated)

Additional Provisions:

PRICING OF ADJUSTMENTS. When costs are a factor in any determination of a contract price adjustment pursuant to the "Changes" clause or any other provision of this contract, or when the allowability of costs under this contract are to be determined, determination of such costs shall be in accordance with FAR Part 31.

DEFENSE PRIORITY RATING. If a defense priority rating is identified on the face of this contract, this is a rated order certified for national defense use and the Seller shall follow all the requirements of the Defense Priorities and Allocations Systems Regulation (15 CFR Part 700). Including accepting or rejecting this contract in writing within ten working days after receipt of DO rated or five days after receipt if DX rated. If rejected, the reason(s) for such rejection shall be included in the notice to the Buyer.

ANTI-KICKBACK PROCEDURES. Seller agrees to abide by the Anti-Kickback Act of 1986 (41 U.S.C. 51 through 58) and FAR 52.203-7, "Anti-Kickback Procedures" which is incorporated herein by reference, except that subparagraph (c)(1) of FAR 52.203-7 shall not apply to Seller, and further that in subparagraphs (c)(2), (c)(3), and (c)(5), the term "Contractor" shall mean Seller, and in subparagraph (c)(4) the term "Prime Contractor" shall mean Buyer and the term "Subcontractor" shall mean Seller. In addition to reporting possible violations of the Anti-Kickback Act to the Government pursuant to 41 U.S.C. §57(c), Seller shall report such possible violations, if related to Buyer, to the Director of Materiel and/or the Division Counsel of the Boeing division or subsidiary issuing this contract. Seller agrees to hold Buyer harmless from, defend Buyer against, and indemnify Buyer for all costs, expenses, and offsets Buyer may incur as a consequence of violations of this clause by Seller or by Seller's subcontractors or suppliers. The rights and obligations set forth in this clause shall survive completion of, final payment under, or termination of, this order.

TRUTH IN NEGOTIATIONS ACT. (Applicable if certified cost or pricing data was provided.) Seller shall comply with the provisions of FAR 52.215-10 and 52.215-12 which are incorporated herein by reference to the extent such clauses are or become applicable to this contract. In the absence of other instructions, Seller shall submit cost or pricing data for changes which exceed the established threshold consistent with the cost or pricing data instructions applicable to the proposal for this contract. Seller shall reimburse the Buyer any amount by which this contract is determined by the Government to have been overpriced because of Seller's or Seller's subcontractor's failure to comply with such provisions plus any interest, fines or other penalties imposed upon the Buyer as a result of the Seller's or the Seller's subcontractor's defective pricing.

TRUTH IN NEGOTIATIONS ACT - Modifications. (Applies if certified cost or pricing data was not provided.) Seller shall comply with the provisions of FAR 52.215-11 and 52.215-13 which are incorporated herein by reference to the extent such clauses are or become applicable to this contract. In the absence of other instructions, Seller shall submit cost or pricing data for changes which exceed the established threshold consistent with the cost or pricing data instructions applicable to the proposal for this contract. Seller shall reimburse the Buyer any amount by which this contract is determined by the Government to have been overpriced because of Seller's or Seller's subcontractor's failure to comply with such provisions plus any interest, fines or other penalties imposed upon the Buyer as a result of the Seller's or the Seller's subcontractor's defective pricing.

A = ADDED

D = DELETED

R = REVISED