OPTION TERMS (variable)

Seller hereby grants to Buyer irrevocable option(s) to buy the Goods or Services as described below. If Buyer exercises any of its option(s), the Goods and Services shall be delivered in accordance with the lead times set forth in this clause. Buyer is under no obligation whatsoever to exercise any of these option(s).

A. DESCRIPTION OF OPTION(S)

Refer to Form X41277, executed by the Parties on [variable text field], which is incorporated herein by reference.

Seller shall ensure the Goods conform to the technical requirements from the original Contract or Contract Change that first incorporated the options(s), unless the technical requirements for the incorporated option(s) are specifically revised by Buyer’s Authorized Procurement Representative in writing.

B. OPTION EXERCISE DATES

The unit price and lead time for each option set forth in Form X41277, as incorporated herein, is based upon the exercise of the option by the Buyer on or before the exercise dates set forth in Form X41277, as adjusted by any applicable grace period.

Buyer shall have the right to exercise any option(s) regardless of whether Buyer has exercised any preceding option.

C. METHOD OF EXERCISE

If Buyer exercises an option, Buyer shall exercise these option(s) through a Contract, Contract Change, or other written notice to Seller provided by Buyer's Authorized Procurement Representative.

D. BUYER’S TERMS AND CONDITIONS

The terms and conditions of this Contract, as amended, shall be applicable to the exercised options.

E. CHANGES

Seller recognizes that during the performance of this Contract, Buyer may issue changes in accordance with the “Changes” Article. Baseline option prices and/or delivery schedules may be adjusted only for the impacts resulting from such changes. The right of the Buyer to exercise any option shall not be prejudiced as a result of such changes.

F. GRACE PERIOD

Buyer has the right to exercise any option within the grace period set forth in Form X41277; provided, however, Seller may request an equitable adjustment to the delivery schedule attributed solely to the impact of the delay in the exercise of the option within the grace period.

G. VARIANCES

Quantity:
The Buyer may exercise any option with a variance of quantity ordered up to the total quantity of the option. Remaining quantities within an option may be ordered provided that the option has not expired.

H. LONG LEAD AUTHORIZATION

If at any time after acceptance of this Contract, Seller discovers that long lead procurement is required in order to meet the option lead time or delivery schedule for any option, Seller shall promptly notify Buyer of the anticipated lead time impact, along with providing Buyer supporting information. Seller shall mitigate such long lead impacts to Seller's lead time commitments in Section B, above. Buyer may, at its option, elect to modify the option exercise date based upon the anticipated long lead time impact communicated by Seller.