

**APPENDIX 6  
TERMS AND CONDITIONS OF PURCHASE  
UNITED KINGDOM C-130J PROGRAM**

1. Definitions

As used herein "Buyer" means Lockheed Martin Corporation acting through Lockheed Martin Aeronautics Company; "Selle

3. Variation in Quantity

Items shall not be supplied in excess of quantities specified herein, except for allowed shipping tolerances, if any. Seller shall be liable for handling charges and return shipment costs for any excess quantities; and, unless Seller agrees to pay and does pay such charges and costs within a reasonable time, the overshipped material will be retained by Buyer at no cost and shall become the property of Buyer.

4. Prices

Unless otherwise specified, prices are f.o.b. destination and shall include all applicable federal, state and local taxes, duties, tariffs, and similar fees imposed by any government. The price includes all charges for boxing, packing, crating, drayage, storage, dunnage, and bundling. Seller warrants that prices charged for Items are not higher than those charged to any other customer, including the Government, for items of like grade and quality in similar or lesser quantities.

5. Invoices, Payments, and Discounts

Unless otherwise provided, terms of payment shall be Net 30 days from the later of the following:

- (a) Buyer's receipt of Seller's correct invoice;
- (b) scheduled delivery date, or scheduled completion of performance of the Items;  
or
- (c) actual delivery, or completion of performance of the Items.

Buyer shall have a right of setoff against payments due under this PO for any amounts at issue under this PO or other

Seller of its obligations under this warranty. Seller's warranties, together with its service guarantees, if any, shall run to Buyer and its customers.

- (b) In the event of a breach of any warranty hereinabove set forth, Buyer may require Seller to repair or replace at Buyer's election defective or non-conforming Items. Seller shall be liable for the payment of all packing and transportation costs attributable to the repair or replacement of defective or non-conforming Items.
- (c) If the Items delivered under this PO are, or are to be, incorporated in an end item(s) to be delivered to Buyer's customer(s), Seller's obligation under this clause shall be extended to one year after delivery of such end items to such customer(s).
- (d) Year 2000 compliant, as used in this clause, means that with respect to information technology, that the information technology accurately processes date/time data (including but not limited to, calculating, comparing, and sequencing) from, to, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to the extent that other information technology, used in combination with the information technology being acquired, properly exchanges date/time data with it.

Any and all products provided hereunder will be Year 2000 compliant at the time of delivery to Lockheed Martin Corporation (Lockheed Martin), including but not limited to accurately inputting, storing, manipulating, comparing, calculating, updating, displaying, outputting, and transferring such dates and data unless otherwise expressly provided herein by Lockheed Martin.

This provision takes precedence over all other provisions of this agreement with respect to Year 2000 compliance. In the event of a discovery of any non-compliance, either before, concurrent with, or subsequent to delivery of a good or service under this agreement, the discovering party shall notify the other party within five (5) business days of discovery. If the defective good or service is being presented for acceptance or has already been delivered, at Lockheed Martin's option, the defective good or service shall be repaired or replaced within ten (10) business days of such notice at no cost to Lockheed Martin.

Nothing in this provision shall be construed to limit any other rights or remedies under this contract, at law or in equity that Lockheed Martin may have with respect to Year 2000 compliance.

- (e) The rights and remedies of Buyer provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided at law, in equity, or under this PO.

7. Compliance with Laws

- (a) Seller shall comply with the applicable provisions of all Federal, state, and local laws and ordinances and all lawful orders, rules and regulations promulgated thereunder including without limitation the Arms Export Control Act; and such compliance shall be a material requirement of this PO. Seller agrees to indemnify Buyer against any loss, cost, damage or liability by reason of Seller's violation of this clause.
- (b) Seller warrants that each chemical substance constituting or contained in Items sold or otherwise transferred to Buyer hereunder is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Administration pursuant to The Toxic Substances Control Act (15 U.S.C. Sec. 2601 et seq.) as amended.
- (c) Seller shall provide to Buyer with each delivery any Material Safety Data Sheet applicable to the Items and containing such information as required by the Occupational Safety and Health Act of 1970 and regulations promulgated thereunder.

8. Responsibility for Property

Unless otherwise specified, Seller shall be liable for any loss or destruction of or damage to property of Buyer or of any customer property Seller whether furnished to Seller by any such customer or Buyer; and, Seller shall be responsible for returning any such property in as good condition as when received except for reasonable wear and tear and for the utilization of it in accordance with the provisions of this PO. Upon request of Buyer, such property will be delivered to Buyer at Seller's expense. Seller shall promptly notify Buyer if such property is lost, destroyed or damaged. Title thereto shall not be affected by the incorporation or attachment to any property not owned by Buyer, nor shall any such property, or any part thereof, be or become a fixture or lose its identity as personalty by reason of affixation to any realty. All property furnished by Buyer shall be used solely in the performance of this PO or other POs issued by Buyer.

9. Special Tooling and Test Equipment

Except as may be otherwise provided for in this PO, jigs, dies, fixtures, molds, patterns, special gages, and other items of special tooling (including software) and special test equipment, shall be furnished by and at the expense of Seller. Special tooling and test equipment shall be kept in good condition by Seller and replaced as necessary by Seller, without expense to Buyer. Title to special tooling and test equipment shall remain in Seller, except that Buyer may, at any time, reimburse Seller for the cost of part or of all special tooling and test equipment, and upon payment therefor shall become the sole owner thereof. Buyer shall at

all times have unrestricted access to all such tooling, equipment, and information pertinent thereto for purposes of quality control, evaluation and verification.

disclosure by provisions no less restrictive than those imposed on the parties hereunder.

- (2) Seller further agrees to negotiate in good faith with Buyer's customers and potential customers such further rights to Data of Seller, should Buyer's customers or potential customers so desire.
- (3) "Data" as used in this paragraph (b) means recorded information regardless of form or the

Seller's and such subcontractors' legal liability on account of accidents to their respective employees. Seller and its subcontractors shall carry adequate Comprehensive General Liability and adequate Comprehensive Automobile Liability Insurance covering the legal liability of Seller and such subcontractors on account of accidents arising out of the operations of Seller or such subcontractors and resulting in bodily injury, including death, being sustained by any person or persons, or in any damage to property. At Buyer's request, Seller shall furnish to Buyer certificates from

adjustments in price, or both, with Seller under the terms of this PO notwithstanding any assignment of claims for monies due or to become due hereunder and without notice to the assignee.

16. Supply of Information about Substances Referred to in the Montreal Protocol

(a) As a signatory to the Montreal Protocol on Substances that deplete the Ozone Layer, Her Majesty's Government is committed to the reduction of the production and consumption of those Substances controlled under the Protocol. Seller shall supply a list specifying:

- (1) All substances listed at paragraph (b) below contained in the Items (including the packaging thereof, whether or not specified in this PO)
- (2) The quantity of each of the substances at paragraph (b) below contained in the Items;
- (3) Where in the Items (including packaging) the substances listed at paragraph (b) below are contained; or
- (4) Or confirm that none of the substances listed at paragraph (b) below are contained in or have been used in the supply of the Items.

(b) PROTOCOL SUBSTANCES

<u>SUBSTANCE</u>	<u>CHEMICAL NAME</u>
CFC 11	Carbon Tetrachloride
CFC 12	I,I,I Trichloroethane (Methyl Chloroform)
CFC 13	Trichlorofluoromethane
CFC 111	Dichlorodifluoromethane
CFC 112	
CFC 113	Trichlorotrifluoroethane
CFC 114	Dichlorotetrafluoroethane
CFC 115	Chloropentafluoroethane
CFC 211	
CFC 212	
CFC 213	
CFC 214	
CFC 215	
CFC 216	
CFC 217	



CFC 500 (See Footnote 1)  
CFC 502 (See Footnote 2)

HALONS

1211	Bromochlorodifluoromethane
1301	Bromotrifluoromethane
2402	Dibromotetrafluorethane

Footnote 1: CFC 500 is a blend of CFC 12 and HFC152a.  
Footnote 2: CFC 502 is a blend of CFC 115 and HCFC22.

17. Consideration

Seller shall, for the consideration hereinafter mentioned and within the time specified, accomplish all required services, testing, manufacturing and other work; deliver to Buyer the Items provided for in this PO; and grant to Buyer the ri

differing terms or conditions proposed by Seller or included in Seller's acknowledgement hereof shall be void and have no effect unless accepted in writing by Buyer.

21. Packing, Shipment and Shipping Instructions

- (a) Unless otherwise specified by Buyer, Seller shall assure that all packing and packaging shall comply with good commercial practice and applicable carrier's tariffs. The use of commercial practices shall not relieve Seller of responsibility for packaging in a manner that will insure receipt of Items in an acceptable condition at the destination specified in this PO.
- (b) Seller shall assure the packaging, labeling and shipping of all HAZARDOUS SUBSTANCES including DANGEROUS MATERIALS, conforms to all applicable international, federal, state and local laws and regulations.
- (c) Seller shall mark on the outside of each exterior container: (i) the PO number(s) or numbers of the Items packed in that container; (ii) the sequence and quantity of each exterior container in each shipment (such as "1 of 3"); (iii) the bill of lading/express receipt number. If shipments against more than one purchase order are packed in one exterior container, mark each intermediate container with its applicable purchase order number.
- (d) Seller shall properly describe Seller's Less than Truckload shipments in accordance with the National Motor Freight Classification to insure the correct classification rate. Include this PO number on all carrier bills of lading and shipping labels. Combine on the same bill of lading, all shipments consigned to the same Buyer address and ship on the same day. No C.O.D. (Collect on Delivery) shipments will be received by Buyer. There shall be no deviation from these routing instructions unless such deviation is approved prior to shipping by Buyer's Authorized Procurement Representative or Buyer's Traffic Department.
- (e) Seller shall be responsible to Buyer for any increased costs to Buyer which result from Seller's failure to follow Buyer's routing instructions if such instructions are specified on the face of this order.

22. Public Release of Information

No public release (including, without limitation, photographs, films, announcements, denials or confirmations of same) on any part of the subject matter of this PO or any phase of any program hereunder shall be made without the prior written approval of Buyer.

23. Disputes

Except as otherwise provided in this PO, Buyer and Seller shall have the right to redress any dispute arising under or related to this PO, which is not disposed of by agreement, by pursuing any right or remedy which Buyer or Seller, as the case may be, may have at law, in equity or under this PO in any United States court of competent jurisdiction. Pending resolution of any dispute, Seller shall proceed diligently with the performance of its obligations under this PO.



28. Change and Follow-On Proposals

Circumstances may arise during the course of performance under this PO where Buyer may request Seller to submit to Buyer technical and cost proposals relating to (1) anticipated changes or modifications to this PO prior to the implementation of the change or modification under the Changes clause of this PO, or (2) potential follow-on POs for the Items furnished hereunder. In such cases, Seller agrees to furnish to Buyer a technical and/or cost proposal as requested within thirty (30) days of the request. Seller agrees to furnish current information to Buyer in sufficient detail for Buyer to determine price reasonableness and cost realism. Information furnished by Seller shall be submitted in the manner and in the detail specified in the pricing instructions included in Buyer's request for proposal.

29. Inspection

- (a) Buyer and Buyer's customer may inspect the Items supplied hereunder before, during or after the manufacture, fabrication or performance thereof at facilities which will n1htT.0874 Tusin the pricornance theJ20.6651 Seller agrees to fuece ther





unless before Buyer is made particulars of any such commission and of the terms and conditions of any agreement for the payment thereof have been disclosed in writing to the representative of Buyer.

- (b) Any breach of this Article by Seller or by anyone employed by Seller or acting on Seller's behalf (whether with or without the knowledge of Seller) or the commission of any offence by Seller or by anyone employed by Seller or acting on Seller's behalf under the Prevention of Corruption Acts, 1889 to 1916, in relation to this or any other contract for Her Majesty's Service, shall entitle Buyer to terminate this PO for default and recover from Seller the amount of any loss resulting from such termination and/or to recover from Seller the amount or value of any such gift, consideration or commission, or other loss, incurred by Buyer under the prime contract with the Authority.

35. Reliance

Seller represents and acknowledges that it is, and that Buyer absolutely relies upon Seller as an expert, fully competent in all areas of the requirements of this PO. Seller expressly agrees that it will not deny any responsibility or obligation to Buyer on the basis that such was originated, approved, reviewed, or accomplished by Buyer. In addition, Seller expressly agrees and acknowledges that it has received and reviewed all drawings, specifications and documents referred to in this PO either prior to or simultaneous with the execution of this PO, and Seller represents that it



- (b) Except with the consent in writing of Buyer, Seller shall not make use of this PO or any information issued or furnished by or on behalf of Buyer or the Authority otherwise than for the purpose of this PO, and, save as provided for in paragraph (c) below, Seller shall not make any article or part thereof similar to Items furnished hereunder for any other purpose.
  
- (c) Subject to any rights of Third Parties, nothing in this Article shall, however, constrain the use for any purpose by Seller of any specifications, plans, drawings and other documents, the rights e-aw5tich ves in  
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independent assessment of such progress. Accordingly Seller shall cooperate and shall provide reasonable facilities to Buyer and the Authority to enable him to keep in touch with all aspects of this PO.

- (b) Buyer and the Authority shall have reasonable access to the premises where the work of this PO is being undertaken and to all technical information relevant to this PO for the purpose of monitoring the nature and progress of the program, and Seller accordingly shall permit such access to Seller's own works and ensure that similar rights are secured in the terms and conditions of all lower tier subcontract orders placed by Seller or by Seller's subsidiary companies on Seller's behalf.

#### 46. Data Validity

- (a) Seller shall ensure that Seller has the right to divulge to Buyer and the Authority all documentation, information, manuals, drawings, software and data (hereinafter collectively referred to as "technical data"), including that originating from lower tier subcontractors or suppliers, that is required to be delivered under the terms of this PO. Seller agrees that such technical data shall be in the format which is valid and accurate as required by this PO. In the event that Seller becomes aware that any such technical data is inaccurate or invalid, Seller shall promptly so inform Buyer.
- (b) Seller further agrees that if the technical data does not so conform to the standard provided by paragraph (a) above, Seller's sole obligation and liability shall be to rectify any damage to any articles supplied under this PO, with the exception replacement of the non-conforming technical data with technical data which does conform with said usage; provided that Seller shall have no obligation or liability with respect to any non-conforming technical data as to which Buyer fails to give Seller written notice of non-conformance, with details, within three (3) years after such non-conforming technical data were furnished.

#### 47. Additional Quality Assurance Requirements

- (a) Quality Assurance Representative. A Ministry of Defence, Quality Assurance Representative (MoDQAR) for the purposes of this PO will be appointed by the MoD(PE) Project Director. Government Quality Assurance services will be requested in accordance with STANAG 4107 and DEF STAN 05-3 Issue 4 "Mutual Acceptance of Government Quality Assurance" and the provision of such services will be delegated to the US Government QAR - Defense Contracts Management Command or other appropriate authority.
- (b) Quality Assurance Activity. For the purposes of satisfying himself that the quality standards specified in this PO are being observed, the MoDQAR may

carry out quality assurance audits at Seller's works, and, following reasonable notice to Seller, at those of Seller's lower tier subcontractors. To provide the right of access to lower tier subcontractors' works all lower tier subcontracts placed by Seller shall be annotated as follows:

"This order is in aid of an United Kingdom Ministry of Defence Contract and may be subject to quality assurance activity at your works by the MoD Quality Assurance Representative, who will advise you accordingly. You shall provide at no additional direct cost to this company or to the United Kingdom Ministry of Defence such reasonable accommodation, facilities and assistance as the MoDQAR may require. Such accommodation shall be adequately furnished, lighted, heated and ventilated and shall include suitable cloakroom and telephone facilities."

- (c) Contractor's Responsibilities for Quality. Seller shall be responsible for maintaining effective control of the quality of supplies and services, for the provision of test facilities and the performance of quality control essential to demonstrate full conformance of the articles to the contract requirements and for the provision of objective evidence that controls and inspection are effective.
- (d) Retention of Quality Control/Inspection Records. Unless otherwise directed in this PO, Seller shall retain the Quality Control/Inspection Records or such of those records as may be agreed by the MoDQAR for a period of 5 years from completion of all work under this PO and shall make them accessible to the Authority on request. Exceptionally, when requested by Seller, earlier disposal may be authorized in writing by the MoDQAR. At the end of the retention period Seller shall seek advice from Buyer or the QAR regarding the disposal/continued retention of the Quality Control/Inspection Records, and Seller shall not dispose of such records without the written authority of Buyer or the MoDQAR.
- (e) Seller shall ensure that copies of lower tier subcontract orders placed by Seller shall be passed to the MoDQAR or his authorized representative in accordance with the Quality Assurance Requirements of the contract.

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49. Availability of Spares and Access to Technical Data for Support of the Aircraft

- (a) For the purpose of this Article, the following terms shall have the meanings indicated below:
- (1) The term "Article" shall mean any item or equipment forming part or the whole of any item, which is to be supplied under this PO and shall include other items to substantially the same design; and
  - (2) The term "repair" shall mean the restoration of a component to a serviceable condition.
  - (3) The term "overhaul" shall mean examination and repair of a component to return it to a serviceable condition with a full service life and to the same part number as when received without the embodiment of approved modifications.
  - (4) The term "conversion" shall mean the embodiment of approved modifications in to components thereby changing their part number.
  - (5) The term "Maintenance, Repair and Overhaul" shall, in relation to Articles, include the following activities:
    - (i) Work required to keep the Items in a serviceable condition;
    - (ii) Procedures and arrangements (including safety procedures) for removing the Items from and reinstalling them in a serviceable system, and for handling, storing, transporting, packaging and labelling the Items;
    - (iii) Inspection and testing of Items or parts thereof to check calibration and performance and to detect and identify faults;
    - (iv) Dismantling Items for repair or for modification;
    - (v) Reassembling Items after repair, or incorporation of replacement or new parts;
    - (vi) Testing and calibrating of Items or parts thereof prior to, during or after reassembly and after reinstallation in a serviceable system;
    - (vii) Reworking or reconditioning of existing Articles or parts thereof.





- (A) Manufacture of spare parts,
- (B) Maintenance,
- (C) Repair,
- (D) Overhaul,
- (E) Modification, and
- (F) As a Configuration Baseline for updates of the Items.

Seller further agrees to work with its lower tier subcontractors to attempt to obtain similar or comparable licence rights in lower tier subcontractor Category II Technical Data.

- (ii) As stated in subparagraph (c)(2)(i) above, Buyer on behalf of the Authority agrees to pay Seller a fee of 7.5% of the "contract price" of any contract which Buyer or the Authority or any other Department of Her Majesty's Government awards to any third party for the work described in subparagraph (c)(2)(i) above whereby Category II Technical Data is used, duplicated or disclosed (hereinafter referred to as the "Licensed Contract"). The 7.5% fee shall not, however, be payable by Buyer or the Authority to Seller if the third party has a license or other agreement with Seller authorizing the use of Category II Technical Data on contracts with Buyer or the Authority or any other Department of Her Majesty's Government for the work described in subparagraph (c)(2)(i) above and if the contract with its third party reflects that licence or agreement.
  - (c)(2)(ii)(A) The term "contract price" as used herein shall mean the contract price or part thereof of the Licensed Contract net of VAT to the UK Government Contract for the Licensed Work awarded by Buyer or Her Majesty's Government of the United Kingdom for the work described in subparagraph (c)(2)(i) above.
  - (c)(2)(ii)(B) All monetary payments by Buyer or the Authority to Seller pursuant to this Article shall be calculated in British Pounds Sterling but paid in United States Dollars. The currency exchange rate shall be calculated at the market exchange rate specified in the International Herald Tribune on the day of remittance.



- (b) In the event of such notice being given Buyer shall at any time before the expiration of the notice be entitled to exercise and shall as soon as may be reasonably practicable within that period exercise such of the following powers as Buyer considers expedient:
- (1) To direct Seller, where production has not been commenced, to refrain from commencing production;
  - (2) To direct Seller to complete in accordance with this PO all or any of the Articles, or any part or component thereof in course of manufacture at the expiration of the notice and to deliver the same at such time or times as may be mutually agreed on, or, in default of agreement, at the time or times provided by this PO. All Articles delivered by Seller in accordance with such directions and accepted shall be paid for at a fair and reasonable price;
  - (3) To direct that Seller shall as soon as may be reasonably practicable after the receipt of such notice:
    - (i) Take such steps as will ensure that the production rate of the Articles and parts and components thereof is reduced as rapidly as possible;
    - (ii) As far as possible consistent with subparagraph (b)(3) above of this paragraph concentrate work on the completion on parts and components already in a partly manufactured state;
    - (iii) Determine on the best possible terms such lower tier subcontracts and orders for materials and parts and components bought out in a partly manufactured or wholly manufactured state as have not been completed, observing in this connection any direction given under paragraphs (b)(1) and (b)(2) of this Article as far as may be possible.
- (c) In the event of such notice being given:
- (1) Buyer shall take over from Seller at a fair and reasonable price all unused and undamaged materials, bought-out parts and components and articles in course of manufacture in the possession of Seller at the expiration of the notice and properly provided by or supplied to Seller for the performance of this PO except such materials, bought-out parts and components and articles in course of manufacture as Seller shall, with the concurrence of the Authority, elect to retain;

- (2) Seller shall prepare and deliver to Buyer within an agreed period, or in default of agreement within such period as Buyer may specify, a list of all such unused and undamaged materials, bought-out parts and components and articles in course of manufacture liable to be taken over by or previously belonging to Buyer and shall deliver such materials and things in accordance with the directions of Buyer who shall pay to Seller fair and reasonable handling and delivery charges incurred in complying with such directions;
- (3) Buyer shall indemnify Seller against any commitments, liabilities or expenditure which are reasonably and properly chargeable by Seller in connection with this PO to the extent to which the said commitments, liabilities or expenditure would other

but without duplication of any amounts agreed on under subparagraph (d)(2) above or any other amounts paid to Seller under this Article:

- (i) The contract price for completed supplies or services, less expected receipts from any onward sales of the determined articles.
- (ii) The total of (A) the costs incurred in the performance of the work terminated but not complete, including initial costs and preparatory expense allocable thereto, but excluding any costs attributable to supplies or services paid or to be paid under subparagraph (d)(3)(i) above; (B) the cost of settling and paying determination settlement proposals under determined subcontracts or determined orders placed thereunder that are properly chargeable to the determined portion of the contract if not included in subdivision (A) above; and (C) a sum, as profit on subdivision (A) above determined to be fair and reasonable, less expected receipts from any onward sale of determined articles.
- (iii) The reasonable costs of settlement of the work determined, which shall include:
  - (A) Accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data;
  - (B) The termination and settlement of lower tier subcontracts or determined orders placed thereunder;
  - (C) Storage, transportation, and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory; and
  - (D) Any loss, cost or expense that Seller incurs as a result of terminating or liquidating any foreign exchange contract.
- (e) If in any particular case hardship to Seller should arise from the operation of this Article it shall be open to Seller to refer the circumstances to Buyer who on being satisfied that such hardship exists shall make allowance, if any, as in Buyer's opinion is reasonable and the decision of Buyer on any matter or thing arising out of this Article shall be final and conclusive.
- (f) Buyer shall not in any case be liable to pay under the provisions of this Article any sum which, when taken together with any sums paid or due or becoming

due to Seller under this PO, shall exceed the total price of the Items payable under this PO.

51. Availability of Information

Note: This clause shall be effective with respect to this PO only in the following instances: (1) it becomes necessary to negotiate a firm or fixed price within a maximum price, (2) it becomes necessary to

- (2) Afford such facilities as Buyer or the Authority may reasonably require for their representatives to visit Seller's premises and examine the records maintained under that paragraph.
- (c) If at any time during the course of this PO Buyer or the Authority notifies Seller that the said records are required for the purpose of assisting Buyer or the Authority in fixing prices under any other contract (whether made or under negotiation) where Seller is to supply articles of a similar or substantially similar kind either as a contractor to Buyer or the Authority or as a subcontractor to a contractor to Buyer or the Authority, Seller shall:
  - (1) Furnish the like summary and afford the like facilities as are mentioned in paragraphs (a) and (b) above; and
  - (2) Afford such other facilities as Buyer or the Authority may reasonably require for their representatives to visit Seller's premises and examine any or all of the processes involved in the manufacture of the articles to be supplied under this PO.

52. Value Added Tax

[This Article shall apply only to work performed by Seller under this PO in the United Kingdom.]

- (a) Buyer shall pay to Seller, in addition to the contract price, a sum equal to the UK Value Added Tax chargeable on the value of the supply of goods and services provided in accordance with this PO.
- (b) Any invoice or other request for payment of monies due to Seller under this PO shall, if Seller is a taxable person, be in the same form and contain the same information as if the same were a tax invoice for the purposes of Regulations made under the Finance Act of 1972.
- (c) Seller shall, if so requested by Buyer, furnish such information as may reasonably be required by Buyer as to the amount of Value Added Tax chargeable on the value of goods and services supplied in accordance with this PO and payable by Buyer to Seller in addition to the contract price.
- (d) For the purposes of the Price Fixing article of this PO, if such an article is included in this PO, a provisional price fixed by Buyer shall have added to it a sum equal to the Value Added Tax chargeable on a supply of a value equal to that provisional price. When prices are finally fixed, any sums payable to or by Seller shall include any adjustment in respect of Value Added Tax due on the final value of the supply.

- (e) If the contract price is increased or decreased, or if a sum shall become due for payment by or to Buyer pursuant to any variation in price article of this PO, any



- (b) By Section 57 of the Patents Act, 1977, and Section 12 of the Registered Designs Act, 1949, Seller is released by

- (g) Seller shall not be entitled to claim or include as an element in Seller's price any payment by way of royalty, license fee or similar expense for the use in the performance of this PO of any invention (whether patented or not), design (whether registered or not), drawing, model, plan, document or information whether owned by Seller or not, unless the payment has been specifically agreed to by Buyer.
- (h) In the event of Seller placing any lower tier subcontract for the purpose of this PO, Seller shall request or shall require the lower tier subcontractor to request the Authority to confer on the lower tier subcontractor like authority in respect of the lower tier subcontract as is conferred on Seller by paragraph (a) above in respect of this PO and the Authority will, upon being so requested, confer upon the lower tier subcontractor such like authority, and the provisions of paragraphs (b), (c) and (g) of this Article shall apply to anything done by the lower tier subcontractor for the purpose of tendering for or performing the lower tier subcontract in like manner as those provisions apply to anything done by Seller for the purpose of tendering for or performing this PO.
- (i) Seller shall make reasonable efforts to incorporate in any lower tier subcontract for the purpose of this PO provisions whereby there shall subsist between Seller and the lower tier subcontractor rights and obligations in respect of the lower tier subcontract corresponding to those subsisting between Buyer and Seller in respect of this PO by virtue of paragraphs (d), (e) and (g) of this Article and Seller shall take all reasonable steps to secure that the lower tier subcontractor observes the obligations so imposed upon Seller and shall upon obtaining any information from the lower tier subcontractor in accordance with any provision so incorporated in the lower tier subcontract pass that information to the Authority without delay.

55. Contracts for Defence Material Subject to Defence Contracts Act 1958 -  
Agreements in Relation to Technical Information

[This Article shall apply only to work performed by Seller under this PO in the United Kingdom.]

- (a) Seller shall inform Buyer in writing: (1) when tendering; (2) when quoting a price for this PO; or (3) when offering to perform this PO (where work under this PO is to begin before the contract price is fixed), whether Seller is:
  - (i) Subject to any restriction imposed on Seller by an agreement to which Seller is a party or imposed on Seller by reason of existence of copyright in any work or
  - (ii) Subject to an obligation to make payments to any other person in respect of the use of technical information (not being technical information to



- (g) Nothing in this Article shall be deemed to require Seller to disclose any technical Information in contravention of any agreement.
- (h) In this Article:
  - (1) "Technical information" means information to which Section 2 of the Defence Contracts Act, 1958, applies;
  - (2) "PO" and "articles" have the meaning assigned to them by Section 6 of that Act.

56. The Fair Employment (Northern Ireland) Act 1989 ("The Act")

[This Article shall apply only to work performed by Seller under this PO in the United Kingdom.]

Seller undertakes not to subcontract the execution of work or supply of materiel or services under this PO to an unqualified person within the meaning of the Act.

57. Termination for Default

- (a) (1) Buyer may, subject to subparagraphs (c) and (d) below, by written notice of default to Seller, terminate this PO in whole or in part if Seller fails to (i) deliver or perform the Items within the time specified in this PO or any extension; (ii) make progress, so as to endanger performance of this PO (but see subparagraph (a)(2) below); (iii) perform any of the other provisions of this PO (but see subparagraph (a)(2) below); or (iv) in the event of the institution of any proceedings by or against Seller in bankruptcy or insolvency under any provisions of the applicable bankruptcy act or for the appointment of a receiver or trustee or any assignment for the benefit of creditors.(2) Buyer's right to terminate this PO under subdivisions (a)(1)(ii) and (a)(1)(iii) above may be exercised if Seller does not cure such failure within 10 days (or more if authorized in writing by Buyer) after receipt of the notice from Buyer specifying the failure.
- (b) If Buyer terminates this PO for default in whole or in part, Buyer shall have the right to acquire under the terms and in the manner it considers appropriate, Items similar to those terminated; and, the Seller will be liable to Buyer for any excess costs for those Items. However, Seller shall continue the work not terminated.
- (c) If this PO is terminated for default, Buyer shall have the right to require the Seller to transfer title and deliver to Buyer, as directed by Buyer, any (1) completed Items, and (2) partially completed Items, parts, tools, dies, jigs, fixtures, plans,

to as "manufacturing materials" in this

