

**WOOD GROUP PRATT & WHITNEY INDUSTRIAL TURBINE SERVICES, LLC
PURCHASE ORDER TERMS AND CONDITIONS**

INDEX

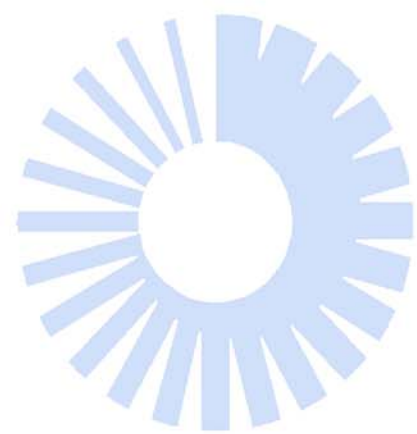
ACCEPTANCE	1
DEFINITIONS	1
SHIPPING AND BILLING INSTRUCTIONS	1
TERMS AND CONDITIONS OF PURCHASE	2
1. Specifications	2
2. Inspection/Rejection	2
3. Warranty	2
4. Infringement Indemnity	3
5. Software License	3
6. Patents and Copyrights	3
7. Changes	4
8. Assignment and Setoff	5
9. Buyer-Furnished Materials, Tooling and Equipment	5
10. Force Majeure/Excusable Delays	6
11. Compliance with Laws	6
12. Seller's Financial Status	6
13. Termination for Default	6
14. Termination for Convenience	7
15. Gifts/Kickbacks	8
16. Indemnification	8
17. Confidential Disclosure	9
18. Price Warranty	9
19. Delivery	10
20. Title	10
21. Toxic, Hazardous or Carcinogenic Substances	10
22. Interpretation	10

23. Partial Invalidity	10
24. Waivers	10
25. Applicable Law and Forum	11
26. Captions	11
27. Cumulative Remedies	11
28. News Releases	11
29. Order of Precedence	11
30. Export Control	11
31. Inspection of Records	11
32. Duty to Proceed	11
33. Ozone Depleting Substances	12
34. Attorney Fees	12
35. Subcontractors and Agents	12
36. Electrostatic Discharge Control Requirements	12
37. Liquidated Damages	12
38. Buyer's Environmental, Health and Safety (EH&S) Requirements	12
39. Year 2000 Compliance	12
40. Independent Contractor	12
41. Federal Acquisition Regulation Clauses	13
42. Department of Transportation Acquisition Regulations Clauses	13



WOOD GROUP

Pratt & Whitney



WOOD GROUP PRATT & WHITNEY INDUSTRIAL TURBINE SERVICES, LLC
PURCHASE ORDER TERMS AND CONDITIONS

ACCEPTANCE

The shipment by Seller of any of goods, the furnishing of any service, the acceptance of any payment by Seller, or any other conduct by Seller which recognizes the existence of a contract shall constitute an unqualified acceptance by Seller of these terms and conditions. Any terms and conditions proposed in Seller's acceptance of Buyer's offer or in any acknowledgment, invoice, or other form of Seller that add to, vary from, or conflict with these terms are hereby objected to. Any such proposed terms shall be void and these terms and conditions (1) shall constitute the complete and exclusive statement of the terms and conditions of the contract between the parties and apply to each shipment received by Buyer from Seller and (2) may be modified only by written instrument executed by the authorized representatives of both parties.

DEFINITIONS

As used throughout these terms and conditions, the following definitions apply unless otherwise specifically stated:

1. "Buyer" means Wood Group Pratt & Whitney Industrial Turbine Services, LLC
2. "Purchase Order" means the document entitled Purchase Order, referencing a purchase order number and description of goods or services.
3. "Purchase Order Terms and Conditions" means this contractual instrument, including change notices, supplements, amendments, or modifications thereto.
4. "Seller" means the legal entity performing work for or supplying goods to Buyer pursuant to an order.
5. "Government" means the Government of the United States unless otherwise specified.
6. "Goods," "Supplies," or "Items" means those part numbers, model numbers and/or descriptions set forth on the face of a Purchase Order.
7. "Services" means any effort supplied by Seller incidental to the sale of goods by Seller under a Purchase Order including, but not limited to, installation, repair and maintenance services. The term "services" shall also include, without limitation, any effort specifically required by a Purchase Order such as design, engineering, maintenance, technical, construction, consulting or professional services.

SHIPPING AND BILLING INSTRUCTIONS

1. PACKING - Unless otherwise specified, standard commercial preservation, packing, packaging, crating and skidding is acceptable.
2. MARKING - Exterior containers must be marked with the following: (i) address, (ii) Purchase Order number, (iii) any other special markings called for by a Purchase Order and (iv) any other markings consistent with good commercial practice for the protection and the safe unloading of the goods.
3. BILL OF LADING - The bill of lading must reference the Purchase Order number and correct ship to address. When delivery point is f.o.b. origin (EXWORKS), make NO declaration of value on bill of lading EXCEPT where a declaration of value will result in lower total cost of shipment, and then declare such value as will entitle Buyer to the lowest applicable transportation rates.
4. SHIPPING - On orders where Buyer either pays for or reimburses Seller directly for shipping costs, ship in accordance with routing instructions furnished by Buyer. If such instructions are not received, Seller shall secure the least expensive transportation method consistent with good commercial practice for protection and shipment of the goods shipped.
5. PACKING SLIP - Include with each shipment of goods a packing slip which displays the (i) Purchase Order number, (ii) Purchase Order item number, (iii) item nomenclature/description, (iv) item part number, (v) item serial number (where applicable), (vi) the quantity of items shipped, (vii) the invoice number/packing slip number, (viii) the date shipped, (ix) the ship to address and (x) method of shipment and bill of lading number.

6. INVOICE - Render a separate invoice in duplicate to Buyer's Accounts Payable Department on the day of each shipment made pursuant to a Purchase Order and indicate thereon: (i) the location to which the item has been shipped, (ii) the Purchase Order number, (iii) the item nomenclature/description, (iv) the item part number, (v) item serial number (where applicable), (vi) quantity of items shipped, (vii) invoice number/packing slip number, (viii) date shipped, (ix) ship to address and (x) method of shipment and bill of lading number.

TERMS AND CONDITIONS OF PURCHASE

1. SPECIFICATIONS

Seller shall comply with all specifications stated in a Purchase Order.

2. INSPECTION/REJECTION

- (a) Buyer and Buyer's customer (if applicable) shall have the right to inspect and test the material and workmanship of all goods or services required under a Purchase Order at all places and times including, when practicable, during the period of manufacture or performance; and if any such inspection or test is made on the premises of Seller, Seller shall furnish, without additional charge to Buyer, all reasonable facilities and assistance for the safe and convenient performance of the inspection or test.
- (b) Notwithstanding (i) prior inspection, (ii) payment for, or (iii) use of the goods or services, Buyer shall have the right to reject any of such goods or services which do not conform to all requirements of a Purchase Order. Such right shall be exercisable within the period provided in Buyer's applicable specification, or elsewhere in the Purchase Order, or in the absence thereof, within six (6) months following Buyer's receipt of the goods or services. Buyer may require re-performance of rejected services. If this is a fixed price, cost reimbursement, time & material or labor-hour type order, re-performance shall be at Seller's expense. If timely re-performance of acceptable services cannot be accomplished or is not feasible, Buyer may reduce any profit or fee amounts due for the work not performed, purchase the services from another source and charge any cost increase to Seller, or may terminate the order for default in accordance with paragraph 13. hereof. Rejected goods shall be returned to Seller at Seller's risk and expense (transportation collect declared at full value, unless Seller advises otherwise) for full credit or refund (at Buyer's option) excepting, however, those goods which Buyer elects to repair at Seller's expense or to retain at an equitable reduction in price. The rejected goods returned to Seller shall not be replaced by Seller except upon written instruction from Buyer. Rejected goods shall not again be tendered for acceptance without disclosure of former rejection. Resubmitted goods must be shipped separately. Should Buyer elect to repair the non-conforming goods, all terms and conditions of the Purchase Order shall remain in full force and effect as to the goods furnished by Seller. Prior inspection or test, payment for, or use of the goods or services does not relieve Seller from any responsibility regarding defects or other failures to meet the requirements of a Purchase Order which may be discovered prior to acceptance. Acceptance shall be conclusive except as regards latent defects, fraud, or such gross mistakes as amount to fraud. Buyer's rights under this subparagraph shall be in addition to and shall not be deemed to diminish its rights under this paragraph or under Section 3 hereof entitled "Warranty."
- (c) In the event that Buyer's customer charges Buyer for additional costs related to inspection or test when goods are not ready at the time specified by Seller or when prior rejection makes re-inspection or retest necessary, Buyer shall have the right to reduce the amount payable under the Purchase Order; such right to include, without limitation, Buyer's right to deduct or setoff pursuant to Paragraph 8.c hereof.

3. WARRANTY

- (a) In addition to any other express or implied warranties, Seller warrants to Buyer, its successors, assigns, customers, and users of goods sold by Buyer that all goods shall be (i) merchantable; (ii) new; (iii) of the grade and quality specified, (iv) free from defects in material and workmanship; (v) with regard to goods designed by Seller, free from defects in design; (vi) suitable for the purposes intended whether expressed or reasonably implied; (vii) in compliance with all applicable specifications, drawings, and performance requirements, (viii) free from liens or encumbrances on title and (ix) free from latent defects. Delivery, inspection, test, acceptance or use of or payment for the goods shall not affect Seller's obligation under this

warranty. Seller agrees to correct defects in or replace any goods not conforming to the foregoing warranty promptly, without expense to Buyer, when notified of such nonconformity by Buyer, provided Buyer elects to provide Seller with the opportunity to do so. All deliveries of corrected or replaced goods made pursuant to Buyer's election shall be accompanied by a written notice specifying that such goods are corrections or replacements. In the event that Seller is directed to correct defects in or replace non-conforming goods and fails to do so promptly, Buyer, after reasonable notice to Seller, shall have the right to correct or replace such goods and charge Seller for the cost incurred by Buyer in doing so, such right to include, without limitation, Buyer's right to deduct or setoff pursuant to paragraph 8.c hereof.

- (b) If services or technical data are to be provided by Seller, Seller warrants to Buyer that such services and/or technical data have been performed or prepared in a professional and workmanlike manner.

4. INFRINGEMENT INDEMNITY

- (a) As to goods ordered, Seller shall be liable for and shall indemnify and save Buyer and each subsequent purchaser or user thereof, harmless from any infringement claim, suit or action, including, but not limited to, proceedings under 28 U.S.C. Section 1498, alleging that the manufacture, use, sale, or importation of such goods infringes any Patent, trademark, copyright, semiconductor chip product mask work right or other proprietary right; except, however, that when such alleged infringement arises as a necessary consequence of Seller's compliance with specifications or designs furnished by Buyer which describe that aspect of the goods on which such alleged infringement is based, then Buyer shall be liable and shall save Seller harmless therefrom, but this exception shall not apply if the subject matter giving rise to the claim for infringement either (i) was derived from, or selected by Seller, or (ii) relates to materials or compositions, or processes relating to materials or compositions.
- (b) The party against whom such infringement claim is made, or such suit or action is commenced, shall promptly notify the other party in writing. The party required to indemnify under the provisions of paragraph (a) hereof shall promptly assume and diligently conduct the entire defense of such alleged infringement at its own expense, provided that such party receives prompt written notice of such claim, suit, or action if such is commenced against the other party. Insofar as its interests are affected, the other party shall have the right, at its own expense and without releasing any obligation, liability, or undertaking of the party required to indemnify, to: (i) cooperate in the defense of such claim, and (ii) with permission of the court, to intervene in any such suit or action.
- (c) Notwithstanding any of the above provisions, Buyer shall have the further right, at its own election, to supersede Seller in the defense of any such alleged infringement and thereafter to assume and conduct the same according to Buyer's sole discretion, in which event Seller shall be released from any obligation arising from such infringement claim, suit or action under this infringement indemnity clause. Further, Seller, if requested in writing by Buyer, shall cooperate with Buyer in Buyer's defense of any alleged infringement claim.

5. SOFTWARE LICENSE

Buyer is licensed to copy any software provided under a Purchase Order onto a computer memory device and to make back-up copies of such software. Unless otherwise provided for in a Purchase Order, Buyer's sole obligation with respect to software shall be to use such software in compliance with applicable U.S. copyright laws and regulations, irrespective of any other license agreement including, but not limited to, any license agreement packaged with such software.

6. PATENTS AND COPYRIGHTS

- (a) Seller agrees that, for any works of authorship created by Seller or any employees or subcontractors of Seller in the course of a Purchase Order, those works that come under one of the categories of "Works Made for Hire" in 17 U.S.C. 101 shall be considered Works Made for Hire. For any works of authorship that do not come under such categories, Seller, warranting that it has the right to do so, hereby assigns and agrees to assign all right, title, and interest it has to any copyright in such works and will execute or cause

to be executed at Buyer's expense any documents required to establish Buyer's ownership of such copyright.

- (b) Seller agrees to disclose promptly to Buyer all inventions, discoveries, and improvements, patentable and unpatentable, made or first actually reduced to practice in the performance of, or arising out of, the Goods and/or Services furnished to Buyer by Seller or by any employees or Subcontractors of Seller in performance of a Purchase Order (hereinafter "Intellectual Property"). All such Intellectual Property and any patents or other intellectual property protection therefore shall become the exclusive property of Buyer, and Buyer shall have a worldwide, paid-up, non-exclusive license in any improvements thereto, but not in related background patents. The Seller hereby undertakes and agrees to assist Buyer by reviewing documents, providing data, and executing such assignments and other papers which, in the opinion of Buyer are necessary at any time to permit the filing and prosecution of any applications for patents covering the inventions, discoveries or improvements or are otherwise required for compliance with the provisions of this paragraph. In the event that others are, or may hereafter become, associated with the Seller or are used by Seller in connection with the work called for by a Purchase Order, Seller agrees to procure from them similar agreements and to cooperate with Buyer in obtaining assistance and data, and in procuring execution by them of such assignments and other papers as may be required.

7. CHANGES

- (a) Buyer may, at any time and without notice to sureties (if any), unilaterally make changes within the general scope of a Purchase Order, including, but not limited to, changes to any one or more of the following: (i) shipping or packing instructions; (ii) place of delivery; (iii) any drawings, designs, or specifications; (iv) the statement of work; (v) the method or manner of performance of the work; (vi) Buyer-furnished property, facilities, equipment, materials, or services or (vii) the schedule of performance of the work. Seller shall perform any changes ordered by Buyer.
- (b) Buyer's engineering, technical and other non-Purchasing Department personnel are not authorized to change the goods or services ordered or any provisions, drawings, designs, or specifications of a Purchase Order. No change will be binding on Buyer unless issued in writing by an authorized representative of Buyer's Purchasing Department. Any other written or oral order will be treated as a change if and only if, prior to performance of such order, Seller gives Buyer written notice stating the date, circumstances, and source of the order and stating that Seller regards such order as a change.
- (c) Subject to paragraph (d) hereof, if any change under this clause causes an increase or decrease in the cost of or the time required for performance, an equitable adjustment shall be made in the cost/price or delivery schedule or both, and the order shall be modified in writing accordingly. Any claim by Seller for adjustment under this clause, however, must be submitted in writing in the form of a complete change proposal, fully supported by factual information, to Buyer's Purchasing Department not later than fifteen (15) business days after the date of receipt by Seller of the change order, or within such extension of the fifteen day period as Buyer, in its sole discretion, may grant in writing at Seller's request, except that no claim for equitable adjustment hereunder shall be allowed if it is asserted after final payment of the order.
- (d) Notwithstanding an ongoing claim for an adjustment submitted by Seller, Seller shall diligently proceed with the performance of the Purchase Order, as directed by Buyer, and nothing herein shall be construed as relieving Seller of its obligations to so perform, including, but not limited to, the failure of the parties to agree upon Seller's entitlement to, or the amount or nature of, any such adjustment.
- (e) Where the cost of property made obsolete or excess as a result of a change is included in Seller's claim for adjustment, Buyer shall have the right to prescribe the manner of disposition of such property.

8. ASSIGNMENT AND SETOFF

- (a) Performance of a Purchase Order shall not be assigned by the Seller, in whole or in part, without the prior written consent of Buyer. Any prohibited assignment by Seller shall be null and void, shall be deemed a

material breach of the Purchase Order, and Seller shall remain liable to Buyer for full performance of its covenants, duties, liabilities and obligations.

- (b) Claims for money due or to become due to Seller from Buyer arising out of a Purchase Order may not be assigned, unless such assignment is made to one assignee only and covers all amounts payable under a Purchase Order and not already paid. Any such assignment shall be subject to Buyer's rights under paragraph (c) hereof. Buyer shall be under no obligation to pay such assignee unless and until Buyer shall have received written notice of the assignment from Seller, a certified copy of the instrument of assignment, and suitable documentary evidence of Seller's authority to so assign. However, any payments made to a third party subsequent to Buyer's receipt of notice that any claims for money due or to become due have been assigned or should be paid thereto shall fulfill Buyer's requirements to make any such payments.
- (c) All claims for money due or to become due from Buyer shall be subject to deduction or setoff by Buyer by reason of any counterclaim arising out of any transaction with Seller.

9. BUYER-FURNISHED MATERIALS, TOOLING AND EQUIPMENT

- (a) All materials, tooling and equipment which Buyer is required to furnish to Seller under the provisions of a Purchase Order shall be delivered in such condition and in sufficient time to enable Seller to meet its delivery schedule. If such material, tooling and equipment are not delivered to Seller in serviceable condition or in sufficient time, the resultant delay of Seller in delivering to Buyer shall be excusable. Buyer shall have no liability to Seller by reason of any delay in delivery of, or failure to deliver, such materials, tooling and equipment.
- (b) Title to any materials, tooling and equipment furnished by Buyer to Seller shall remain in Buyer or Buyer's Customer, as the case may be.
- (c) Seller agrees, as a material condition of any Purchase Order, that it will (i) label, identify and segregate any and all material, tooling, and equipment (hereinafter referred to as "Material") delivered to Seller by Buyer in connection with a Purchase Order in such fashion as to clearly identify such Material as being the property of Buyer or Buyer's customer, as the case may be, at all stages of its possession by Seller; (ii) prevent the commingling of said Material with other material in the Seller's possession except in accordance with applicable Buyer specifications or Buyer's written approval and (iii) assume responsibility for all taxes and risk of loss or damage with respect to said Material at all times while it is in the custody, care or control of Seller, including while in the hands of carriers. Seller further agrees that a copy of the Purchase Order and/or any applicable attachments and/or supplements may be filed with any cognizant governmental (federal, state or local) agency(ies) and agrees to execute such documents, including, but not limited to, UCC financing statements, and take such other action as Buyer deems appropriate in order to protect Buyer's or Buyer's customer's interests in and to the Material delivered to Seller in connection with a Purchase Order. Title to all special tooling or special test equipment acquired or fabricated under a Purchase Order shall vest in Buyer or Buyer's customer.
- (d) Subject to Section 14 hereof, Seller shall not be required to account to Buyer for the proceeds from the sale of scrap generated during the performance of a Purchase Order by the processing of Material furnished by Buyer; provided, however, that Seller shall reimburse Buyer at Buyer's prices then current for any such Material used by Seller in excess of the allowance, if any, set forth in a Purchase Order. Upon completion or termination of a Purchase Order, any of the Material furnished by Buyer and not properly consumed in the performance of the Purchase Order and any tooling and equipment shall be disposed of in accordance with instructions from Buyer.
- (e) When Buyer furnishes any Material, in whole or in part, for the manufacture of parts or assemblies, Seller shall not substitute materiel from any other source nor shall Seller or its subcontractors alter the Material's physical or chemical property except in accordance with applicable Buyer specifications or with Buyer's written approval.

- (f) Buyer furnished property (including but not limited to material, tooling, and test equipment) shall only be used for and in the performance of Buyer's Purchase Order unless otherwise directed by Buyer in writing.

10. FORCE MAJEURE/EXCUSABLE DELAYS

- (a) Buyer may delay Sellers' delivery, Buyer's acceptance or Buyer's payment for the goods when such delays are occasioned by causes beyond Buyer's control. Seller shall hold such goods at the direction of the Buyer and shall deliver them when the cause effecting the delay has been removed. Buyer's sole liability and Seller's sole remedy for any such delay shall be limited to Seller's direct additional costs in holding the goods or delaying performance of a Purchase Order. Causes beyond Buyer's control may include, but are not restricted to, acts of God or of the public enemy, acts of the Government in its sovereign capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes and unusually severe weather.
- (b) Seller shall not be charged with any liability for failure or delay in making deliveries when such failure or delay is due to any cause beyond the control and without the fault or negligence of Seller; provided that Seller shall give to Buyer prompt notice in writing when it appears that such cause will result in failure or delay in making deliveries under a Purchase Order. In the event of any such failure or delay, Buyer shall have the right at its option and without being under any liability to Seller to cancel by notice in writing to Seller the portion or portions of a Purchase Order so affected.

11. COMPLIANCE WITH LAWS

In the performance of a Purchase Order, Seller shall comply with all applicable federal, state and local laws, ordinances, rules and regulations including those relating to pollution control, waste disposal, hazardous substances, and protection of the environment; and Seller shall hold Buyer harmless from and against any and all liability due to the Seller's failure to so comply. If in connection with the products to be delivered under a Purchase Order, Seller is required to comply with the Occupational Safety and Health Act's hazardous communication standard (48 Fed. Reg. 53280 (1983)), Seller agrees to provide Buyer with copies of the applicable Material Safety Data Sheets at the time of delivery of the products which require such compliance, and any updates of such sheets required to be delivered by Seller under such laws and regulations.

12. SELLER'S FINANCIAL STATUS

Buyer may terminate a Purchase Order for default in the event of:

- (a) the appointment, with or without Seller's consent, of any trustee, liquidator, assignee, custodian, sequestrator or receiver for any substantial portion of Seller's assets;
- (b) proceedings, voluntary or involuntary, in bankruptcy or insolvency, by or against Seller;
- (c) Seller's admission of inability to pay its debts generally as they come due.

13. TERMINATION FOR DEFAULT

- (a) Buyer may, by written notice, terminate the whole or any part of a Purchase Order for default in the following circumstances:
 - (i) if Seller fails to deliver the supplies or perform the service by the specified delivery or completion date or any extension thereof granted by Buyer in writing; or
 - (ii) if Seller fails to perform any of the other provisions of a Purchase Order or so fails to make progress as to endanger performance of the order in accordance with its terms and Seller does not cure such failure to Buyer's reasonable satisfaction within a period of ten (10) business days after receipt of notice from Buyer specifying such failure; or
 - (iii) if Seller falsifies information describing its qualifications; or
 - (iv) if Seller is shown to be significantly deficient in EH&S performance and/or capabilities.

- (b) In the event Buyer terminates a Purchase Order in whole or in part as provided in this clause, Buyer may procure, upon such terms and in such manner as Buyer may deem appropriate, goods similar to those so terminated, and Seller shall be liable to Buyer for any excess costs for such similar goods, provided, however, that Seller shall continue the performance of the order to the extent not terminated under the provisions of this clause.
- (i) If the failure to perform is caused by the default of a vendor or subcontractor to Seller, and if such default arises out of causes beyond the control of both the Seller and the vendor or subcontractor, and without the fault or negligence of either of them, Seller shall not be liable for any excess costs for failure to perform, unless the goods to be furnished by the vendor or subcontractor were obtainable from other sources in sufficient time to permit Seller to meet the required delivery schedule. No cause shall constitute a basis for excusable delay unless Seller has notified Buyer in writing of the existence of such cause within ten (10) business days from the beginning thereof.
- (ii) If a Purchase Order is terminated under this clause, Buyer, in addition to any other rights provided in this section, may require Seller to transfer title and deliver to Buyer in the manner and to the extent directed by Buyer (i) any completed goods and (ii) any partially completed goods and materials, parts, components, tools, dies, jigs, fixtures, plans, specifications, drawings, information, and contract rights (hereinafter called "contract materials") as the Seller has specifically produced or specifically acquired for the performance of such part of the Purchase Order as has been terminated; and the Seller shall upon direction of Buyer, protect and preserve property in the possession of Seller in which Buyer has an interest. Payment for completed goods delivered or rendered to and accepted by Buyer shall be at the Purchase Order price. Payment for contract materials delivered to and accepted by Buyer, and for the protection and preservation of property, shall be in an amount agreed upon by Seller and Buyer. Buyer may withhold from amounts otherwise due Seller for such completed goods or contract materials such sums as Buyer determines to be necessary to protect Buyer against loss because of outstanding liens or claims of former lien holders.
- (iii) If, after notice of termination of this contract under this provision, it is determined for any reason that Seller was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 14 entitled "Termination for Convenience."
- (c) As used in paragraph (b) of this clause, the terms "subcontractor" and "sub-contractors" mean subcontractor(s) at any tier and the terms "vendor" and "vendors" mean vendor(s) at any tier.

14. TERMINATION FOR CONVENIENCE

- (a) Buyer may, by written notice, terminate performance or work under an order in whole or from time to time in part by written notice of termination, whereupon the Seller will stop work on the date and to the extent specified in the notice and terminate all orders and subcontracts to the extent they relate to the terminated work.
- (b) Upon receipt of a notice of termination and except as otherwise directed by Buyer, Seller will:
- (i) promptly advise the Buyer of the quantities of applicable work and material on hand or purchased prior to termination and the most favorable disposition to Buyer that the Seller can make thereof;
- (ii) comply with the Buyer's instruction regarding transfer and disposition of title of such work and material; and
- (iii) submit all claims resulting from such termination within sixty (60) calendar days after receipt of such notice of termination.

- (c) Buyer will have the right to check such claims at any reasonable time or times by inspecting and auditing records, facilities, work or material of the Seller relating to the order. Seller shall keep these records for one year after final settlement without cost to Buyer.
- (d) Buyer will pay the Seller, without duplication, the order price for finished work previously delivered and accepted by the Buyer, the reasonable value or cost (whichever is higher) of work in process and raw material allocable to the terminated work based on any audit the Buyer may conduct and on generally accepted accounting principles less the reasonable value or cost (whichever is higher) of any items used or sold by the Seller or Seller's subcontractor.
- (e) Buyer will not make payments for finished work, work in process, or raw material fabricated or procured by the Seller in excess of any order. Notwithstanding the above, payments made under this clause shall not exceed the aggregate price specified in the order plus payments otherwise made or to be made.
- (f) Upon failure of Seller to submit the Seller's termination claim within the time allowed, Buyer may determine, on the basis of information available to Buyer, the amount, if any due to Seller in respect to the termination.
- (g) Payment made under this clause will constitute the Buyer's only liability in the event this order is terminated hereunder.

15. GIFTS/KICKBACKS

Buyer's policy is that its employees may not accept gifts, entertainment, or other gratuities (collectively called "kickbacks") from anyone seeking a contract with or purchase from Buyer (in whatever form including purchase orders), other than customary business courtesies that are reasonable in frequency and value. Seller represents and warrants to Buyer that neither Seller (including any of its officers, partners, employees, or agents) nor any subcontractor below Seller or subcontractor employee has or will:

- (a) provide(d) or attempt(ed) to provide or offer(ed) to provide any kickback;
- (b) solicit(ed), accept(ed), or attempt(ed) to accept any kickback; or
- (c) include(d), directly or indirectly, the amount of any kickback in the price applicable to a Purchase Order or in the subcontract price charged by any subcontractor to a higher tier subcontractor.

16. INDEMNIFICATION/HOLD HARMLESS

- (a) To the fullest extent permitted by law, Seller covenants and agrees at all times to protect, defend, hold harmless and indemnify Buyer and its affiliated companies and their respective directors, officers, employees, successors and assigns from and against any and all claims for loss, costs (including reasonable attorney's fees), damage or injury and from and against any suits, actions, or legal proceedings of any kind brought against or sustained by Buyer, or such other parties by or on account of any person, persons, or entities, or on account of any personal injuries or property damage received or sustained by any person, persons, or entities including Buyer in any manner (howsoever arising, including but not limited to, by reason of negligence, breach of warranty, defect in design, material, workmanship, services, environmental, health or safety laws or regulations or otherwise, and even though strict liability be claimed), directly or indirectly caused by, incident to, or growing out of defects in the design, manufacture or materials used in the goods, or negligence in the manufacture or installation of the goods or any other services or the breach of any warranties contained in this agreement.
- (b) Notwithstanding the above provision, Buyer shall have the right, at its own election, and without releasing any obligation, liability, or undertaking of Seller to indemnify Buyer hereunder, to:
 - (i) cooperate in the defense of such claim,

- (ii) with permission of the court, to intervene in any such suit or action and
- (iii) supersede Seller in the defense of any such claims, suits actions, or legal proceedings.
- (c) Seller further agrees to:
 - (i) promptly pay the settlement or judgment pertaining to all such claims, suits, actions or legal proceedings; to hold harmless and indemnify Buyer therefrom; and
 - (ii) promptly pay the costs of attorneys' fees or other expenses incurred in any such defense either by Seller and/or Buyer, and to hold harmless and indemnify Buyer therefrom.
- (d) Seller agrees that in any instance where such claims in any way affect Buyer's interests under a Purchase Order or otherwise, Seller shall not consummate any settlement without Buyer's prior written consent.
- (e) Seller's covenant of indemnity herein shall continue in full force and effect notwithstanding the termination of a Purchase Order.

17. CONFIDENTIAL DISCLOSURE

- (a) Technical or business information and ideas disclosed to Seller in connection with a Purchase Order at any time in any form (including, but not limited to, orally, visually by examination of the features of parts, equipment, tools, gauges, patterns, or other items furnished or disclosed to Seller by Buyer, or in designs, processes, drawings, specifications, reports, data, tools, gages or goods provided hereunder) which Buyer considers Proprietary and so indicates to Seller at the time of disclosure or within a reasonable time thereafter ("Proprietary Information") are entrusted to Seller solely for use on behalf of Buyer in the performance of Buyer's Purchase Order. Seller shall keep Proprietary Information in confidence and shall neither use (other than in performance of Buyer's orders) nor disclose such Proprietary Information except as authorized in writing by Buyer. On completion of an order, Seller shall deliver to Buyer or destroy to Buyer's satisfaction all material (including but not limited to, documents, software, scrap, tools and goods which may be defective, partially completed, or completed) embodying Proprietary Information, unless otherwise instructed by Buyer. Any such material disposed of by Seller at any time other than by delivery to Buyer shall be altered to such an extent that prevents discovery of any Proprietary Information embodied therein. However, Seller shall not be liable for use or disclosure of any Proprietary Information which is shown by clear and convincing proof to either have been known to the Seller at the time of receipt from Buyer, or to be in the public domain or to subsequently come into the public domain through no fault of the Seller.
- (b) Information Developed by Seller - Information and ideas developed by Seller under or in the course of performing a Purchase Order for Buyer shall be owned by and disclosed to Buyer and, if Buyer so indicates to Seller, such information and ideas shall be treated as Proprietary Information in accordance with the provisions of paragraph (a) hereof.
- (c) Buyer shall have the right to audit all pertinent books and records of Seller in order to verify compliance with this Section 17.
- (d) In all Subcontracts for performance of work related to a Purchase Order, Seller shall include provisions which provide to Buyer the same rights and protections as provided in this Section 17.

18. PRICE WARRANTY

Seller warrants that the prices for the articles sold Buyer are not less favorable than those currently extended to any other customer for the same or similar articles in similar quantities. In the event Seller reduces its price for such articles during the term of a Purchase Order, Seller agrees to reduce the prices hereof correspondingly. Seller warrants that prices shown on a Purchase Order shall be complete, and no additional charges of any type shall be added without Buyer's express written consent. Such additional charges include, but are not limited to,

shipping (if FOB, OP or SPFA), packaging, labeling, custom duties, taxes, storage, insurance, boxing, and crating.

19. DELIVERY

Time is of the essence, and if delivery of items or rendering of services is not completed by the time promised, Buyer reserves the right without liability in addition to its other rights and remedies to terminate the Purchase Order by notice effective when received by Seller as to items not yet shipped or services not yet rendered and to purchase substitute items or services elsewhere and charge Seller with any loss incurred. Substitutions will not be accepted. The supplies must be delivered by the date(s) specified, but should not be delivered earlier than one (1) week prior to such date(s) unless prior written approval for an earlier delivery is given by the Buyer. Seller will bear the risk of loss until the goods are delivered, unloaded, installed or accepted, whichever is later.

20. TITLE

Subject to Section 13(b), title to goods shall pass to Buyer upon any payment to Seller, whether it be full or partial payment, or upon shipment of the goods whichever is sooner.

21. TOXIC, HAZARDOUS OR CARCINOGENIC SUBSTANCES

Seller warrants that each chemical substance delivered pursuant to a Purchase Order is on the Inventory List (see 40 C.F.R. 710) published by the Environmental Protection Agency pursuant to the Toxic Substances Control Act (15 U.S.C. 2601 *et seq.*) at the time of such delivery, and that Seller has complied with all applicable Federal, State and local laws and regulations governing the shipping, labeling and handling of the substance. If Seller provides a product under a Purchase Order which contains a toxic or hazardous substance as identified under Occupational Safety and Health Standards, 29 C.F.R. 1910.20 or 29 C.F.R. 1910.1000 *et seq.* (subpart z), or a carcinogenic substance, Seller shall provide Buyer with a Material Safety Data Sheet (OSHA Form 20 or equivalent) and any other information required by applicable law with the initial shipment of the product and when a change in formulation occurs. Seller shall label each container of such product in a clearly legible and conspicuous form, stating that a toxic or hazardous substance is contained therein and providing Buyer with a copy of any restrictions on handling or use. Spills of any liquid, except clean water, caused in whole or in part by Seller will be cleaned up by Buyer. Spill cleanup and disposal costs incurred by Buyer will be charged back to Seller or deducted from amounts due Seller.

22. INTERPRETATION

It shall be the obligation of Seller to bring to the attention of Buyer at the earliest possible time any ambiguities, discrepancies, inconsistencies, or conflicts herein or in or between any specifications, drawings, or other documents incorporated by reference herein. Ambiguities, inconsistencies, or conflicts in a Purchase Order will not be strictly construed against the drafter of the contract language; rather, they shall be resolved by applying the most reasonable interpretation under the circumstances, giving full consideration to the intentions of the parties at the time of contracting.

23. PARTIAL INVALIDITY

If in any instance any provision of these terms and conditions shall be determined to be invalid or unenforceable under any applicable law, such provision shall not apply in such instance, but the remaining provisions shall be given effect in accordance with their terms.

24. WAIVER

Either party's failure to insist on performance of any of the terms or conditions herein or to exercise any right or privilege or waiver of any breach hereunder shall not thereafter waive any such terms, conditions, or privileges.

25. APPLICABLE LAW AND FORUM

This order shall be interpreted in accordance with the plain English meaning of its terms and the construction thereof shall be governed by the laws of the State of Connecticut, USA excluding its choice of law provisions. Services shall be deemed to be goods for the purposes of this paragraph (i.e., the application of governing law). Buyer may, but is not obligated to, bring any action or claim relating to or arising out of this order in the

appropriate state or federal court in Connecticut, and Seller hereby irrevocably consents to personal jurisdiction and venue in any such court, hereby appointing the Secretary of State as agent for receiving service of process. Any action or claim by Seller with respect hereto shall also be brought in such appropriate state or federal court in Connecticut, if Buyer so elects. Accordingly, Seller shall give written notice to Buyer of any such intended action or claim, including the intended venue thereof, and shall not commence such action or claim outside of Connecticut if Buyer, within thirty (30) days from receipt thereof, makes its election as aforesaid.

26. CAPTIONS

Captions, as used herein, are for convenience of reference only and shall not be construed to limit or extend the language of the provisions to which such captions may refer.

27. CUMULATIVE REMEDIES

The rights and remedies here in reserved to Buyer shall be cumulative and additional to any other or further rights and remedies' provided in law or equity.

28. NEWS RELEASES

Seller shall not make any news release of information pertaining to an order without prior approval of Buyer.

29. ORDER OF PRECEDENCE

Any inconsistency or ambiguity in this order shall be resolved by giving precedence in the following order: (a) typewritten changes on the face of the Purchase Order or Supplement, (b) these Purchase Order Terms and Conditions and special fly sheets incorporated by reference or otherwise into the Purchase Order or a Supplement and (c) other documents incorporated by reference into this order, unless a contrary intention is expressly indicated on the face of the Purchase Order.

30. EXPORT CONTROL

Both Seller and Buyer agree to comply with the Export Laws and Regulations of the United States with regard to technical data contained in or made available in connection with a Purchase Order. Compliance with Export Laws and Regulations does not relieve Seller of its obligations under any other agreement between the parties with respect to confidentiality (including Section 17 hereof) or restricting the disclosure of information.

31. INSPECTION OF RECORDS

If this order is a time and material or construction order or provides for the payment of any amounts prior to the completion hereof, including, without limitation, progress payments, Seller agrees that its books, records and its plant, or such parts of its plant as may be engaged in the performance of this order, shall at all reasonable times be subject to inspection and audit by any authorized representative of any Department of the United States Government. Additionally, Seller agrees that its books, records and its plant, or such parts of its plant as may be engaged in the performance of this order, shall at all reasonable times be subject to inspection and audit by any authorized representative of Buyer notwithstanding any other provision herein to the contrary.

32. DUTY TO PROCEED

Except as expressly authorized in writing by Buyer, no failure of Seller and Buyer to reach any agreement provided for by the terms of this order shall excuse the Seller from proceeding diligently with the performance of this order.

33. OZONE DEPLETING SUBSTANCES

Seller agrees that the goods delivered hereunder shall be accurately labeled in accordance with the requirements of Section 611 of the 1990 Clean Air Act Amendments and the regulations promulgated thereunder, including but not limited to requirements contained in 40 C.F.R. Part 82.114 and 82.116. At Buyer's request, Seller shall certify in a form satisfactory to Buyer whether the goods were manufactured with a controlled substance, as defined in 40 C.F.R. Part 82.104.

34. ATTORNEY FEES

In the event Buyer should bring an action for enforcement of the terms and conditions of this order, Seller agrees that Buyer shall be entitled to award of its reasonable attorney's fees and court costs associated with such enforcement proceedings.

35. SUBCONTRACTORS AND AGENTS

Seller shall hold harmless and indemnify Buyer from and against all claims and liabilities (including attorney's fees), however arising and whether based on contract, tort, strict liability, negligence, statute, or any other theory, arising from, based upon, or connected with the performance of this order by Seller's agents and subcontractors. Seller's covenant of indemnity herein shall continue in full force and effect notwithstanding the termination of this order.

36. ELECTROSTATIC DISCHARGE CONTROL REQUIREMENTS

Sellers of electrical and electronic parts, assemblies and equipment (parts) shall determine if any parts supplied to Buyer are electrostatic discharge (ESD) sensitive and apply the following conditions: Sellers of ESD sensitive electrical and electronic parts shall design, manufacture, and test these parts using good commercial ESD control practices when testing, fabricating, and repairing parts. Electrical and electronic parts supplied to Buyer which are susceptible to ESD damage as delivered shall be properly handled and packaged to prevent ESD damage including, but not limited to static safe bags, Faraday cages, etc. Packages containing ESD sensitive parts shall be marked with an appropriate caution label.

37. LIQUIDATED DAMAGES

Liquidated damages (LD) may be applicable to this purchase order. In the event that LD are applicable, the amount thereof will be specified in the acknowledgment copy of this Purchase Order.

38. BUYER'S EH&S REQUIREMENTS

Seller is required to comply with Buyer's industrial security and environmental, health and safety policies, procedures, rules, requirements and practices for the protection of the plant, material, equipment and personnel and shall require any of its subcontractors to so comply. Buyer will have no liability from enforcing the forgoing.

39. YEAR 2000 COMPLIANCE

Seller represents and warrants that any computer software and hardware (including any software, firmware or other hardwired logic embedded within the hardware) provided to Buyer (hereinafter referred to as "Product") is designed to and will be Year 2000 compliant, which means, at least, that the Product, by itself or in exchanging data with other software and/or hardware, accurately processes date/time data (including, but not limited to, calculating, comparing and sequencing from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations. The Buyer's remedies with respect to this Year 2000 warranty shall not be limited, restricted or disclaimed in whole or in part by any other provision of this Purchase Order.

40. INDEPENDENT CONTRACTOR

Seller's relationship to Buyer shall be solely that of an independent contractor (not an employee).

ADDITIONAL TERMS AND CONDITIONS FOR GOVERNMENT CONTRACTS

If this Order is placed in fulfillment of a government contract, the following clauses apply in addition to the clauses set forth in the preceding section of these Purchase Order terms and conditions.

Seller shall promptly notify Buyer if Seller is suspended, debarred, or proposed for suspension or debarment. If Seller fails to so notify Buyer, then Seller shall indemnify and hold Buyer harmless against any loss or damage suffered by Buyer as a result of its issuing any subcontracts to Seller after such notice should have been given. U.S. Government required representations and certifications made by Seller in connection with this order, including all certifications submitted by Seller with its offer, are incorporated by reference herein.

41. Federal Acquisition Regulation Clauses:

The following Federal Acquisition Regulation (FAR) clauses in effect and as modified by Federal Acquisition Circulars at the date of the Government prime contract are hereby incorporated by reference and made a part hereof with the same force and effect as if they were given in full text. Seller hereby acknowledges that he has in his possession or is otherwise familiar with all of the clauses and provisions incorporated herein by reference, and agrees to perform this order in accordance with the provisions of such referenced clauses and other provisions of this order.

Wherever necessary to make the context of the FAR clauses applicable to this order, the term “Contractor” shall mean Seller, the term “Contract” shall mean this order, and the term “Government”, “Contracting Officer” and equivalent phrases shall mean Buyer and/or Buyer’s purchasing representative, except the terms “Government” and “Contracting Officer” do not change: (1) in the phrases “Government Property”, “Government-furnished property”, and “Government-owned property”, (2) in the patent clauses incorporated herein, (3) when a right, act, authorization or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or his duly authorized representative, (4) when title to property is to be transferred directly to the Government, (5) when access to proprietary financial information or other proprietary data is required except as provided in paragraph 12 hereof and (6) where specifically modified herein and provided, further, that all references to the clause entitled Disputes shall be deemed deleted. If there is a conflict between or addition to a clause in effect on the effective date of this order and a clause of the prime contract, the prime contract clause shall govern.

a.	
FAR 52.202-1	Definitions
FAR 52.203-3	Gratuities
FAR 52.203-5	Covenant Against Contingent Fees <i>(“Government” means Buyer in paragraph (a).)</i>
FAR 52.203-6	Restrictions on Subcontractor Sales to the Government
FAR 52.203-7	Anti-Kickback Procedures
FAR 52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity
FAR 52.203-10	Price or Fee adjustment for illegal or improper activity
FAR 52.203-12	Limitation on payments to influence certain federal transactions
FAR 52.204-1	Approval of Contract
FAR 52.204-4	Printing/Copying Double-Sided on Recycled Paper
FAR 52.209-6	Protecting The Government’s Interest When Subcontracting With Contractor Debarred, Suspended Or Proposed For Debarment
FAR 52.211-5	New Materials <i>(“Contracting Officer” means Buyer’s Purchasing Representative and “Government” means Buyer in the last two sentences of the clause.)</i>
FAR 52.211-7	Other Than New Material, Residual Inventory, and Former Government Surplus Property

FAR 52.211-15	Defense Priority and Allocation Requirements
FAR 52.215-2	Audit and Records - Negotiation
FAR 52.215-25	Subcontractor cost or pricing data-modifications
FAR 52.215-26	Integrity of Unit Prices - Alternate I (Excluding paragraph (c))
FAR 52.215-33	Order of Precedence
FAR 52.215-70	Key Personnel and/or facilities
FAR 52.216-18	Ordering
FAR 52.216-19	Order Limitations
FAR 52.216-21	Requirements
FAR 52.217-9	Option to Extend the Term of the Contract
FAR 52.219-8	Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns
FAR 52.219-16	Liquidated damages - small business subcontracting plans
FAR 52.222-21	Certification of Non-segregated Facilities (Applicable to all Government subcontracts that contain the Equal Opportunity Clause. Such certification shall be effective for all bids and orders issued by Buyer for a period of one (1) year after Seller's acceptance of this order.)
FAR 52.222-26	Equal Opportunity (Paragraphs (b) (1) through (b) (11))
FAR 52.222-28	Equal opportunity preaward clearance of subcontracts
FAR 52.223-6	Drug-Free Workplace
FAR 52.223-14	Toxic Chemical Release Reporting
FAR 52.225-11	Restrictions on Certain Foreign Purchases ("Contracting Officer" means Buyer.)
FAR 52.225-21	Buy American Act - North American Free Trade Agreement Implementation Act - Balance of Payments Program
FAR 52.227-1	Authorization and Consent, (Alternate I applies if this order is for R&D or exclusively for experimental work.)
FAR 52.227-3	Patent Indemnity
FAR 52.227-14	Rights in Data - General
FAR 52.229-4	Federal, State, and Local Taxes (Noncompetitive Contract)
FAR 52.229-5	Taxes - Contracts Performed in U.S. Possessions or Puerto Rico
FAR 52.232-1	Payments
FAR 52.232-7	Payments Under Time and Material and Labor Hour Contracts
FAR 52.232-8	Discounts for Prompt Payment
FAR 52.232-9	Limitation on Withholding of Payments
FAR 52.232-11	Extras
FAR 52.232-17	Interest
FAR 52.232-23	Assignment of Claims
FAR 52.232-25	Prompt Payment
FAR 52.232-33	Mandatory Information for Electronic Funds Transfer Payment
FAR 52.233-1	Disputes (Alt I)
FAR 52.233-3	Protest After Award
FAR 52.242-13	Bankruptcy
FAR 52.242-15	Stop Work Order (Except in paragraph b.2 "30 days" shall read "15 days")
FAR 52.243-1	Changes - Fixes - Prices
FAR 52.243-3	Changes - Time and Materials or Labor - Hours
FAR 52.244-1	Subcontracts (Fixed-Price Contracts)

	<i>(In paragraph (e), none unless otherwise indicated)</i>
FAR 52.244-3	Subcontractors (time and materials and labor hour contracts)
FAR 52.244-5	Competition in Subcontracting
FAR 52.244-6	Subcontracts for Commercial Items and Commercial Components
FAR 52.245-1	Property Record
FAR 52.245-2	Government Property (Fixed Price) <i>(“Contracting Officer” means Buyer’s purchasing representative; “Government” means Buyer except: (1) the second time it appears in paragraph b.1.ii, and (2) in paragraph c.i.; “Government” means Government or Buyer: (1) in paragraph f. and in the following phrase “its” becomes “their”, and (2) in paragraph j. and subparagraph j.1.)</i>
FAR 52.246-24	Limitation of Liability High Dollar Item
FAR 52.247-1	Commercial Bill of Lading Notations
FAR 52.246-18	Warranty of Supplies of a Complex Nature
FAR 52.247-63	Preference for U.S. - Flag Carriers <i>(Applicable if this order involves international air transportation.)</i>
FAR 52.249-2	Termination for Convenience of the Government (Fixed-Price)
FAR 52.249-6	Termination (Cost Reimbursement) Alt IV
FAR 52.249-8	Default (Fixed-Price Supply and Service)
FAR 52.249-14	Excusable Delays
FAR 52.253-4	Computer Generated Forms
b. if this is a Cost Reimbursement subcontract	
FAR 52.245-5	Government Property (Cost Reimbursement, Time and Materials, or Labor Hour Contracts) <i>(Except that paragraph (g), Limited Risk of Loss, is deleted and paragraph (g) Risk of Loss of the basic clause 52.245-2 is substituted.)</i>
c. if this order is for \$2,500 or more	
FAR 52.222-36	Affirmative Action for Handicapped Workers
d. if this order is for \$10,000 or more	
FAR 52.222-20	Walsh-Healey Public Contracts Act
FAR 52.222-35	Affirmative Action for Special Disabled and Vietnam Era Veterans
FAR 52.222-37	Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era
e. if this order is for \$100,000 or more	
FAR 52.223-2	Clean Air and Water
FAR 52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement
FAR 52.248-1	Value Engineering <i>(“Contracting Officer” means “Buyer’s Purchasing Representative” except in paragraph (j) sentence 3. “Government” means Buyer in paragraphs (e) (1), (e) (2), (g) (4), and (i) (4), and means Government and Buyer in paragraph (m), sentence 1 and in sentence 2 of the legend. Replace the share percentage figures in paragraphs (f) and (j) with those the parties agree upon.)</i>
f. if this order is for \$500,000 or more	
FAR 52.215-25	Subcontractor Cost or Pricing Data - Modifications
FAR 52.215-40	Notification of Ownership Changes

FAR 52.219-9

Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan. *(Applicable if Seller is other than a small business concern.)*

42. Department of Transportation Acquisition Regulations Clauses: (48 C.F.R. Chapter 12)

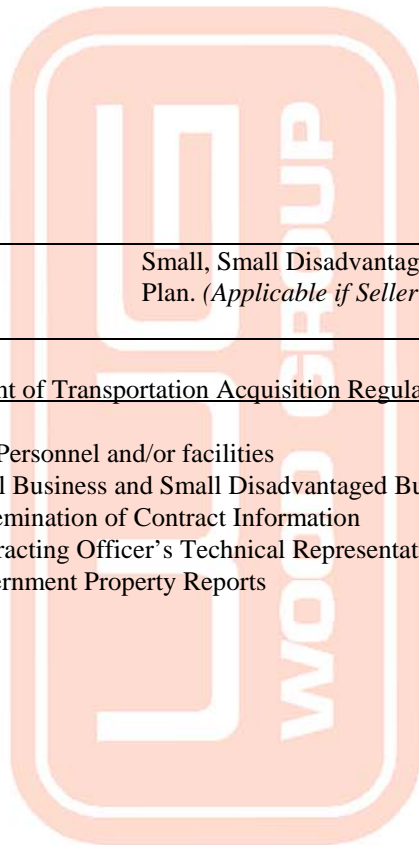
1252.215-70 Key Personnel and/or facilities

1252.219-70 Small Business and Small Disadvantaged Business Subcontracting Reporting

1252.242-72 Dissemination of Contract Information

1252.242-73 Contracting Officer's Technical Representative

1252.245-70 Government Property Reports



WOOD GROUP

Pratt & Whitney

