



GE Aviation

1 Neumann Way
Cincinnati, OH 45215
USA

October 20, 2009

Dear Valued Supplier:

This letter relates to your obligations under your GE Aviation Purchase Agreements and/or Purchase Orders and compliance with GEA Standard Terms and Conditions of Purchase, Remark C64, and its Appendix I incorporated in the Agreement(s) or Order(s).

In particular, we call your attention to Remark C64 Article 25 (k), Gratuities, as well as FAR Clause 52.203-3, Gratuities, incorporated by reference in Appendix I.

These clauses prohibit GEA suppliers from offering gratuities to Government or GEA employees, and prohibit GEA employees from soliciting and accepting such offers. Integrity is the cornerstone of GEA's procurement system, and both clauses appropriately allow for the termination of agreements where violations occur.

This letter is intended to remind you that an essential premise of our relationship is that your firm is fully compliant with the requirements of these clauses included in your contract, as well as all other requirements listed in the GEA Standard Terms and Conditions of Purchase. You are required to immediately advise GEA if you determine, now or in the future, that there may have been or will be actions on the part of your company inconsistent with these or any other clauses, and the corrective actions you have taken or will take.

For your convenience, a full text copy of these clauses is attached to this letter. The complete text of Remark C64 and Appendix I is available on GEA's web site at this URL:

http://www.geae.com/aboutgeae/doingbusinesswith/geae_po_requirements.html

(Enter C64 in the Search Phrase box and click Go.)

Thank you for your attention to this important matter.

Article 25. (k) Gifts and Gratuities. Officers, employees and agents of Purchaser are prohibited from soliciting or accepting entertainment, gifts, gratuities, compensation or favors from Seller ("Gifts and Gratuities Policy"). Seller shall at all times comply with the Gifts and Gratuities Policy. When Seller believes that a violation of the Gifts and Gratuities Policy may have occurred, Seller shall promptly report the potential violation to Purchaser by using the supplier hot line (1-800-443-3632) or (+1 513-243-6922) or by reporting it in writing. Seller may terminate this Agreement if Seller violates the Gifts and Gratuities Policy. Alternatively, Purchaser may require Seller to provide proof that it has implemented internal management controls sufficient to prevent future violations.

52.203-3 Gratuities (Apr 1984)

(a) The right of the Contractor to proceed may be terminated by written notice if, after notice and hearing, the agency head or a designee determines that the Contractor, its agent, or another representative --

(1) Offered or gave a gratuity (e.g., an entertainment or gift) to an officer, official, or employee of the Government; and

(2) Intended, by the gratuity, to obtain a contract or favorable treatment under a contract.

(b) The facts supporting this determination may be reviewed by any court having lawful jurisdiction.

(c) If this contract is terminated under paragraph (a) of this clause, the Government is entitled -
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(1) To pursue the same remedies as in a breach of the contract; and

(2) In addition to any other damages provided by law, to exemplary damages of not less than 3 nor more than 10 times the cost incurred by the Contractor in giving gratuities to the person concerned, as determined by the agency head or a designee. (This subparagraph (c)(2) is applicable only if this contract uses money appropriated to the Department of Defense.)

(d) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

(End of Clause)