AEROJET

Supplemental Terms and Conditions for Purchases of Items that Could Pose a Hazard to the Environment

ES-S08-0202-5 September 2002 Page 1 of 2

(This is not for purchase of environmental services, which include but are not limited to, engineering services, geotechnical services, sampling, analysis, containment, treatment, site assessments, remediation, transportation and emergency response.) These supplemental terms and conditions are in addition to any other terms and conditions incorporated in this Request for Quote or Purchase Order. In the event of a conflict between this ES-S08-0202-5 and other terms and conditions, ES-S08-0202-5 shall take precedence.

- A. Seller agrees to provide products which are free of asbestos unless Seller has notified Aerojet in advance and has obtained Aerojet's written consent to the use of asbestos.
- B. Seller represents and warrants that it will use best efforts to prevent and minimize releases of hazardous substances or constituents to the environment, as well as prevent and minimize risk of endangerment to human health or the environment from any manufacturing process. Seller represents and warrants that in the event of a release or spill of any raw material, intermediate or waste associated with a manufacturing process, it will use best efforts to mitigate actual or potential impacts to the environment.
- C. Seller agrees it shall be solely and directly responsible for managing all wastes associated with its manufacturing process and that all wastes shall remain the property of Seller. Seller shall manage any and all such wastes in compliance with applicable federal, state and local laws and regulations.
- D. Seller agrees to notify Aerojet in writing within five days of any significant event involving any of its manufacturing processes, including but not limited to, any spill, leak or release to the environment of any raw material or associated waste, which also requires notification to a state or federal agency, including but not limited to: (1) the date of release, (2) the quantity and type of materiel released; (3) efforts to mitigate impacts from the release.
- E. Seller certifies that the chemicals being provided to Aerojet are on the Toxic Substances Control Act (TSCA) inventory.
- F. <u>OSHA Indemnity Clause</u>. Seller warrants that it has complied, and will comply, with all federal, state and local laws, regulations and directives that may relate to this Order, and that Seller shall obtain all permits or licenses required for the manufacture, sale, shipment and installation of the goods, or for the provision of the services, ordered hereunder.

Seller agrees that any services to be rendered or goods to be furnished by Seller under this Order shall be rendered or furnished as an independent contractor, and are at Seller's risk as to the methods, processes, procedures and conduct of the work. Seller shall be solely responsible for understanding the methods, processes, procedures and conduct of the work, including control of the associated hazards thereof, to assure the safety of its performance and that of its subcontractors and suppliers under this Order, and for the protection of all persons, premises or facilities involved in said performance, whether on Seller's property, Aerojet's property or elsewhere.

Seller will indemnify, defend, and hold harmless Aerojet and its duly authorized representatives, including Officers and Directors, from and against any and all losses, liabilities, damages, claims, demands, liens, subrogation, suits, actions, sanctions, expenses and administrative or other proceedings, including court costs and reasonable attorneys fees, to the extent arising from the performance of Seller's work, or that of its subcontractors or suppliers, and resulting or alleged to have resulted from any defect in design, workmanship or materials, or from any negligence or malfeasance, or from any breach of applicable laws, regulations, safety standards or directives, but excluding Aerojet's sole negligence or willful misconduct. Seller will promptly advise Aerojet of any such suit, action or proceeding which may be brought or threatened against Aerojet or Seller and, at Aerojet's election and request, assume full responsibility for its defense. The provisions of this paragraph shall survive the termination, cancellation or completion of this Order.

G. MINIMUM SUPPLIER INSURANCE COVERAGE REQUIREMENTS.

1. Seller shall name Aerojet as an additional insured for the Commercial General Liability and Automobile Liability insurance required below and shall provide a certificate of insurance upon request evidencing compliance with all requirement of this provision. Insurance maintained pursuant to this provision shall be considered primary to, and not contributory with, any insurance maintained by Aerojet. Any self-insured retention, deductibles, and exclusions in coverage in the policies required by this provision shall be assumed by, and at the sole risk of, Seller or its subcontractor providing the insurance and shall, to the extent applicable, be paid by the Seller or such subcontractor. All insurance required by the Purchase Order shall contain a provision that prohibits cancellation or material revision except upon at least thirty (30) days advance written notice to Aerojet. Seller shall provide Aerojet thirty (30) days advance written notice before the effective date of any cancellation or alteration of any insurance required by this provision. The term "subcontractor," as used in this provision shall include Seller's subcontractors at any tier.

AEROJET

Supplemental Terms and Conditions for Purchases of Items that Could Pose a Hazard to the Environment

ES-S08-0202-5 September 2002 Page 2 of 2

- 2. <u>Workers' Compensation and Employer's Liability</u>. Seller shall obtain and maintain, and require its subcontractors to obtain and maintain, Workers' Compensation insurance, as required by any applicable laws, for all of their employees performing work on Aerojet's premises. Seller shall obtain and evidence a waiver of subrogation from its Workers' Compensation insurance carrier in favor of Aerojet. Seller shall reimburse Aerojet for any payments of Workers' Compensation insurance premiums relating to any employees of Seller, or its subcontractors, that Aerojet is required to make by any applicable law. Seller shall obtain employer's liability insurance with available limits of at least one million dollars (\$1,000,000).
- 3. <u>Commercial General Liability</u>. If Seller or any of its subcontractors will be performing work on Aerojet's premises, Seller shall obtain and maintain, and require its subcontractors to obtain and maintain, Commercial General Liability insurance with available limits for bodily injury of at least one million dollars (\$1,000,000) per occurrence and at least one million dollars (\$1,000,000) annual aggregate, and with available limits for property damage of at least one million dollars (\$1,000,000) per occurrence. Such insurance shall include coverage for all premises and operations, broad form property damage, contractual liability (not limited by any responsibility assumed through the Indemnification provision of the Purchase Order), and products and completed operations.
- 4. <u>Automobile Liability</u>. If Seller or any of its subcontractors uses vehicles in the performance of the Purchase Order, Seller shall obtain and maintain, and require its subcontractors to obtain and maintain, Business Automobile Liability insurance covering all vehicles, whether owned, rented, borrowed, or otherwise, with available limits for bodily injury of at least one million dollars (\$1,000,000) for injuries to any person and at least one million dollars (\$1,000,000) for any single accident involving two or more persons, and with available limits for property damage of at least one million dollars (\$1,000,000) per accident.