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APPENDIX A. OVERSEAS INFORMATION

TERMS AND CONDITIONS

On a case-by-case basis, IBM will deliver products to and perform services at overseas US Government locations which are in support of national or mutual defense operations (including US Embassies), and to locations which support the national interest of the United States. In these cases, the terms and conditions of Special Items 132-8, 132-12, 132-33, 132-51, and 132-62 will apply with the following modifications.

A.1 TRANSPORTATION

A. Shipment of products to the domestic point of embarkation shall be provided by IBM at no additional charge. The cost of transportation outside the United States shall be paid for by the Government. The Government is responsible for shipments from the point of embarkation to the overseas destination. Should the Government request that IBM arrange for transportation outside the United States, such transportation will be outside the scope of this contract. Shipment shall be made by ocean freight or padded van or IBM may, at its option, use a premium method of transportation (e.g., air freight), but the Government shall only pay the difference between the standard rate and the cost of the premium method used. Transportation billing for such shipments will be made by IBM to the Government with appropriate supporting paid freight bills. The Government may provide transportation for equipment, tools, and test equipment, in accordance with applicable Government regulations. The Government shall provide Government transportation to and from the installation site and the domestic points of embarkation and debarkation for all shipment involved in a mechanical replacement of equipment in a foreign country, and IBM shall reimburse the Government for such transportation in accordance with applicable Government regulations.

B. Customs Clearance - The Traffic Management Officer (TMO), Transportation Officer (TO) or other appropriate US Government authority at the first destination delivery point shall be responsible for processing appropriate customs documents, and for the performance of clearance procedures for all products and for repair parts required to perform maintenance and warranty service, as may be ordered under this contract.

A.2 SPECIAL EQUIPMENT

IBM, at its option may, accept orders for equipment designed to operate on 50 cycle current for use outside of the United States. Before placing an order for 50 cycle equipment, ordering offices should contact IBM to ensure that sure equipment is available. Such equipment may be manufactured outside the United States by any of IBM's Global organization and/or its affiliates, subsidiaries or subcontractors and will be furnished to the Government at the prices listed in the Price List. IBM will notify the Government of the shipping point and the country of origin of the equipment prior to the time an order is accepted.

A.3 PERSONNEL

A. Service or assistance may be provided, at the option of IBM, by personnel of any of IBM's Global organizations and its affiliates, subsidiaries or subcontractors in a manner consistent with that which is normally provided to their own customers.

B. Whenever the Government requires that service be performed by a person with a security clearance, the Government shall state that requirement in each order submitted. IBM may accept, at its option, such an order by written notice to the Government within sixty (60) days of receipt. Acceptance by IBM shall also be contingent upon the Government's providing logistics support, as set forth in Paragraph (c) below, in those locations for which cleared personnel are requested.

C. IBM's fulfillment of its obligation to provide service in locations outside the US is dependent upon many local factors, including logistics support provided by the Government to IBM employees and their dependents (see the Item below entitled Logistics Support). In the event the level of logistics support considered essential IBM for the continued performance of its personnel under this Contract is not provided by the Government, IBM shall not be obligated to perform under this Contract.

A.4 TRAVEL OF IBM PERSONNEL

In addition to any other provisions of Special Items 132-8, 132-12, 132-33, 132-51, and 132-62 all travel expenses of IBM personnel associated with providing services at overseas locations may be billable. When appropriate, travel and wait time (in excess of one hour), shall be billable at the applicable per call rate set forth in Appendix B. Travel expenses shall include, but not be limited to, commercial carrier charges, tools, and privately-owned vehicle mileage at a rate not to exceed \$.375 per mile, in accordance with the federal travel regulations or the joint travel regulations, as applicable.

The Government shall have the option to either furnish Government transportation, meals and lodging (if applicable) at not charge to IBM or pay IBM's reasonable costs for non-Government transportation, meals and lodging. In either event, the Government shall pay for all billable travel and waiting time (other than time involved in excusable delays) from and to the IBM personnel's point of departure, as determined by IBM. Such transportation, meals, lodging and any other support provided by the Government shall be equivalent to Government per diem rates, in accordance with the federal travel regulations or the joint travel regulations, as applicable.

A.5 COMMUNICATIONS FACILITIES

The Government shall have the option to either provide IBM personnel, at no charge, access to the Government communications facilities, such as telephone, etc., for the purpose of securing technical assistance, such as ordering maintenance parts, or reimburse IBM for such charges if commercial communication facilities must be utilized.

A.6 SERVICE LOCATIONS

In any location which IBM deems to be hazardous, IBM reserves the right, depending upon the nature and extent of the hazard, either to withdraw service from the location or to levy additional charges on an individual installation basis and outside of this Contract.

A.7 LOGISTICS SUPPORT

For the purposes of this Contract, logistics support includes, but is not necessarily limited to the following items, comparable to the "A" Package support as defined in USAREUR Reg. 600-700, or other local requirements.

- A. Government-provided telephones, lines and service and direct dialing capability. The precedence of usage shall be coincident with the urgency of the requirement and the usage in accordance with Government requirements.
- B. Postal Services which will provide the IBM Corporation and its employees with the privilege of receipt and dispatch of letter mail, parcel post, exposed film, voice recording/tapes, and the purchase of U.S. Postage.
- C. The availability of Post and Base Exchange, dispensary services, commissary, open mess, recreational facilities, dependent schools on military bases, and other privileges to IBM employees to the same extent as is provided to any military personnel and/or U.S. Government civilian employees of equivalent job responsibility.
- D. The provision of banking and check cashing privileges for the IBM Corporation and, if available, for IBM employees within the constraints established by Government Directives.
- E. Billing, meals, and transportation for IBM maintenance, technical, and management personnel when traveling in remote areas or areas under military jurisdiction in performance of IBM's contractual obligations.
- F. Gasoline, oil and maintenance for IBM vehicles when in use in remote areas or areas under military jurisdiction in performance of IBM's contractual obligations.
- G. Adequate IBM office facilities and office support services where mutually deemed necessary by the Government and IBM.
- H. Military protection of performance and IBM assets wherever threatened by overt hostility.
- I. Other logistics support as agreed upon mutually by the Government and IBM and as the occasion and environment demand.
- J. If any authority imposes a duty, tax, levy, or fee, excluding those based on IBM's net income, upon any transaction under this Agreement, then you agree to pay that amount as specified in an invoice or supply exemption documentation. The Government is responsible for any personal property taxes for each Product from the date IBM ships it to you.

A.8 TRANSSHIPMENTS (D-FAS-477) (APR 1984)

Machines shipped under this contract shall be packaged and marked in accordance with IBM's standard commercial practices. IBM follows the Department of Transportation requirements for packaging and shipping products overseas. This includes labels and standard information such as weight, location, number of pieces as well as a DOT HAZMAT certification form. Should the end-user agency require the Military Shipment Labels (DD Form 1387), IBM will make every effort to comply.

A.9 FOREIGN TAXES AND DUTIES (I-FCI-314) (MAY 2003)

For shipments outside the continental U.S., IBM will ship FOB Destination to the domestic point of embarkation. All charges and Government costs associated with transportation outside the United States shall be borne by the Government. Should the Government request that IBM arrange for transportation outside the United States, such transportation will be outside the scope of this contract.

