

THE BOEING COMPANY GENERAL PROVISIONS (GP) referenced in this contract is modified by the following additional clauses:

1. ENGLISH LANGUAGE

- a) The parties agree that this contract, as well as all contractual documents, correspondence, invoices, notices, and other documents, shall be in American English. Any necessary conversations shall be in English. Buyer shall determine whether measurements will be in the English or metric system or a combination of the two. Seller shall not convert measurements that Buyer has stated in the English system into the metric system in documents furnished to Buyer.
- b) The following sentence is applicable only to companies located in Quebec, Canada: "Les parties aux presentes ont convenu de rediger ce contrat en Anglais seulement." [Translation: The parties hereto have agreed that this contract be drafted in English only.]

2. UNITED STATES CURRENCY

Unless otherwise specified elsewhere herein, all prices and payments shall be in the currency of the United States (U.S. dollars), with no prices or payments adjusted for changes in currency exchange rates.

3. IMPORT/EXPORT

- a) Purchase orders issued pursuant to this contract shall specify the applicable International Commercial Terms of Sale (Incoterms) and the United States importer of record for all items procured under this contract.
- b) In performing the obligations of this contract, both Parties will comply with all applicable export, import and sanctions laws, regulations, orders, and authorizations, as they may be amended from time to time, applicable to the export (including re-export) or import of goods, software, technology, or technical data (Items) or services, including without limitation the Export Administration Regulations (EAR), International Traffic in Arms Regulations (ITAR), and regulations and orders administered by the Treasury Department's Office of Foreign Assets Control (collectively, Export/Import Laws).
- c) The Party conducting the export or import shall obtain all export or import authorizations which are required under the Export/Import Laws for said Party to execute its obligations under this contract. Each Party shall reasonably cooperate and exercise reasonable efforts at its own expense to support the other Party in obtaining any necessary licenses or authorizations required to perform its obligations under this contract. Reasonable cooperation shall include providing reasonably necessary documentation, including import, end-user and retransfer certificates.
- d) The Party providing Items or services under this contract shall, upon request, notify the other Party of the Items or services' export classification (e.g., the Export Control Classification Numbers or United States Munitions List [USML] category and subcategory) as well as the export classification of any components or parts thereof if they are different from the export classification of the Item at issue. The Parties acknowledge that this representation means that an official capable of binding the Party providing such Items or services knows or has otherwise determined the proper export classification. Each Party agrees to reasonably cooperate with the other in providing, upon request of the other Party, documentation or other information that supports or confirms this representation

4. DUTY FREE/SPECIAL TARIFF PROGRAMS/FREE TRADE AGREEMENTS

- a) In addition to the required commercial invoice, packing list and bill of lading, Seller shall provide the following documentation to support any duty free, special tariff programs or free trade agreements as applicable prior to shipping to the United States.
 - 1) North American Free Trade Act (NAFTA) – Original or blanket NAFTA Certificate of Origin
 - 2) Civil Aircraft Agreement – Qualification statement, affidavit
 - 3) Generalized System of Preferences (GSP) – GSP declaration
 - 4) Israeli Free Trade Act – Form A
 - 5) Caribbean Basin Economic Recovery Act (CBERA) – CBERA declaration
 - 6) Caribbean Basin Trade Partnership Act (CBTPA) – CBTPA declaration
 - 7) African Growth Opportunity Act Qualification statements, affidavits
 - 8) Chilean Free Trade Act (CFTA) – CFTA declaration
 - 9) Jordan Free Trade Act (JFTA) – JFTA declaration
 - 10) Singapore Free Trade Act (SFTA) – SFTA declaration
 - 11) Australian Free Trade Act (AFTA) – AFTA declaration
- b) The facts contained in the documentation shall be verified by the Seller and originally signed by the verifying official who has direct knowledge of the facts contained in the documentation.
- c) If a blanket certificate is issued, the information shall be revised accordingly whenever changes occur and the document shall be verified on an annual basis by the Seller and resubmitted to the Buyer on an annual basis during the life of the contract.

5. NO CONTRIBUTIONS, FEES, AND COMMISSIONS

Seller will not directly or indirectly authorize, promise, offer or make any payment, gift or contribution to any person, organization, government, government representative, political party or organization that would constitute or appear to constitute a bribe, kickback, or other illegal payment under any applicable law, including the United States Foreign Corrupt Practices Act, either during or after termination of the contract. In addition, Seller will not directly or indirectly authorize, promise, offer or make any political contributions as defined in 22 Code of Federal Regulations (CFR) 130.6 or any fees or commissions as defined in 22 CFR 130.5.

6. PACKING, SHIPPING, AND TRANSPORTATION

This clause applies in lieu of the clause entitled "Packing and Shipping" found in The Boeing Company General Provisions (GP) applicable to and referenced in this contract.

a) General Packing and Shipping Instructions

Unless this contract specifies otherwise, Seller will ship the Goods in accordance with the following instructions. If Seller is unable to comply with the packing and shipping instructions in this contract, Seller will contact Buyer's Supply Chain Logistics analyst or packaging engineer referenced elsewhere in this contract or Buyer's Authorized Procurement Representative.

b) Packing

If Goods are damaged or have deteriorated as a result of improper packing or packaging, Seller shall, at Buyer's option, either repair or replace the Goods or reimburse Buyer for the damaged or deteriorated Goods.

Buyer may charge Seller for damage to or deterioration of any Goods resulting from improper packaging. Seller shall pack the Goods in accordance with D37522-6, "Supplier Packaging Instructions."

Wood Packaging Materials (WPM) – All wood packaging for items being imported to the United States shall meet the requirements of International Standards for Phytosanitary Measures (reference publication No. 15, "Guidelines for Regulating Wood Packaging Material" in United States Department of Agriculture [USDA] website: USDA Plant Protection and Quarantine WPM).

All Goods to be furnished to Buyer under this contract shall be prepared and packed for shipment in a manner acceptable to Buyer to comply with carrier regulations and prevent damage or deterioration during handling, shipment, and storage for up to 90 days at destination. Any package or unitized or consolidated group of packages weighing in excess of 45 kilograms or otherwise not suited to manual handling shall be provided with skids to permit use of mechanical handling equipment.

c) Packaging Design

When requested by Buyer, Seller shall submit to Buyer two copies of Seller's proposed preparation procedure and packing design, not less than 30 days before first shipment, for Buyer approval, and Seller shall prepare and package in accordance with the procedure and design approved by Buyer.

d) Inner Package

In addition, each unit container, including individual part, box, or other innermost package, each intermediate container, and each shipping container within each shipment shall be marked in English in accordance with Buyer's written instructions. The number 1 shipping container of each shipment shall contain:

- 1) A packing list indicating in English the contents of the entire shipment in accordance with Buyer's written instructions;
- 2) One copy of any test or other report required by the applicable contract specifications; and
- 3) Securely attached to its exterior, one copy of Seller's commercial invoice enclosed in a waterproof wrapper and clearly marked "Commercial Invoice." Additional copies, if any, of packing lists, reports, and U.S. Customs or other invoices shall be furnished to Buyer in accordance with Buyer's written instructions.

e) Shipment Routing Instructions

- 1) Buyer will select the freight forwarder and mode of transportation for all shipments where freight costs will be charged to Buyer. The Shipment Routing Instructions – International are available on Buyer's website through the Supplier Portal at http://www.boeing.com/companyoffices/doingbiz/supplier_portal/index_general.html.
- 2) Instructions apply to Seller inbound collect Incoterms EXW, FCA, FAS, and FOB for parts, materials and tooling shipments destined for all Buyer locations. The Shipment Routing Instructions – International are on the Supplier Portal.
- 3) Goods sold Incoterm EXW, FCA, FAS, and FOB shall be forwarded freight collect.
- 4) Seller shall make no declaration concerning the value of the Goods shipped for insurance purposes.
- 5) Items shipped on the same day shall be consolidated on one bill of lading or airway bill. Seller shall not insure any Incoterm EXW, FCA, FAS, or FOB shipment. Prepaid

shipment with added handling charges is not authorized and Seller will not be reimbursed.

- 6) Sellers' failure to comply with these routing instructions will result in Seller liability for excess and/or reversal of freight charges and a \$100 administrative expense.
- 7) The price includes shipping charges for Goods sold Incoterm CFR, CIF, CPT, CIP, DAF, DES, DEQ, DDU, and DDP. Note: CFR here means Cost and Freight.
- 8) Seller shall comply with carrier/freight forwarder tariffs.

f) Compliance to Shipment Routing Instructions

Seller must follow Buyer Shipment Routing Instructions – International and use freight forwarder or carrier specified in these instructions. Buyer Shipment Routing Instructions – International can be found on the Supplier Portal under “Shipping Instructions.” Failure to follow these routing instructions will compromise shipment security, increase transportation cost to Buyer and lead to debiting Seller for repeated non-compliance.

g) Documents

The shipping documents will describe the material according to the applicable classification and/or tariff. A shipment containing dangerous goods and non-dangerous goods must have separate packing sheets for the dangerous goods and non-dangerous goods. Shipments by Seller or its subcontractors must include packing sheets containing Buyer's contract or order number, line item number, description and quantity of Goods shipped, part number or size, if applicable, and appropriate evidence of inspections. The total number of shipping containers will be referenced on all shipping documents. Seller will mark each shipping container with the contract or order number.

h) Dangerous Goods (Hazardous Materials)

A substance or material that the U.S. Secretary of Transportation has determined is capable of posing an unreasonable risk to health, safety or property when transported in commerce and that has been so designated as hazardous under section 5103 of Federal hazardous materials transportation law (49 U.S.C. 5103). The term includes hazardous substances, hazardous wastes, marine pollutants, elevated temperature materials, materials designated as hazardous in the Hazardous Materials Table (49 CFR 172.101) and materials that meet the defining criteria for hazardous classes and divisions in part 173 of subchapter C of 49 CFR. The Seller must package and ship the dangerous goods to D37522-6, “Supplier Packaging Instructions.”

i) Country of Origin Marking

Background – U.S. Customs and Border Protection (CBP) regulations (19 CFR 134) and associated Buyer import compliance procedures establish a requirement that all items of foreign origin imported from outside the United States shall be marked in English with the Country of Origin.

The 19 CFR 134 document provides for certain exemptions from marking the item depending on the ultimate use for that item. However, in many cases, the ultimate use is not known at the time of marking and shipment of the item. Therefore, the only items excepted from marking are those identified in 19 CFR 134 (see “Exceptions” below). This does not relieve the obligation of marking the packaging.

Requirement – This requirement includes both marking of the item, as well as marking the innermost packaging. Every item of foreign origin imported into the United States shall be marked in a conspicuous, easy to read place in English as legibly, indelibly and permanently

as the nature of the item will permit so as to withstand part installation, including storage and potential shipment as spares. This includes normal ink stamping, the use of self adhesive non-metallic labels, or bagging and/or tagging. Intrusive methods of marking shall not be used.

Some examples of marking the country of origin are: "Made in France", "Made in Germany" and "Made in Italy." Abbreviations or spelling variants may be used provided they unmistakably identify the country of origin to any observer; however, the use of the full English name is recommended. The use of the two letter International Standards Organization (ISO) country abbreviation is not permitted.

Examples of assembly markings are:

- 1) "Assembled in Japan,"
- 2) "Assembled in Japan from components of Korea and Indonesia," or
- 3) "Made in, or Product of, Turkey."

If the imported item has the words "United States," "USA," any location in the United States or any other location other than the actual country of origin on the item or packaging, then words such as "Made in" or "Product of" followed by the country of origin shall appear in close proximity to the other marking and in at least comparable size lettering.

Exceptions – The following items are not required to be marked with the country of origin, but the country of origin shall be marked on the packaging/container:

- 1) Articles that are incapable of being marked;
- 2) Articles that cannot be marked without damage to the article; and
- 3) Articles that cannot be marked because of a prohibitive economical expense.

19 CFR 134 has an extensive list of small and miscellaneous items that are excepted from country of origin marking identified as the J-List. The packaging/container shall still be marked. The following items form a part of that list and are those that are believed to pertain to aerospace applications:

- | | |
|---|--------------------------------|
| 1) Ball bearings, 5/8 inch or less in diameter | 5) Paper stock |
| 2) Metal blanks to be plated | 6) Rags, including wiping rags |
| 3) Bolts, nuts and washers | 7) Rivets |
| 4) Metal bars, billets, blocks, blooms,
ingots, pigs, plates, sheets, shafting
slabs and metal in similar forms | 8) Screws |
| | 9) Wire |

Seller shall contact the Buyer if clarification is needed or to request exceptions to this requirement. If the Seller determines it is not feasible to mark an item, seller will provide a written justification to the Buyer at the time of original contract placement or contract change if the contract has been in force prior to the receipt date of this communication. Exceptions apply to actual part marking only; non-U.S. Sellers are always required to mark the innermost packaging.

Seller shall provide to Buyer, in separate correspondence, one of the following answers regarding its country of origin part marking processes:

- 1) We currently part mark all applicable items exported to Buyer:
- 2) We have not been marking applicable items exported to Buyer, but plan to implement this requirement by _____; or.

- 3) Our parts are excepted from marking as provided in 19 CFR 134 because _____.

j) Pre-Alert and Confirmed on Board Information for U.S. Customs Pre-Clearance Purposes

- 1) Seller shall require the nominated freight forwarder to send a pre-alert and confirmed on board (COB) information on all shipments to Buyer's designated U.S. Customs broker at the U.S. port of entry to facilitate U.S. Customs and Border Protection pre-clearance purposes in advance of the shipment arrival into the United States.
- 2) The Seller is required to support Pre-Alert requirements whether or not shipments to the United States are collect by Buyer's corporate approved freight forwarder, or prepaid by Seller's selected freight forwarder.
- 3) The pre-alert documentation consists of:
 - (a) Copy of the commercial invoice
 - (b) Copy of the packing list (when available)
 - (c) Copy of any pertinent documents requested by the company
 - (d) Master airway bill number or master ocean bill of lading number and copy of document if available
 - (e) House airway bill number or house bill of lading number and copy of document
 - (f) Other documents deemed applicable or required for airfreight shipments. These documents must be sent prior to uplift at the first port of departure. For ocean shipments, these documents must be sent within 48 hours of vessel departure from the first port of lading.
- 4) Confirmed on board information consists of:
 - (a) Complete flight or vessel information including:
 - (1) Date and port of departure
 - (2) Any international transshipment port
 - (3) First U.S. port of arrival and estimated time of arrival
 - (4) Final U.S. port of destination and estimated time of arrival
 - (5) Carrier name
 - (6) All flight or voyage numbers
 - (b) Copy of any inbond document or inbond information (if paperless).
 - (c) Destination cargo location, address and telephone number, etc.
 - (d) Destination forwarder name, address, telephone number and contact name.
 - (e) Other information deemed applicable or required.

Confirmed on board information for airfreight shipments must be provided within 4 hours of uplift from the final international port of departure (from international transshipment port, if applicable). Confirmed on board information or Arrival Notice for ocean shipments must be provided 5 days prior to arrival at the final port of destination. The inbond documentation or information should be provided with the confirmed on board information or as soon as available.

k) Commodities and Equipment Subject to the International Traffic In Arms Regulations (ITAR)

Shippers **must utilize** the services of the Buyer approved international freight forwarder and **shall not** use the express courier divisions of these companies. The customs clearance must be performed by the Buyer contracted customs brokers for all U.S. customs clearances. A list of these commodities and equipment are located on the USML. For assistance in identification of commodities and equipment subject to ITAR requirements, or exceptions to the usage of express couriers, please contact the Buyer.

I) United States Customs and Border Protection's Customs-Trade Partnership Against Terrorism (C-TPAT)

C-TPAT is an initiative between business and government to protect global commerce from terrorism and increase the efficiencies of global transportation. The program calls for importers, carriers and brokers to establish policies to enhance their own security practices and those of their business partners involved in their supply chain. Such practices may include but are not limited to the following:

- 1) Procedural Security – Procedures in place to protect against unmanifested material being introduced into the supply chain
- 2) Physical Security – Buildings constructed to resist intrusion, perimeter fences, locking devices, and adequate lighting
- 3) Access Controls – Positive identification of all employees, visitors and suppliers
- 4) Personnel Security – Employment screening, background checks and application verifications
- 5) Education and Training Awareness – Security awareness training, incentives for participation in security controls

Seller agrees to work with Buyer and appropriate industry and governmental agencies, as necessary, to develop and implement policies and processes consistent with the C-TPAT initiative to ensure the safe and secure transport of Goods under this contract.

7. GIFTS, GIFT FOODS, PROMOTIONAL ITEMS, UNSOLICITED ITEMS AND PERSONAL EFFECTS

Seller shall not include any gifts, gift foods, promotional items (e.g., pens, t-shirts, souvenirs, posters, magazines, recorded music and movies), unsolicited items or any other personal effects inside the packages or containers of any procured item. Only items properly procured on the purchase order shall be shipped to the Buyer. Unmanifested or uninvoiced items which are not properly documented may cause delays in customs clearance. Certain commodities may require additional customs, other government agency forms and filing requirements.

8. INVOICES AND PACKING SHEETS

- a) CBP requires a commercial invoice for all imports into the United States. A commercial invoice is one prepared by the Seller or shipper of the goods and contains sufficient information for U.S. Customs to determine the value, tariff classification, and admissibility of an import shipment.
- b) A commercial invoice is normally a document accompanying the import shipment. In many instances, it is a copy of the same financial invoice being used by Buyer to pay the foreign seller. The invoice can be a commercial or invoice generated specifically for the purpose of declaring the import shipment to U.S. Customs, particularly in the case of non-purchased goods.
- c) Each commercial or invoice of imported merchandise shall set forth the following information:

Commercial Invoice Requirements

- 1) In English.
- 2) Provide the current purchase order and line item/line unit or contract number (P.O. XXXXXX) and line item/line unit, if applicable
- 3) Location and names of Seller and/or shipper, Buyer, and date.
 - (a) Date when the merchandise is sold or agreed to be sold.

- (b) Merchandise shipment date (month, day, year). Provide the date that the merchandise was shipped from the Seller's factory or facility.
 - (c) Name and address of the Seller (company name and address) and/or name and address of the shipper, if the Seller is not the shipper.
 - (d) Name and contact information for an employee, employed by the Seller and/or Shipper, who has detailed knowledge of the sales transaction.
 - (e) Name and address of the Buyer (Boeing company name and site address) and name and phone number of prime point of contact at the Buyer's site (e.g., Buyer's Authorized Procurement Representative, spares distribution center focal).
 - (f) Name of consignee if not the Buyer (company receiving non-purchased transactions or drop ship destination).
- 4) U.S. port of entry. Record the port of entry at which the CBP will clear the merchandise.
 - 5) Quantities, weights, and measures.
 - (a) Record the quantity of each part number in the shipment.
 - (b) If not separately noted on packing sheets, include on invoice:
 - (1) Total quantity of parts being shipped.
 - (2) Net weight of each part number and gross weight of entire shipment.
 - (3) Unit of measure being used.
 - (4) Total number of boxes included on each packing sheet.
 - (5) Net and gross weights and the length, width, and total square meters of material in textile shipments.
 - 6) Detailed description of each item being shipped, to ensure proper classification of the product in accordance with the Harmonized Tariff Schedule (HTS), including:
 - (a) Full name by which each item is known.
 - (b) Part number as appears on the contract or order. If the item is a raw material, state the grade, class, and dimensions of the material.

Note: Generic descriptions, abbreviations, acronyms, and Stock Keeping Unit (SKU) numbers are not acceptable. Buyer may request additional descriptive information for items that do not have a Buyer part number and/or design. Seller will state the material class, grade, dimensions, and assembly components when a part is manufactured by Seller's own manufacturing drawings.
 - 7) Country of Origin: Indicate the country of manufacture of each item.
 - 8) Terms of Sale: Specify on the invoice the Incoterms as agreed to in accordance with the Buyer contract or work authorization.
 - 9) "Related Party to The Boeing Company" status (Yes or No) on the invoice.
 - 10) Commercial invoice number (Seller's option).
 - 11) Page numbers (example: ____ of ____ pages).
 - 12) The unit cost of each part and the total value of the entire shipment.
 - (a) Reflect on the invoice the actual currency of the contract and the transaction of money between Buyer and Seller.
 - (b) List separately any Assists and/or additional costs in manufacturing each part. For example:
 - (1) Assists. Any components, materials, dies, molds, and tools that are supplied by the Buyer free of charge or at a reduced cost to the Seller and used in the production of imported goods, including any Buyer-paid transportation costs associated with the assist. These transportation costs will be provided by the procurement focal responsible for this merchandise.
 - (2) Engineering and design work. Work that is performed outside the United States by non-U.S. employees and is not included in the unit price of the merchandise being imported.
 - (3) Packing costs. Costs for packing that are incurred by the Buyer and have not been included in the unit cost.

- (4) Nonrecurring charges. One time charges, incurred by the Buyer, for such items as expedite fees and transportation costs that have not been included in the unit cost.
- (5) Selling Commissions. Commissions incurred by Buyer that have not been included in the unit cost.
- (6) Royalties. Fees the Buyer is required to pay as a condition of sale.
- (c) List all discounts that have been agreed to, or may be allowed, that apply to the purchase price or value but that have not been included in the unit price (terms of payment).
- (d) Each repaired or modified item shall indicate both the unit value of the item as well as the repair value for that item. Repairs made free of charge must still indicate the value of the repair. An item that cannot be repaired and is replaced with a new item, indicate the fair market value of the new item.
- (e) Itemize and describe rebates, drawbacks, or bounties that the Seller received as a result of exportation.

Packing Sheet\Slip (If Used by Seller)

Include packing sheet\slip number(s) on invoice.

Items Procured Pursuant to U.S. Government Contract

- 1) If a government contract applies, the prime contract number and, if applicable, contract number (P.O. XXXXXX) or delivery order number must be noted on the commercial invoice. Additionally, the following government contract statement must appear for military programs:
"United States Dept. of Defense Duty-Free Entry to be claimed pursuant to Section XXII, Chapter 98, Sub-chapter VIII, item 9808.00.3000 of the Harmonized Tariff Schedules to the United States. Upon arrival of shipment at the port of entry, District Director of Customs, please release shipment under Section 19 CFR 142 and notify Commander, Defense Contract Management Area Operations (DCMAO) New York, for execution of customs forms and any required duty free entry Certificates."
- 2) Commercial invoice must show that the shipment is consigned to a U.S. government agency (e.g., U.S. Department of Defense), in care of Buyer, when a shipment has a prime contract number.

U.S. Department of State License or Exemption

If the items were exported from or are to be imported into the United States under authority of a Department of State license or license exemption, information must appear on the invoice as noted in the following examples (contact Buyer for license number or license exemption if unknown):

- 1) Originally exported from the United States under DSP-XX license number XXXXXX dated XX/XX/XXXX.
- 2) Import into the United States in accordance with 22 CFR XXXXX.
- 3) Import into the United States under the authority of DSP-XX license number XXXXX.

9. INCOTERMS

Incoterms 2000, published by the International Chamber of Commerce, shall govern this contract to the extent this contract specifies terms covered by Incoterms 2000, provided that in the event of any conflict between this contract and Incoterms 2000, this contract shall govern.

10. Mandatory Flow Downs



Seller shall flow down to each subtier supplier provisions 1, 3, 4, 5, 6, 9, 10 and 11 of these International Provisions (SP3).