



1. FORMATION OF CONTRACT

This proposed purchase contract, which incorporates by reference these General Terms and Conditions and all other terms and conditions set forth in this proposed purchase contract (collectively, the "Contract"), is Buyer's offer to purchase the goods and/or services (collectively, the "Services") described in this offer. Acceptance is strictly limited to the terms and conditions in this offer. Unless specifically agreed to in writing by Buyer's Authorized Procurement Representative, Buyer objects to, and is not bound by, any term or condition that differs from or adds to this offer. Seller's commencement of performance or acceptance of this offer in any manner shall conclusively evidence acceptance of this offer as written. Seller's provision of the Services shall be governed solely by this Contract. Buyer and Seller are referred to herein as a "Party" or collectively as the "Parties."

2. SCOPE OF SERVICES

During the term of this Contract, Seller shall furnish the Services set forth in the Contract.

3. INDEPENDENT CONTRACTOR

Seller is an independent contractor for all purposes. Seller shall have complete control over the performance of, and the details for accomplishing, the Services. In no event shall Seller or its agents, representatives or employees be deemed to be agents, representatives or employees of Buyer. Seller's employees shall be paid exclusively by Seller for all Services performed. Seller shall comply with all requirements and obligations relating to such employees under federal, state and local law (or foreign law, if applicable). Such compliance shall include, but not be limited to, laws regarding minimum wages, social security, unemployment insurance, federal and state income taxes and workers' compensation insurance.

4. PACKING AND SHIPPING

- a. Seller shall pack the materials to prevent damage and deterioration.
- b. If the contract specifies FOB destination (place of delivery), then in addition to any other shipping instructions, Seller shall forward materials freight prepaid. Seller shall make the transportation arrangements, pay the shipping costs, and remain responsible for the materials until the materials are delivered and the Buyer takes possession at the destination.

If the contract specifies FOB origin (place of shipment) then in addition to any other shipping instructions, Seller shall forward materials collect. For materials shipped within the United States, Seller shall make no declaration concerning the value of the materials shipped except on the goods or materials where the tariff rating is dependent upon released or declared value. In such event, Seller shall release or declare such value at the maximum value within the lowest rating. Buyer may charge Seller for damage to or deterioration of any materials resulting from improper packing or packaging. Seller will ship the Goods in accordance with the provisions set forth at

http://www.boeing.com/supplier_portal/D37522-6.pdf

Upon Buyer's request, Seller will identify packaging charges showing material and labor costs for container fabrication.

5. QUALITY CONTROL

Seller shall establish and maintain a quality control system acceptable to Buyer for the Services purchased under this Contract. Seller shall permit Buyer to review procedures, practices, processes and related documents to determine such acceptability.

6. PRECEDENCE

All documents and provisions in this Contract shall be read so as to be consistent to the extent practicable. In the event various parts of this Contract are inconsistent, the following order of precedence shall apply: (i) modified and negotiated terms and conditions; (ii) terms and conditions that are incorporated into this Contract by reference; (iii) this document titled Boeing Research and Technology (BR&T) Non-Government Terms & Conditions; (iv) all other attachments, agreements, and appendixes incorporated herein by reference.

7. ACCEPTANCE

- a. Buyer shall accept the Services or give Seller notice of rejection within a reasonable time after the date of delivery, notwithstanding any payment or prior test or inspection or passage of title. No inspection, test, delay or failure to inspect or test or failure to discover any defect or other nonconformance shall relieve Seller of any of its obligations under this Contract or impair any rights or remedies of Buyer or Buyer's customers including revocation of acceptance.
- b. Buyer may at any time require Seller to remedy by correction or replacement, without cost to Buyer, any failure or nonconformance by Seller to comply with the requirements of this Contract.

8. STANDARDS

Seller shall assign personnel satisfactory to Buyer. At any time and for any reason, Buyer may require Seller to withdraw the Services of any person and require that Seller promptly provide replacements for such persons satisfactory to Buyer.

9. WARRANTY FOR SERVICES

Seller warrants that all Services performed hereunder shall be performed by employees or agents of Seller who are experienced and skilled in their profession. Seller further warrants that all Services performed under this Contract, at the time of acceptance, shall conform to the requirements of this Contract. Buyer shall give written notice of any defect or nonconformance to Seller within one year from the date of acceptance by Buyer. Buyer may, at its option, either (i) require correction or reperformance of any defective or (ii) require replacement of nonconforming Services at no additional cost to Buyer. Any Services corrected or re-performed shall be subject to this article to the same extent as work initially performed.

10. WARRANTY FOR MATERIALS

- a. Seller warrants that:
 - i. All materials furnished under this Contract shall conform to Statement of Objectives/Statement of Work of this Contract and shall be free from defects in materials and workmanship. To the extent materials are not manufactured pursuant to detailed designs and specifications furnished by Buyer, the materials shall be free from design and specification defects.
 - ii. It shall not furnish "Counterfeit Goods or materials" under this Contract, defined as materials or separately identifiable items or components of materials that: (1) are an unauthorized copy or substitute of an Original Equipment Manufacturer or Original Component Manufacturer (collectively, "OEM") item; (2) are not traceable to an OEM sufficient to ensure authenticity in OEM design and manufacture; (3) do not contain proper external or internal materials or components required by the OEM or are not constructed in accordance with OEM design; (4) have been reworked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OEM design but are represented as OEM authentic or as new; or (5) have not passed successfully all OEM required testing, verification screening, and quality control processes. Counterfeit Goods or materials shall be deemed non-conforming to this Contract.
 - iii. Any hardware, software and firmware materials delivered under this Contract:
 - (1) Shall not contain and viruses, malicious code, Trojan horse, worm, time bomb, self-help code, back door, or other software code or routine designed to: (a) damage, destroy or alter any software or hardware; (b) reveal, damage, destroy or alter any data; (c) disable any computer program automatically; or (d) permit unauthorized access to any software or hardware;
 - (2) Shall not contain any third-party software (including software that may be considered free software or open source software) that: (a) may require any software to be published, accessed or otherwise made available without the consent of Buyer; or (b) may require distribution, copying or modification of any software free of charge:

- (3) Shall not infringe any patent, copyright, trademark, or other proprietary right of any third party or misappropriate any trade secret of any third party;
 - (4) Shall be free from any liens or encumbrances; and
 - (5) Shall be able to accurately process date/time data (including, but not limited to, calculating, comparing and sequencing) to the extent that other information technology, used in combination with the information technology being acquired, properly exchanges data with it.
- b. This warranty shall survive inspection, test and acceptance of, and payment for, the materials. This warranty shall run to Buyer and its successors, assigns and customers. Such warranty shall begin upon Buyer's final acceptance of the materials. Buyer may, at its option, either (i) require prompt correction or replacement of the defective or nonconforming materials, or (ii) return the materials for credit or refund. Return to Seller of defective or nonconforming materials and redelivery to Buyer of corrected or replaced materials shall be at Seller's expense. Materials required to be corrected or replaced shall be subject to this article and the "Acceptance" and "Rejection" articles of the Contract in the same manner and to the same extent as materials originally delivered under this Contract, buy only as to the corrected or replaced part or parts thereof. Even if the Parties disagree about the existence of a breach of warranty, Seller shall promptly comply with Buyer's direction to: (i) repair, rework or replace the materials or (ii) furnish any materials or parts and installation instructions required to successfully correct the defect or nonconformance. If the Parties later determine that Seller did not breach this warranty, the Parties shall equitably adjust the Contract price.

11. TAXES

Unless this Contract specifies otherwise, the price of this Contract includes, and Seller is liable for and shall pay, all taxes, impositions, charges and exactions imposed on or measured by this Contract except for applicable sales and use taxes that are separately stated on Seller's invoice. Prices shall not include any taxes, impositions, charges or exactions for which Buyer has furnished a valid exemption certificate or other evidence of exemption.

12. INVOICE AND PAYMENT

As compensation for Services to be performed by Seller, Buyer shall pay Seller as set forth in this Contract. Buyer shall have no liability for any other expenses or costs incurred by Seller. Payment due date, including discount periods, shall be computed from the date of the later of the scheduled delivery date, the actual delivery date or the date of receipt of a correct invoice. Payment shall be deemed to have been made on the date the Buyer's check is mailed or payment is otherwise tendered. Seller shall promptly repay to Buyer any amounts paid in excess of amounts due Seller. Except for amounts invoiced under Termination for Convenience or Cancellation for Default articles herein, Seller shall be deemed to have waived all charges and fees that are not invoiced within ninety (90) calendar days after the end of the calendar year in which the charges were incurred.

13. CHANGES

- a. Buyer's Authorized Procurement Representative may, without notice to sureties and in writing, direct changes within the general scope of this Contract in any of the following: (i) technical requirements and descriptions, specifications, statement of objectives/statement of work, drawings or designs; (ii) shipment or packing methods; (iii) place of delivery, inspection or acceptance; (iv) reasonable adjustments in quantities or delivery schedules or both; (v) amount of Buyer-furnished property; (vi) terms and conditions of this Contract required to meet Buyer's obligations under Government prime contracts or subcontracts; (vii) description of Services to be performed; (viii) the time of performance (e.g., hours of the day, days of the week, etc.); and (ix) place of performance. Seller shall comply promptly with such direction. Except for the rights granted to Buyer under this article, a change pursuant to this article shall not give rise to nor authorize any other modification of or amendment to the terms and conditions of this Contract.
- b. If such change increases or decreases the cost or time required to perform this Contract, Buyer and Seller shall negotiate an equitable adjustment in the price or schedule, or both, to reflect the increase or decrease. Buyer shall modify this Contract in writing accordingly. Unless otherwise

agreed in writing, Seller must assert any claim for adjustment to Buyer's Authorized Procurement Representative in writing within 25 days and deliver a fully supported proposal to Buyer's Authorized Procurement Representative within 60 days after Seller's receipt of such direction. Buyer may, at its sole discretion, consider any claim regardless of when asserted. If Seller's proposal includes the cost of property made obsolete or excess by the change, Buyer may direct the disposition of the property. Buyer may examine Seller's pertinent books and records to verify the amount of Seller's claim. Failure of the Parties to agree upon any adjustment shall not excuse Seller from performing in accordance with Buyer's direction.

- c. If Seller considers that Buyer's conduct constitutes a change, Seller shall notify Buyer's Authorized Procurement Representative immediately in writing as to the nature of such conduct and its effect upon Seller's performance. Pending direction from Buyer's Authorized Procurement Representative, Seller shall take no action to implement any such change.

14. DISPUTES

Any dispute that arises under or is related to this Contract that cannot be settled by mutual agreement of the Parties may be decided by a court of competent jurisdiction. Pending final resolution of any dispute, Seller shall proceed with performance of this Contract according to Buyer's instructions so long as Buyer continues to pay amounts not in dispute.

15. FORCE MAJEURE

- a. Seller shall not be in default because of any failure to perform this Contract under its terms if the failure arises from causes beyond the control and without the fault or negligence of Seller. Examples of these causes are: (i) acts of God or any of the public enemy; (ii) acts of the Government in either its sovereign or contractual capacity; (iii) fires; (iv) floods; (v) epidemics; (vi) quarantine restrictions; (vii) strikes; (viii) freight embargoes; and (ix) unusually severe weather. In each instance, the failure to perform must be beyond the control and without the fault or negligence of the Seller.
- b. If the failure to perform is caused by (a) (i) – (ix) a subcontractor at any tier and if the cause of the failure was beyond the control of both Seller and subcontractor, and without the fault or negligence of either, Seller shall not be deemed to be in default unless the subcontracted Services were reasonably obtainable from other sources.
- c. Upon request of Seller, Buyer's Authorized Procurement Representative shall ascertain the facts and extent of the failure. If Buyer's Authorized Procurement Representative determines that any failure to perform results from one or more of the causes above, the Parties shall discuss next steps which may include but are not limited to revising the delivery schedule, altering the Statement of Objectives/Statement of Work, changing the deliverable or at Buyer's sole option terminating the project

16. OVERTIME (This article does not apply to Firm Fixed Price purchase contracts)

Overtime shall mean those hours worked in excess of 40 hours during Seller's standard work week. All such overtime must have prior written approval of Buyer.

17. HOLIDAYS AND VACATIONS (This article does not apply to Firm Fixed Price purchase contracts)

If work is performed on Buyer's premises, Buyer shall not be obligated to make any payments to Seller for days designated by Buyer as holidays or shutdown periods, except for work specifically authorized in writing by Buyer's Authorized Procurement Representative and performed by Seller on such days.

18. FINANCIAL RECORDS AND AUDIT

Seller shall maintain complete and accurate books, records and documents pertaining to the time worked, costs, expenses and allowances incurred in the performance of this Contract in sufficient detail to properly reflect all net costs (direct and indirect) of labor, materials, equipment supplies, services and other costs and expenses for which reimbursement or compensation is claimed. The labor hours shall be supported by a timekeeping system acceptable to Buyer and shall include evidence of actual

payment. Buyer shall have the right to assign representatives to Seller's plant for the purpose of verifying the number and type of direct hours being incurred and making such audit and check of Seller's activities as may be reasonably required. Material charges shall be supported by paid invoices or storeroom requisitions. When Buyer-furnished property is used, a copy of Buyer's shipper will be kept in Seller's files for auditing purposes. Such records shall be made available to Buyer, upon request, for examination, reproduction and audit from the date of this Contract until three years after final payment hereunder. As a result of any audit performed by Buyer, payments previously made to Seller shall be subject to adjustment for over payment or under payment, respectively. Seller shall submit its final invoice promptly after completion of work. Upon approval of Seller's final invoice and substantiating documentation and upon compliance by Seller with all terms of this Contract, Buyer shall promptly pay any balance due to Seller. Upon request, Seller shall make available to Buyer data relative to payroll policies and procedures, including collective bargaining agreements with respect to wage payments for straight time, overtime, holidays, etc. Seller shall retain all financial records and documents pertaining to the Services for a period of no less than three years after final payment. Such records and documents shall date back to the time this Contract was issued and shall include, without limitation, catalogs, price lists, invoices, underlying data and basis for cost estimates, and inventory records. Buyer shall have the right to examine, reproduce and audit all such records related to pricing, performance and proposed costs associated with any proposals (prior to or after Contract award), invoices or claims

19. TERMINATION FOR CONVENIENCE

Buyer reserves the right to terminate this Contract, or any part hereof, for its sole convenience. In the event of such termination, Seller shall immediately cease all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. In case of termination for convenience by Buyer of all or any part of this Contract, Seller may submit a claim to Buyer within 60 days after the effective date of termination. In no event shall Buyer be obligated to pay Seller any amount in excess of the Contract price. The provisions of this article shall not limit or affect the right of the Buyer to cancel this Contract for default.

20. CANCELLATION FOR DEFAULT

- a. Buyer may, by written notice to Seller, cancel all or part of this Contract (i) if Seller fails to deliver the services within the time specified by this Contract or any written extension; (ii) if Seller fails to perform any other provision of this contract or fails to make progress, so as to endanger performance of this Contract, and, in either of these two circumstances, within ten (10) days after receipt of notice from Buyer specifying the failure does not cure the failure or provide Buyer with a written detailed plan adequate to cure the failure if such failure reasonably cannot be cured within such 10 days and such plan is acceptable to Buyer's Authorized Procurement Representative; or (iii) in the event of Seller's bankruptcy, suspension of business, insolvency, appointment of a receiver for Seller's property or business, or any assignment, reorganization or arrangement by Seller for the benefit of its creditors.
- b. Seller shall continue Service not canceled. If Buyer cancels all or part of this Contract Seller shall be liable for Buyer's excess re-procurement costs.
- c. Buyer may require Seller to transfer title and deliver to Buyer, as directed by Buyer, any (i) completed materials, and (ii) any partially completed materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and contract rights (collectively "Manufacturing Materials") that Seller has specifically produced or acquired for the canceled portion of this Contract. Upon direction from Buyer, Seller shall also protect and preserve property in its possession in which Buyer or its Customer has an interest.
- d. Buyer shall pay the Contract price for materials accepted. In addition, any payment for Manufacturing Materials accepted by Buyer and for the protection and preservation of property shall be at a price determined in accordance with the "Termination for Convenience" article of this Contract, except that Seller shall not be entitled to profit. Buyer may withhold from any amount due

under this Contract any sum Buyer determines to be necessary to protect Buyer or Buyer's customer against loss because of outstanding liens or claims of former lien holders.

- e. If, after cancellation, it is determined that Seller was not in default, the rights and remedies of the Parties shall be as if the Contract had been terminated according to the "Termination for Convenience" article of this Contract.

21. ASSIGNMENT, DELEGATION & SUBCONTRACTING

Seller shall not assign (whether voluntary, involuntary, by merger, change of control, consolidation, dissolution, operation of law, transfer, or any other manner) any of its rights or interest in this Contract or subcontract all or substantially all of its performance of this Contract without Buyer's prior written consent. Seller shall not delegate any of its duties or obligations under this Contract. Seller may assign its right to monies due or to become due. Any attempt to assign or delegate in violation of this article is void. No assignment, delegation or subcontracting by Seller, with or without Buyer's consent, shall relieve Seller of any of its obligations under this Contract or prejudice any of Buyer's rights against Seller whether arising before or after the date of any assignment. This article does not limit Seller's ability to purchase standard commercial supplies or raw materials.

22. PUBLICITY

Without Buyer's prior written approval, Seller shall not, and Seller's subcontractors at any tier shall not, release any publicity, advertisement, news release or denial or confirmation of same regarding this Contract or the Services or program to which it pertains. Seller shall be responsible to Buyer for any breach of such obligation by any subcontractor.

23. PUBLICATIONS

It is anticipated that the Seller may desire to publish information regarding technical developments and/or research findings made by Seller's employees under this Agreement. For such publications, Seller agrees to submit a copy of the proposed publication to the Buyer, at least thirty (30) days prior to submission for publication. Updates in such proposed publications shall also be provided to the Buyer in sufficient time to review prior to publication as revisions in the publication are produced. Buyer may request changes and/or deletions to be made in any proposed publication:

- a. To avoid the disclosure of Buyer's Proprietary Information. If, upon review, Buyer determines that the proposed publication contains Buyer's proprietary information, Seller shall eliminate Buyer's proprietary information from the proposed publication unless the Buyer agrees otherwise in writing.
- b. To facilitate patent protection. If Buyer believes that the subject matter proposed to be published warrants patent protection, Buyer will identify the subject matter requiring protection and notify Seller. Upon receipt of such notice, Seller agrees to withhold the publication or disclosure for a period not to exceed ninety (90) days to permit preparation and filing of appropriate patent application(s) by Buyer.

Under circumstances other than a. and b. above, Buyer may request reasonable changes and/or deletions be made in any proposed publication. The Seller will consider such changes, but retains the sole right to determine whether such changes or deletions will be made.

24. BUYER'S PROPERTY

In the event Seller possesses Buyer property, Seller shall clearly mark, maintain an inventory of and keep segregated or identifiable all said property. Seller assumes all risk of loss, destruction or damage of such property while in Seller's possession, custody or control including transfer to Seller's subcontractors. Upon request, Seller shall provide Buyer with adequate proof of insurance against such risk of loss. Seller shall not use such property other than in performance of this Contract without Buyer's prior written consent. Seller shall notify Buyer's Authorized Procurement Representative if Buyer's property is lost, damaged or destroyed. As directed by Buyer, upon completion, termination or cancellation of this Contract, Seller shall deliver such property, to the extent not incorporated in delivered materials, to Buyer in good condition subject to ordinary wear and tear and normal manufacturing losses.

25. SELLER FURNISHED MATERIAL (This article only applies to Time and Material or Cost Reimbursement purchase contracts)

Material and facilities shall be furnished by Seller except as specifically provided in this Contract. Material purchased to support this Contract shall be billed at actual costs without overhead, general and administrative costs, cost of money and profit, as evidenced by paid invoices. Material withdrawn from Seller's stores shall be charged at cost determined in accordance with generally accepted accounting practices. Unless otherwise noted, handling charges are included in the labor rates established in this Contract. Buyer shall be credited with all cash or trade discounts, rebates, allowances (whether or not taken) and the value of any resulting scrap.

26. INDEMNIFICATION, INSURANCE AND PROTECTION OF PROPERTY (This article is applicable when work is performed at a Boeing site)

- a. Indemnification Negligence of Seller or Subcontractor. Seller shall defend, indemnify and hold harmless The Boeing Company, its subsidiaries, and their directors, officers, employees and agents from and against all actions, causes of action, liabilities, claims, suits, judgments, liens, awards and damages of any kind and nature whatsoever for property damage, personal injury or death (including without limitation injury to or death of employees of Seller or any subcontractor thereof) and expenses, costs of litigation and counsel fees related thereto or incident to establishing the right to indemnification, arising out of or in any way related to this Contract, the performance thereof by Seller or any subcontractor thereof or other third parties, including, without limitation, the provision of Services, personnel, facilities, equipment, support, supervision or review. The foregoing indemnity shall apply only to the extent of the negligence or willful misconduct of Seller, any subcontractor thereof, or their respective employees that occurs while Seller is on a premises owned or controlled by Buyer. In no event shall Seller's obligations hereunder be limited to the extent of any insurance available to or provided by Seller or any subcontractor thereof. Seller expressly waives any immunity under industrial insurance, whether arising out of statute or other source, to the extent of the indemnity set forth in this paragraph (a).
- b. Commercial General Liability. If Seller or any subcontractor thereof will be performing work on Buyer's premises, Seller shall carry and maintain, and ensure that all subcontractors thereof carry and maintain, throughout the period when work is performed and until final acceptance by Buyer, Commercial General Liability insurance with available limits of not less than one million dollars (\$1,000,000) per occurrence for bodily injury and property damage combined. Such insurance shall contain coverage for all premises and operations, broad form property damage, contractual liability (including, without limitation, that specifically assumed under paragraph [a] herein) and goods and completed-operations insurance with limits of not less than one million dollars (\$1,000,000) per occurrence for a minimum of twenty-four (24) months after final acceptance of the work by Buyer. Such insurance shall not be maintained on a per-project basis unless the respective Seller or subcontractor thereof does not have blanket coverage.
- c. Automobile Liability. If licensed vehicles will be used in connection with the performance of the work, Seller shall carry and maintain, and ensure that any subcontractor thereof who uses a licensed vehicle in connection with the performance of the work carries and maintains, throughout the period when work is performed and until final acceptance by Buyer, Business Automobile Liability insurance covering all vehicles, whether owned, hired, rented, borrowed or otherwise, with available limits of not less than one million dollars (\$1,000,000) per occurrence combined single limit for bodily injury and property damage.
- d. Workers' Compensation and Employer's Liability. Throughout the period when work is performed and until final acceptance by Buyer, Seller shall, and ensure that any subcontractor thereof shall, cover or maintain insurance in accordance with the applicable laws relating to Workers' Compensation (and Employer's Liability with limits not less than one million dollars (\$1,000,000) per incident with respect to all of their respective employees working on or about Buyer's premises. If Buyer is required by any applicable law to pay any Workers' Compensation premiums with respect to an employee of Seller or any subcontractor, Seller shall reimburse Buyer for such payment.

- e. Certificates of Insurance. Prior to commencement of the work, Seller shall provide for Buyer's review and approval certificates of insurance reflecting full compliance with the requirements set forth in paragraphs (b) Commercial General Liability, (c) Automobile Liability and (d) Workers' Compensation. Such certificates shall be kept current and in compliance throughout the period when work is being performed and until final acceptance by Buyer, and shall provide for 30 days advance written notice to Buyer in the event of cancellation. Failure of Seller or any subcontractor thereof to furnish certificates of insurance or to procure and maintain the insurance required herein or failure of Buyer to request such certificates, endorsements or other proof of coverage shall not constitute a waiver of Seller's or subcontractor's obligations hereunder.
- f. Self-Assumption. Any self-insured retention, deductibles and exclusions in coverage in the policies required under this article shall be assumed by, for the account of and at the sole risk of Seller or the subcontractor which provides the insurance and to the extent applicable shall be paid by such Seller or subcontractor. In no event shall the liability of Seller or any subcontractor thereof be limited to the extent of any of the minimum limits of insurance required herein.
- g. Protection of Property. Seller assumes, and shall ensure that all subcontractors thereof and their respective employees assume, the risk of loss or destruction of or damage to any property of such parties whether owned, hired, rented, borrowed or otherwise. Seller waives, and shall ensure that any subcontractor thereof and their respective employees waive, all rights of recovery against Buyer, its subsidiaries and their respective directors, officers, employees and agents for any such loss or destruction of or damage to any property of Seller, any subcontractor or their respective employees. At all times Seller shall, and ensure that any subcontractor thereof shall, use suitable precautions to prevent damage to Buyer's property. If any such property is damaged by the fault or negligence of Seller or any subcontractor thereof, Seller shall, at no cost to Buyer, promptly and equitably reimburse Buyer for such damage or repair or otherwise make good such property to Buyer's satisfaction. If Seller fails to do so, Buyer may do so and recover from Seller the cost thereof.

27. PATENT, TRADEMARK AND COPYRIGHT INDEMNITY

Seller will indemnify, defend and hold harmless Buyer and its customer from all claims, suits, actions, awards (including, but not limited to, awards based on intentional infringement of patents known at the time of such infringement, exceeding actual damages and/or including attorneys' fees and/or costs), liabilities, damages, costs and attorneys' fees related to the actual or alleged infringement of any United States or foreign intellectual property right (including, but not limited to, any right in a patent, copyright, industrial design or semiconductor mask work, or based on misappropriation or wrongful use of information or documents) and arising out of the manufacture, sale or use of Services by either Buyer or its customer. Buyer and/or its customer will duly notify Seller of any such claim, suit or action. Seller will, at its own expense, fully defend such claim, suit or action on behalf of the indemnities. Seller will have no obligation under this article with regard to any infringement arising from (a) the compliance of Seller's new product design with formal specifications issued by Buyer where infringement could not be avoided in complying with such specifications or (b) use or sale of Services for other than their intended application in combination with other items when such infringement would not have occurred from the use or sale of those Services solely for the purpose for which they were designed or sold by Seller. For purposes of this article only, the term Buyer will include The Boeing Company and all Boeing subsidiaries and all officers, agents and employees of Boeing or any Boeing subsidiary.

28. CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION

Buyer and Seller shall each keep confidential and protect from unauthorized use and disclosure all (a) confidential, proprietary and/or trade secret information; (b) tangible items and software containing, conveying or embodying such information; and (c) tooling identified as being subject to this article that is obtained, directly or indirectly, from the other in connection with this Contract (collectively referred to as "Proprietary Information and Materials"). Proprietary Information and Materials will not include information already in the public domain or known to the receiving Party (as evidenced by written records) when first received from the disclosing Party. Proprietary Information will lose its status as

Proprietary Information and Materials if, and as of the date when, it becomes part of the public domain through no wrongful act of the receiving Party, is rightfully disclosed to the receiving Party without restriction by a source other than the disclosing Party, or is developed by the receiving Party entirely independently of any disclosure hereunder. Buyer and Seller shall each use Proprietary Information and Materials of the other only in the performance of and for the purpose of this Contract. Upon a Party's request at any time, and in any event upon the completion, termination or cancellation of this Contract, the other Party shall return all of that Party's Proprietary Information and Materials and all materials derived there from, unless specifically directed otherwise in writing by the other Party. Either Party may disclose Proprietary Information and Materials of the other to its subcontractors as required for the performance of this Contract, provided that each such subcontractor first agrees in writing to the same obligations imposed upon each Party under this article relating to Proprietary Information and Materials. Each Party shall be liable to the other for any breach of such obligation by their subcontractors. The provisions of this article are effective in lieu of any restrictive legends or notices applied to Proprietary Information and Materials. The provisions of this article shall survive the performance, completion, termination or cancellation of this Contract.

29. INTELLECTUAL PROPERTY

- a. **Background (Preexisting) Intellectual Property.** Seller grants to Buyer, and to Buyer's subcontractors, suppliers, and customers in connection with Services being performed by Buyer, an irrevocable, nonexclusive, fully paid-up, royalty-free, worldwide license under any information, know-how, inventions, patents, industrial designs, and mask works (whether domestic or foreign) owned or controlled by Seller at any time before or during the term of this Contract, but only to the extent that such would otherwise interfere with Buyer's or Buyer's subcontractors', suppliers', or customers' use or enjoyment of services or Foreground Intellectual Property, as defined below, belonging to Buyer and resulting from this Contract.
- b. **Foreground Intellectual Property.** All information, know-how, inventions, patents, industrial designs, and mask works (whether domestic or foreign) conceived, developed, or first reduced to practice by, for, or with Seller in the course of any work that is performed under this Contract and any patents resulting from such inventions (both domestic and foreign) ('Foreground Intellectual Property') shall be the property of Buyer. Seller will (i) promptly disclose all such inventions to Buyer in written detail and (ii) execute all papers, cooperate with Buyer, and perform all acts necessary and appropriate in connection with the filing, prosecution, maintenance, or assignment of related patents or patent applications on behalf of Buyer.
- c. **Preexisting Works of Authorship and Copyright.** Unless superseded by an attached Seller Software License Agreement agreed to in writing by both Buyer and Seller, Seller grants to Buyer, and to Buyer's subcontractors, suppliers, and customers in connection with Services being performed by Buyer, a perpetual, irrevocable, nonexclusive, paid-up, worldwide license in Seller's copyrights to reproduce, distribute copies of, perform publicly, display publicly, and make derivative works from software included in or provided with or for Services (software) and related information and materials (software documentation) and that is owned or controlled by Seller at any time before or during the term of this Contract, but only to the extent that such copyrights would otherwise interfere with Buyer's or Buyer's subcontractors', suppliers', or customers' use or enjoyment of services, Foreground Intellectual Property, or the work products, inventions, or works of authorship belonging to Buyer and resulting from this Contract.
- d. **Foreground Works of Authorship and Copyrights.** All works of authorship (including, but not limited to, documents, data, drawings, software, software documentation, photographs, video tapes, sound recordings, and images) created by, for, or with Seller in the course of any work performed under this Contract, together with all copyrights subsisting therein, shall be the sole proprietary property of Buyer. To the extent permitted under United States copyright law, all such works will be works made for hire, with the copyrights therein vesting in Buyer. The copyrights in all other such works, including all of the exclusive rights therein, will be promptly transferred and formally assigned free of any additional charges to Buyer.

30. WORKING TOGETHER

At no additional cost to Buyer, Buyer shall be able to observe Services being performed at reasonable times and places, including at Seller's subcontractors' locations.

31. GRATUITIES

Seller warrants that neither it nor any of its employees, agents or representatives have offered or given, or will offer or give, any gratuities to Buyer's employees, agents or representatives for the purpose of securing this Contract or securing favorable treatment under this Contract.

32. OFFSET CREDITS (This article applies only if this purchase contract exceeds \$500,000 and/or any anticipated subcontract exceeds \$50,000)

- a. To the exclusion of all others, Buyer or its assignees shall be entitled to all industrial benefits or offset credits which might result from this Contract. Seller shall provide documentation or information which Buyer or its assignees may reasonably request to substantiate claims for industrial benefits or offset credits.
- b. Seller agrees to use reasonable efforts to identify the foreign content of goods or services which Seller either produces itself and/or procures from subcontractors for work directly related to this Contract. Promptly after selection of a non-U.S. subcontractor for work under this Contract, Seller shall notify Buyer of the name, address, subcontract point of contact (including telephone number) and dollar value of the subcontract.
- c. Seller shall submit "Advance Notification / Supplier Foreign Content Report" (AN/SFCR) form X33647 in accordance with the instructions below to the Buyer's Authorized Procurement Representative and e-mail a copy to foreigncontent@boeing.com:
 - (1) Description
 - (i) The Advance Notification / Supplier Foreign Content Report form is used to document foreign procurements.
 - (ii) For purposes of establishing "offset causality" under a contract, the supplier shall provide ADVANCE NOTIFICATION to Buyer for any FOREIGN BIDDER under consideration for any subcontract that is anticipated to exceed \$50,000.
 - (2) Frequency
 - (i) The supplier shall submit a completed Advance Notification / Supplier Foreign Content Report (AN/SFCR) using form X33647 within 30 days after the effective date of the contract.
 - (ii) The supplier shall provide an updated (AN/SFCR) for each new foreign bid opportunity or foreign subcontract.
 - (3) Format
 - (i) The supplier shall complete the Advance Notification / Supplier Foreign Content Report using the form X33647, as identified in paragraph (4) of these instructions.
 - (4) Preparation Instructions
 - (i) If the supplier does not have any foreign procurement in excess of \$50,000 then the supplier shall complete sections A and B of the AN/SFCR.
 - (ii) If the supplier is pursuing foreign bid opportunities in excess of \$50,000, the supplier shall complete sections A through D of the AN/SFCR.
 - (iii) If the supplier is reporting for Advanced Notification, the supplier shall complete sections A, B and E of the AN/SFCR, as appropriate.

Note: The information provided will be used for the sole purpose of claiming credit toward The Boeing Company's Industrial Participation (Offset Credits) obligations with its international customers. The information will be treated as proprietary information, to be disclosed only for the purpose noted.

33. IMPORT COMMERCIAL INVOICING

The supplier and/or shipper shall utilize Form F70210 – Commercial Invoice or its Exostar equivalent (when available) for Boeing U.S. imports when making an international shipment to the United States, where Boeing is the Importer of Record. Form DD250 does not supersede the use of this form.

34. MATERIAL SUBSTITUTION PROHIBITION**a. Unauthorized Material Substitution (General)**

Unauthorized material substitutions are not permitted on Buyer's Goods. Unauthorized material substitution includes any deviation from the engineering definition of a raw material. Engineering definition includes Buyer design drawing and applicable specifications, product specification, form, size, shape, chemistry, melt method, origin, temper/condition, product testing or surface finish. Alternate materials specified in the engineering definition (and often described as approved material substitutions therein) do not constitute unauthorized material substitution. Terms and definitions for metallic materials and processing used herein are clarified in ARP1917.

Contact Buyer's Authorized Procurement Representative for details regarding deviations to authorized materials. Seller agrees and understands that such deviations only apply to this purchase contract, and only as indicated in the Buyer's authorized document.

b. Metallic Materials (Specific)

Temper or Condition Conversion - Unless specifically authorized by the engineering definition, conversion of a raw material (i.e. heat treat to change the temper or condition of the material) constitutes material substitution of the condition provided by the manufacturer.

Metallic Raw Materials – Buyer's engineering drawings may refer to obsolete or superseded specifications covering several forms, thicknesses, widths, etc. of the alloy or alloys. The required characteristics of these materials are defined not only by the objective test standards of the specification, but by the processes/methods by which this final form is achieved. These requirements are often captured in the definitions of the required material forms, and may not be explicitly called out in the detailed requirements. The raw material certification results from both the process used to make it and the tests to verify basic properties.

Seller shall ensure that metallic materials covered by current or obsolete/superseded specifications are produced using the standard industry practices designed strictly for the production of stock to the specified thickness, diameter, width or cross sectional area, achieved by thermo-mechanical processing or casting process. Chemical, electrochemical and mechanical methods used for the removal of surface scale or contamination, or the production of the required surface finish, in accordance with the material specification are acceptable. Raw material must not be re-certified with respect to thickness, diameter, width or cross sectional area or product form. Machining or cutting of thicker product or other product forms shall not be supplied in lieu of specified product unless specifically authorized by Buyer. Raw material certifications for material or parts shall reflect the form and size of the raw material as originally manufactured by the raw material producer. c. Specification Supersession:

For government specifications and standards canceled after June 1994, Seller and subcontractors at all tiers shall use the last active revision of the canceled specification and standard until an acceptable replacement is included in the requirements of this Contract. Contact the Buyer's Authorized Procurement Representative in the event of any inconsistency in applicable specification or standard.

- d. Reports (Full Pedigree from melt to final product) -** Raw material certifications shall show clear traceability to the manufacturer(s) of the raw material including ingot source, all thermo-mechanical processing (i.e. forging, rolling, drawing, etc), heat treatment, chemical processing and inspections as required by applicable raw material specification requirements.
- e. Chain of Custody (Disguising intermediate ownership) –** Suppliers shall not disguise the pedigree of material or chain of ownership by removal of a previous supplier's name, nomenclature or identification.
- f. Source of Additional Information -** Addition information and guidance may be found through Buyer's Supplier Portal or Buyer's Authorized Procurement Representative.
- g. The substance of this Article shall be flowed in all subcontracts at every tier.**

- 35. RECIPROCAL WAIVER OF CLAIMS – QUALIFIED ANTI-TERRORISM TECHNOLOGY.** (This article applies only if this Contract involves the manufacture, sale, use or operation of a Boeing Qualified Anti-Terrorism Technology(ies), as defined in accordance with this article.)
- a. This Contract involves the manufacture, sale, use, or operation of a Qualified Anti-Terrorism Technology(ies), and Seller is either Buyer's: (i) contractor, (ii) subcontractor, (iii) supplier, or (iv) vendor, of or for such technologies.
 - b. Pursuant to 6 U.S.C. §443(b) of the SAFETY Act and 6 C.F.R. §25.5(e), under this Reciprocal Waiver of Claims, each Party shall be responsible for Losses, including business interruption losses, that such Party sustains (and for Losses that its employees sustain) resulting from an activity resulting from an Act of Terrorism when the Qualified Anti-Terrorism Technology(ies) has been deployed in defense against or response to or recovery from such Act of Terrorism.
 - c. "Act of Terrorism," "Loss," "Qualified Anti-Terrorism Technology," and "Reciprocal Waiver of Claims," are defined in 6 U.S.C. §§443-444.

36. UTILIZATION OF SMALL BUSINESS CONCERNS

Seller agrees to actively seek out and provide the maximum practicable opportunities for small businesses, small disadvantaged businesses, women-owned small businesses, minority business enterprises, historically black colleges and universities and minority institutions, Historically Underutilized Business Zone small business concerns and US Veteran and Service-Disabled Veteran Owned small business concerns to participate in the subcontracts Seller awards to the fullest extent consistent with the efficient performance of this Contract.

37. SCHEDULE

Seller shall adhere to the schedules specified in this Contract. In the event of any anticipated or actual delay, Seller shall notify Buyer in writing of the reasons for the delay and provide Buyer with a proposed recovery schedule.

38. RIGHTS AND REMEDIES

Any failures, delays or forbearances of either Party in insisting upon or enforcing any provisions of this Contract, or in exercising any rights or remedies under this Contract, shall not be construed as a waiver or relinquishment of any such provisions, rights or remedies; rather, the same shall remain in full force and effect. Except as otherwise limited in this Contract, the rights and remedies set forth herein are cumulative and in addition to any other rights or remedies that the Parties may have at law or in equity. If any provision of this Contract is or becomes void or unenforceable by law, the remainder shall be valid and enforceable. Seller acknowledges and agrees that money damages would not be an adequate remedy for any actual, anticipatory or threatened breach of this Contract by Seller with respect to its delivery of the Services to Buyer.

39. COMPLIANCE WITH LAWS

Seller shall comply with all applicable statutes and government rules, regulations and orders, including those pertaining to United States Export Controls. In particular, Seller shall (i) comply with all applicable country laws relating to anti-corruption or anti-bribery, including but not limited to legislation implementing the Organization for Economic Co-operation and Development "Convention on Combating Bribery of Foreign Public Officials in International Business Transactions" (the "OECD Convention") or other anti-corruption/anti-bribery convention; (ii) comply with the requirements of the Foreign Corrupt Practices Act, as amended, (FCPA) (15 U.S.C. §§78dd-1, *et. seq.*), regardless of whether Seller is within the jurisdiction of the United States; and (iii) neither directly nor indirectly, pay, offer, give, or promise to pay or give, any portion of monies or anything of value received from Boeing to a non-U.S. public official or any person in violation of the FCPA and/or in violation of any applicable country laws relating to anti-corruption or anti-bribery.

40. EXPORT LICENSING INFORMATION/OFFSHORE PROCUREMENT COMPLIANCE WITH EXPORT

LAWS

- a. In performing their respective obligations under this Agreement, the Parties will comply with United States export control and asset control laws, regulations, and orders, as they may be amended from time to time, applicable to the export or re-export of Services, including software, processes, or technical data ("Items"). Such regulations include 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 Control Laws").
- b. The Party conducting an export or re-export, as defined in such laws and regulations, shall be responsible for obtaining the required authorizations. Each Party shall reasonably cooperate with, and exercise reasonable efforts to support, the Party making the export or re-export in obtaining any necessary licenses or authorizations required to perform its obligations under this Agreement. Seller shall comply with International Traffic in Arms Regulation Section 122.1, Registration requirements.
- c. The Party providing any Items in conjunction with this Agreement shall, upon written request of the other Party, provide the Export Control Classification Numbers ("ECCNs") for each Item as well as the ECCNs for any components or parts of each Item, if such components ECCNs are different from the ECCN of the Item at issue.
- d. Each Party represents that (i) any Items, and the parts and components thereof, it is providing in conjunction with this Agreement are not currently "defense articles" as that term is defined in 22 C.F.R. Section 120.6 of the ITAR and (ii) the Services that Party is providing in conjunction with this Agreement are not currently "defense Services" as that term is defined in 22 C.F.R. Section 120.9 of the ITAR. The Parties acknowledge that this representation means that an official capable of binding the Party providing such Items knows or has otherwise determined that such Items, and the parts and components thereof, are not currently on the United States Munitions List at 22 C.F.R. Section 121.1. Each Party agrees to reasonably cooperate with the other in providing, upon written request of the other Party, documentation or other information that supports or confirms this representation, including, for example, Commodity Jurisdiction Determinations.
- e. To the extent that such Items, or any parts or components thereof, were specifically designed or modified for a military end use or end user, the Party providing such Items shall notify the other Party of this fact and shall also provide the other Party with written confirmation from the United States Department of State that such Items, and all such parts or components thereof, are dual-use Items subject to the jurisdiction of the Department of Commerce.

41. SECURITY REQUIREMENTS FOR ACCESS TO PREMISES OWNED OR CONTROLLED BY BUYER OR THE GOVERNMENT

- a. All employees, agents, and representatives of Seller or its subcontractors who are expected to enter premises owned or controlled by Buyer or the Government are required to provide Buyer's Security personnel with proof of citizenship. Examples of original documents that are considered satisfactory are U.S. Birth Certificates, U.S. Passports, Certificates of Naturalization, Alien Registration Receipt Card (with photograph), and/or other evidence of citizenship satisfactory to Buyer before being allowed access to Buyer's premises. An employee of Seller who is not a U.S. citizen and does not have a permanent-resident-alien "green" card on his or her person may not be admitted to Buyer's or Buyer's customer's facilities for purposes of performing work without special arrangements. All such employees, agents, and representatives are bound by the provisions of the United States Criminal Code relating to espionage and sabotage and the United States statute known as the Immigration Reform and Control Act of 1986, as amended. All such employees, agents and representatives will conform to the standards and requirements established by the Government and Buyer's Security. Performance of some work may require a security clearance.
- b. Seller will submit the name and birth certificate and/or other satisfactory evidence of citizenship of each such employee, agent, or representative prior to the time for reporting to perform work and at

any time thereafter before substituting or adding new personnel to perform work on Buyer's premises. Information submitted by Seller shall be certified by an authorized representative of Seller as being true and correct and Seller will permit Buyer, upon reasonable notice, to inspect and audit Seller's records documenting such compliance with respect to said personnel.

- c. If Seller subcontracts work under this Contract to be performed on premises owned or controlled by Buyer or the Government, Seller shall suitably modify the names of the parties and include the substance of this clause in such subcontracts, imposing on its subcontractor the same obligations as Seller.

42. GOVERNING LAW

This Contract and any disputes arising out of, or relating to, this Contract shall be governed by the laws of the State of Delaware without regard to the conflict of law rules thereof, provided that (i) contract provisions that have been incorporated directly from or by express reference to the FAR or FAR supplements; (ii) contract provisions that have been flowed down from a contract with the U.S. Government; and (iii) the Changes, Termination for Convenience articles, shall be construed and interpreted according to the federal common law of government contracts, as enunciated and applied by federal judicial bodies, boards of contract appeals, and quasi-judicial agencies of the federal government. This Contract excludes the application of the 1980 United Nations Convention on Contracts for the International Sale of Goods.

43. CODE OF BASIC WORKING CONDITIONS AND HUMAN RIGHTS

Buyer is committed to providing a safe and secure working environment and the protection and advancement of basic human rights in its worldwide operations. In furtherance of this commitment, Buyer has adopted a Code of Basic Working Conditions and Human Rights setting out in detail the measures it takes to ensure this commitment is fulfilled. The Boeing Code may be downloaded at <http://www.boeing.com/aboutus/culture/code.html>. Buyer strongly encourages Seller to adopt and enforce concepts similar to those embodied in the Boeing Code, including conducting Seller's operations in a manner that is fully compliant with all applicable laws and regulations pertaining to fair wages and treatment, freedom of association, personal privacy, collective bargaining, workplace safety and environmental protection. Seller will promptly cooperate with and assist Buyer in implementation of and adherence to the Boeing Code. Further, any material violation of law by Seller relating to basic working conditions and human rights in the performance of work under this Contract may be considered a material breach of this Contract for which Buyer may elect to cancel any open orders between Buyer and the Seller, for cause, in accordance with the provision of this order entitled "Cancellation for Default" or exercise any other right of Buyer for an Event of Default under this Contract. In addition to the provision set forth in the Code of Basic Working Conditions and Human Rights in the Contract, Seller further commits that any material violation of law by Seller relating to basic working conditions and human rights, including laws regarding slavery and human trafficking, applicable to Seller's performance under this Contract may be considered a material breach of this Contract for which Boeing may elect to cancel any open Orders between Boeing and the Seller, for cause, in accordance with the provisions of this Contract, or exercise any other right of Boeing for an Event of Default under this Contract. Seller shall include the substance of this clause, including this flow down requirement, in all subcontracts awarded by Seller for work under this Contract.

44. SELLER FINANCIAL REVIEW.

- a. If the Contract, in the aggregate, exceeds \$250,000 and extends for more than one year, and if requested, the Seller shall provide financial data as specified below on a quarterly basis or as requested to the Buyer's Corporate Credit Office for credit and financial condition reviews. If Seller itself is publically traded (not a subsidiary of a publically traded company) and is required to file reports with the Securities and Exchange Commission ("SEC"), Buyer's Corporate Credit Office shall obtain Seller financial data from information made available to the general public via 10-K and 10-Q reporting requirements. In the event that Seller does not submit financial statements to the SEC or is no longer required to do so during the term of this Contract, Seller shall provide financial

data on a quarterly basis to Buyer's Corporate Credit Office. Such financial data shall include, but is not limited to, balance sheets, schedule of accounts payable and receivable, major lines of credit, creditors, income statements (profit and loss), cash flow statements, firm backlog, and headcount. Copies of such data are to be made available within seventy-two (72) hours of any written request by Buyer's Corporate Credit Office. All such information shall be treated as confidential.

- b. This provision shall not apply if the Seller is a nonprofit education or research institutions associated with state or provincial universities; an agency of the United States government or of state governments; an entity that is at least fifty percent (50%) directly owned by Buyer; or, an individual providing services when the individual is the sole employee (inclusive of subcontractors) of the Seller.

45. ELECTRONIC ACCESS.

- a. Definitions. "Boeing Systems" is defined as any electronic information systems operated by or on behalf of Buyer, including without limitation, facilities, network equipment, telecommunications networks, software, files and data. "Electronic Access" is defined as access by Seller or any Seller Personnel to the Boeing Systems using any access or transmission method, including without limitation the internet or private data transmission lines. "Seller Personnel" is defined as any of Seller's employees, contract labor, consultants, advisers, or other representatives who have a need to access the Boeing Systems for Seller to perform under this Contract. "Access Controls" is defined as procedures and/or mechanisms used to authenticate the identity of a system user and authorize access, including, but not limited to, user identifications and passwords, tokens, smart cards and biometrics. "Unauthorized Proprietary Information and Materials" is defined as Proprietary Information and Materials that is not intended for release outside of Boeing, including but not limited to information marked as "Limited," "Limited Distribution," or "Boeing Proprietary - Distribution Limited to Boeing Personnel."
- b. Access Right. Buyer grants to Seller a limited, nontransferable, nonexclusive, revocable (at Buyer's discretion) right to access the Boeing Systems electronically solely during the term of this Contract and solely to the extent authorized in writing by Buyer and necessary for Seller to perform this Contract. Seller shall not access or use the Boeing Systems for any other purpose. This provision does not grant to Seller any ownership interest in, or any express or implied license or right to, any of the Proprietary Information and Materials or to any software or intellectual property rights owned by Buyer or any third party. SELLER EXPRESSLY AGREES THAT BUYER MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RELIABILITY OF THE BOEING SYSTEMS. Seller shall not remove any restrictive legends or markings in the Proprietary Information and Materials or Boeing Systems. To the fullest extent consistent with applicable law, Buyer has the right to monitor, record, retrieve and disclose to others (including, but not limited to, law enforcement officials) all information, including the content of communications, related to any Electronic Access by Seller and Seller Personnel. Without limiting the foregoing, Seller hereby understands and agrees that it has no expectation of privacy in the use of Boeing Information Systems and that such use is at all times and in all circumstances fully subject to the consents, including those to monitoring and disclosure, provided in the Boeing warning banner and applicable written Boeing policy.
- c. Access Requirements. Seller may request, and Buyer may provide in its sole discretion, Electronic Access for Seller Personnel on a "need to know" basis in order for Seller to perform under this Contract. Prior to obtaining Electronic Access, each Seller Personnel will be required to obtain from Buyer an Electronic Access account, including Access Controls, and participate in a security briefing in accordance with Buyer specifications. Seller shall: (i) ensure that all Seller Personnel review and agree in writing to abide by the terms of this provision, and any other applicable provision contained in this Contract, prior to being granted Electronic Access; (ii) maintain complete and accurate records of all Seller Personnel with Electronic Access, and provide such records to Buyer upon request; (iii) assign a single focal to initiate requests for Electronic Access for Seller Personnel, coordinate security briefings, maintain records, and coordinate with Buyer regarding actual or potential security breaches; (iv) take all reasonable precautions to prevent the loss, disclosure, reverse engineering, sharing with unauthorized Seller Personnel or

compromise of Access Controls; and (v) be responsible for the acts and omissions of all Seller Personnel with respect to their Electronic Access. Seller shall ensure that Seller Personnel do not access the Boeing Systems through any mechanism other than the Access Controls and acknowledges that the Access Controls are for specific individual use of Seller Personnel only, are not transferable, and shall be maintained in confidence by Seller. Seller shall immediately notify Buyer if it believes that any Access Control has been compromised.

Seller shall review (at least every three (3) months) each Seller Personnel's Electronic Access requirements. Upon the reassignment, resignation, or termination of any Seller Personnel with Electronic Access, Seller shall promptly submit a written request to Buyer to terminate such Electronic Access.

- d. Prohibited Use. Seller shall not, unless authorized in writing by Buyer: (i) export or save any Proprietary Information and Materials from the Boeing Systems except in support of the work to be performed under this Contract; (ii) make any derivative uses of the Boeing Systems or the Proprietary Information and Materials except in support of the work to be performed under this Contract; (iii) use any data mining, robots, or similar data gathering and extraction methods; (iv) use any frame or framing techniques to enclose any Proprietary Information and Materials found on the Boeing Systems; (v) through reverse engineering, decompiling, or disassembling any portion of the Access Controls, access or attempt to access any Unauthorized Proprietary Information and Materials or restricted portions of the Boeing Systems.
- e. Export Control. In order to comply with applicable U.S. export control statutes and regulations, Buyer may be required to obtain information concerning citizenship or place of birth of Seller Personnel with Electronic Access. Seller shall provide such information consistent with all applicable local statutes and regulations including those provisions that permit Seller to provide such information when such provision is consented to by Seller Personnel. If Seller determines that it may submit such information, it shall be certified by an authorized representative of Seller as being true and correct. Seller acknowledges that if it is unable to provide such information and certification, access to certain Boeing Systems may be limited due to Boeing compliance with applicable U.S. export control statutes and regulations. Where access is granted, Seller shall be responsible for obtaining all export licenses required, where applicable, for each Seller Personnel, including to allow such Seller Personnel to perform the work to which he or she is assigned, and Seller shall comply with any additional export control restrictions as required by applicable U.S. export control statutes and regulations.
- f. Breach and Remedies. If Seller discovers or is notified of a security breach or potential security breach based on the restrictions contained in this article ("Security Breach"), Seller immediately shall: (i) cease access to any Proprietary Information and Materials that are the subject of the Security Breach and shall not review any Unauthorized Proprietary Information and Materials; (ii) provide notice to Buyer, including notice of the materials involved in the Security Breach, by sending notice to abuse@boeing.com and to Buyer's Authorized Procurement Representative for this Contract; and (iii) assist Buyer in investigating, remedying, and taking any other action Buyer deems necessary to address such Security Breach, including related to any dispute, inquiry, or claim related to such Security Breach. Seller agrees to permit Buyer to review its security control procedures and practices via physical or electronic access by Buyer, including access to Seller facilities in which such systems are located, as well as any and all premises where maintenance, storage or backup activities are performed. Any material breach of this article by Seller may be considered a default for which Buyer may suspend Electronic Access and/or cancel this Contract, and any other contracts between Buyer and Seller, in accordance with the "Cancellation for Default" article of this Contract. Further, Seller acknowledges that any attempts by Seller or any Seller Personnel to circumvent any security measures designed to prevent unauthorized access to the Boeing Systems may be subject to criminal or civil penalties under the U.S. Federal Computer Fraud and Abuse Act and other applicable laws and regulations.

46. ENVIRONMENTAL HEALTH AND SAFETY PERFORMANCE.



Seller acknowledges and accepts full and sole responsibility to maintain an environment, health and safety management system ("EMS") appropriate for its business throughout the performance of this Contract. Buyer expects that Seller's EMS will promote health and safety, environmental stewardship, and pollution prevention by appropriate source reduction strategies. Seller shall convey the requirement of this clause to its suppliers.

47. CLAIMS ADJUSTMENT

Buyer may at any time deduct or set-off Seller's claims for money due or to become due from Buyer against any claims that Buyer has or may have arising out of this Contract or other transactions between Buyer and Seller.

48. SELLERS ACCRUAL REQUIREMENTS

During the last week of September but no later than September 30 of each calendar year Seller shall provide to Buyer the following information:

- a. Cumulative amounts that could be properly included in invoices under this Purchase Contract for Services anticipated to be performed and deliverables anticipated to be delivered through November 30 of the current calendar year.
- b. Cumulative amounts that could be properly included in invoices under this Purchase Contract for the Services anticipated to be performed and deliverables anticipated to be delivered during the month of December of the current calendar year.
- c. Services anticipated to be performed and deliverables anticipated to be delivered and invoiced in the following calendar year.

At the Buyer's request, Seller shall provide updates to the information called for in a-c above in the months of October, November and December of each calendar year during the term of this Purchase Contract.

Payment terms applicable to this Purchase Contract are not altered or amended by this article.

49. ENTIRE AGREEMENT

This Contract, together with all purchase orders, change orders, attachments, exhibits, supplements, specifications, and other terms specifically referenced in this Contract, contains the entire agreement of the Parties and supersedes any and all prior agreements, understandings and communications between Buyer and Seller related to the subject matter of this Contract. Except as authorized herein, no amendment or modification of this Contract shall bind either Party unless it is in writing and is signed by Buyer's Authorized Procurement Representative and an authorized representative of Seller.