

IDS Terms and Conditions Guide
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ADDITIONAL GENERAL PROVISIONS

The following terms and conditions are in addition to the terms and conditions in GP1, The Boeing Company General Provisions (Fixed Price Contract), GP2, The Boeing Company General Provisions (Fixed Price Services Contract), GP3, The Boeing Company General Provisions (Labor Hour/Time & Material Contract), and GP4, The Boeing Company General Provisions (Cost Reimbursement Contract Under Government Prime Contract). In some cases, they modify or supplement terms and conditions with the same or similar titles as in GP1, GP2, GP3, GP4 or GP6.

1. BUYER'S USE OF DATA AND INFORMATION

(This article applies only if this contract is issued under a Government prime contract or subcontract.)

Seller agrees that any data such as drawings, instructions, or information furnished to Buyer in connection with this contract will be free from confidential, proprietary, or restrictive-use markings, other than statutory patent, copyright, U.S. Government security notices, or properly applied restrictive legends permitted by appropriate FAR, Department of Defense FAR Supplement (DFARS), or NASA FAR Supplement clauses incorporated herein. Buyer, its agents, or its assignees may duplicate or use such documents in connection with the manufacture, use, or disposition of the material furnished under this contract and may remove, obliterate, or ignore any such marking as may be on such documents unless such markings are specifically permitted by applicable FAR, DFARS, or NASA FAR Supplement clauses. Except as may be otherwise provided in this contract, all information and data disclosed or furnished to Buyer in connection herewith will be deemed to be disclosed or furnished as part of the consideration for this contract, and Seller agrees not to assert any claims (except claims for patent infringement) by reason of any use, duplication, or disclosure thereof.

2. 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) special terms and conditions; (ii) those terms and conditions from the IDS Common Terms and Conditions Guide that are incorporated in this contract by reference, including customer contract requirements; (iii) specifications; (iv) all other attachments, exhibits, appendices, etc. incorporated by reference. Buyer's specifications will prevail over any subsidiary documents referenced therein. Seller will not use any specification in lieu of those contained in this contract without the written consent of Buyer's Authorized Procurement Representative.

3. SUBCONTRACTING

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(This article applies only if this contract is a subcontract under a U.S. Government prime contract.)

Seller agrees that no subcontract placed under this contract will provide for payment on a cost-plus-a-percentage-of-cost basis.

4 BADGING REQUIREMENTS FOR FOREIGN PERSONS

(This article applies only if this contract requires Seller to work on facilities owned or controlled by Buyer or Buyer's customer.)

- a. 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.
- b. If foreign persons are to be used for work at Buyer's or Buyer's customer's facilities, advance notice must be provided to Buyer's Authorized Procurement Representative at least three weeks prior to the scheduled need for access to Buyer's or Buyer's customer's facilities.
- c. The following specific information must be provided for each such foreign national:
 - (a) Complete name and address of employee;
 - (b) Company name and address;
 - (c) Contract number;
 - (d) Detailed description of employee's duties;
 - (e) Nationality;
 - (f) Date and place of birth (country of origin);
 - (g) Passport number and expiration date;
 - (h) Employment authorization and/or work permit number issued by the Immigration and Naturalization Service;
 - (i) Access requirements (i.e., facility locations, building number(s), controlled access areas, automated information systems, etc.), and
 - (j) Duration of need for access to Buyer's or Buyer's customer's facilities.

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- d. Buyer's Authorized Procurement Representative will make arrangements for appropriate badging for Seller's foreign national employees, or will notify Seller if unescorted access is denied or delayed.
- e. Seller agrees that it will not employ for the performance of work at Buyer's or Buyer's customer's facilities any individuals who are not legally authorized to work in the United States.
- f. Nothing in this clause shall be construed as requiring or encouraging violation of the labor laws of the United States, including without limitation, those pertaining to equal employment opportunity.

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

(This article applies only if this contract requires Seller to work on facilities owned or controlled by Buyer or Buyer's customer.)

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. All such employees, agents, and representatives are bound by the provisions of the United States Criminal Code relating to espionage and sabotage and will conform to the standards and requirements established by the Government and Buyer's Security. 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 for work. Selected positions and assignments of Seller's employees may require a security clearance.

6. SAFEGUARDS

(This article applies only if this contract requires Seller to work on facilities owned or controlled by Buyer or Buyer's customer.)

If this contract requires work to be performed on property owned or controlled by Buyer or the Government, Seller will provide suitable and adequate protection of the work, property adjacent to the work, and persons in the immediate vicinity of the work.

7. INDEMNIFICATION, INSURANCE, AND PROTECTION OF PROPERTY

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(This article applies only if this contract incorporates GP1 or GP4 and requires Seller to work at a Boeing site.)

- a. Indemnification Negligence of Seller or Subcontractor. Seller shall 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 of Seller, any subcontractor thereof, or their respective employees. 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 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 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

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(\$1,000,000) per occurrence combined single limit for bodily injury and property damage.

- d. **Workers' Compensation.** 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 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 the respective 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.
- h. 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

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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.

8. **ELECTRONIC SUBMITTAL OF QUALITY-RELATED DOCUMENTATION**
(This article applies only if Seller has access to the S&C Supplier Portal.)

Seller shall, prior to shipment and via the Supplier Portal, provide Buyer contract-required quality-related documentation for Buyer's review and acceptance.

9. **FINANCIAL DATA**
(This article applies only if this contract exceeds \$250,000 and has a period of performance of more than one year.)

If requested, Seller shall provide financial data, on a quarterly basis, or as requested to the Boeing Corporate Credit Office for credit and financial condition reviews. Said data shall include but not be limited to Balance Sheets, schedules of accounts payable and receivable, major lines of credit, creditors, Statements of Income (profit and loss), Statements of Cash Flow, firm backlog, and headcount. Copies of such data are to be made available within 72 hours of any written request by Boeing's Corporate Credit Office. All such information shall be treated as confidential.

10. **ETHICAL BUSINESS CONDUCT**
(This article applies only if this contract requires Seller's employees to work on Buyer's premises for extended periods of time.)

Seller will ensure that its employees performing under this contract comply with Boeing's Ethical Business Conduct Guidelines. The Guidelines are available at the following Internet address:

<http://www.boeing.com/companyoffices/aboutus/ethics/index.htm>

A hardcopy of the Guidelines will be provided upon request.

11. **FOREIGN SUPPLIER REPORTING**
(This article applies only if this contract exceeds \$500,000 and Seller is a domestic supplier.)

In accordance with the Offset Credits article of Buyer's General Provisions, Seller shall:

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- a. Immediately notify Buyer's Authorized Procurement Representative of potential foreign procurements where a request for quotation has been issued to a foreign supplier or a proposal has been received from a foreign supplier.
- b. Submit a quarterly report identifying awards and pending awards to foreign suppliers.
- c. Include the following information for each award and pending award in the quarterly report:
 - (1) Buyer's purchase contract number and a point of contact within Seller's company (name and telephone number);
 - (2) Name of foreign company;
 - (3) Address of foreign company;
 - (4) Foreign company point of contact (name, telephone, and FAX number);
 - (5) Part number(s) or description of product(s) and service(s) to be provided;
 - (6) Seller's order number;
 - (7) Anticipated award date (upon receipt of offer or issuance of solicitation to foreign firm);
 - (8) Estimated U.S. dollar value for pending awards;
 - (9) Date of award (if a contract change, indicate change number, and date change was issued);
 - (10) Actual U.S. dollar value for awarded contracts;
 - (11) Quantity and unit of measure, and
 - (12) Comments, if any.
- d. Negative reports are not required.

12. ITAR Registration Requirements

Seller shall comply with International Traffic in Arms Regulation §122.1, Registration requirements.

13. EXPORT LICENSING INFORMATION/OFFSHORE PROCUREMENT

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a. This contract, including any attachments or exhibits hereto, may contain information which is subject to the International Traffic in Arms Regulations (ITAR) or Export Administration Regulations (EAR) which may not be released to foreign concerns or foreign persons either inside or outside the United States without first obtaining the proper export authority. Seller shall obtain an export license pursuant to the requirements set forth herein for any items that Seller either manufactures or subcontracts outside the U.S or before allowing access to any technical data by a foreign person in the United States. If Seller is a "Foreign Person" (as defined by the International Traffic in Arms Regulations [ITAR] reference 22 CFR Sub-chapter M) the Seller shall, upon request of Buyer's Procurement Agent and without additional cost, provide such information as may be necessary to support Buyer's application for export license(s) covering any items ordered from Seller hereunder.

b. This Contract may contain defense related technical data. Buyer has obtained, or will obtain, the approval of the U.S. Government to furnish to Seller the data, and any other items hereunder requiring such approval, which are necessary for Seller to perform this Contract. U.S Government approval is based upon the following ITAR requirements with which Seller agrees to comply:

(1) Seller shall use the technical data furnished by Buyer only in the manufacture of defense articles in accordance with this Contract.

(2) Seller shall not disclose or provide technical data furnished by Buyer to any person except authorized U.S. citizen, intending citizen, permanent resident alien (immigrant alien). If Seller is a "Foreign Person," it may also disclose or provide technical data furnished by Buyer to its employees who are citizens of the same country and qualified subcontractors in the same country which require the data in performance of the subcontracts.

(3) Seller shall not disclose or provide technical data furnished by Buyer to any foreign person either in the U.S. or abroad unless obtaining prior authorization directly from the U.S. Department of State Office of Defense Trade Controls (ODTC). ITAR defines a "foreign person" as any person who is not a U.S. citizen, permanent resident alien, or a protected individual as defined by 8 USC 1324B(a)(3). Foreign person also means a foreign corporation (corporation not incorporated in the U.S.), foreign government, and any agency or subdivision of foreign governments (i.e. diplomatic mission).

(4) Seller shall not acquire any rights in the data furnished by Buyer except to use it in the performance of this Contract. Seller also shall not convey to its qualified subcontractors any greater rights in the data than Seller has. Seller's qualified subcontractors shall only have the right to use the data as required in performance of their subcontracts.

(5) Seller shall deliver the defense articles manufactured in accordance with this Contract only to Buyer or to the U.S. Government.

(6) Upon completion or termination of this Contract, Seller shall destroy or return to Buyer all technical data furnished to Seller by Buyer pursuant to this Contract. At

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Buyer's election, Buyer may direct Seller to return or destroy the data and may require Seller to certify in writing that Seller has complied.

(7) Seller shall impose these requirements, (1) through (7), suitably revised to identify the parties properly, on all of its subcontractors to which Seller intends to furnish technical data provided by Buyer for use by the subcontractors in performance of the subcontracts.

14. BUYER APPROVALS

Seller agrees that any and all Buyer approvals of Seller's technical and quality specifications, drawings, plans, procedures, and reports shall neither relieve Seller from Seller's obligations to perform all of the requirements of this contract nor be used as conclusive evidence of Seller compliance with such requirements.

15. SAFETY

- A. **SAFETY PROGRAM APPROVAL.** Prior to beginning any work on Boeing Company property, the Seller shall provide Safety, Health and Environmental Affairs (SHEA) with an appropriate safety plan for review and approval. The safety plan must include all aspects of general safety standards or construction safety standards; whichever is appropriate to the job being performed, as outlined by the Occupational Safety and Health Administration (OSHA). The seller shall also comply with the requirements detailed in the Huntsville site "Safety and Accident Prevention Program Plan (SAPPP)" D389-10042-1.
- B. **PERSONAL PROTECTIVE EQUIPMENT REQUIREMENTS.** Whenever applicable, the seller shall comply with 29 CFR 1910 Subpart I "Personal Protective Equipment" while performing operations on Boeing Company property. The seller is also required to comply with additional PPE requirements detailed in Huntsville Procedure HSV-SHEA-22 "Personal Protective Equipment".
- C. **FALL PROTECTION REQUIREMENTS.** Whenever applicable, the seller shall comply with 29 CFR 1910 Subpart D "Walking and Working Surfaces", Subpart F "Powered Platforms, Manlifts, Vehicle-Mounted Work Platforms", and Subpart M "Fall Protection" while performing operations on Boeing Company property. The seller is also required to comply with additional Fall Protection requirements detailed in Huntsville Procedure HSV-SHEA-24 "Fall Protection".
- D. **ELECTRICAL, LOCKOUT / TAGOUT AND CONFINED SPACE REQUIREMENTS.** Whenever applicable, the seller shall comply with 29 CFR 1910 Subpart J "General Environmental Controls; Permit-Required Confined Spaces; and Control of Hazardous Energy (Lockout / Tagout)" and Subpart S "Electrical Safety" while performing operations on Boeing

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Company property. The seller is also required to comply with additional requirements detailed in Huntsville Procedures HSV-SHEA-19 “Electrical Safety”, HSV-SHEA-08 “Lockout / Tagout”, and HSV-SHEA-06 “Confined Space”.

- E. **WELDING, CUTTING, AND BRAZING REQUIREMENTS.** Whenever applicable, the seller shall comply with 29 CFR 1910 Subpart Q “Welding, Cutting and Brazing” and Subpart I “Personal Protective Equipment” while performing operations on Boeing Company property. The seller is also required to comply with additional requirements detailed in Huntsville Procedures HSV-SHEA-21 “Non Ionizing Radiation” and HSV-SHEA-22 “Personal Protective Equipment”.
- F. **MACHINERY AND POWER TOOLS REQUIREMENTS.** Whenever applicable, the seller shall comply with 29 CFR 1910 Subpart O “Machinery and Machine Guarding” and Subpart P “Portable and Handheld Power Tools” while performing operations on Boeing Company property. The seller is also required to comply with additional requirements detailed in Huntsville Procedure HSV-SHEA-22 “Personal Protective Equipment”.
- G. **MATERIAL HANDLING REQUIREMENTS.** Whenever applicable, the seller shall comply with 29 CFR 1910 Subpart N “Material Handling and Storage” while performing operations on Boeing Company property. The seller is also required to comply with additional requirements detailed in Huntsville Procedure HSV-SHEA-23 “Material Handling”.
- H. **HAZARD COMMUNICATION AND HAZARDOUS MATERIAL REQUIREMENTS.** Whenever applicable, the seller shall comply with 29 CFR 1910 Subpart Z “Toxic and Hazardous Substances” and Subpart H “Hazardous Materials” while performing operations on Boeing Company property. The seller is also required to comply with additional requirements detailed in Huntsville Procedure HSV-SHEA-13 “Hazard Communication Program”.
- I. **NOTIFICATION OF TOXIC CHEMICALS.** Seller will comply with Section 313 of the Emergency Planning and Community Right to Know Act of 1986 (EPCRA) and 40 CFR Part 372. As part of such compliance, Seller shall furnish to the Buyer's Materiel Representative the following information with the initial shipment of each Product to Buyer:
 - 1. A statement that the Product contains chemicals which are subject to Section 313 of the Emergency Planning and Community Right to Know Act (EPCRA) of the Superfund Amendments and Reauthorization Act of 1986 and 40 CFR 372.45;

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2. The name and the associated Chemical Abstract Service Registry number of each chemical which has been incorporated in the Product and which is listed in the specific Toxic Chemical Listings contained in 40 CFR 372.65; and
3. The percent by weight of each toxic chemical component of the product shipped.

If the Seller is required to submit a Material Safety Data Sheet (MSDS), this notification must be attached to or otherwise incorporated into such MSDS.

- J. **REPLACEMENT PRESERVATIVE FOR PENTACHLOROPHENOL.** If packaging requirements of this contract specify the use of wood products and a preservative is required, Pentachlorophenol, commonly referred to as "PCP," is prohibited. Replacement preservatives are 2 percent copper naphthenate, 3 percent zinc naphthenate or 1.8 percent copper 8 quinolinolate.
- K. **SAFETY APPROVAL OF SITE AND CONSTRUCTION PLANS.** Site and construction plans for ammunition and explosive facilities will be submitted to the Buyer for endorsement and transfer to the cognizant DoD Safety Office in accordance with the requirements of Chapter 1, paragraphs f, g and h, DoD Contractor's Safety Manual 4145.26-M. Modifications, additions or relocation of facilities or operations shall likewise be submitted for review. These provisions apply equally to Seller's subcontractors.
- L. **SAFETY APPROVAL OF SUBCONTRACTOR(S).** Pre-Award safety approval by the Government is required prior to the award of any subcontract(s) involving research, developing, manufacturing, loading, testing, and handling of ammunition, explosives and related dangerous materials. Therefore, prior to the award of any subcontract(s), under the circumstances stated above, Seller shall: (a) request to be performed the required pre-award safety survey of plant(s) of any proposed subcontractor(s); and (b) obtain Buyer's approval in writing prior to the award of any subcontract(s).
- M. **TRAINING.** The seller shall comply with all OSHA and SHEA required training prior to beginning work that involves any related safety standard. The seller shall refer to Huntsville Procedure HSV-SHEA-18 "Training" for guidance.
- N. **TOXIC CHEMICAL RELEASE REPORTING.** As detailed under the Superfund Amendment Reauthorization Act (SARA) Title III, hazardous chemical reporting will be performed as required. If applicable, the seller shall provide SHEA with a complete hazardous material inventory of all

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chemicals in storage on Boeing Company property by January 31 of each year to assist in the reporting effort.