

**ADDITIONAL GENERAL PROVISIONS**

The following terms and conditions are in addition to the terms and conditions of The Boeing Company General Provisions (GP1, GP2, GP3, GP4, or GP6), whichever is incorporated elsewhere in the Purchase 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.

**A. GENERAL REQUIREMENTS.**

**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 technical data and computer software furnished to Buyer as a required deliverable under this Contract to Buyer's U.S. Government customer will be free from confidential, proprietary, or restrictive-use markings ("Nonconforming Markings") that are not expressly permitted by applicable FAR, Department of Defense FAR Supplement ("DFARS"), NASA FAR Supplement or other U.S. Government agency FAR supplement clauses incorporated herein. On behalf of Buyer's U.S. Government customer, Buyer's procurement agent may notify Seller of such a Nonconforming Marking, and if Seller fails to remove or correct such marking within sixty (60) days after such notification, Buyer may ignore or, at Seller's expense, remove or obliterate any such Nonconforming Marking as may be on such deliverables. Buyer will protect, in accordance with the **CONFIDENTIAL, PROPRIETARY, AND TRADE SECRET INFORMATION AND MATERIALS** clause of this Contract, any Seller technical data or computer software required to be delivered under this Contract, and will use and disclose such technical data and computer software only as authorized by such clause, by Seller, or as authorized by the U.S. Government under the U.S. Government's license to such technical data and computer software.

**2. ORDER OF PRECEDENCE**

All documents and provisions in this Contract shall be read so as to be consistent to the fullest extent possible. In the event of a conflict or inconsistency between the documents, then:

- a. Seller shall notify the Buyer's Authorized Procurement Representative of the conflict, so that the Buyer's Authorized Procurement Representative can resolve the conflict.
- b. If the Buyer's Authorized Procurement Representative cannot resolve the conflict, then the documents as incorporated into the Contract shall prevail in the order listed below, with the first document listed having the highest precedence:

Document Title/Description:

- (i) The Customer Contract Requirements (CCR), including H202.
- (ii) The system generated purchase contract document.
- (iii) Other BDS Common Terms and Conditions not identified below (CXXX, DXXX, EXXX, FXXX, GXXX, HXXX, IXXX, JXXX, MXXX, QXXX)
- (iv) Other BDS Sites' provisions and conditions not identified below.
- (v) Company Enterprise General Provisions (GP1, GP2, GP3, GP4, GP6) and Special Provisions (SP1, SP2, SP3)).
- (vi) Specifications and Statements of Work (using the most recently agreed to and issued version)

(vii) All other attachments, exhibits, appendices, and other documents or terms incorporated by reference or as attached.

**3. SUBCONTRACTING** (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:
  - (i) Complete name and address of employee;
  - (ii) Company name and address;
  - (iii) Contract number;
  - (iv) Detailed description of employee's duties;
  - (v) Nationality;
  - (vi) Date and place of birth (country of origin);
  - (vii) Passport number and expiration date;
  - (viii) Employment authorization and/or work permit number issued by the Immigration and Naturalization Service;
  - (ix) Access requirements (i.e., facility locations, building number(s), controlled access areas, automated information systems, etc.), and
  - (x) Duration of need for access to Buyer's or Buyer's customer's facilities.
- 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. RESERVED.**

**8. ELECTRONIC COMMERCE ACCOUNTS**

Seller shall gain access to, maintain access and utilize electronic accounts during the performance of this Contract. These accounts shall include at a minimum the following:

1. Exostar - ([www.Exostar.com](http://www.Exostar.com)),

An independent company, used by Buyer as the electronic exchange to transmit and receive transactions including Purchase Contracts, Purchase Contract Changes, Purchase Contract Acknowledgements, Advanced Shipment Notices and electronic invoices.

Seller shall gain access to and maintain an electronic trading account with Exostar ([www.Exostar.com](http://www.Exostar.com)) during the performance of this Contract. Seller shall regularly check their Exostar trading account and provide transaction inputs to BDS as required by the Contract.

In order to receive a purchase contract, Bidder must have an electronic trading account with Exostar ([www.Exostar.com](http://www.Exostar.com)) or must establish an electronic data interchange (EDI) connection with Buyer. Seller shall use their Exostar trading account and provide transaction inputs to BDS as required by the Contract.

2. The Boeing Supplier Portal- ([accessed via www.Boeing.com](http://www.Boeing.com)).

Seller shall establish one or more accounts in the Boeing Supplier Portal within forty-five (45) days of contract award. Supplier Portal Account information can be obtained from Buyer's Authorized Procurement Representative.

The Supplier Portal is an electronic information portal to simplify transmission and availability of electronic information between Buyer and Seller. The Portal is a Supplier self-served system and will be provided at no cost to Seller. An Internet Browser and internet access is required to access the Supplier Portal. The Supplier Portal is a secure password protected site. One or more Seller accounts shall be requested by the Seller (one account per Seller representative each with a separate protected

password) and maintained through regular access to the Portal. Each Seller representative with a Supplier Portal account shall access their account in support of the performance of this Contract one or more times within a ninety (90) day period. The Supplier Portal account is used by Buyer as the electronic information portal exchange with Suppliers for a range of information including, but not limited to paragraphs 3, 4, and 5 below.

### 3. Electronic Request for Quotation (e-RFQ)

Buyer uses Electronic Procurement Information Center (EPIC) as the standard system for providing and receiving electronic Request for Quotations/Proposals. Use of the e-RFQ will be determined by Buyer.

### 4. Supplier Data Transmittal (SDT)

SDT is Buyer's standard system for tracking, submitting, reviewing and archiving Seller's Data Requirements Lists (SDRLs) when applicable on the Contract. SDT is deployed at the program level and usage will be determined by Buyer.

### 5. Boeing Enterprise Supplier Tool (BEST)

Seller shall obtain a BEST account within 45 days after contract award. Supplier Portal Account and BEST account information can be obtained from Buyer's Authorized Procurement Representative.

Supplier Performance Measurement – Seller's performance under the Contract will be measured by Buyer utilizing the BEST Supplier Performance Measurement System. Performance will be measured for delivery to Contract schedule, quality acceptance, and general performance assessment (GPA) (for development contracts and contracts without standard deliveries) as applicable. Buyer will generally provide a supplier performance rating (SPR) each month (updated by the 15th of the month). Seller shall monitor its SPR using the BEST system at least monthly and take corrective action, as appropriate, to ensure on-time delivery of quality products to Buyer.

Supplier Profile – Seller's profile information used in the performance of this Contract is contained in the BEST Supplier Profile system. The Supplier Profile (e.g., contact information, e-mail addresses, telephone numbers, diversity information, etc.) shall be reviewed for accuracy and updated, as applicable, at least once during the performance of the Contract or annually. Seller shall immediately notify Buyer, in writing, of any change to the place of manufacture of the contracted Goods. Place of manufacture means the facility location where Goods are assembled into the finished product that is to be provided to Buyer. If Seller is a Distributor, then for purpose of this requirement, place of manufacture means the Distributor's facility location from where Goods are distributed.

Annual Representations and Certifications – Seller shall establish and maintain Annual Representations and Certifications on at least an annual basis. Seller shall use Buyer's Annual Representations system in the BEST system. Seller shall ensure its Annual Representations and Certifications are current, accurate and complete.

Boeing Invoice Visibility System – Buyer utilizes a Boeing Invoice Visibility System (BIVS) available to Seller in BEST to allow Seller monitoring and viewing of invoice status and payment

information in a secure environment. BIVS will be the single source of Seller information for invoice status and payment information. Seller should check with Buyer's Authorized Procurement Representative for account access requirements.

**9. RESERVED.**

**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/ethics\\_booklet.pdf](http://www.boeing.com/companyoffices/aboutus/ethics/ethics_booklet.pdf)

A hardcopy of the Guidelines will be provided upon request.

**11. FOREIGN CONTENT REPORTING** (This article applies only if this purchase contract exceeds \$500,000.)

In accordance with the Offset Credits article of Boeing's General Provisions, Seller shall submit "Advance Notification / Supplier Foreign Content Report" (AN/SFCR) form X33647 on a Supplier Data Requirements List (SDRL) and follow the instructions below:

1. Description

1.1. The Advance Notification / Supplier Foreign Content Report form is used to document foreign procurements. This SDRL requirement only applies to Boeing subcontracts in excess of \$500,000.

1.2. 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

2.1. 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.

2.2. The supplier shall provide an updated (AN/SFCR) for each new foreign bid opportunity or foreign subcontract.

3. Format

3.1. The supplier shall complete the Advance Notification / Supplier Foreign Content Report using the form X33647, as identified in Section 4 of these instructions.

4. Preparation Instructions

4.1. 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.

4.2. 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.

4.3. If the supplier is reporting for Advanced Notification, the supplier shall complete sections A, B and E of the AN/SFCR, as appropriate.

Note: If supplier does not submit their AN/SFCR SDRL through the Boeing Supplier Data Transmittal (SDT) system, then the supplier shall submit the AN/SFCR (using form X33647) to the Procurement Agent AND e-mail a copy to: foreigncontent@boeing.com.

The information provided will be used for the sole purpose of claiming credit toward Boeing'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.

**12. ITAR REGISTRATION REQUIREMENTS.** Seller shall comply with International Traffic in Arms Regulation § 122.1, Registration requirements.

**13. EXPORT LICENSING INFORMATION/OFFSHORE PROCUREMENT**

- 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, protected person, 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 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. RESERVED.**

**16. INDUSTRIAL PARTICIPATION COMMITMENT.** Seller shall use its best efforts to cooperate with Boeing in the fulfillment of any Industrial Participation (IP), Offsets, Co-Production or similar obligations to certain foreign governments that Boeing may have accepted as a requirement for the sale of products to foreign customers.

**17. RESERVED.**

**18. DEFECTIVE COST OR PRICING DATA**

- a. If Seller, its subcontractor, or prospective subcontractor fails to submit accurate, complete and current cost or pricing data, and, as a result of that failure, the Government reduces the price of Buyer's prime contract, Buyer may recover from Seller an amount equal to the price reduction of the prime contract.
- b. If, as a result of Seller's or its subcontractor's foregoing conduct, the Government imposes a penalty on or charges Buyer interest, Buyer may recover from Seller the amount of that interest or penalty.
- c. For the purposes of paragraphs a. and b. of this Article 18, if Buyer is a higher tier subcontractor, "Government" means the higher tier contractor and "prime contract" means the higher tier subcontract.
- d. Seller will not raise as defenses the matters listed in FAR 52.215-10(c)(1) (OCT 1997) or FAR 52.215-11(d)(1) (OCT 1997).

**19. BUSINESS SIZE REPRESENTATIONS AND CERTIFICATIONS**

The Seller is hereby notified that, under 15 U.S.C. 645(d), any person who misrepresents a firm's business size or socioeconomic status as defined in FAR 52.219-9 in order to obtain a contract to be awarded under the preference programs established pursuant to sections 8(a), 8(d), 9 or 15 of the Small Business Act or any other provision of Federal law that specifically references section 8(d) for a definition of program eligibility, shall:

- a. Be punished by imposition of a fine, imprisonment, or both;
- b. Be subject to administrative remedies, including suspension and debarment; and
- c. Be ineligible for participation in programs conducted under the authority of the Act.

Socioeconomic status for Boeing subcontracts includes the list of concerns in FAR 52.219-9 as well as women-owned small business concerns, Historically Black College or University or Minority Institutions, Indian organizations or Indian-owned economic enterprises, rural area small business concerns, foreign business concerns, joint ventures, and/or a large minority business concerns or women-owned large business concerns.

**20. DELIVERY PAYMENT TERMS.** Payment will be made in accordance with the Invoice and Payment article of this Contract. Notwithstanding the foregoing, in the event Seller's average monthly delivery rating under this purchase contract drops below 96% On-Time, as measured over the three most recent months in Buyer's BEST System, Buyer and Seller will first work together to resolve the delivery performance issues, which efforts will include the timely, progressive escalation of the delivery performance issues through the management of both Parties, as necessary. If after a reasonable time the Parties are unable to come to a mutually agreeable resolution that results in the improvement of Seller's average monthly delivery ratings, as measured in accordance with the foregoing, the Parties agree that Buyer shall then have the right to adjust the delivery payment terms of this Contract. Such adjustment to the delivery payment terms will be calculated by adding Seller's average days late, as recorded over the three most recent months in Buyer's BEST System, rounded up to a multiple of 30 days, to the standard net 30 days delivery payment term. Seller agrees the payment due date for Seller invoices may remain extended by Buyer by the average number of days late until Seller's average days late, as measured in accordance with the foregoing, is improved to no less than 96%.

**21. 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.

**22. INVOICE AND PAYMENT CLAUSE** (This article is applicable if this Contract includes The Boeing Company General Provisions GP3 [Labor Hour/Time & Material Contract] and the contract is issued under a Government contract or subcontract.)

The Seller Furnished Material Clause of GP3 is deleted and the following inserted in lieu thereof and is applicable only to the portion of the Purchase Contract that provides for reimbursement for material (as defined in the clause at FAR 52.232-7) at actual cost.



- a. Except as provided in this article, payment will be made in accordance with the following clauses of the Federal Acquisition Regulations ("FAR"), which are incorporated by reference. In each of the following clauses "Contractor" means Seller, "Contracting Officer" means Buyer's Authorized Procurement Representative, "Government" means Buyer, and "Disputes Clause" means the Disputes article of this Contract.
  - (i) FAR 52.216-7 (Dec 2002), "Allowable Cost and Payment," except that for purposes of final indirect cost rate determinations in paragraph (d), the terms "cognizant Federal Agency official" and "appropriate Government representative" maintain their original meaning, subparagraphs (a)(2), (b)(4), and (d)(4) are deleted, paragraph (f) is deleted, in subparagraph (h)(2)(ii)(B) the term "6 years" is deleted and replaced with the term "5 years 9 months," and the blank in paragraph (a)(3) is filled-in with the word "30th," unless otherwise specified in the Contract.
- b. Each invoice shall include Buyer's Contract number. Buyer may take any offered discount. Payment due date, including discount periods, shall be computed from the date of receipt of a correct invoice.
- c. Payment shall be deemed to have been made on the date 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.

**23. ADVANCED SHIPPING NOTICE (ASN)**

Seller shall provide, with each container shipped under this Contract, an Advanced Shipping Notice (ASN). For each container shipped, Seller shall provide two (2) readable copies of the ASN barcode as follows:

- a. One (1) copy is to be securely affixed to the outside of each container.
- b. One (1) copy is to be loose inside each container

Non-conforming shipments are subject to rejection and repackaging at Seller's expense.

Instructions and guidelines related to the ASN process can be found on the Boeing Supplier Portal.

Seller shall access by selecting the 'Enterprise ASN Instructions' hyper-link under the header 'Exostar Resources'. A copy of these instructions can also be found at [www.exostar.com](http://www.exostar.com)

**24. SUPPLIER PACKAGING REQUIREMENTS.** At a minimum, in order to prevent damage and deterioration, Seller shall pack the Goods in accordance with D37522-6, "Supplier Packaging". D37522-6 is available in the Products Standard Data System (PSDS) through the Supplier Portal found at <http://www.boeingsuppliers.com>. Potential suppliers may gain access to the Supplier Portal or otherwise obtain a copy through the Buyer's Procurement Agent.

**25. COUNTERFEIT GOODS**

- a. Seller shall not furnish to Buyer any Goods under this Contract that are "Counterfeit Goods," defined as Goods or separately-identifiable items or components of Goods that: (i) are an unauthorized copy or substitute of an Original Equipment Manufacturer or Original Component Manufacturer (collectively, "OEM") item; (ii) are not traceable to an OEM sufficient to ensure authenticity in OEM design and manufacture; (iii) do not contain proper external or internal materials or components required by the OEM or are not constructed in accordance with OEM

design; (iv) have been re-worked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OEM design but not disclosed as such or are represented as OEM authentic or new; or (iv) have not passed successfully all OEM required testing, verification, screening, and quality control processes.

- b. Seller shall implement an appropriate strategy to ensure that Goods furnished to Buyer under this Contract are not Counterfeit Goods. Seller's strategy shall include, but is not limited to, the direct procurement of items from OEMs or authorized suppliers, conducting approved testing or inspection to ensure the authenticity of items, and, when items are to be procured from non-authorized suppliers, obtaining from such non-authorized suppliers appropriate certificates of conformance that provide one or more of the following: (i) the OEM's original certificate of conformance for the item; (ii) sufficient records providing unbroken supply chain traceability to the OEM; or (iii) test and inspection records demonstrating the item's authenticity.
- c. Counterfeit Goods delivered or furnished to Buyer under this Contract are deemed nonconforming. If Seller becomes aware or suspects that it has furnished Counterfeit Goods to Buyer under this Contract, Seller promptly shall notify Buyer and replace, at Seller's expense, such Counterfeit Goods with OEM or Buyer-approved Goods that conform to the requirements of this Contract. Seller shall be liable for all costs related to the replacement of Counterfeit Goods and any testing or validation necessitated by the installation of authentic Goods after Counterfeit Goods have been replaced. The remedies contained in this article are in addition to any remedies Buyer may have at law, equity, or under other provisions of this Contract.
- d. Seller bears responsibility for procuring authentic Goods or items from its subcontractors and shall ensure that all such subcontractors comply with the requirements of this article.

## **26. 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.

**27. GOVERNMENT-OWNED PROPERTY.** FAR 52.245-1 (Aug. 2010), "Government Property," is incorporated by reference. "Contractor" means "Seller," and "Government" shall mean Government throughout except the first time it appears in paragraph (g)(1) when "Government" shall mean the Government or the Buyer. Paragraph (h)(1) is deleted and replaced by the following: "Seller assumes the risk of, and shall be responsible for, any loss, damage, destruction, or theft of Government property

upon its delivery to Seller as Government-furnished property. However, Seller is not responsible for reasonable wear and tear to Government Property or for Government property properly consumed in performing this Contract.”

**B. ADDITIONAL SITE/PROGRAM REQUIREMENTS**

**(Issuing location/program site – Huntington Beach)**

- 1. PROCESS STANDARDS/SPECIFICATIONS SUPERSESSION LIST** (This article applies only if this Contract incorporates any of Buyer's production design drawings with the following basic part numbers: 1Gxxxxx, 4Gxxxxx.)
  - a. If any of the process standards/specifications incorporated in this Contract have become obsolete, Seller may refer to drawing number 1G50100, Approved Substitute or Alternate List for Materials and Processes (ASAL), , for a list of superseding standards/specifications. Unless specified otherwise elsewhere in this Contract, drawing number 1G50100, Approved Substitute or Alternate List for Materials and Processes (ASAL), is Buyer's authorization for Seller to use the listed superseding process standards/specifications.
  - b. If an obsolete process standard/specification is not listed in the Process Standards/Specifications Supersession List, Seller shall contact Buyer's Authorized Procurement Representative to submit a Supplier Information Request (SIR) to obtain authorization to use a superseding standard/specification.
  
- 2. AUTHORIZED EQUIVALENT PARTS LIST** (This article applies only if this Contract incorporates any of Buyer's Boeing design drawings with the following basic part numbers: 1Gxxxxx,-4Gxxxxx.)

If any of the parts required by a Boeing drawing are not available, or if additional clarification is desired, Seller should contact Buyer’s Authorized Procurement Representative.
  
- 3. APPROVED MATERIALS SUBSTITUTION LIST** (This article applies only if this Contract incorporates any of the Buyer’s Boeing production design drawings with the following basic part numbers; 1Gxxxxx,-4Gxxxxx.)

If any of the materials required by a Boeing drawing are not available, Seller may refer to drawing number 1G50100, Approved Substitute or Alternate List for Materials and Processes (ASAL), to determine if there is an authorized equivalent material. Unless specified otherwise elsewhere in this Contract, drawing number 1G50100 is Buyer’s authorization for Seller to use the authorized equivalent material. If there is no authorized equivalent or if additional clarification is desired, Seller should contact Buyer’s Authorized Procurement Representative.
  
- 4. CHANGE NOTIFICATION**
  - a. Seller agrees to advise Buyer's Authorized Procurement Representative of any change, initiated by Seller, to the design, form, fit, or function of the goods furnished under this Contract. Furthermore, any change involving a substitution of material, changes in Seller's manufacturing and/or acceptance processes, or changes in manufacturing location will be submitted immediately in writing to Buyer's

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Authorized Procurement Representative for processing and review. Buyer will, within 15 days after receipt of the written notice, notify Seller of acceptance, rejection, or other status of such changes. In no event will Seller incorporate such changes without Buyer's prior written approval. All goods to be delivered will incorporate all changes and revisions that are approved by Buyer under this clause, commencing with the agreed effectivity of such changes.

- b. Nothing contained in this clause will excuse Seller from performing in strict compliance with the terms, conditions, delivery schedule, specifications, or any other provision of this Contract.
- c. Noncompliance with this change notification requirement may result in subsequent rejection of delivered items and actual and/or consequential damages.

### (Issuing location/program site - El Segundo)

**1. INSPECTIONS AND TEST RECORDS.** During the performance of this Contract and for a period of 15 years after acceptance of all goods to be delivered under this Contract, Seller shall keep and maintain all inspection and test records, and all other technical data generated under or related to this Contract including, but not limited to, drawings, designs, specifications, and manufacturing and process control records. Upon Buyer's request, Seller shall make available for inspection, and shall allow Buyer to make copies of, and take excerpts from, all such records and data.

### **2. PRODUCT SUPPORT**

- a. In the event that any goods delivered under this Contract become defective or malfunction for any reason and at any time (even after the applicable warranty period has expired), including while "in-orbit" if integrated into a satellite, Seller shall promptly perform a failure verification or analysis and determine the appropriate corrective action at no additional cost to Buyer. Seller shall take the appropriate measures to correct all defects, determined to be Seller's responsibility, in all applicable documentation, undelivered goods, and delivered un-launched goods, as required by Buyer.
- b. Seller shall immediately provide Buyer with full visibility of all technical and programmatic aspects of failures and problems occurring on the ground or in orbit that are relevant to the goods being delivered by Seller under this Contract; however, Seller is not required to provide Buyer information that would violate the confidentiality and commercial sensitivity of Seller's relationships with its other customers.

### (Issuing location/program site - Long Beach)

#### **1. BAR CODING REQUIREMENTS**

- a. Seller shall provide bar coded shipping labels, pursuant to Information Technology Standard MRC 3.301-1, on all goods, items and packages shipped to Buyer hereunder.
- b. Determination of payment due date, as set forth elsewhere in this Contract, will also be based on the receipt by Buyer of correct bar coded shipping labels pursuant to paragraph a above.

**2. DISPOSITION OF NONCONFORMING MATERIAL**

Nothing herein or in other parts of the Contract shall be construed as granting the Seller the authority to make repairs, or accept without repair any nonconformance condition which adversely affects fit, form, function, safety, weight, maintainability or appearance (where a factor), of products to be applied to the Contract.

It shall be Seller's continuing obligation to advise Buyer's Purchasing Representative in the event Seller discovers potential or actual non conformances prior to or during manufacture, and/or subsequent to delivery of goods under this Contract. Seller must provide written notice within twenty-four (24) hours of discovery using:

- a. for goods procured under this Contract for military program application (C-17, B-1B etc.), Buyer's Form MD-1898, Request for Deviation/Waiver, in accordance with MIL-STD-973, Configuration Management, to seek concession from the Customer (Buyer) for use-as-is and repair dispositions, provided, however, those Sellers in the seven county Southern California area (Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara and Ventura Counties) shall contact Buyer's local source inspector in lieu of submitting Form MD-1898. The local source inspector shall process a System Report QA070-20A, Discrepancy Record (DR), in accordance with TA-QA-062 "FUNCTIONS OF PROCUREMENT QUALITY ASSURANCE LOCAL SOURCE INSPECTION INSPECTORS";
- b. for goods procured under this Contract for other than military program application, (K/DC-10, MD-17, etc.) Buyer Form MD-7053, Supplier Information Request (SIR), or any similar format providing the same information.

**(Issuing location/program site - St. Louis)**

1. **ADDITIONAL CONTRACT PROVISIONS.** In addition to clauses incorporated into this Contract that are found on this website (<http://www.boeing.com/companyoffices/doingbiz/idscommon>) there may be Special Purchase Order Conditions (SPOCs) incorporated into this Contract (referenced by a four digit number) which can be found at the following website: <http://www.boeing.com/companyoffices/doingbiz/spocs/index.html>

**(Issuing location/program site - Puget Sound)**

**1. SUPPLIER DISCLOSURE**

The Seller is obligated to provide to the Boeing Company Goods and Services that meet the requirements of the Purchase Contract. If the Seller is notified, Discovers or Suspects that the Goods or Services delivered are not compliant to the terms of the Purchase Contract. Seller shall within 24 hours provide the Boeing Procurement Agent and the Recipient/Recipients with the following disclosure information using Supplier/Corporate Letter Head containing the following:

- a. Date
- b. Clear description of discrepancy (i.e.: should be and as is condition)
- c. Part numbers, quantities, purchase orders, ship dates, serial numbers, lot numbers, time frame of discrepancy etc.
- d. Root cause, root cause correction, follow-up (If available at the time of the Disclosure) If not

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- available at time of disclosure a corrective action plan is required.
- e. Signatures shall include a representative of the Quality Assurance department or designee.