



Boeing Commercial Airplanes (BCA) Terms and Conditions

5XXX - SHIPPING, HANDLING, PACKAGING, & MARKING

NEW NO.	OLD NO.	REV NO.	CLAUSE TITLE/TEXT
50XX			SCHEDULING
5001	173		SHIPPING SCHEDULE - SINGLE INCREMENT
			Seller authorized to ship in one increment, but not prior to first schedule date shown.
5002	800**		EARLY DELIVERY
			This Clause modifies Article 5 to Form DAC 26-685 or Form DAC 26-800, as applicable, by deleting the sentence reading "in the event of early delivery, Boeing may store goods at Seller's expense", and by substituting the following: "time is of the essence for performance under this Purchase Order/Contract. Notwithstanding Seller's contractual commitment date as set forth in the Purchase Order/Contract, Seller will use its best efforts to deliver as soon as possible in order to support Boeing's requirements. Seller shall notify Boeing's Purchasing Representative if Seller intends to deliver in advance of the contractual commitment date".
5005		072110	CBO (MIM/MAX) PO CLAUSE TEXT
			"Lead Time (s) Schedule. Unless specifically authorized in writing by Boeing's purchasing representative, Seller agrees that any purchase of materials or performance of work beyond the lead time(s) specified below will be at Seller's exclusive risk." "Minimum/Maximum Agreement. Seller agrees that the products purchased under this Purchase Order shall be subject to the terms and conditions of the Minimum/Maximum Inventory Agreement ("Min/Max Agreement") between the Seller and Boeing. This Purchase Order reflects price adjustments set forth in section 4 of the Min/Max Agreement, if applicable." "In the event of a termination for convenience under General Provisions 1 (GP1), Section 14 and notwithstanding any language to the contrary that might be contained thereof, in no event shall the Seller be entitled to recover its costs or its profits, if any, for materials purchased or delivered or for work performed beyond the lead time specified in this Purchase Order. Further, it is understood that the term 'Fixed Price' contained in GP1, Section 14, refers to the price for product that is within the lead time specified in this purchase order as of the effective date of the termination for convenience."
5006	871**	021505	SUPPLIER LEAD TIME CLAUSE

			The supplier lead time for this part number is XXXX. Approved vendor days.
5007		020911	EBC PREFERRED SUPPLIER GRACE PERIOD
			<p>Seller will use its best efforts to deliver per Seller's contractual commitment date as set forth in the Purchase Order/Contract in order to support Boeing's requirements. Seller shall immediately notify Boeing's Purchase Representative if Seller intends to deliver after the contractual commitment date.</p> <p>This clause, when applied, allows a three (3)-calendar day grace period after the Purchase Order/Contract completion schedule without Seller Performance Rating penalty.</p>
51XX			SHIPPING/TRANSPORTATION
5101	818	022108	STANDARD SHIPPING INSTRUCTIONS
			<p>Seller shall ship in accordance with the instructions set forth below when the Purchase Order/Contract specifies the F.O.B. or Incoterm point as Seller's facility and the shipping destination as Procurement Agent's facility in California or to a designated third party location for the account of the Procurement Agent.</p> <p>1. Ship in accordance with the instructions set forth in the Procurement Agent's Purchase Order/Contract (except those under Seller's responsibility). If instructions are missing, Seller shall access Boeing's - Domestic or International Shipment Routing Instructions available on Supplier Portal or Doing Business with Boeing website for specific routing instructions. http://www.boeingsuppliers.com/supplier_portal/sri.html</p> <p>Any shipment to international destination from the U.S. requires prior approval by Procurement Agent's Boeing SSG Supply Chain Logistics Department.</p> <p>Any shipment by same day airfreight requires prior approval by Procurement Agent's Boeing SSG Supply Chain Logistics Department. Any overnight airfreight shipment exceeding 100 pounds requires prior approval by Procurement Agent's Boeing SSG Supply Chain Logistics Department.</p> <p>2. All items shipped in one day must be consolidated on a single collect Bill of Lading or Airway bill when multiple orders are to be shipped to a single Procurement Agent location, unless directed otherwise.</p> <p>3. Prepay and Add freight charges are not authorized.</p> <p>4. The Supplier's failure to comply with the Purchase Order/Contract routing instructions will result in the Seller liability for excess and/or reversal of freight charges and a \$100.00 administrative expense which will be debited against amounts otherwise due to Seller by Procurement Agent.</p> <p>5. Single or consolidated domestic shipments weighing 150 pounds or less (provided individual packages meet United Parcel Service (UPS) size and weight restriction) should be shipped UPS collect.</p> <p>6. Air shipments exceeding 100 pounds aggregate gross weight must be forwarded on a Second Day Service Request unless otherwise authorized by Procurement Agent personnel.</p>

7. For Shipments weighing in excess of 5,000 pounds, or over-dimensional, or requiring special equipment (i.e., air ride, electronic van, heavy haul trailers, exclusive use of equipment), contact Procurement Agent's Boeing SSG Supply Chain Logistics Department for specific routing instructions at least 48 hours prior to shipment. Seller must access below link for Supply Chain Logistics Full Truckload focal contact information.

http://www.boeingsuppliers.com/supplier_portal/sri.html

8. For air shipments weighing in excess of 250 pounds and with any one dimension over 120" X 60" X 60", contact Procurement Agent's Boeing SSG Supply Chain Logistics Department for specific instructions at least 48 hours prior to shipment. Seller must access below link for "How to Contact Supply Chain Logistics" contact information.

http://www.boeingsuppliers.com/supplier_portal/sri.html

9. Do not insure or declare value on any shipment unless specifically directed in writing to do by Procurement Agent. Where rates are dependent upon declared or released valuation, your Bill of Lading or Airway bill must state the value, which will provide the lowest rate.

10. Describe the material on the Bill of Lading or Airway bill in accordance with the applicable classification and/or tariff.

11. Indicate Purchase Order/Contract number(s) and total number of containers on all shipping documents. Label each container with the Purchase Order/Contract number and the number, which each container represents to the total to be shipped (i.e., Box 1 of 6). For air shipments, the Boeing Purchase Order/Contract number must be specified in the Shippers Reference block of the airway bill.

12. Failure to use Procurement Agent specified carriers may result in your being responsible for loss or damage in transit.

13. The following information is to be included on the freight carrier's Bill of Lading/Airway bill:

- Procurement Agent's Purchase Order/Contract number;
- Procurement Agent's Cost Charge (account)Number (CCN);
- Material Safety Data Sheet (MSDS), if any;
- Complete shipper/consignee address and zip code;
- Procurement Agent's name and telephone number

14. Contact Procurement Agent's Boeing SSG Supply Chain Logistics - Domestic Shipment Routing Instructions for instructions on all hazardous material shipments.

http://www.boeingsuppliers.com/supplier_portal/sri.html

15. If unable to comply with these instructions or for any inquiries or special instructions, contact Supply Chain Logistics focal as specified in "How to Contact Supply Chain Logistics" contact information.

http://www.boeingsuppliers.com/supplier_portal/sri.html

16. PACKING AND SHIPPING

a. GENERAL PACKING AND SHIPPING INSTRUCTIONS

1) Unless this Contract specifies otherwise, Seller will ship the Goods in accordance with the following instructions.

2) If Seller is unable to comply with the packing and shipping instructions in this Contract. Seller will contact Procurement Agent's Boeing SSG Supply

Chain Logistics Department or Packaging Engineering referenced elsewhere in this Contract or Procurement Agent's Authorized Procurement Representative.

b. PACKING

1) Procurement Agent may charge Seller for damage to or deterioration of any Goods resulting from improper packaging.

2) Seller shall pack the Goods to D37522-6, "Supplier Packaging" instructions.

Note: D37522-6 Supplier Packaging Instructions is available via the My Boeing Fleet (see MBF) portal, e-Enabled Supply Chain Management (see eSCM) portal or a hardcopy copy from the On-Demand Print (ODP).

3) Seller shall pack the goods exported from the U.S. to international destination in accordance with applicable ISPM-15 regulations.

c. SHIPPING

1) Routing Instructions

a) Procurement Agent will select the carrier/forwarder and mode of transportation for all shipments where freight costs will be charged to Procurement Agent.

b) The Boeing Shipment Routing Instructions apply to Boeing supplier inbound collect (F.O.B. Origin) (Incoterms - Ex Works, Free Carrier, Free Alongside Ship, Free On Board Vessel) for parts, materials and tooling shipments destined for all Boeing locations. The Routing Instructions are available on the external Boeing website under Doing Business with Boeing. http://www.boeingsuppliers.com/supplier_portal/sri.html

c) Goods sold F.O.B. origin or (Incoterms - Ex Works, Free Carrier, Free Alongside Ship, Free On Board Vessel) (place of shipment) shall be forwarded collect.

2) Documents

a) The shipping documents will describe the material according to the applicable classification and/or tariff. (All U.S. export documents and AES filing will be created and processed by Boeing SSG Supply Chain Logistics when The Boeing Company is considered to be the USPPPI).

b) A shipment containing Dangerous Goods and non-Dangerous Goods must have separate packing sheets for the Dangerous Goods and non-Dangerous Goods.

c) Shipments by Seller or its subcontractors must include packing sheets containing Procurement Agent's Purchase Order/Contract number, line item number, description and quantity of Goods shipped, part number or size, if applicable, and appropriate evidence of inspections.

d) Originals of all Government bills of lading will be surrendered to the origin carrier at the time of shipment.

e) The total number of shipping containers will be referenced on all shipping documents.

f) Seller will mark each shipping container with the purchase order or contract number.

5103	801**	022108	SPECIAL DELIVERY INSTRUCTIONS
			See the Purchase Order/Contract for special direct/drop shipment instructions.
5105	802**	062212	SPECIAL SHIPPING INSTRUCTIONS
			<p>See the Purchase Order/Contract for special shipping instructions. If direct/drop shipment is indicated, the items ordered on this Purchase Order/Contract are sold to The Boeing Company, Boeing Commercial Airplanes, 2401 E. Wardlow Road, Long Beach, California 90807, and Seller shall comply with the following additional requirements:</p> <ol style="list-style-type: none"> 1. All shipments must not ship sooner than 3 days before sellers commit date, unless purchase order has shipping clause 5002 attached. 2. Reference Boeing's customer name, Purchase Order/Contract number, Boeing's Purchase Order and the applicable line item of the Purchase Order/Contract on all shipping documents. 3. Do not reflect Boeing's procurement price/cost on shipping documents. 4. Include with shipping documents verification of inspection, serial number and other identifying information, if available, following accomplishment of Source Inspection or FAA inspection, as applicable, at Seller's facility if such inspection is required by the Purchase Order/Contract. 5. Seller must adhere to all packaging requirements of DPS 3.313, "packaging Commercial Spare Parts & Materials for Distribution" or D37522-6, "Supplier Packaging" for all direct/drop shipments. If assistance is required for compliance, please contact Boeing Packaging Engineering at (714) 934-0314. <p>**Ask for a Packaging Engineer</p> <ol style="list-style-type: none"> 6. Seller to assume all shipments are via ground method, unless otherwise directed by Boeing. 7. Transmit Bill of Lading and packing sheet numbers within 4 hours to the following address: THE BOEING COMPANY 12200 MONARCH STREET, DOCK DOOR B GARDEN GROVE, CA 92841 ATTN: Receiving Department D0GG-C621(Building 52-122) <p>Seller shall provide one (1) electronic or faxed copy of all shipping documents to Boeing at the above address immediately thereafter. Electronic copies can be e-mailed to SPARESRECEIVING@boeing.com or Fax copies to (714) 934-0315.</p> <ol style="list-style-type: none"> 8. For assistance in shipping to Boeing's customer or their noted freight forwarder, as indicated on the Purchase Order/Contract, contact the Boeing SSG Supply Chain Logistics Department <p>GGDC SCL Call Center: Telephone: (714) 934-0357 / Group Mailbox: LADCTRAFFIC@boeing.com</p>
5106	803**		SPECIAL F.O.B. INFORMATION

			If F.O.B. is other than "origin" or "destination," see the Purchase Order/Contract for F.O.B. information.
5107		072110	Deleted
5108	807**		RESERVED
5108A	809**	072110	Deleted
5108B	810**	072110	Deleted
5109	808**	072110	Deleted
5120	840		LOT SHIPMENT
			Where a shipment contains goods from more than one manufacturing lot, Seller shall separately package and identify each manufacturing lot.
5130	879	072110	SHIPPING QUANTITY TOLERANCES
			Notwithstanding any other provision, this order is subject to the quantity tolerance(s) specified on the Purchase Order/Contract where reference is made to this Clause. Quantities in excess of the tolerance may be accepted by Boeing as no cost items or they may be returned to Seller at Seller's expense. Boeing shall be liable for the price of only those quantities within tolerance or under tolerance that Boeing accepts.
5131			RESERVED
5132	872**	042513	REGISTRATION, EVALUATION AND AUTHORIZATION OF CHEMICALS (REACH) COMPLIANCE
			If raw materials, parts or assemblies contain substance of very high concern (SVHCs) as prescribed by EU Directive EC No. 1907/2006, Registration, Evaluation and Authorization of Chemicals, identification shall be included with the shipment. This identification should list the SVHC-designated chemicals present in the purchased article and the conditions under which handling precautions should be taken.
5140	888	051903	COMMERCIAL INVOICE REQUIREMENTS (CUSTOMS INVOICE) FOR IMPORTS INTO THE UNITED STATES
			<ol style="list-style-type: none"> 1. Commercial Invoice must be in English. 2. Record the United States Port of Entry where merchandise is to be cleared by U.S. Customs. 3. Date, Location, and Names of Seller and/or Shipper <ol style="list-style-type: none"> A. Date when the merchandise is sold, or agreed to be sold (Current Purchase Order date) B. Name and address of the Seller (Company name and address) - And/or name and address of the Shipper, if the Seller is not the Shipper. C. Name and contact information for an employee, who is employed by the seller and/or Shipper that has detailed knowledge of the sales transaction. D. Name and address of the Buyer (Boeing company name and site address) E. Name of Consignee if not the Buyer (Company receiving non-purchased transactions or drop ship destination)

4. Purchase Order Number
 - Provide the current purchase order number.
5. Commercial Invoice Number (Seller's option)
6. Packing Sheet Number
 - If a separate packing sheet(s) is used to provide any of the required commercial invoice information, the packing sheet number(s) must be recorded on the commercial invoice.
7. Merchandise Shipment Date (month, day, year)
 - Provide the date that the merchandise shipped from the Sellers factory or facility.
8. Related Party to the Boeing Company
 - If the Seller is a Related Party to the Boeing Company, or any of its subsidiaries, it must be stated on the invoice: "Related Party to the Boeing Company"
9. A detailed description of the merchandise being shipped must be provided to ensure proper product classification per the U.S. Customs Harmonized Tariff Schedule (HTS) and must include at a minimum:
 - The full name by which each item is known. (i.e. Boeing drawing part name)
 - The part number on the Boeing purchase order, or if the item is a raw material, provide the material grade, class, and dimensions.

Notes: (1) Generic descriptions, abbreviations, acronyms, and Stock Keeping Unit (SKU) numbers are not acceptable.

(2) Boeing may request additional description information for items that do not have a Boeing part number and/or design.
10. Quantities, Weights and Measures
 - Record the quantity of each part number in the shipment
 - If not separately noted on packing sheet
 - . Record the total quantity of parts being shipped
 - . Provide the gross and net weight of the entire shipment
 - . Specify the unit of measure being used
 - . Specify the total number of boxes included on each packing sheet
 - Textiles must specify the net and gross weights and the length, width, and total square meters of material.
11. Specify the value of items being shipped
 - A - In addition to recording the Unit cost of each part on the commercial invoice,
 - B - List separately, all Assists and Additional costs as directed by the Boeing Procurement representative:
 - . Assists
 - Assists are components, materials, dies, molds and tools, that are supplied by the Buyer, free of charge or at a reduced cost to the seller , and used in the production of imported goods. This also would include the Buyer paid transportation costs associated with the assist. These transportation costs will be provided by the procurement focal responsible for this merchandise.
 - . Additional Costs
 - Engineering and Design work - Work that is performed outside the U.S., by non-U.S. employees, and is not included in the unit price of the merchandise being imported.
 - Packing Costs - Costs for packing that are incurred by the Buyer, and have not been included in the unit cost.
 - Non-recurring Charges - One-time charges, incurred by the Buyer, for such items as, expedite fees and transportation costs, which have not been included in the unit cost.
 - Selling Commissions - Commissions incurred by Buyer that have not been included in the unit cost.
 - Royalties - Fees the Buyer is required to pay as a condition of sale.
 - C- If the item being shipped is a Repaired or Modified part
 - . Include the value of the item being repaired or modified, and

			<ul style="list-style-type: none"> . The cost of the repair or modification . Attach a copy of a "Shippers Declaration of Repair or Alteration" form. <p>D- The Total Value of the entire shipment must be shown on the commercial invoice.</p> <p>12. Type of Currency - Currency on all invoices must be in U.S. Dollars</p> <ul style="list-style-type: none"> - Note: Where export license requirements mandate that the currency of the exporting country be stated on the invoice, include the following "for (export country) Customs purposes, value in (local currency)." This must be stated in addition to and not in lieu of the item value in U.S. Dollars. <p>13. Country of Origin</p> <ul style="list-style-type: none"> - Indicate the country of manufacture of each item being shipped <p>14. Discounts</p> <ul style="list-style-type: none"> - List all discounts that have been agreed to between the buyer and seller, or may be allowed, that apply to the purchase price or value, but have not been included in the unit price. <p>15. Rebates, Drawback and Bounties</p> <ul style="list-style-type: none"> - If Seller receives any of these items, as a result of export, please itemize and provide description. <p>16. Terms of Sale (Incoterms)</p> <ul style="list-style-type: none"> - Specify the International Commercial Terms of Sale (Incoterms) on the commercial invoice as agreed to per the Boeing contract. <p>Note - Commercial invoices are required on all shipments whether or not a purchase order has been released or payment made. Non-Procurement examples include, free samples, returned tools and test parts.</p>
52XX			HANDLING/PACKAGING
			RESERVED
53XX			MARKING REQUIREMENTS
5301	827		MANUFACTURER IDENTIFICATION
			Seller shall identify on all test reports and certifications or (if test reports and certifications are not required) on all shipping documents, the manufacturer of materials that are furnished under this Purchase Order/Contract. The material shall bear the identification of the manufacturer when the material is under approved source control.
5302	923**	072110	ORIGINAL EQUIPMENT MANUFACTURER (OEM)
			For purposes of this Purchase Order/Contract, Seller is a distributor of goods manufactured by an Original Equipment Manufacturer (OEM) and shall provide to Boeing with each shipment a copy of the shipping documents provided to Seller by the OEM as proof of purchase.
5303	928**	020911	IDENTIFICATION OF PERISHABLE/HAZARDOUS MATERIAL
			<p>Seller shall label all material identified by The Boeing Company (Boeing) as perishable and/or hazardous in Douglas Process Material (DPM) or Douglas Material Specification (DMS) descriptions in accordance with this clause.</p> <p>Each container or item of hazardous/perishable material must have a label affixed to it before shipment to any Boeing facility. Where a container includes more than one item, labels must be affixed to both the container and each item within the container. Each label shall contain all of the following information:</p>

- | | | |
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| | | <ol style="list-style-type: none">1. Boeing's full part number (as reflected on the order issued to Seller).2. Manufacturer's full part number.3. Shelf life of material (must be consistent with appropriate DPM).4. Manufacturer's batch number (if any).5. Date of expiration (if any).6. Temperature for storage (must be consistent with appropriate DPM). |
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The label used by Seller shall be Form DAC 2-502, Perishable Material Label, unless an equivalent label is approved in writing by Boeing Quality. Material, which is not properly labeled in accordance with this clause, may be returned at Seller's expense upon receipt or otherwise rejected as nonconforming goods.

- * New Clause, no corresponding Clause number assigned under "old" scheme.
- ** New Clause, "old" number assigned for Boeing internal use only.
- ' Clause not published in 1/87 edition of DAC 26-730, but was applied as a full text attachment to purchase orders.

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