



Terms & Conditions:

5XXX - SHIPPING, HANDLING, PACKAGING, & MARKING

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 the applicable Buyer General Terms and Conditions by deleting the sentence reading "In the event of early delivery, Buyer may store goods at Seller's expense, unless delivery in advance of the contractual commitment date is expressly authorized within this contract." If Form GP1 is applicable to this procurement, this Clause deletes the sentence in Article 2, Schedule, reading "Seller shall not deliver Goods prior to the scheduled delivery dates unless authorized by Buyer." Notwithstanding Seller's contractual commitment date as set forth in the PO/Contract, Seller will use its best efforts to deliver as soon as possible in order to support Buyer's requirements. Seller shall notify Buyer's Purchasing Representative if Seller intends to deliver in advance of the contractual commitment date."

5003 821 CONSUMPTION BASED ORDERING (MIN/MAX)

The products ordered under this purchase order shall be subject to the terms and conditions of the Minimum/Maximum Agreement (Min/Max Agreement) between the Seller and Buyer referenced in this purchase order.

51XX SHIPPING/TRANSPORTATION

5101 818 STANDARD SHIPPING INSTRUCTIONS

Seller shall ship in accordance with the instructions set forth below and the specific routing terms contained in this PO/Contract (see "Ship Via").

1. Shipping instructions within the MDC PO/Contract apply to all shipments (except those on Government Bill of Lading or those under Seller's responsibility) consigned to our California facilities (Carson, Long Beach, Palmdale or Torrance); and to our facility in Macon, Georgia;

and to our Contractor Operated Storage Sites (COSS) at Charleston AFB, South Carolina; and Edwards AFB, California.

2. All items shipped in one day must be consolidated on one collect Bill of Lading or Airbill, unless directed otherwise. Prepay and add is not authorized. Supplier invoices with freight added will be assessed \$50.00 to cover our processing cost. (Exception: authorized United Parcel Service [UPS] shipments.)

3. Surface shipments (not individual packages) weighing 150 pounds or less and meeting United Parcel Service (UPS) restrictions must be forwarded via UPS.

4. Note: Air shipments must be forwarded on Second Day Service Request unless otherwise authorized by MDC personnel.

5. Unauthorized deviations incurring excessive freight charges will be debited to the Seller.

6. Do not insure or declare value on any shipment unless specifically directed to do so.

7. Where rates are dependent upon declared or released valuation, your Bill of Lading or Airbill must state the value which will provide the lowest rate.

8. Material must be described on shipping documents (Bill of Lading or Airbill) in accordance with the applicable classification and/or tariff.

9. Indicate PO/Contract number(s) and total number of containers on all shipping documents. Label each container with the PO/Contract number and the number with each container represents to the total to be shipped (i.e., Box 1 of 6).

10. Mail original Bill of Lading or Airbill (or a legible copy) To: MDC, 2401 E. Wardlow Rd., Long Beach, CA 90807; ATTN: Traffic and Customs, C1-F41 (56A-21).

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

12. Shipments weighing in excess of 10,000 pounds or over-dimensional and requiring special equipment (i.e., air ride, electronic van, or heavy haul trailers), contact MDC Transportation at (310) 593-5700.

13. If unable to comply with these instructions or for any inquiries or special instructions, contact the Traffic & Customs Department, (310) 593-5700.

5103 801 SPECIAL DELIVERY INSTRUCTIONS

See the PO/Contract for special delivery instructions.

5105 802 SPECIAL SHIPPING INSTRUCTIONS

See the PO/Contract for special shipping instructions. If direct/diverted shipment is indicated, the items ordered on this PO/Contract are sold to MDC - Transport Aircraft, Long Beach, California, Seller shall comply with the following additional requirements:

1. Reference MDC's customer, PO/Contract number and the applicable line item of the PO/Contract on all shipping documents.

2. Do not reflect MDC's procurement price/cost on shipping documents

3. 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 PO/Contract.

4. For all shipments of commercial spare parts not covered by Seller's FAA issued Technical Standard Order (TSO), Parts Manufacture Approval (PMA) or Production Certificate, Seller's shipping documents must have the following legend:

"This item has been produced under the authorization of McDonnell Douglas Corporation,
Douglas Aircraft

Company, Production Certificate No. 27."

5. Transmit notification of Bill of Lading and packing sheet numbers within 24 hours to the
MDC Purchasing Representative at the following address:

MCDONNELL DOUGLAS CORPORATION

MILITARY TRANSPORT AIRCRAFT

2401 E. WARDLOW RD.

LONG BEACH, CA 90807

ATTN (See the PO/Contract for the Buyer's name and mail code)

Seller shall provide three (3) copies of the shipping documents to MDC Purchasing
Representative at the above address as soon as possible after shipment. Telex. No. DOUGLAS
AIR, 674357 OR 674994.

6. For assistance in shipping to MDC's customer, as indicated on the PO/Contract, contact the
MDC Traffic & Customs Department at (310) 593-5700.

5106 803 SPECIAL F.O.B. INFORMATION

If F.O.B. is other than "origin" or "destination," see the PO/Contract for F.O.B. information.

5107 804 SHIPPING INSTRUCTIONS FOR GOVERNMENT BILL OF LADING

Shipments must be made as specified in the PO/Contract, unless subsequently modified in
writing by MDC. To the extent this order provides for inspection and/or acceptance by the
Government at Seller's plant, for the purpose of direct shipment to the Government, Seller shall
make timely request from MDC purchasing representative for special shipping instructions.
Seller agrees that no shipping charges will be directly or indirectly included in the PO/Contract
price for transportation fees.

5108 807 ADDITIONAL SHIPPING INSTRUCTIONS

The Air Force Requisition Number and National Stock Number (or equivalent) set forth on the

purchase order or in the documentation accompanying the item shall be included on all of Seller's shipping documents for that item. No payment under this contract shall be due until the shipping documents received by MDC for the purchased or repaired item includes the correct Air Force Requisition Number and National Stock Number (or equivalent).

5109 808 MATERIAL INSPECTION AND RECEIVING REPORT (DD FORM 250)

The Seller is responsible for completing the DD Form 250 and obtaining Government acceptance of the items set forth in this contract on or before the contractual due date. Seller shall complete and return the original DD Form 250 to the responsible MDC Representative after the authorized Government Representative has inspected and/or accepted and released the shipment. If the Government reduces the price of MDC's prime contract due to the Seller's failure to deliver items pursuant to the date set forth in this Contract or to furnish a properly completed DD Form 250, MDC may reduce the price of this or any other Contract with the Seller by the amount of such reduction in MDC's prime contract. For information required to complete the DD Form 250, see the Direct Shipment DD 250 Manual or the PO/Contract.

**5110 812 SHIPPING INSTRUCTIONS FOR FOREIGN PROCUREMENTS
(25 JUL 2002, REV)**

Seller shall include the following information on all shipping documents for procurements outside of the United States:

1. Delivery address of the Buyer
2. The U.S. Government prime contract number set forth in the subcontract.
3. Identification of the carrier.
4. Include the notation:
UNITED STATES GOVERNMENT, DEPARTMENT OF DEFENSE, Duty-free entry to be claimed pursuant to Section XXII, Chapter 98, Subchapter VIII, Item No. 9808.00.3000 of the Harmonized Tariff Schedule of the United States. Upon arrival of shipment at port of entry, District Director of Customs, please release shipment under 19 CFR part 142 and notify and notify Commander, Defense Contract Management Area Operations (DCMAO) New York, for execution of Customs Forms 7501 and 7501-A and any required duty-free entry certificates.
5. Gross weight in pounds (if freight is based on space tonnage, state cubic feet in addition to gross shipping weight).
6. Estimated value in United States dollars.
7. If an item is being returned after repair and/or rework against a rejection purchase order (RPO) under warranty, include the (a) RPO Number and (b) the U.S. Department of State Temporary License Number.

Additionally, Seller shall comply with the requirements set forth in Form AM0050, Guidelines for Writing Technical Descriptions of Merchandise, and Form AM0051, Commercial Invoice

Requirements for Imports Into the United States, in the preparation of invoices for imported items.

Failure to include the foregoing information on any shipping documents shall be a breach of this contract and Seller shall indemnify MDC for any duty paid to the United States Government as a result of such breach. Additionally, Seller shall reimburse MDC \$200 for administrative expenses assisting with the duty-free clearance of any shipment when its documents fail to correctly include the foregoing information. Additionally, Seller shall not disclose or provide technical data furnished by MDC to any person except authorized U.S. citizen, intending citizen, permanent resident alien (immigrant alien), employees and qualified subcontractors located in Seller's country which require the data in performance of the subcontracts.

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 SHIPPING QUANTITY TOLERANCES

Notwithstanding any other provision, this order is subject to the quantity tolerance(s) specified on the PO/Contract where reference is made to this Clause. Quantities in excess of the tolerance may be accepted by MDC as no cost items or they may be returned to Seller at Seller's expense. MDC shall be liable for the price of only those quantities within tolerance or under tolerance that MDC accepts.

52XX HANDLING/PACKAGING

5201 854 PACKAGING INSTRUCTIONS - SPARES (New 03/12/04)

Packaging of Reparable Spares shall be IAW MIL-STD-2073-1D. Container Level "B".

Quantity per Unit Pack (QUP) is 1 each with an exception of "expendables". Low dollar expendable items, \$5.00 and under / and upon discretion of packaging expertise (ie; nuts, bolts, washers, fasteners, etc.) may be assigned a QUP of more than one and packaged in quantities standard in the trade, but shall not exceed the amount of \$200.00 for the applicable part.

If any of the following conditions exist for your parts, please take the following steps to ensure proper preservation of item.

Part consists of bare metal, chrome plating or contains a bushing(s) (Other than sintered porous bushing); Coat entire area with MIL-PRF-16173, Grade 4 – (P-19). The preserved areas shall be wrapped and secured with MIL-B-121, Grade A, greaseproof/waterproof barrier material.

Part consists of bearing(s), bearings with zerk fittings; The entire bearing surface must be coated with MIL-G-23827 grease - (P-11), use grease gun for bearings with zerk fittings. The preserved areas shall be wrapped and secured with MIL-B-121, Grade A,

greaseproof/waterproof barrier material.

For packaging questions call the Buyer's procurement agent.

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 PO/Contract. The material shall bear the identification of the manufacturer when the material is under approved source control.

5302 923 ORIGINAL EQUIPMENT MANUFACTURER (OEM)

For purposes of this PO/Contract, Seller is a distributor of goods manufactured by an Original Equipment Manufacturer (OEM) and shall provide to MDC with each shipment a copy of the shipping documents provided to Seller by the OEM as proof of purchase.

5303 928 IDENTIFICATION OF PERISHABLE/HAZARDOUS MATERIAL

Seller shall label all material identified by McDonnell Douglas Corporation (MDC) as perishable and/or hazardous in Douglas Process Material (DPM) or Douglas Material Specification (DMS) descriptions in accordance with this clause.

Each container or item of hazardous/perishable material must have a label affixed to it before shipment to any MDC 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:

1. MDC'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).

The label used by Seller shall be Form DAC 02-0502, Perishable Material Label, unless an equivalent label is approved in writing by MDC 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.