

1. FORMATION OF CONTRACT. This proposed contract is Buyer's offer to purchase the goods and services (Goods) described in this offer. Acceptance is strictly limited to the terms and conditions in this offer. Unless specifically agreed to in writing by Buyer's Authorized Procurement Representative, Buyer objects to, and is not bound by, any term or condition that differs from or adds to this offer. Seller's commencement of performance or acceptance of this offer in any manner shall conclusively evidence acceptance of this offer as written.

2. SCHEDULE

- a. Seller shall strictly adhere to the shipment or delivery schedules specified in this contract. In the event of any anticipated or actual delay, including but limited to delays attributed to labor disputes, Seller shall: (i) promptly notify Buyer in writing of the reasons for the delay and the actions being taken to overcome or minimize the delay; (ii) provide Buyer with a written recovery schedule; and (iii) if requested by Buyer, ship via air or expedited routing to avoid or minimize delay to the maximum extent possible. Unless Seller is excused from prompt performance as provided in the Force Majeure article of this contract, the added premium transportation costs are to be borne by Seller and are not an allowable cost under this contract.
- b. Seller shall not deliver Goods prior to the scheduled delivery dates unless authorized by Buyer.

3. PACKING AND SHIPPING

- a. Seller shall pack the Goods so as to prevent damage and deterioration. Unless otherwise specified in this contract, Goods sold F.O.B. origin (place of shipment) shall be forwarded collect. Seller shall make no declaration concerning the value of the Goods shipped except on Goods where the tariff rating is dependent upon released or declared value. In such event, Seller shall release or declare such value at the maximum value within the lowest rating. Buyer may charge Seller for damage to or deterioration of any Goods resulting from improper packing or packaging.
- b. Unless this contract specifies otherwise, Seller will ship the Goods in accordance with the following instructions:
 - (i) Shipments by Seller or its subcontractors must include packing sheets containing Buyer's contract number, line item number, description and quantity of Goods shipped, part number or size, if applicable, and appropriate evidence of inspections. A shipment containing hazardous and nonhazardous materials must have separate packing sheets for the hazardous and nonhazardous materials. Seller shall not include vermiculite or other hazardous substance in any packing material included with the Goods. Items shipped on the same day will be consolidated on one bill of lading or air waybill unless Buyer's Authorized Procurement Representative authorizes otherwise. The shipping documents will describe the Goods according to the applicable classification and/or tariff. The total number of shipping containers will be referenced on all shipping documents. Originals

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

- (ii) Seller will not insure any F.O.B. origin shipment unless authorized by Buyer.
- (iii) Seller will label each shipping container with the contract number and the number that each container represents of the total number being shipped (e.g., box 1 of 2, box 2 of 2).
- (iv) Buyer will select the carrier and mode of transportation for all shipments where freight costs will be charged to Buyer.
- (v) Prepay and/or shipment charges, including handling charges, are not authorized and Seller will not be reimbursed.
- (vi) If Seller is unable to comply with the shipping instructions in this contract, Seller will contact Supply Chain Logistics department referenced elsewhere in this contract or Buyer's Authorized Procurement Representative.
- (vii) Buyer's Shipment Routing Instructions are on the Buyer's website at <http://www.boeing.com/companyoffices/doingbiz/routinginst/routing.htm>.
- (viii) Buyer's Shipment Routing Instructions apply to shipments sent collect (F.O.B. origin) to all Buyer locations.
- (ix) Seller's failure to comply with Buyer's Shipment Routing Instructions will result in Seller liability for excess and/or reversal of freight charges and a \$100 administrative expense.
- (x) Unless this contract specifies otherwise, the price includes shipping charges for Goods sold F.O.B. destination. Seller shall comply with carrier tariffs.

4. QUALITY CONTROL. Seller shall establish and maintain a quality control system acceptable to Buyer for the Goods purchased under this contract. Seller shall permit Buyer to review procedures, practices, processes and related documents to determine such acceptability. Seller shall have a continuing obligation to promptly notify Buyer of any violation of or deviation from Seller's approved inspection/quality control system and to advise Buyer of the quantity and specific identity of any Goods delivered to Buyer during the period of any such violation or deviation.

5. RIGHTS OF BUYER'S CUSTOMERS AND REGULATORS TO PERFORM INSPECTION, SURVEILLANCE AND TESTING. Buyer's rights to perform inspections, surveillance and tests and to review procedures, practices, processes and related documents related to quality assurance, quality control, flight safety and configuration control shall extend to the customers of Buyer that are departments, agencies or instrumentalities of the United States Government and to the United States Government Federal Aviation Administration and any successor agency or instrumentality of the United States Government. Buyer may also, at Buyer's option, by prior written notice from Buyer's Authorized Procurement Representative, extend such rights to other customers of Buyer and to agencies or instrumentalities of foreign governments equivalent in purpose to the Federal Aviation Administration. Seller shall cooperate with any such inspection, surveillance, test or review. Nothing in this contract shall be interpreted to limit United States Government access to Seller's facilities pursuant to law or regulation.

- 6. SELLER NOTICE OF DISCREPANCIES.** Seller shall immediately notify Buyer in writing when discrepancies in Seller's processes or goods are discovered or suspected regarding Goods delivered or to be delivered under this contract.
- 7. INSPECTION OF SUPPLIES.** (Applicable only if supplies will be delivered.) FAR 52.246-3 (May 2001), "Inspection of Supplies - Cost Reimbursement," is incorporated by reference. "Contractor" means Seller, "Government" means Buyer, except in paragraph (k). Paragraph (k) is removed and replaced with the following: "(k) Except as otherwise specified in the contract, the Seller's obligation to correct or replace Government-furnished property shall be governed by the clause pertaining to Government-owned property. The Seller's obligation to correct or replace Buyer-furnished property shall be governed by the clause pertaining to Buyer's property." In paragraph (f) "6 months" is revised to read "12 months."
- 8. INSPECTION OF SERVICES.** (Applicable only if services will be provided.) FAR 52.246-5 (Apr 1984), "Inspection of Services - Cost-Reimbursement," is incorporated by reference. "Contractor" means Seller and "Government" means Buyer.
- 9. DATE CALCULATION WARRANTY.** Seller warrants that any hardware, software and firmware delivered under this contract shall be able to accurately process date/time data (including, but not limited to, calculating, comparing and sequencing) from, into and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations to the extent that other information technology, used in combination with the information technology being acquired, properly exchanges date/time data with it. The duration of this warranty and the remedies available to Buyer for breach of this warranty shall be as defined in, and subject to, the other warranties contained in this contract, provided that notwithstanding any provision to the contrary in such warranties, the remedies available to Buyer under this warranty shall include repair or replacement of any noncompliant goods discovered and made known to Seller in writing. Nothing in this warranty shall be construed to limit any rights or remedies Buyer may otherwise have under this contract with respect to defects other than year-2000 performance.
- 10. LIMITATION OF COST.** (Applicable if this contract is fully funded.) FAR 52.232-20 (Apr 1984), "Limitation of Cost," is incorporated by reference. "Schedule" means this contract, "Contractor" means Seller, "Government" means Buyer, and "Contracting Officer" means Buyer's Authorized Procurement Representative. The word "exclusive" in the first sentence of paragraph (a) is revised to "inclusive" and paragraph (d)(1) is revised to read:
- "(1) Buyer is not obliged to reimburse Seller for costs incurred and fee in excess of (i) the estimated cost and fee specified in the contract or, (ii) if this is a cost-sharing contract, the estimated cost to Buyer specified in the Contract."
- 11. LIMITATION OF FUNDS.** (Applicable if this contract is incrementally funded.) FAR 52.232-22 (Apr 1984), "Limitation of Funds," is incorporated by reference.

"Schedule" means this contract, "Contractor" means Seller, "Government" means Buyer, and "Contracting Officer" means Buyer's Authorized Procurement Representative. The word "exclusive" in the second sentence of paragraph (b) is revised to "inclusive" and subparagraph (f)(1) is revised to read:

"(1) Buyer is not obliged to reimburse Seller for costs incurred and fee in excess of the total amount allotted by Buyer to this contract; and"

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

13. INVOICE AND PAYMENT

- 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 Clause 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.
 - (ii) FAR 52.216-8 (Mar 1997) Fixed Fee, if this is a cost-plus-fixed fee contract.
 - (iii) FAR 52.216-10 (Mar 1997) Incentive Fee, if this is a cost-plus-incentive fee contract. The values to fill-in the blanks in subparagraph (e)(1) are set forth elsewhere in this 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.

14. CHANGES

- a. Buyer's Authorized Procurement Representative may, without notice to sureties and in writing, direct changes within the general scope of this contract in any of the following: (i) technical requirements and descriptions, specifications, statement of work, drawings or designs; (ii) shipment or packing methods; (iii) place of delivery, inspection or acceptance; (iv) reasonable adjustments in

- quantities or delivery schedules or both; (v) amount of Buyer-furnished property; (vi) terms and conditions of this contract required to meet Buyer's obligations under Government prime contracts or subcontracts; and, if this contract includes services, (vii) description of services to be performed; (viii) time of performance (e.g., hours of the day, days of the week, etc.); and (ix) place of performance. Seller shall comply immediately with such direction.
- b. If such change increases or decreases the cost or time required to perform this contract, the parties shall negotiate an equitable adjustment in the price or schedule, or both, to reflect the increase or decrease. Buyer shall modify this contract in writing accordingly. Unless otherwise agreed in writing, Seller must assert any claim for adjustment to Buyer's Authorized Procurement Representative in writing within 25 days and deliver a fully supported proposal to Buyer's Authorized Procurement Representative within 60 days after Seller's receipt of such direction. Buyer may, at its sole discretion, consider any claim regardless of when asserted. If Seller's proposal includes the cost of property made obsolete or excess by the change, Buyer may direct the disposition of the property. Seller shall provide Buyer supporting data in sufficient detail for Buyer to verify the amount of Seller's claim. Failure of the parties to agree upon any adjustment shall not excuse Seller from performing in accordance with Buyer's direction.
 - c. If Seller considers that Buyer's conduct constitutes a change, Seller shall notify Buyer's Authorized Procurement Representative immediately in writing as to the nature of such conduct and its effect upon Seller's performance. Pending direction from Buyer's Authorized Procurement Representative, Seller shall take no action to implement any such change.
 - d. Notwithstanding the foregoing provisions of this article, the estimated or target cost of this contract and, if this contract is incrementally funded, the funds allotted for the performance thereof shall not be increased or deemed to be increased except by specific written modification of this contract indicating the new contract estimated cost and the new amount allotted to this contract. Until such modification is made, Seller shall not be obligated to continue performance or incur costs beyond the point established in the "Limitation of Cost" and "Limitation of Funds" articles of this contract.

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

16. FINANCIAL RECORDS AND AUDIT. Seller shall retain all financial records and documents pertaining to the Goods for a period of no less than three years after final payment. Such records and documents shall date back to the time this contract was issued and shall include without limitation, catalogs, price lists, invoices, underlying data and basis for cost estimates, and inventory records. Buyer shall have the right to examine, reproduce and audit all such records related to pricing and incurred costs, including, but not limited to, Seller's bid or offer to sell; and/or related to "Changes,"

“Termination for Convenience” or “Termination/Cancellation” articles of this contract.

17. FORCE MAJEURE. Seller shall not be liable for excess procurement costs pursuant to the “Termination/Cancellation” article of this contract, incurred by Buyer because of any failure to perform this contract under its terms if the failure arises from causes beyond the control and without the fault or negligence of Seller. Examples of these causes are (a) acts of God or of the public enemy, (b) acts of the Government in either its sovereign or contractual capacity, (c) fires, (d) floods, (e) epidemics, (f) quarantine restrictions, (g) strikes, (h) freight embargoes and (i) unusually severe weather. In each instance, the failure to perform must be beyond the control and without the fault or negligence of Seller. If the delay is caused by delay of a subcontractor of Seller and if such delay arises out of causes beyond the reasonable control of both, and if such delay is without the fault or negligence of either, Seller shall not be liable for excess costs unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Seller to meet the required delivery schedules. Seller shall notify Buyer in writing within 10 days after the beginning of any such cause.

18. TERMINATION/CANCELLATION

a. FAR 52.249-6 Termination (Cost Reimbursement) (May 2004) is incorporated by reference, except that the term “Government” means “Buyer,” “Contracting Officer” means “Buyer’s Authorized Procurement Representative,” the phrase “1 year” is deleted each place it occurs and replaced by the term “six months,” paragraphs (e) and (j) are deleted, subparagraph (a)(2) is deleted in its entirety and replaced with the following:

- “(2) Buyer may cancel the whole or any part of this contract in the event of:
- (i) Seller’s default of any or all of the requirements of this contract and failure to cure the default within 10 days after receiving a notice specifying the default (“default” includes failure to make progress in the work so as to endanger performance); or
 - (ii) in the event of suspension of Seller’s business, insolvency of Seller, institution of bankruptcy, liquidation proceedings by or against Seller, appointment of a trustee or receiver for Seller’s property or business or any assignment, reorganization or arrangement by Seller for the benefit of creditors.”

Subparagraph (b) is deleted in its entirety and replaced with the following:

“(b) Buyer’s Authorized Procurement Representative shall terminate or cancel the contract in accordance with paragraph (a) of this 52.249-6 clause by delivering to Seller a Notice of Termination or Notice of Cancellation specifying whether termination or cancellation is pursuant to subparagraphs (a)(1) or (a)(2), the extent of the termination or cancellation, and the effective date. If, after cancellation under subparagraph (a)(2)(i), it is determined that Seller was not in default or that

Seller's failure to perform or to make progress in performance is due to causes beyond the control and without the fault or negligence of Seller as set forth in the Force Majeure clause, the rights and obligations of the parties will be the same as if the termination was for the convenience of the Government.”;

and subparagraph (h)(4) is deleted in its entirety and replaced with the following:

“(4) A portion of the fee payable under the contract, determined as follows:

- (i) If the contract is terminated under subparagraph (a)(1) of this 52.249-6 clause, the settlement shall include a percentage of the fee equal to the percentage of completion of work contemplated under the contract, but excluding subcontract effort included in subcontractors' termination proposals, less previous payments for fee.
- (ii) If the contract is cancelled under subparagraph (a)(2) of this 52.249-6 clause, the total fee payable shall be such proportionate part of the fee as the total number of articles (or amount of services) delivered to and accepted by the Government is to the total number of articles (or amount of services) of a like kind required by the contract.”;

19. ASSIGNMENT, DELEGATION AND SUBCONTRACTING. Seller shall not assign any of its rights or interest in this contract or subcontract all or substantially all of its performance of this contract without Buyer's prior written consent. Seller shall not delegate any of its duties or obligations under this contract. Seller may assign its right to monies due or to become due. No assignment, delegation or subcontracting by Seller, with or without Buyer's consent, shall relieve Seller of any of its obligations under this contract or prejudice any of Buyer's rights against Seller whether arising before or after the date of any assignment. This article does not limit Seller's ability to purchase standard commercial supplies or raw materials.

20. PUBLICITY. Without Buyer's prior written approval, Seller shall not, and Seller's subcontractors at any tier shall not, release any publicity, advertisement, news release or denial or confirmation of same regarding this contract or the Goods, or program to which it pertains. Seller shall be responsible and liable to Buyer for any breach of such obligation by any subcontractor. Seller shall incorporate a similar provision in all subcontracts under this contract.

21. BUYER'S PROPERTY. Seller shall clearly mark, maintain an inventory of, and keep segregated or identifiable all of Buyer's property and all property to which Buyer acquires an interest by virtue of this contract. Seller assumes all risk of loss, damage, or destruction of such property while in Seller's possession, custody or control. Upon request, Seller shall provide Buyer with adequate proof of insurance against such risk of loss, damage or destruction. Seller shall not use such property other than in performance of this contract without Buyer's prior written consent. Seller shall notify Buyer's Authorized Procurement Representative if Buyer's property is lost, damaged or destroyed. As directed by Buyer upon completion, termination or cancellation of this contract, Seller shall deliver such property, to the extent not incorporated in delivered end Goods, to Buyer in good condition subject to ordinary

wear and tear and normal manufacturing losses. Nothing in this article limits Seller's use, in its direct contracts with the Government, of property in which the Government has an interest.

22. GOVERNMENT-OWNED PROPERTY. FAR 52.245-5 (May 2004), "Government Property (Cost Reimbursement, Time-and-Material, or Labor-Hour Contracts)," is incorporated by reference. "Contractor" means "Seller," "Government" means "Government and/or "Buyer" (except that references to "Government property" or "Government-furnished property" shall not mean Buyer's property), "Contracting Officer" means "Contracting Officer" and/or "Buyer's Authorized Procurement Representative," and paragraph (g) is revised to read as follows:

"(g) Risk of Loss. Seller, upon the delivery to it or acquisition by it of any Government property, assumes the risk of and shall be responsible for all loss thereof or damage thereto. When such property is no longer needed for the performance of this contract, or at such other time as may be directed by Buyer pursuant to paragraph (i) of this article, Seller shall return such property to Buyer or the Government, as applicable, in as good condition as when received, except for reasonable wear and tear, and except for such property as has been reasonably consumed in the performance of work hereunder."

23. PATENT, TRADEMARK AND COPYRIGHT INDEMNITY. Seller will indemnify, defend and hold harmless Buyer and its customer from all claims, suits, actions, awards (including, but not limited to, awards based on intentional infringement of patents known at the time of such infringement, which awards may exceed actual damages and may include attorneys' fees and/or costs), liabilities, damages, costs and attorneys' fees related to the actual or alleged infringement of any United States or foreign intellectual property right (including, but not limited to, any right in a patent, copyright, industrial design or semiconductor mask work, or based on misappropriation or wrongful use of information or documents) and arising out of the manufacture, sale or use of goods by either Buyer or its customer. Buyer and/or its customer will duly notify Seller of any such claim, suit or action; and Seller will, at its own expense, fully defend such claim, suit or action on behalf of Buyer and its customer. Seller will have no obligation under this article with regard to any infringement arising from (a) Seller's compliance with formal specifications issued by Buyer where infringement could not be avoided in complying with such specifications or (b) use or sale of goods in combination with other items when such infringement would not have occurred from the use or sale of those goods solely for the purpose for which they were designed or sold by Seller. For purposes of this article only, the term Buyer will include The Boeing Company and all Boeing subsidiaries and all officers, agents and employees of Boeing or any Boeing subsidiary. To the extent that Buyer is not liable for infringement or indemnity through the operation of an Authorization and Consent clause, Seller shall not be liable to Buyer to that same extent.

24. CONFIDENTIAL, PROPRIETARY, AND TRADE SECRET INFORMATION

AND ITEMS. Buyer and Seller shall each keep confidential and protect from unauthorized use and disclosure all (a) confidential, proprietary and/or trade secret information; (b) tangible items and software containing, conveying or embodying such information; and (c) tooling identified as being subject to this article and obtained, directly or indirectly, from the other in connection with this contract or other agreement referencing this contract (collectively referred to as "Proprietary Information and Materials"). Buyer and Seller shall each use and/or disclose Proprietary Information and Materials of the other only in the performance of and for the purpose of this contract and/or any other agreement referencing this contract. However, despite any other obligations or restrictions imposed by this article, Buyer shall have the right to use, disclose and reproduce Seller's Proprietary Information and Materials, and make derivative works thereof, for the purposes of testing, certification, use, sale or support of any Goods delivered under this contract or any other agreement referencing this contract. Any such use, disclosure, reproduction or derivative work by Buyer shall, whenever appropriate, include a restrictive legend suitable to the particular circumstances. The restrictions on disclosure or use of Proprietary Information and Materials by Seller shall apply to all materials derived by Seller or others from Buyer's Proprietary Information and Materials. Upon Buyer's request at any time, and in any event upon the completion, termination or cancellation of this contract, Seller shall return to Buyer all of Buyer's Proprietary Information and Materials and all materials derived therefrom, unless specifically directed otherwise in writing by Buyer. Seller shall not, without the prior written authorization of Buyer, sell or otherwise dispose of (as scrap or otherwise) any parts or other materials containing, conveying, embodying or made in accordance with or by reference to any Proprietary Information and Materials of Buyer. Prior to disposing of such parts or other materials as scrap, Seller shall render them unusable. Buyer shall have the right to audit Seller's compliance with this article. Seller may disclose Proprietary Information and Materials of Buyer to its subcontractors as required for the performance of this contract, provided that each such subcontractor first agrees in writing to the same obligations imposed upon Seller under this article relating to Proprietary Information and Materials. Seller shall be liable to Buyer for any breach of such obligations by such subcontractor. The provisions of this article are effective in lieu of any restrictive legends or notices applied to Proprietary Information and Materials. The provisions of this article shall survive the completion, termination or cancellation of this contract.

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

26. OFFSET CREDITS

a. To the exclusion of all others, Buyer or its assignees shall be entitled to all industrial benefits or offset credits that might result from this contract. Seller shall provide documentation or information that Buyer or its assignees may reasonably request to substantiate claims for industrial benefits or offset credits.

b. Seller agrees to use reasonable efforts to identify the foreign content of goods or services that Seller either produces itself or procures from subcontractors for work directly related to this contract. Promptly after selection of a non-U.S. subcontractor for work under this contract, Seller shall notify Buyer of the name, address, subcontract point of contact (including telephone number) and dollar value of the subcontract.

- 27. UTILIZATION OF SMALL BUSINESS CONCERNS.** Seller agrees to actively seek out and provide the maximum practicable opportunities for small businesses, small disadvantaged businesses, women-owned small businesses, minority business enterprises, historically black colleges and universities and minority institutions, Historically Underutilized Business Zone small business concerns and U.S. Veteran and Service-Disabled Veteran Owned small business concerns to participate in the subcontracts Seller awards to the fullest extent consistent with the efficient performance of this contract.
- 28. RIGHTS AND REMEDIES.** Any failures, delays or forbearances of either party in insisting upon or enforcing any provisions of this contract, or in exercising any rights or remedies under this contract, shall not be construed as a waiver or relinquishment of any such provisions, rights or remedies; rather, the same shall remain in full force and effect. Except as otherwise limited in this contract, the rights and remedies set forth herein are cumulative and in addition to any other rights or remedies that the parties may have at law or in equity. If any provision of this contract is or becomes void or unenforceable by law, the remainder shall be valid and enforceable.
- 29. COMPLIANCE WITH LAWS.** Seller shall comply with all applicable statutes and government rules, regulations and orders, including those pertaining to United States Export Controls.
- 30. GOVERNING LAW.** This contract shall be governed by and construed in accordance with the laws of the state of Washington, except that U.S. Government clauses, including but not limited to, FAR clauses and clauses from any FAR supplement, set forth in this contract shall be construed in accordance with Federal law. No consideration shall be given to Washington's conflict-of-laws rules. This contract excludes the application of the 1980 United Nations Convention on Contracts for the International Sale of Goods.
- 31. GOVERNMENT CLAUSES.** Government clauses applicable to this contract are incorporated herein either by attachment to this document or by some other means of reference.
- 32. EVIDENCE OF CITIZENSHIP OR IMMIGRANT STATUS.** Buyer may be required to obtain information concerning citizenship or immigrant status of Seller's personnel or Seller's subcontractor personnel entering the premises of Buyer. Seller agrees to furnish this information before commencement of work and at any time thereafter before substituting or adding new personnel to work on Buyer's premises.

- 33. ACCESS TO PLANTS AND PROPERTIES.** Seller shall comply with all the rules and regulations established by Buyer for access to and activities in and around premises controlled by Buyer or Buyer's customer.
- 34. CODE OF CONDUCT.** Buyer is committed to conducting its business fairly, impartially, and in an ethical and proper manner. Buyer's expectation is that Seller also will conduct its business fairly, impartially, and in an ethical and proper manner. Buyer's further expectation is that Seller will have (or will develop) and adhere to a code of ethical standards. If Seller has cause to believe that Buyer or any employee or agent of Buyer has behaved improperly or unethically under this contract, Seller shall report such behavior to The Boeing Company Ethics hotline. Copies of The Boeing Company Code of Conduct and contacts for such reports are available on www.boeing.com under "Ethics and Business Conduct." Although Buyer will not use the failure to report improper or unethical behavior as a basis for claiming breach of contract by Seller, Seller is encouraged to exert reasonable effort to report such behavior when warranted.
- 35. SELLER FINANCIAL REVIEW.** If the contract exceeds \$250,000 and extends for more than one year, and if requested, the Seller shall provide financial data on a quarterly basis or as requested to the Buyer's Credit Office for credit and financial condition reviews. Said data shall include but not be limited to balance sheets, schedule of accounts payable and receivable, major lines of credit, creditors, income statements (profit and loss), cash flow statements, firm backlog, and headcount. Copies of such data are to be made available within 72 hours of any written request by Buyer. All such information shall be treated as confidential. This provision shall not apply to contracts with nonprofit education or research institutions associated with state or provincial universities; contracts with agencies of the United States government or agencies of state governments; contracts with entities that are at least fifty percent (50%) directly owned by Buyer; or, contracts for services of an individual when the individual is the sole employee of the company.
- 36. PERFORMANCE & FEE.** Notwithstanding any other provision herein, to the extent Seller's performance is the direct and proximate cause of Buyer's losing some or all of Buyer's fee, that it would have otherwise earned, then Buyer may debit Seller against this contract or otherwise for the amount of Buyer's lost fee.
- 37. CODE OF BASIC WORKING CONDITIONS AND HUMAN RIGHTS.** Buyer is committed to providing a safe and secure working environment and the protection and advancement of basic human rights in its worldwide operations. In furtherance of this commitment, Buyer has adopted a Code of Basic Working Conditions and Human Rights setting out in detail the measures it takes to ensure this commitment is fulfilled. The Boeing Code may be downloaded at <http://www.boeing.com/employment/culture/code.html>. Buyer strongly encourages Seller to adopt and enforce concepts similar to those embodied in the Boeing Code, including conducting Seller's operations in a manner that is fully compliant with all applicable laws and regulations pertaining to fair wages and treatment, freedom of association, personal privacy, collective bargaining, workplace safety and

environmental protection. Seller will promptly cooperate with and assist Buyer in implementation of and adherence to the Boeing Code.

Any material breach of this Section 37 by Seller may be considered a major breach of this contract for which Buyer may elect to cancel any open orders between Buyer and the Seller, for cause, in accordance with the provision of this order entitled "Cancellation for Default" or exercise any other right of Buyer for an Event of Default under this contract.

38. ENTIRE AGREEMENT. This contract contains the entire agreement of the parties and supersedes any and all prior agreements, understandings and communications between Buyer and Seller related to the subject matter of this contract. Except as otherwise provided in this contract, no amendment or modification of this contract shall bind either party unless it is in writing and is signed by Buyer's Authorized Procurement Representative and an authorized representative of Seller.