

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

**2. SCOPE OF SERVICES.** During the term of this contract, Contractor shall furnish the Services set forth in the contract.

**3. INDEPENDENT CONTRACTOR.** Contractor is an independent contractor for all purposes. Contractor shall have complete control over the performance of, and the details for accomplishing, the Services. In no event shall Contractor or its agents, representatives or employees be deemed to be agents, representatives or employees of Boeing. Contractor's employees shall be paid exclusively by Contractor for all services performed. Contractor shall comply with all requirements and obligations relating to such employees under federal, provincial and local law (or foreign law, if applicable). Such compliance shall include, but not be limited to, laws regarding minimum wages, social insurance, unemployment insurance, federal and provincial income taxes and workers' compensation insurance.

**4. STANDARDS.** Contractor shall assign personnel satisfactory to Boeing. At any time and for any reason, Boeing may require Contractor to withdraw the services of any person and require that Contractor promptly provide replacements for such persons satisfactory to Boeing. In addition to the other indemnification provisions within this contract, Contractor specifically agrees to indemnify and hold harmless Boeing from and against any liabilities, claims, charges or suits for alleged losses, costs, damages or expenses arising from Boeing's exercise of its rights hereunder.

**5. WARRANTY.** Contractor warrants that all Services performed hereunder shall be performed by employees or agents of Contractor who are experienced and skilled in their profession and in accordance with industry standards. Contractor further warrants that all Services performed under this contract, at the time of acceptance, shall be free from defects in workmanship and conform to the requirements of this contract. Boeing shall give written notice of any defect or nonconformance to Contractor within one year from the date of acceptance by Boeing. Boeing may, at its option, either (a) require correction or re-performance of any defective or nonconforming services, or (b) make an equitable adjustment in the price of this contract. If Contractor is required to correct or re-perform the Services, such correction or re-performance shall be at Contractor's expense. Any Services corrected or re-performed shall be subject to this article to the same extent as Services initially performed. If Contractor fails or refuses to correct or re-perform, Boeing may correct or replace with similar services and charge Contractor for any cost to Boeing or make an equitable adjustment in the price of this contract.

**6. TAXES.** Unless this contract specifies otherwise, the price of this contract includes, and Contractor 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 Contractor's invoice. Prices shall not include any taxes, impositions, charges or exactions for which Boeing has furnished a valid exemption certificate or other evidence of exemption.

**7. INVOICE AND PAYMENT.** As compensation for services to be performed by Contractor, Boeing shall pay Contractor as set forth in this contract. Boeing shall have no liability for any other expenses or costs incurred by Contractor. Payment due date, including discount periods, shall be computed from the date of the later of the scheduled delivery date of Service, the actual delivery date of Service or the date of receipt of a correct invoice. Payment shall be deemed to have been made on the date the Boeing's cheque is mailed or payment is otherwise tendered. Contractor shall promptly repay to Boeing any amounts paid in excess of amounts due Contractor.

## **8. CHANGES**

- a. Boeing'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/service schedules or both; (v) amount of Boeing-furnished property; (vi.) terms and conditions of this contract required to meet Boeing's obligations under Government prime contracts or subcontracts; and, (vii) description of services to be performed; (viii) the time of performance (e.g., hours of the day, days of the week, etc.); and, (ix) place of performance, and (ix) Contractor shall comply immediately with such direction.
- b. If such change increases or decreases the cost or time required to perform this contract, Boeing and Contractor shall negotiate an equitable adjustment in the price or schedule, or both, to reflect the increase or decrease. Boeing shall modify this contract in writing accordingly. Unless otherwise agreed in writing,

Contractor must assert any claim for adjustment to Boeing's Authorized Procurement Representative in writing within twenty five (25) days and deliver a fully supported proposal to Boeing's Authorized Procurement Representative within sixty (60) days after Contractor's receipt of such direction. Boeing may, at its sole discretion, consider any claim regardless of when asserted. If Contractor's proposal includes the cost of property made obsolete or excess by the change, Boeing may direct the disposition of the property. Boeing may examine Contractor's pertinent books and records to verify the amount of Contractor's claim. Failure of the parties to agree upon any adjustment shall not excuse Contractor from performing in accordance with Boeing's direction.

- c. If Contractor considers that Boeing's conduct constitutes a change, Contractor shall notify Boeing's Authorized Procurement Representative immediately in writing as to the nature of such conduct and its effect upon Contractor's performance. Pending direction from Boeing's Authorized Procurement Representative, Contractor shall take no action to implement any such change.

**9. 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, Contractor shall proceed with performance of this contract according to Boeing's instructions so long as Boeing continues to pay amounts not in dispute.

**10. FORCE MAJEURE.** Contractor shall not be liable for the excess re-procurement costs pursuant to the "Cancellation for Default" article of this contract incurred by Boeing 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 Contractor. 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 Contractor. If the delay is caused by a delay of a subcontractor of Contractor and if such delay arises out of causes beyond the reasonable control of both, and without the fault or negligence of either, Contractor shall not be liable for excess costs unless the services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required delivery schedules. Contractor shall notify Boeing in writing within ten (10) days after the beginning of any such cause.

**11. TERMINATION FOR CONVENIENCE.** Boeing reserves the right to terminate this contract, or any part hereof, for its sole convenience. In the event of such termination, Contractor shall immediately cease all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. In case of termination for convenience by Boeing of all or any part of this contract, Contractor may submit a claim to Boeing within sixty (60) days after the effective date of termination. In no event shall Boeing be obligated to pay Contractor any amount in excess of the contract price. The provisions of this article shall not limit or affect the right of Boeing to cancel this contract for default.

#### **12. CANCELLATION FOR DEFAULT**

- a. Boeing may, by written notice to Contractor, cancel all or part of this contract (i) if Contractor fails to deliver the Services within the time specified by this contract or any written extension; (ii) if Contractor fails to perform any other provision of this contract or fails to make progress, so as to endanger performance of this contract, and, in either of these two circumstances, does not cure the failure within ten (10) days after receipt of notice from Boeing specifying the failure; or (iii) in the event of Contractor's bankruptcy, suspension of business, insolvency, appointment of a receiver for Contractor's property or business, or any assignment, reorganization or arrangement by Contractor for the benefit of its creditors.
- b. Contractor shall continue work not canceled.

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

#### **14. INDEMNIFICATION, INSURANCE, PROTECTION OF PROPERTY, AND EVIDENCE OF CITIZENSHIP (Applies when work is performed at a Boeing site)**

- a. Indemnification Negligence of Contractor or Subcontractor. Contractor shall indemnify and hold harmless The Boeing Company, its subsidiaries, and their directors, officers, employees and agents from and against all actions, causes of action, liabilities, claims, suits, judgments, liens, awards and damages of any kind and nature whatsoever for property damage, personal injury or death (including without limitation injury to or death of

employees of Contractor or any subcontractor thereof) and expenses, costs of litigation and counsel fees related thereto or incident to establishing the right to indemnification, arising out of or in any way related to this contract, the performance thereof by Contractor or any subcontractor thereof or other third parties, including, without limitation, the provision of services, personnel, facilities, equipment, support, supervision or review. The foregoing indemnity shall apply only to the extent of the negligence of Contractor, any subcontractor thereof or their respective employees. In no event shall Contractor's obligations hereunder be limited to the extent of any insurance available to or provided by Contractor or any subcontractor thereof. Contractor expressly waives any immunity under industrial insurance, whether arising out of statute or source, to the extent of the indemnity set forth in this paragraph (a).

b. Commercial General Liability. If Contractor or any subcontractor thereof will be performing work on Boeing's premises, Contractor shall carry and maintain, and ensure that all subcontractors thereof carry and maintain, throughout the period when work is performed and until final acceptance by Boeing, Commercial General Liability insurance with available limits of not less than one million dollars (\$1,000,000) per occurrence for bodily injury and property damage combined. Such insurance shall contain coverage for all premises and operations, broad form property damage, contractual liability (including, without limitation, that specifically assumed under paragraph (a) herein) and goods and completed-operations insurance with limits of not less than one million dollars (\$1,000,000) per occurrence for a minimum of twenty four (24) months after final acceptance of the work by Boeing. Such insurance shall not be maintained on a per-project basis unless the respective Contractor or subcontractor thereof does not have blanket coverage.

c. Automobile Liability. If licensed vehicles will be used in connection with the performance of the work, Contractor shall carry and maintain, and ensure that any subcontractor thereof whose licensed vehicle in connection with the performance of the work carries and maintains, throughout the period when work is performed and until final acceptance by Boeing, Business Automobile Liability insurance covering all vehicles, whether owned, hired, rented, borrowed or otherwise, with available limits of not less than one million dollars (\$1,000,000) per occurrence combined single limit for bodily injury and property damage.

d. Workers' Compensation. Throughout the period when work is performed and until final acceptance by Boeing, Contractor shall, and ensure that any subcontractor thereof shall, cover or maintain insurance in accordance with the applicable laws relating to Workers' Compensation with respect to all of their respective employees working on or about Boeing's premises. If Boeing is required by any applicable law to pay any Workers' Compensation premiums with respect to an employee of Contractor or any subcontractor, Contractor shall reimburse Boeing for such payment.

e. Certificates of Insurance. Prior to commencement of the work, Contractor shall provide for Boeing's review and approval certificates of insurance reflecting full compliance with the requirements set forth in paragraphs (b) Commercial General Liability, (c) Automobile Liability and (d) Workers' Compensation. Such certificates shall be kept current and in compliance throughout the period when work is being performed and until final acceptance by Boeing, and shall provide for thirty (30) days advance written notice to Boeing in the event of cancellation. Failure of Contractor or any subcontractor thereof to furnish certificates of insurance, or to procure and maintain the insurance required herein or failure of Boeing to request such certificates, endorsements or other proof of coverage shall not constitute a waiver of Contractor's or subcontractor's obligations hereunder.

f. Self-Assumption. Any self-insured retention, deductibles and exclusions in coverage in the policies required under this article shall be assumed by, for the account of and at the sole risk of Contractor or the subcontractor which provides the insurance and to the extent applicable shall be paid by such Contractor or subcontractor.

In no event shall the liability of Contractor or any subcontractor thereof be limited to the extent of any of the minimum limits of insurance required herein.

g. Protection of Property. Contractor assumes, and shall ensure that all subcontractors thereof and their respective employees assume, the risk of loss or destruction of or damage to any property of such parties whether owned, hired, rented, borrowed or otherwise. Contractor waives, and shall ensure that any subcontractor thereof and their respective employees waive, all rights of recovery against Boeing, its subsidiaries and their respective directors, officers, employees and agents for any such loss or destruction of or damage to any property of Contractor, any subcontractor or their respective employees. At all times Contractor shall, and ensure that any subcontractor thereof shall, use suitable precautions to prevent damage to Boeing's property. If any such property is damaged by the fault or negligence of Contractor or any subcontractor thereof, Contractor shall, at no cost to Boeing, promptly and equitably reimburse Boeing for such damage or repair or otherwise make good such property to Boeing's satisfaction. If Contractor fails to do so, Boeing may do so and recover from Contractor the cost thereof.

h. Evidence of Citizenship or Immigrant Status. (i) Boeing may be required to obtain information concerning citizenship or immigrant status of Contractor's personnel or Contractor's subcontractor personnel entering the premises of Boeing. Contractor agrees to furnish this information before commencement of work and at any time thereafter before substituting or adding new personnel to work on Boeing's premises. Information submitted by Contractor shall be certified by an authorized representative of Contractor as being true and correct. (ii) With respect to Contractor personnel or Contractor's subcontractor personnel entering the premises of Boeing to perform work under this contract, Contractor specifically agrees that it is, and will remain, in compliance with all applicable laws and statutes. Contractor subcontracts for work under this contract shall suitably modify the parties in this paragraph and include the substance of this paragraph in subcontracts such that the subcontractor has the same obligation as Contractor.

**15. BOEING'S PROPERTY.** Contractor shall clearly mark, maintain an inventory of and keep segregated or identifiable all of Boeing's property and all property to which Boeing acquires an interest by virtue of this contract. Contractor assumes all risk of loss, destruction or damage of such property while in Contractor's possession, custody or control. Upon request, Contractor shall provide Boeing with adequate proof of insurance against such risk of loss. Contractor shall not use such property other than in performance of this contract without Boeing's prior written consent. Contractor shall notify Boeing's Authorized Procurement Representative if Boeing's property is lost, damaged or destroyed. As directed by Boeing, upon completion, termination or cancellation of this contract, Contractor shall deliver such property, to the extent not incorporated in delivered materials, to Boeing in good condition subject to ordinary wear and tear and normal losses. Nothing in this article limits Contractor's use, in its direct contracts with the Government, of property in which the Government has an interest.

**16. ACCESS TO PLANTS AND PROPERTIES.** Contractor shall comply with all the rules and regulations established by Boeing for access to and activities in and around premises controlled by Boeing or Boeing's customer.

**17. NOTICE TO BOEING OF LABOR DISPUTES.** Except as otherwise prohibited by law, Seller shall immediately notify Boeing of any actual or potential labour dispute that may disrupt the timely performance of this contract or impair the quality of the Services to be delivered, whether Boeing has requested such status or not. When requested by Boeing, Seller will in a timely manner provide status on labour contracts and pending negotiations and prepare a contingency plan including incurred costs to address potential disruptions to the satisfaction of Boeing acting reasonably. Whenever Contractor has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this contract, Contractor shall immediately give notice thereof, including all relevant information, to Boeing.

**18. PATENT, TRADEMARK AND COPYRIGHT INDEMNITY.** Contractor will indemnify, defend and hold harmless Boeing 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, exceeding actual damages and/or including attorneys' fees and/or costs), liabilities, damages, costs and attorneys' fees related to the actual or alleged infringement of any Canadian 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 Boeing or its customer. Boeing and/or its customer will duly notify Contractor of any such claim, suit or action; and Contractor will, at its own expense, fully defend such claim, suit or action on behalf of indemnitees. Contractor will have no obligation under this article with regard to any infringement arising from (a) Contractor's compliance with formal specifications issued by Boeing where infringement could not be avoided in complying with such specifications or (b) use or sale of goods for other than their intended application 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 Contractor. For purposes of this article only, the term Boeing will include The Boeing Company and all Boeing subsidiaries and all officers, agents and employees of Boeing or any Boeing subsidiary.

**19. CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION AND MATERIALS.**

Boeing and Contractor 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"). Boeing and Contractor shall each use 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, Boeing shall have the right to use, disclose and reproduce Contractor'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 Boeing shall, whenever appropriate, include a

restrictive legend suitable for the particular circumstances. The restrictions on disclosure or use of Proprietary Information and Materials by Contractor shall apply to all materials and Services derived by Contractor or others from Boeing's Proprietary Information and Materials. Upon Boeing's request at any time, and in any event upon the completion, termination or cancellation of this contract, Contractor shall return to Boeing all of Boeing's Proprietary Information and Materials and all materials derived therefrom, unless specifically directed otherwise in writing by Boeing. Contractor shall not, without the prior written authorization of Boeing, 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 Boeing. Prior to disposing of such parts or other materials as scrap, Contractor shall render them unusable. Boeing shall have the right to audit Contractor's compliance with this article. Contractor may disclose Proprietary Information and Materials of Boeing 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 Contractor under this article relating to Proprietary Information and Materials. Contractor shall be liable to Boeing for any breach of such obligation 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 performance, completion, termination or cancellation of this contract.

**20. PUBLICITY.** Without Boeing's prior written approval, Contractor shall not, and shall require that its subcontractors at any tier shall not, release any publicity, advertisement, news release or denial or confirmation of same regarding this contract or the Services or program to which it pertains. Contractor shall be responsible to Boeing for any breach of such obligation by any subcontractor.

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

## **22. OFFSET CREDITS**

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

**b.**

Contractor agrees to use reasonable efforts to identify the foreign content of goods or services which Contractor 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, Contractor shall notify Boeing of the name, address, subcontract point of contact (including telephone number) and dollar value of the subcontract.

**23. UTILIZATION OF SMALL BUSINESS CONCERNS.** Contractor 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 US Veteran and Service-Disabled Veteran Owned small business concerns to participate in the subcontracts Contractor awards to the fullest extent consistent with the efficient performance of this contract.

**24. 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.

**25. COMPLIANCE WITH LAWS.** Contractor shall comply with all applicable statutes and government rules, regulations and orders, including those pertaining to Canadian Export Controls.

**26. GOVERNMENT CLAUSES.** Government clauses applicable to this contract are incorporated herein either by attachment to this document or by some other means of reference.

## **27. PACKING AND SHIPPING**

Where applicable, Contractor shall pack the goods to prevent damage and deterioration. Unless otherwise specified in this contract, materials sold origin (place of shipment) shall be forwarded collect. Contractor shall make no declaration concerning the value of the materials shipped except on the materials where the tariff rating is dependent upon released or declared value. In such event, Contractor shall release or declare such value at the maximum value within the lowest rating. Boeing may charge Contractor for damage to or deterioration of any materials resulting from improper packing or

packaging.

**28. QUALITY CONTROL.** Contractor shall establish and maintain a quality control system acceptable to Boeing for the Services purchased under this contract. Contractor shall permit Boeing to review procedures, practices, processes and related documents to determine such acceptability.

**29. RIGHTS OF BOEING'S CUSTOMERS AND REGULATORS TO PERFORM INSPECTION, SURVEILLANCE, AND TESTING.** Boeing's rights to perform inspections, surveillance and tests and to review procedures, practices, processes and related documents related to quality assurance, quality control, shall extend to the customers of Boeing.

### **30. INSPECTION**

- a. At no additional cost to Boeing, Services shall be subject to inspection, surveillance and test at reasonable times and places, including Contractor's subcontractors' locations. Boeing shall perform inspections, surveillance and tests so as not to unduly delay the work.
- b. Contractor shall maintain an inspection system acceptable to Boeing for the Services purchased under this contract.
- c. If Boeing performs an inspection or test on the premises of Contractor or its subcontractors, Contractor shall furnish, and require its subcontractors to furnish, without additional charge, reasonable facilities and assistance for the safe and convenient performance of these duties.

**31. ACCEPTANCE.** Boeing shall accept the Services or give Contractor notice of rejection within a reasonable time after delivery, notwithstanding any payment or prior test or inspection. No inspection, test, delay or failure to inspect or test or failure to discover any defect or other nonconformance shall relieve Contractor of any of its obligations under this contract or impair any rights or remedies of Boeing or Boeing's customers.

### **32. REJECTION**

- a. If Contractor delivers nonconforming Services, Boeing may require Contractor to promptly correct or replace the nonconforming Services.
- b. In addition Boeing may (i) correct the nonconforming Services or (ii) obtain replacement Services from another source at Contractor's expense.
- c. Contractor shall not redeliver corrected or rejected Services without disclosing the former rejection or requirement for correction. Contractor shall disclose any corrective action taken. All repair, replacement and other correction and redelivery shall be completed within the original delivery schedule or such later time as Boeing may reasonably direct.

**33. CONTRACTOR NOTICE OF DISCREPANCIES.** Contractor shall immediately notify Boeing in writing when discrepancies in Contractor's process or materials are discovered or suspected which may affect the Services delivered or to be delivered under this contract.

### **34. SCHEDULE**

- a. Contractor shall strictly adhere to the schedules specified in this contract. In the event of any anticipated or actual delay, including but not limited to delays attributed to labor disputes, Contractor shall: (i) promptly notify Boeing in writing of the reasons for the delay and the actions being taken to overcome or minimize the delay; (ii) provide Boeing with a written recovery schedule.
- b. Contractor shall not deliver Services prior to the scheduled delivery dates unless authorized by Boeing.

### **35. SUSPENSION OF WORK**

- a. Boeing's Authorized Procurement Representative may, by written order, suspend all or part of the work to be performed under this contract for a period not to exceed one hundred (100) days. Within such period of any suspension of work, Boeing shall (i) cancel the suspension of work order; (ii) terminate this contract in accordance with the "Termination for Convenience" article of this contract; (iii) cancel this contract in accordance with the "Cancellation for Default" article of this contract; or (iv) extend the stop work period.
- b. Contractor shall resume work whenever a suspension is canceled. Boeing and Contractor shall negotiate an equitable adjustment in the price or schedule or both if (i) this contract is not canceled or terminated; (ii) the suspension results in a change in Contractor's cost of performance or ability to meet the contract delivery schedule; and (iii) Contractor submits a claim for adjustment within twenty (20) days after the suspension is canceled.

**36. FINANCIAL RECORDS AND AUDIT.** Contractor shall retain all financial records and documents pertaining to the Services for a period of no less than three (3) 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. Boeing shall have the right to examine, reproduce and audit all such records related to pricing and performance.

**37. CODE OF CONDUCT.** Boeing is committed to conducting its business fairly, impartially, and in an ethical and proper manner. Boeing's expectation is that Contractor also will conduct its business fairly, impartially, and in an ethical and proper manner. Boeing's further expectation is that Contractor will have (or will develop) and adhere to a code of ethical standards. If Contractor has cause to believe that Boeing or any employee or agent of Boeing has behaved improperly or unethically under this contract, Contractor 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](http://www.boeing.com) under "Ethics." Although Boeing will not use the failure to report improper or unethical behavior as a basis for claiming breach of contract by Contractor, Contractor is encouraged to exert reasonable effort to report such behavior when warranted.

**38. CONTRACTOR FINANCIAL REVIEW.** If the contract exceeds \$250,000 and extends for more than one (1) year, and if requested, the Contractor shall provide financial data on a quarterly basis or as requested to the Boeing'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 seventy two (72) hours of any written request by Boeing. 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 Boeing; or, contracts for services of an individual when the individual is the sole employee of the company.

**39. CODE OF BASIC WORKING CONDITIONS AND HUMAN RIGHTS.** Boeing 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, Boeing 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>. Boeing strongly encourages Contractor to adopt and enforce concepts similar to those embodied in the Boeing Code, including conducting Contractor'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. Contractor will promptly cooperate with and assist Boeing in implementation of and adherence to the Boeing Code. Any material breach of this Section by Contractor may be considered a major breach of this contract for which Boeing may elect to cancel any open orders between Boeing and the Contractor, for cause, in accordance with the provision of this order entitled "Cancellation for Default" or exercise any other right of Boeing for an Event of Default under this contract.