

In addition to the ELCAN *General Terms and Conditions of Purchase*, and as further set out in Section 19(p) of the *General Terms and Conditions of Purchase*, certain Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Supplement (DFARS) clauses shall apply to this Purchase Order as required by the terms of the Government prime contract, or by operation of law or regulation. If this Purchase Order was submitted as a purchase made in connection with a U.S. Government prime contract, these FAR and DFARS clauses will be applicable. If the recipient of this Purchase Order is unsure if it is a flowdown of a U.S. Government contract, please confirm with the buyer you are working with.

The effective version of each FAR and DFARS clause shall be the same version as which appears in the prime contract or higher-tier subcontract under which this Purchase Order is issued, and are incorporated herein by reference. The version number of the relevant FAR/DFARS clause shall be the most recent version available at the following links. Further information and full text about the individual FAR and DFARS clauses may be accessed at: <https://www.acquisition.gov/far> (for FAR clauses), and <https://www.acquisition.gov/dfars> (for DFARS clauses).

Whenever necessary to make the context of the Clauses applicable to the Purchase Order, the term “Contractor” or “Offeror” shall mean “Seller”, “Subcontractor” shall mean “Seller’s Subcontractor”, the term “Contract” shall mean the “Purchase Order”, and the term “Government”, “Contracting Officer” and equivalent phrases shall mean “Buyer”, except the terms “Government” and “Contracting Officer” do not change: (a) in the phrases, “Government Property”, “Government-Furnished Property”, and “Government-Owned Property”, (b) in the patent Clauses incorporated herein, (c) when a right, act, authorization, or obligation can be granted or performed only by the Government or the Contracting Officer or a duly authorized representative, (d) when title to property is to be transferred directly to the Government, (e) when access to Proprietary Information is required, except as specifically otherwise provided herein, and (f) where specifically modified herein.

The FAR and DFARS clauses listed below are incorporated herein as if set forth in full text, in accordance with paragraph 2 above. If any of the following clauses do not apply to this Purchase Order, or to the Seller’s business specifically, they are considered to be self-deleting. However, Seller shall incorporate into each lower tier contract issued in support of this Purchase Order the applicable FAR and DFARS clauses in accordance with the flow down requirements specified in such clauses.

The Seller is requested to further reference Section 19(p) of the *General Terms and Conditions of Purchase* for any additional clauses applicable to the Seller. Seller shall notify Buyer if it is unable to comply with any of these clauses.

CLAUSES INCORPORATED BY REFERENCE:

The following FAR and DFARS clauses apply to this Contract:

Clause Number	Title	Applicability (Reference to 'Purchase Orders', 'Orders' or 'Contracts', includes the underlying Solicitations)
52.203-6	Restrictions On Subcontractor Sales To The Government	Applicable to all Orders over the Simplified Acquisition Threshold.
52.203-7	Anti-Kickback Procedures	Applicable to all Orders that exceed \$150,000, excepting paragraph (c) (1).
52.203-12	Limitation On Payments To Influence Certain Federal Transactions	Applicable to all Orders exceeding \$150,000.
52.203-13	Contractor Code of Business Ethics and Conduct	Applicable to all Orders, including for commercial products or commercial services pursuant to 52.244-6, (i) that have a value more than \$6 million; and (ii) that have a performance period of more than 120 days. (In paragraph (b) (3) (i), the meaning of "agency office of the Inspector General" and "Contracting Officer" does not change, in paragraph (b) (3) (ii) the meaning of "Government" does not change, and in paragraphs (b) (3) (iii) and (c) (2) (ii) (F), the meaning of "OIG of the ordering agency", "IG of the agency", "agency OIG", and "Contracting Officer" do not change.
52.203-17	Contractor Employee Whistleblower Rights" (Excluding contracts with the DoD, NASA, the Coast Guard, or applicable elements of the intelligence community.	Applicable to all Orders without regard to contract value.
52.204-2	Security Requirements	Applicable to all Orders that involve access to classified information. Any reference to the Changes clause is excluded.
52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards	Applicable to all Orders when the Buyer is the Prime Contractor and the Order exceeds \$30,000. Substitution of the parties is not applicable to this clause. Seller shall report to Buyer the information required under the clause.
52.204-24	Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment	Applicable to all Orders where Seller will be providing covered telecommunications equipment or services as defined in the clause.
52.204-25	Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment	Applicable to all Orders, including subcontracts for the acquisition of commercial products or commercial services.

52.209-6	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment	Applicable to Orders exceeding \$35,000 or the dollar threshold in effect as of the date of the prime contract, except for Orders for commercially available off-the-shelf items.
52.211-5	Material Requirements	Applicable to Orders for supplies that are not Commercial Items.
52.215-2	Audit and Records--Negotiation	Applicable to the following Orders that exceed the simplified acquisition threshold: (i) that are cost-reimbursement, incentive, time-and-materials, labor-hour, or price-re-determinable type or any combination of these, (ii) for which certified cost or pricing data are required; or (iii) that require Seller to furnish reports as discussed in paragraph (e) of the clause.
52.215-12	Subcontractor Certified Cost or Pricing Data	Applicable to Orders in excess of \$2 Million. This clause does not apply to Orders for commercial items or if the Seller qualifies for any of the other exemptions in FAR 15.403-1.
52.215-14	Integrity of Unit Prices	Applicable to Orders for supplies that exceed the micro-purchase threshold, as defined at FAR 2.101 in effect as of the date of the Prime Contract.
52.215-21	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data -- Modifications	Applicable to all Orders when certified cost or pricing data, or data other than certified cost or pricing data, will be required for modifications.
52.215-23	Limitations on Pass-Through Charges	Applicable to all cost-reimbursement Orders that exceed the simplified acquisition threshold; except if the Buyers' prime contract is with the DoD, then applicable to all cost-reimbursement Orders and all fixed-price Orders, except those identified in 15.408(n)(2)(i)(B)(2), that exceed the threshold for obtaining cost or pricing data in accordance with FAR 15.403-4.
52.219-8	Utilization of Small Business Concerns	Applicable to Orders over the SAT, including Orders for Commercial Items pursuant to 52.244-6, that offer further subcontracting opportunities.
52.219-9	Small Business Subcontracting Plan	Applicable in solicitations and contracts that offer subcontracting possibilities, are expected to exceed \$750,000 (\$1.5 million for construction of any public facility), and are required to include the clause at 52.219-8, Utilization of Small Business Concerns, unless the acquisition is set aside or is to be accomplished under the 8(a) program.

52.222-19	Child Labor -- Cooperation with Authorities and Remedies	Applicable to Orders for supplies that exceed the micro-purchase threshold, as defined at FAR 2.101 in effect as of the date of the Prime Contract.
52.222-20	Contracts for Materials, Supplies, Articles, and Equipment	Applicable to Orders over \$15,000 for the manufacture or furnishing of materials, supplies, articles or equipment.
52.222-26	Equal Opportunity	Applicable to all Orders, including for Commercial Items pursuant to 52.244-6, that are not exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended. Foreign Sellers: Applicable to Orders except to the extent that work under the Order will be performed outside the United States or by employees that are not recruited within the United States to work on the Order. "United States", as used in this parenthetical, means the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island.
52.222-35	Equal Opportunity for Veterans	Applicable to all Orders, including for Commercial Items pursuant to 52.244-6, of \$150,000 or more. Foreign Sellers: Applicable to Orders except when work is performed outside the United States by employees recruited outside the United States.
52.222-36	Equal Opportunity for Workers with Disabilities	Applicable to all Orders, including for Commercial Items pursuant to 52.244-6, exceeding \$15,000. Foreign Sellers: Applicable to Orders to the extent that (i) work under the Order will be performed in the United States, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, or Wake Island or (ii) Seller is recruiting employees in the United States, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, or Wake Island to work on the Order.
52.222-37	Employment Reports on Veterans	Applicable to all Orders over \$150,000 or more unless exempted by rules, regulations, or orders of the Secretary.
52.222-50	Combating Trafficking in Persons	Applicable to all Orders, including for Commercial Items pursuant to 52.244-6, except that the requirements in paragraph (h) of the clause apply only to (i) supplies that are other than commercially available off-the-shelf items that are acquired outside the United States, or for services to be performed outside the United States, and (ii) that exceed \$550,000 in value.

52.222-54	Employment Eligibility Verification	Applicable to all Orders (i) for construction or commercial or noncommercial services (except commercial services that are part of a purchase of a COTS item, or an item that would be a COTS item, but for minor modifications, performed by the COTS provider, and that are normally provided for that COTS item); (ii) has a value more than \$3,500; and (iii) includes work performed in the United States. Foreign Sellers: "United States" means the 50 States, the District of Columbia, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands.
52.223-7	Notice of Radioactive Materials	Applicable to all Orders without regard to contract value.
52.223-11	Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons	Applicable to all Orders without regard to contract value.
52.223-18	Encouraging Contractor Policies To Ban Text Messaging While Driving	Applicable to all Orders over the Micro-Purchase Threshold.
52.225-5	Trade Agreements	Applicable to all Orders without regard to contract value.
52.225-8	Duty-Free Entry	Applicable to all Orders without regard to contract value.
52.225-13	Restrictions on Certain Foreign Purchases	Applicable to all Orders.
52.227-1	Authorization and Consent	Applicable to all Orders over the Simplified Acquisition Threshold.
52.227-2	Notice And Assistance Regarding Patent And Copyright Infringement	Applicable to all Orders over the Simplified Acquisition Threshold.
52.232-39	Unenforceability of Unauthorized Obligations	Applicable to all Orders involving EULA, TOS, or similar software agreement.
52.234-1	Industrial Resources Developed Under Title III, Defense Production Act	Applicable to all Orders.
52.244-6	Subcontracts for Commercial Products and Commercial Services	Applicable to all Orders.
52.245-1	Government Property	Applicable to all Orders where: (i) All cost-reimbursement and time-and-material type solicitations and contracts, and labor-hour solicitations when property is expected to be furnished for the labor-hour contracts. (ii) Fixed-price solicitations and contracts when the Government will provide Government property. (iii) Contracts or modifications awarded under FAR part 12 procedures where Government property that exceeds the simplified acquisition threshold, as defined in FAR

		2.101, is furnished or where the contractor is directed to acquire property for use under the contract that is titled in the Government. When FAR 52.245-1 is applicable, the supplier shall ensure: • Use of the property is only for the accountable subcontract/sales order. • All incidents of loss, damage or destruction will be promptly reported to Customer with pertinent facts as requested • The supplier is liable for loss, damage or destruction of property. • The supplier shall perform physical inventories of all United States Government/Customer Property as requested and will provide the written results of those inventories to Customer. • Suppliers will allow US Government personnel or their designated agents reasonable access to their facilities and the US Government property. • Upon completion of the contract, Supply Chain may require the return of customer owned property to Customer for inspection and audit purposes. If the contract exceeds 1 year in duration the Manager Product Quality, through his delegate, will confirm that the property is in the possession of the subcontractor and in good condition.
52.247-64	Preference for Privately Owned U.S.-Flag Commercial Vessels	Applicable to all Orders without regard to contract value.
52.248-1	Value Engineering	Applicable to Orders at or above the simplified acquisition threshold.
52.251-1	Government Supply Sources	Applicable to any solicitations and contracts when the contracting officer authorizes the contractor to acquire supplies or services from a Government supply source.
DFARS		
252.203-7001	Prohibition On Persons Convicted of Fraud or Other Defense- Contract-Related Felonies	Applicable to all Orders exceeding the simplified acquisition threshold.
252.203-7002	Requirement to Inform Employees of Whistleblower Rights	Applicable to all Orders.
252.203-7004	Display of Hotline Posters	Applicable to Orders that exceed \$6 million, except those that are commercial items.
252.204-7000	Disclosure Of Information	Applicable to all Orders when Seller will have access to or generate unclassified information that may be sensitive and inappropriate for release to the public.

252.204-7004	Antiterrorism Awareness Training for Contractors	Applicable in solicitations and contracts, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial products and commercial services, when contractor personnel require routine physical access to a Federally-controlled facility or military installation.
252.204-7008	Compliance with Safeguarding Covered Defense Information Controls	Applicable in all solicitations, including solicitations using FAR part 12 procedures for the acquisition of commercial products and commercial services, except for solicitations solely for the acquisition of commercially available off-the-shelf (COTS) items.
252.204-7012	Safeguarding Covered Defense Information and Cyber Incident Reporting	Applicable to all Orders for operationally critical support, or for which Order performance will involve covered defense information.
252.204-7015	Notice of Authorized Disclosure of Information for Litigation Support	Applicable to all Orders.
252.204-7018	Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services	Applicable to all Orders including those for the acquisition of Commercial Items.
252.204-7020	NIST SP 800-171 DoD Assessment Requirements	Applicable to all Orders, including those using FAR part 12 procedures for the acquisition of commercial products and commercial services, except for those that are solely for the acquisition of COTS items.
252.209-7004	Subcontracting With Firms That Are Owned or Controlled By The Government of a Country that is a State Sponsor of Terrorism	Applicable to Orders over \$35,000.
252.209-7010	Critical Safety Items	Applicable in solicitations and contracts when the acquisition includes one or more items designated by the design control activity as critical safety items.
252.211-7000	Acquisition Streamlining	Applicable to all Orders over \$1.5 million.
252.211-7003	Item Unique Identification and Valuation	Applicable to all Orders. Seller's obligations under this clause are limited to cooperating with Buyer's efforts to comply with this clause, including granting Buyer access to Seller's deliverables at its facilities and to appropriate property records.
252.211-9510	Contractor Employees	In all situations where contractor personnel status is not obvious, all contractor personnel are required to identify themselves to avoid creating an impression to the public, agency officials, or Congress that such contractor personnel are Government officials.
252.222-7006	Restrictions on the Use of Mandatory Arbitration Agreements	Applicable to Orders over \$1 million except Orders for the acquisition of commercial items, including commercially available off-the-shelf items.

252.223-9501	Material Safety Data Sheet	Applicable to all Orders.
252.223-9502	Hazardous Material	Applicable to all Orders.
252.225-7001	Buy American And Balance Of Payments Program--Basic	Applicable to all Orders except Orders for commercially available off-the-shelf items (COTS) as defined at FAR 2.101. Seller must deliver goods that contain more than 50% United States or Qualifying Country content pursuant to the clause.
252.225-7004	Report of Intended Performance Outside the United States and Canada--Submission after Award	Applicable to all Orders having a value of greater than \$750,000 and the work could be performed inside the United States or Canada. Seller agrees to immediately inform Buyer if there are any changes to the information submitted with its offer.
252.225-7007	Prohibition on Acquisition of Certain Items from Communist Chinese Military Companies	Applicable to all Orders for the acquisition of items covered by the United States Munitions List of the International Traffic in Arms Regulation or the 600 series of the Commerce Control List.
252.225-7008	Restriction on Acquisition of Specialty Metals	Applicable to all Orders without regard to contract value.
252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals	Applicable to all Orders, excluding paragraph (d) and (e)(1) which are deleted from this clause, for items containing specialty metals to ensure compliance of the end products that Buyer will deliver to the Government.
252.225-7012	Preference For Certain Domestic Commodities	Applicable to all Orders exceeding \$150,000, including those using FAR part 12 procedures for the acquisition of commercial items. [Applies at any dollar value, only for the acquisitions athletic footwear purchased by DoD for use by members of the Army, Navy, Air Force, or Marine Corps upon their initial entry into the Armed Forces].
252.225-7013	Duty-Free Entry	"Duty-Free Entry" (Applicable to all Orders for "qualifying country components" or "nonqualifying country components" for which the Supplier estimates that duty will exceed \$200 per unit. The information required by paragraph (j)(3) of this clause is available upon request.)
252.225-7016	Restriction on Acquisition of Ball and Roller Bearings	Applicable to all Orders for Goods that contain ball or roller bearings, except those that are for commercial items.
252.225-7021	Trade Agreements	Applicable to all Orders without regard to contract value.
252.225-7025	Restriction on Acquisition of Forgings	Applicable to all Orders without regard to contract value.
252.225-7030	Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate.	Applicable to all Orders without regard to contract value.

252.225-7043	Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States	Applicable to all Orders that require performance or travel outside the U.S., except subcontractors who are a foreign government, a representative of a foreign government, or a foreign corporation wholly owned by a foreign government.
252.225-7048	Export-Controlled Items	Applicable to all Orders.
252.225-7051	Prohibition on Acquisition of Certain Foreign Commercial Satellite Services	Applicable in solicitations and contracts for the acquisition of commercial satellite services, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial products and commercial services.
252.225-7052	Restriction on the Acquisition of Certain Magnets, Tantalum, and Tungsten	Applicable to all Orders for the delivery of goods that are for items containing a covered material, that exceed the simplified acquisition threshold, unless an exception at paragraph (c) of the clause applies.
252.225-7053	Representation Regarding Prohibition on Use of Certain Energy Sourced from Inside the Russian Federation	Applicable to all Orders.
252.225-7054	Representation on Use of Certain Energy Sourced from Inside the Russian Federation	Applicable to all Orders at or below the simplified acquisition threshold, that are for the acquisition of furnished energy for a covered military installation.
252.225-7056	Prohibition Regarding Business Operations with the Maduro Regime	Applicable to all Orders.
252.225-7057	Pre-award Disclosure of Employment of Individual's who work in the People's Republic of China	Applicable to all solicitations and Orders supporting DoD with a value in excess of \$5 million, not including solicitations for commercial products and services.
252.225-7060	Prohibition on Certain Procurements from the Xinjiang Uyghur Autonomous Region	Applicable to all Orders without regard to contract value.
252.225-7061	Restriction on the Acquisition of Personal Protective Equipment and Certain Other Items from Non-Allied Foreign Nations	Applicable to Orders valued above \$150,000 that are for the acquisition of covered items, including subcontracts for commercial products, including commercially available off-the-shelf items, and commercial
252.225-7967	Prohibition Regarding Russian Fossil Fuel Business Operations DEVIATION 2024-00006	Applicable to all Orders.
252.225-7972	Prohibition on the Procurement of Foreign-Made Unmanned Aircraft Systems	Applicable to all Orders without regard to contract value.
252.226-7001	Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns	Applicable to all Orders exceeding \$500,000

252.227-7013	Rights in Technical Data--Other Than Commercial Products and Commercial Services	Applicable to all Orders when Buyer will be required to deliver to the Government Seller's technical data pertaining to noncommercial items, or pertaining to commercial products and commercial services for which the Government will have paid for any portion of the development costs.
252.227-7014	Rights in Other Than Commercial Computer Software and Other Than Commercial Computer Software Documentation	Applicable to Orders when Seller's performance will require delivery of non-commercial computer software or computer software documentation.
252.227-7015	Technical Data--Commercial Products and Commercial Services	Applicable to all Orders whenever any technical data related to commercial products and commercial services developed in any part at private expense will be provided under the Order for delivery to the Government.
252.227-7016	Rights in Bid or Proposal Information	Applicable to all Orders.
252.227-7017	Identification and Assertion of Use, Release or Disclosure Restrictions	Applicable to all Orders without regard to contract value.
252.227-7019	Validation of Asserted Restrictions - Computer Software	Applicable to all Orders when Seller's performance includes the furnishing of computer software that Buyer will furnish to the Government.
252.227-7025	Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends	Applicable to all Orders.
252.227-7037	Validation of Restrictive Markings on Technical Data	Applicable to all Orders requiring the delivery of technical data.
252.228-7001	Ground and Flight Risk	Applicable to all Orders without regard to contract value.
252.228-7005	Mishap Reporting And Investigation Involving Aircraft, Missiles, And Space Launch Vehicles	Applicable to all Orders for aircraft, missile, or space launch vehicles being manufactured, modified, repaired, or overhauled. Seller must cooperate and assist Buyer in accident investigations.
252.234-7002	Earned Value Management System	Applicable only to Orders when the Seller is identified in Paragraph (k) of the clause.
252.234-7004	Cost and Software Data Reporting System--Basic	Applicable to Orders that exceed \$50 million.
252.239-7009	Representation of Use of Cloud Computing	Applicable to all Orders without regard to contract value.
252.239-7010	Cloud Computing Services	Applicable to all Orders without regard to contract value.

252.239-7018	Supply Chain Risk	Applicable in all solicitations and contracts, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial products and commercial services, for information technology, whether acquired as a service or as a supply, that is a covered system, is a part of a covered system, or is in support of a covered system, as defined at 239.7301.
252.244-7000	Subcontracts for Commercial Products or Commercial Services	Applicable to all Orders.
252.246-7003	Notification of Potential Safety Issues	Applicable in solicitations and contracts, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial products and commercial services, for the acquisition of- (1) Repairable or consumable parts identified as critical safety items; (2) Systems and subsystems, assemblies, and subassemblies integral to a system; or (3) Repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system
252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System	Applicable to all Orders when the goods or services include electronic parts or assemblies containing electronic parts. This clause applies to all Sellers, at all tiers, without regard to whether the Seller itself is subject to CAS.
252.246-7008	Sources of Electronic Parts	Applicable to all Orders for electronic parts or assemblies containing electronic parts, unless Seller is the original manufacturer.
252.247-7023	Transportation of Supplies by Sea	Applicable if the Seller is transporting supplies by sea under this Order and (i) This Order is a construction contract; or (ii) The supplies being transported are- (A) Noncommercial items; or (B) Commercial items that- (1) The Seller is reselling or distributing to the Government without adding value (generally, the Seller does not add value to items that it subcontracts for f.o.b. destination shipment); (2) Are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations; or (3) Are commissary or exchange cargoes transported outside of the Defense Transportation System in accordance with 10 U.S.C. 2643.
252.247-7024	Notification of Transportation of Supplies by Sea	Applicable to all Orders without regard to contract value.
252.247-9508	Prohibited Packing Materials	Applicable to all Orders involving the Seller shipping items directly to Buyer's customer. The use of asbestos, excelsior, newspaper or shredded paper is prohibited. In addition, loose fill polystyrene is prohibited for shipboard use.

252.249-7002	Notification of Anticipated Contract Termination or Reduction	Applicable to all Orders of \$700,000 or more. Seller shall (i) Provide notice to each of its subcontractors with a subcontract of \$150,000 or more; and (ii) Impose a similar notice and flowdown requirement to subcontractors with subcontracts of \$150,000 or more.
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(e) when access to Proprietary Information is required, except as specifically otherwise provided herein, and (f) where specifically modified herein. Supplier or Seller shall incorporate into each lower-tier subcontract placed in support of the Order or Purchase Order all applicable Clauses in accordance with the flowdown requirements specified in each such Clause. If any of the following clauses do not apply to this Order or Purchase Order, such clauses are considered to be self-deleting.

SPECIAL CONTRACT REQUIREMENTS:

ARTICLE 9. QUALITY CONTROL

(Applicable to all Orders.)

Seller shall establish and maintain a quality control system in accordance with its ISO 9000 certification as supplemented by AS9100 or any other quality requirement that is required by this Contract. Seller shall permit Buyer and Buyer's customer to review procedures, practices, processes and related documents to determine quality control system compliance.

ARTICLE 20. DEFECTIVE COST OR PRICING DATA

(Applicable to all Orders.)

a. If Seller, its subcontractor, or prospective subcontractor fails to submit accurate, complete and current cost or pricing data, and, as a result of that failure, the Government reduces the price of Buyer's prime contract, Buyer may recover from Seller an amount equal to the price reduction of the prime contract or mutually agreed consideration in lieu of payment.

b. In coordination with Buyer, Seller, its subcontractor, or prospective subcontractor shall have the opportunity to remedy the cost or pricing data either with BUYER or directly with the Government.

c. If, as a result of Seller's or its subcontractor's foregoing conduct, the Government imposes a penalty on or charges Buyer interest, Buyer may recover from Seller the amount of that interest or penalty.

c. For the purposes of paragraphs a and b of this Article, if Buyer is a higher-tier subcontractor, "Government" means the higher-tier contractor and "prime contract" means the higher-tier subcontract.

d. Seller shall not raise as defenses the matters listed in FAR 52.215-10(c)(1) (AUG 2011) or FAR 52.215-11(d)(1)(AUG 2011).

ARTICLE 26. PROPERTY MANAGEMENT

(Applicable to all Orders with Buyer's or Government-Owned Property.)

a. 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, destruction or damage of such property excluding normal wear and tear or losses resulting from force majeure while in Seller's possession, custody or control, including any transfer to Seller's subcontractors. Upon request, Seller shall provide Buyer with adequate proof of insurance against such risk of loss. Seller shall not use such property other than in performance of this Contract without



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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 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.

b. Government-Owned Property. To the extent that Seller, including any subcontractor thereof, uses U.S. Government property, either furnished to or acquired by Seller under this Contract, in the performance of this Contract, Seller shall manage such property in accordance with FAR 52.245-1, unless some other date version or equivalent FAR clause is provided elsewhere in this Contract, as implemented through the requirements of clause E000 as amended and included within Attachment B to the General Terms Agreement, which is incorporated by reference into this Contract.

c. Special Tooling. To the extent that Seller, including any subcontractor thereof, uses special tooling, either furnished to or acquired by Seller under this Contract, in the performance of this Contract, Seller shall manage such tooling in accordance with clause E223, as included within Attachment B to the General Terms Agreement, which is incorporated by reference into this Contract.

ARTICLE 27. OFFSET CREDITS/INDUSTRIAL PARTICIPATION

[This Article applies only if Buyer has an industrial participation (IP) or offset credit contractual obligation under its higher-tier contract that is associated with this contract.]

a. If this contract does not include a separately priced IP management plan (IP Plan), then:

i. Seller agrees to use reasonable efforts to identify the foreign content of goods that (1) Seller either produces itself or procures from subcontractors for work directly related to this contract and (2) fulfill offset requirements of Buyer's associated higher-tier contract; and

ii. Buyer shall be entitled to all offset credits resulting from this contract that fulfill offset requirements of Buyer's associated higher-tier contract; and

iii. Seller shall provide documentation or information that Buyer may reasonably request to substantiate claims for offset credits.

b. If this contract includes a separately priced IP Plan, then those obligations supersede Seller's offset obligations stated in subparagraph (a) of this Article and shall be made a part of this contract. In addition, the separately priced IP Plan shall address how the Parties will handle any excess offset credits.

ARTICLE 28. UTILIZATION OF SMALL BUSINESS CONCERNS

(Applicable to all Orders.)

a. 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.



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b. Upon request, Seller shall provide to Buyer prior to contract award or at any time during the period of performance of this Contract a copy of Seller's subcontracting plan compliant to FAR 52.219-9 or DFARS 252.219-7004, as incorporated herein and as applicable.

c. The Seller is hereby notified that, under 15 U.S.C. 645(d), any person who misrepresents a firm's business size or socioeconomic status as defined in FAR 52.219-9 in order to obtain a contract to be awarded under the preference programs established pursuant to sections 8(a), 8(d), 9 or 15 of the Small Business Act or any other provision of Federal law that specifically references section 8(d) for a definition of program eligibility, shall: (i). be punished by imposition of a fine, imprisonment, or both; (ii) be subject to administrative remedies, including suspension and debarment; and (iii) be ineligible for participation in programs conducted under the authority of the Act. Socioeconomic status for BUYERs subcontracts includes the list of concerns in FAR 52.219-9 as well as women-owned small business concerns, Historically Black College or University or Minority Institutions, Indian organizations or Indian-owned economic enterprises, rural area small business concerns, foreign business concerns, joint ventures, and/or a large minority business concerns or women-owned large business concerns.

ARTICLE 9. BUSINESS CONDUCT

(Applicable to all Orders.)

a. Compliance with Laws. Seller and the Goods shall comply with all applicable statutes and government rules, regulations and orders including without limitation, (i) all applicable country laws relating to anti-corruption or anti-bribery, including, but not limited to, legislation implementing the Organization for Economic Co-operation and Development "Convention on Combating Bribery of Foreign Public Officials in International Business Transactions" or other anti-corruption/anti-bribery convention; and (ii) the requirements of the Foreign Corrupt Practices Act, as amended, ("FCPA") (15 U.S.C. §§78dd-1, et. seq.), regardless of whether Seller is within the jurisdiction of the United States, and Seller shall, neither directly nor indirectly, pay, offer, give, or promise to pay or give, any portion of monies or anything of value received from Buyer to a non-U.S. public official or any person in violation of the FCPA and/or in violation of any applicable country laws relating to anti-corruption or anti-bribery.

b. Gratuities. Seller warrants that neither it nor any of its employees, agents, or representatives have offered or given, or shall 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.

c. Supplier Code of Conduct. Buyer is committed to a set of core values that includes transparency, integrity, accountability and respect. In furtherance of this commitment, Buyer has adopted a Supplier Code of Conduct that outlines expected values and behaviors for all suppliers, including their employees, agents, or subcontractors. This code may be downloaded at https://www.boeingsuppliers.com/principles/Boeing_Supplier_Code_of_Conduct.pdf. Buyer strongly encourages Seller to adopt and enforce concepts, values and behaviors consistent with those embodied in the Supplier Code of Conduct. Seller shall include the substance of this Article, including this flowdown requirement, in all subcontracts awarded by Seller for work under this Contract.

d. Environmental Health and Safety

i. Environment, Health and Safety Performance. Seller acknowledges and accepts full and sole responsibility to maintain an environment, health and safety management system ("EMS") appropriate for its



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business throughout the performance of this Contract. Buyer expects that Seller's EMS shall promote health and safety, environmental stewardship, and pollution prevention by appropriate source reduction strategies. Seller shall convey the requirement of this clause to its suppliers. Seller shall not deliver Goods that contain asbestos mineral fibers.

ii. Chemical Profile Declaration. If requested by Buyer, Seller shall provide to Buyer or its authorized third-party service provider subject to appropriate confidentiality/third-party use agreement(s) being in place, a declaration (using data available to Seller at the time of Buyer's request) of the chemical profile of Goods (by part number) in accordance with the most recent published versions of IPC-1754, supported by either the IAEG® Aerospace and Defence Declarable Substances List (<http://www.iaeg.com/chemicalrpt/addsl/>) or NAS411/NAS411-1 as applicable. The provided chemical profile is limited to IPC-1754 Class F Declarable Substance Declaration for the substance content of delivered Goods. A response (or a request for more time) shall be required within twenty-five (25) days of the notification. If additional data is requested beyond the data available to Seller at the time of Buyer's request, it will be handled in accordance with the Changes Article.

e. Work Transfer. Notwithstanding any other provision of this Contract, including, without limitation, Article 24(Assignment and Change of Control), Seller shall provide Buyer with written notice of any proposed plans for moving Seller's manufacturing location for the Goods, or moving tooling or other equipment utilized in the manufacture of the Goods to another facility (each a "Work Transfer"). At a minimum, the Seller shall notify the Buyer as soon as reasonably possible but, in any event not later than 45 days in advance of Work Transfer implementation. The Parties will work together cooperatively and in good faith to resolve any concerns or objections Buyer may have prior to implementing any Work Transfer. No adjustment to cost or schedule will be granted by Buyer for any Work Transfer unless mutually agreed by Parties via the Changes Article, and notwithstanding any Work Transfer, Seller shall comply with all other provisions and requirements of this Contract.

f. Buyer Policies. Seller agrees that Buyer's internal policies, procedures and codes are intended to guide the internal management of the Buyer and are not intended to, and do not, create any right or benefit, substantive or procedural, enforceable at law or in equity, by the Seller against the Buyer.

g. Conflict Minerals. Seller commits to comply with Section 1502 of Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Rule) and its implementing regulations, and any amendments thereof as applicable to a SEC-reporting company. Seller will have in place a supply chain policy and processes to conduct a reasonable country of origin inquiry with respect to conflict minerals, as defined and required by the Rule. Upon Buyer's request, Seller will complete and provide a Conflict Minerals Reporting Template (CMRT), developed by the Responsible Minerals Initiative, no later than sixty (60) days following each calendar year in which Seller has delivered Goods to Buyer under the Agreement.

h. Subcontracting. Seller agrees that no subcontract placed under this Contract shall provide for payment on a cost-plus-a-percentage-of-cost basis.

i. Ethics and Compliance Program. Seller acknowledges and accepts full and sole responsibility to maintain an ethics and compliance program appropriate for its business throughout the performance of this Contract. Buyer strongly encourages Seller to model its program in accordance with the Federal Sentencing Guidelines, applicable guidance from enforcement authorities, and industry best practices. Seller shall publicize to its employees who are engaged in the performance of work under the Contract that they may



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report any concerns of misconduct by Buyer or any of its employees or agents by going to Ethics@Boeing. Seller shall convey the substance of this clause to its suppliers.

j. Seller and Sub-Tier Supplier Information. In addition to requirements set forth elsewhere in this Contract, Seller shall, when reasonably requested by Buyer, provide sub-tier supplier information related to performance under this Contract. Such information may include but is not limited to Seller's subcontract management plans, Buyer programs supported, Seller assessment of sub-tier supplier's capability including financial health and performance issues.

ARTICLE 30. ACCESS TO PLANTS AND PROPERTIES.

(Applicable to all Orders where access to BUYER or BUYER'S Customer property or access to electronic systems or information is required.)

Where either Party is either entering or performing work at premises owned or controlled by the other Party or Buyer's customer or obtaining access electronically to either Party's systems or information, the Party shall comply with: (i) all the rules and regulations established by the other Party or Buyer's customer for access to and activities in and around premises controlled by the other Party or Buyer's customer; and (ii) requests for information and documentation to validate citizenship or immigration status of the other Party personnel or subcontractor personnel. In addition, Parties acknowledge that either Party may perform routine background checks on the other Party's personnel. Seller shall include the substance of this clause, including this flowdown requirement, in all subcontracts awarded by Seller for work under this Contract. When applicable to the scope of an individual Purchase Contract, the provisions of Special Provisions 4 (SP4) "The Boeing Company On-Site Environment, Health and Safety & Insurance Supplemental Provisions" shall be negotiated on a case-by-case basis.

3.2.1.3.2.7.1 SAFEGUARDING COVERED DEFENSE INFORMATION AND CYBER INCIDENT REPORTING

(Applicable to all Orders.)

The Supplier shall notify Boeing when submitting a request to vary from a NIST SP 800-171 security requirement to United States Government (USG), in accordance with paragraph (b)(2)(ii)(B) of DFARS 252.204-7012 dated OCT 2016.

The Supplier shall provide the incident report number, automatically assigned by Department of Defense (DoD), to Boeing as soon as practicable, when reporting a cyber incident to DoD as required in paragraph (c) of DFARS 252.204-7012 dated OCT 2016.

3.7.3.2 INTEGRATED BASELINE REVIEW (IBR)

(Applicable to all Orders.)

The Supplier may be required to participate in and support a BUYER-led IBR to assess the Suppliers' Performance Measurement Baseline (PMB). The objective of the IBR shall be to ensure that the Supplier has established a reliable plan (the PMB) that captures the entire scope of work and is consistent with program schedules, that adequate resources have been assigned to complete the tasks, and that risk handling plans have been identified. Additional objectives are to assess the realism of the Supplier integrated PMB and the appropriateness of the earned value methodology.



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An initial IBR shall be employed as soon as possible after the contract PMB is in place. In no event is initiation of the IBR process to be delayed beyond six months after authority to proceed, without specific authorization of BUYER. Incremental or delta IBRs shall be conducted as needed throughout the life of the contract for initiation of an undefinitized contract action, and subsequently, when required following major changes to the baseline or re-planning. BUYER will verify during the initial IBR, and follow-on IBRs, when required, that the Supplier has established and maintains a reliable PMB. The Supplier shall demonstrate that the baseline includes the entire contract technical scope of work consistent with contract schedule requirements and has adequate resources assigned. The Supplier shall demonstrate to BUYER that effective earned value methods are used to accurately status contract cost, schedule, and technical performance.

The IBR is used to achieve a mutual understanding of the baseline plan, cost and schedule risk and to assess the underlying management processes used for planning and controlling the program such as: completion of detail planning as far in advance as practical, implementation of proper baseline controls, maintenance of EVMS competency and Cost Account Manager (CAM) training across the program, identification and correction of system deficiencies/planning errors, management reserve practices, and schedule management practices. Participation in the IBR is a joint responsibility of both BUYER and the Supplier.

The Supplier shall flow-down the IBR requirement to Sub-tier Suppliers that meet the applicable thresholds for EVM reporting. The Supplier shall lead the IBR at Sub-tier Suppliers, with active participation from BUYER.

3.7.5.7 OBSOLESCENCE MANAGEMENT

(Applicable to all Orders.)

The Supplier shall minimize the impact of all known obsolescence issues from design through support. The Supplier shall choose components with reasonable life cycle expectancy during design, and shall regularly monitor the obsolescence status of component content in the equipment. It is recommended that the Supplier use one or more third party obsolescence monitoring applications specific for this purpose.

The Supplier shall participate in an obsolescence management program to resolve parts obsolescence issues involving components, assemblies, subassemblies, piece parts, processes and material. This participation is defined as the Supplier working with the BUYER Procurement Agent, the BUYER Obsolescence Management Team (OMT) and the BUYER IPT to identify obsolescence issues and providing direct assistance to support BUYER on responses to resolve obsolescence Case Sheets including, but not limited to, recommended solutions and completion of the Supplier Notification Worksheet. During the contract period of performance, the Supplier shall provide the contractor with written notification of all existing and impending obsolescence issues, even if the obsolescence issue only has impact beyond the current contract obligation. This includes cases in which the Supplier possesses adequate part inventory to meet contractual delivery obligations, but there is a known issue with future procurement of parts.

The Supplier shall immediately notify the BUYER Procurement Agent and cognizant engineer of any urgent parts obsolescence problems, including all instances in which a manufacturer has announced an End of Life (EOL) or Last Time Buy (LTB) opportunity.

The Supplier shall immediately notify the BUYER Procurement Agent and cognizant engineer of any urgent parts obsolescence problems including any from their sub-tier suppliers EOL or Government-Industry Data



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Exchange Program (GIDEP) notifications The Supplier shall notify the BUYER Procurement Agent and cognizant engineer prior to executing any Obsolescence Bridge Buys or Life of Type/Life of Need buys.

The Supplier shall provide BUYER obsolescence status briefs as part of the quarterly Program Management Reviews provided for under this contract.

The obsolescence status shall include, but not be limited to:

- Government Bonded Stock Line of Balance
- Status of open actions and Case Sheets
- Processes and storage of Government Bonded Stock

Class II Changes shall be provided as described in the Configuration Management section of this SSOW. The Supplier is required to provide an updated and current Equipment Parts List (EPL) in accordance with Data Item Description 7018. Previously received format is acceptable but must be identified as such. These EPL's will be used by the BUYER OMT for risk abatement purposes in order to mitigate the impact of parts obsolescence for the duration of the Multiyear contact.

The Supplier shall flow all requirements in this paragraph to all Sub-tier Suppliers above the piece part level.

3.7.6.3.3 Class II Changes

Prior to implementation, the Supplier shall submit all Class II engineering changes, including Sub-tier Supplier engineering changes, to BUYER for approval in accordance with SDRL:

- Data Item 7292 – Supplier Change Proposal Class II

BUYER CM will review the change for approval of the proposed change classification. If BUYER does not concur with the Class II change classification then the Supplier may resubmit the change as a Class I SCP. Supplier Class II changes are also reviewed by the applicable Engineer/IPT and Supportability focal for approval/disapproval. Class II changes shall not affect form, fit, or function of the component or assembly, or drive unapproved supportability impacts to the Customer. Upon BUYER approval of the Class II change, the supplier shall submit the final revised drawing package and affected ATP for approval of change incorporation in accordance with SDRLs:

- Data Item 7053 – Test Plans/Procedures - Acceptance Test Procedure
- Data Item 7083 – Product Drawings/Models and Associated Lists
- Data Item 7298 – Special Tooling (ST) Drawings/Models and Associated Lists
- Data Item 7300 – Commercial Drawings/Models and Associated Lists
- Data Item 7304 – Special Inspection Equipment (SIE) Drawings/Models and Associated Lists

Supplier shall not deliver hardware incorporating proposed changes without BUYER approval of the associated drawing SDRL. Supplier shall not incorporate any Class II changes without BUYER approval; any implementation of a change prior to BUYER approval is at the Supplier's risk.

Supplier changes are all recorded in the SDT system. All Supplier drawings incorporating these changes are sent to the customer by means of a Contract Data Requirements List (CDRL).

This Class II engineering change submittal process does not alter any Supplier contracted Material Review Board (MRB) authority for addressing manufacturing non-conformances.



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3.7.7.2 DATA MARKINGS

(Applicable to all Orders that include Non-commercial technical data, computer software documentation, and computer software.) (SEE Exhibit A)

Non-commercial technical data, computer software documentation, and computer software which are delivered to the Government may not contain any restrictive or proprietary markings (as to use, government rights, or further distribution) except those markings authorized by DFARS 252.227-7013, 252.227-7014, 252.227-7017 or 252.227-7018. Such authorized restrictive markings should not be used on deliverables until after the parties have acknowledged the contractor's claim asserting such restrictions by an attachment to the contract in accordance with the above DFARS clauses. See DFARS 252.227-7030 for additional government remedies regarding improperly marked deliveries. The Government has the right to challenge all markings placed on submitted data.

Proprietary data markings are prohibited on technical data except for data items where claims of Commerciality meet the requirements of DFARS 252.227-7015 and confirmed by Boeing. All data rights claims should be made prior to signing and incorporation into this contract. Failure to do so may result in data disapproval. All data rights claims limiting the USG to less than unlimited rights shall be accompanied by a contractual Letter of Assertion per DFARS section 252.227-7013/14/17 following the prescribed format requirements. Unless directed otherwise via the SDRL, non-commercial technical data shall include:

A. An appropriate rights legend as described in the aforementioned DFARS section 252.227-7013/14/17. The adding, removal or altering of a rights legend requires an advancement of the document revision level.

B. One of the following distribution statements as applicable per DoD Directive 5230.24 and the SDRL:

For data in which an assertion has been made that the Government has Limited or Restricted Rights as defined by DFARS 252.227-7013/7014 and a Data Assertion Letter to that effect has been submitted as required by DFARS 252.227-7013/7014/7017 and the data has been marked with a Limited or Restricted Rights legend conforming with DFARS 252.227-7013/7014 then the Supplier shall use the following distribution statement:

Distribution Statement E

"Distribution authorized to DoD Components only (Critical Technology) (22 December 2016). Other U.S. requests shall be referred to Program Executive Office, Air ASW, Assault, and Special Mission Programs, PEO (A), V-22 Joint Project Office PMA-275, RADM William A Moffett Bldg, 47123 Buse Road, Building 2272, Room 146, Patuxent River, MD 20670-1547."

For any other non-commercial data or computer software, the Supplier shall use the following distribution statement:

Distribution Statement D

"Distribution authorized to Department of Defense and U.S. DoD contractors only (Critical Technology) (22 December 2016). Other U.S. requests shall be referred to Program Executive Office, Air ASW, Assault, and Special Mission Programs, PEO (A), V-22 Joint Project Office PMA-275, RADM William A Moffett Bldg, 47123 Buse Road, Building 2272, Room 146, Patuxent River, MD 20670-1547."

C. All technical documents that are determined to contain export-controlled technical data shall be marked as follows or when it is technically infeasible to use the entire statement, an abbreviated marking may be



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used, and a copy of the full statement added to the Notice To Accompany Release of Export-Controlled Data required by DoD Directive 5230.25 (reference (c)):

EXPORT CONTROL STATEMENT

For ITAR Requirement:

Export Controlled

The technical data or software is subject to the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130). Export, re-export or retransfer contrary to U.S. law is prohibited.

OR

For EAR Requirement:

Export Controlled

The technology or software is subject to the Export Administration Regulations (15 C.F.R. Parts 730-774). Export, re-export or retransfer contrary to U.S. law is prohibited.

OR

"WARNING - This document contains technical data whose export is restricted by the Arms Export Control Act (Title 22, U.S.C., Sec 2751, et seq.). or the Export Administration Act of 1979, as amended, Title 50, U.S.C., App. 2401 et seq. Violations of these export laws are subject to severe criminal penalties. Disseminate in accordance with provisions of DoD Directive 5230.25."

D. An optional copyright mark may be included in accordance with Circular 92, Title 17 Chapter 4.

BOEING CLAUSES INCORPORATED IN FULL TEXT:

Clause Number	Title	Applicability (Reference to "Purchase Orders" includes underlying Solicitations)
C001	EARLY DELIVERY Effective: 10/16/2005	(Applicable to all Orders.) Accelerated delivery to the greatest extent possible in advance of the Contractual On Dock Schedule, but no earlier than the Required Date, is desired. Any accelerated delivery will be at no additional expense to Buyer or the Government. Notwithstanding anything to the contrary elsewhere in this contract, the payment-due date for deliveries made in accordance with this clause shall be computed from the latest of Buyer's Required Date (stated in this contract), the actual delivery date, or the date of receipt of a correct invoice (if applicable).
D607	MATERIAL SUBSTITUTION PROHIBITION EFFECTIVE: 11/15/2013	(Applicable to all Orders.) A. Unauthorized Material Substitution (General) Unauthorized material substitutions are not permitted on Buyer's Goods. Unauthorized material substitution includes any deviation from the engineering definition of a raw material. Engineering definition includes Buyer design drawing and applicable specifications, product specification, form, size, shape, chemistry, melt method, origin, temper/condition, product testing or surface finish. Alternate materials specified in the engineering definition (and often described as approved material substitutions therein) do not constitute unauthorized material substitution. Terms and definitions for metallic materials and processing used herein are clarified in ARP1917. Contact Buyer's Authorized Procurement Representative for details regarding



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		deviations to authorized materials. Seller agrees and understands that such deviations only apply to this purchase contract, and only as indicated in the Buyer's authorized document. B. Metallic Materials (Specific) <u>Temper or Condition Conversion</u> - Unless specifically authorized by the engineering definition, conversion of a raw material (i.e. heat treat to change the temper or condition of the material) constitutes material substitution of the condition provided by the manufacturer. <u>Metallic Raw Materials</u> – Buyer's engineering drawings may refer to obsolete or superseded specifications covering several forms, thicknesses, widths, etc. of the alloy or alloys. The required characteristics of these materials are defined not only by the objective test standards of the specification, but by the processes/methods by which this final form is achieved. These requirements are often captured in the definitions of the required material forms, and may not be explicitly called out in the detailed requirements. The raw material certification results from both the process used to make it and the tests to verify basic properties. Seller shall ensure that metallic materials covered by current or obsolete/superseded specifications are produced using the standard industry practices designed strictly for the production of stock to the specified thickness, diameter, width or cross sectional area, achieved by thermo-mechanical processing or casting process. Chemical, electrochemical and mechanical methods used for the removal of surface scale or contamination, or the production of the required surface finish, in accordance with the material specification are acceptable. Raw material must not be re-certified with respect to thickness, diameter, width or cross sectional area or product form. Machining or cutting of thicker product or other product forms shall not be supplied in lieu of specified product unless specifically authorized by Buyer. Raw material certifications for material or parts shall reflect the form and size of the raw material as originally manufactured by the raw material producer. C. Specification Supersession: For government specifications and standards canceled after June 1994, Seller and subcontractors at all tiers shall use the last active revision of the canceled specification and standard until an acceptable replacement is included in the requirements of this Contract. Contact the Buyer's Authorized Procurement Representative in the event of any inconsistency in applicable specification or standard. D. Reports (Full Pedigree from melt to final product) - Raw material certifications shall show clear traceability to the manufacturer(s) of the raw material including ingot source, all thermo-mechanical processing (i.e. forging, rolling, drawing, etc), heat treatment, chemical processing and inspections as required by applicable raw material specification requirements. E. Chain of Custody (Disguising intermediate ownership) – Suppliers shall not disguise the pedigree of material or chain of ownership by removal of a previous supplier's name, nomenclature or identification.



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		F. Source of Additional Information - Addition information and guidance may be found through Buyer's Supplier Portal or Buyer's Authorized Procurement Representative. G. The substance of this Article shall be flowed in all subcontracts at every tier
E000	Supplier Requirements for Buyer/ Government/Customer Property Management (Variable) AS MODIFIED BY G2300004	Scope: Buyer Provided Property includes: Buyer, U.S. Government, or Customer-owned Special Tooling, Special Test Equipment, and Equipment as defined by the Federal Acquisition Regulation that is: a. Currently in the possession of Seller; or b. Furnished to Seller under this Contract; or c. Acquired or fabricated by Seller under this Contract; or d. Deliverable line items shipped in-place for use by Seller on this Contract; or e. Items physically removed from Provided Property <u>This clause does not apply to:</u> a. Perishable or Hand Tools b. Shop Aids / Manufacturing Aids which are consumed during manufacturing process c. Buyer furnished material that will be consumed or expended into component parts of a higher assembly, consumed during a test, or which lose their individual identity through incorporation as a deliverable under this contract. d. Buyer furnished material to be repaired under this Contract. e. Buyer Provided Property furnished for repair as a line item under this Contract. 1. General Requirements a. Buyer Provided Property may not be used in performance of any other prime contract without Buyer's prior written consent. b. Seller shall establish and implement plans, systems, and procedures, which are subject to audit by Buyer, to ensure the effective management of Buyer Provided Property in accordance with this clause and FAR 52.245-1. Seller will provide Buyer and U.S. Government (USG) with access to all locations where property accountable to this contract resides, including sub-tiers, for the purpose of said audit. c. Seller assumes, for non-U.S. Government owned property to include Special Tooling, Special Test Equipment, and Equipment, , all risk of loss, destruction or damage, excluding normal wear and tear or losses resulting from force majeure, of Buyer Provided Property while in Seller's possession, custody or control, including any transfer to Seller's subcontractors d. If Buyer Provided Property is owned by U.S. Government the terms of the prime contract for which the property is accountable determines liability provisions per FAR 52.245-1 or FAR 52.245-1 Alt 1. Seller may review the Customer Contract Requirements (CCR) for liability provisions of the accountable prime contract. e. Seller agrees Buyer may incorporate Clause E017 (Government Property – Risk of Loss) if:



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		Buyer reasonably determines that Seller's property management system does not meet the requirements this clause (E000) and FAR 52.245-1, or i. Seller's property management system is reviewed by the United States Government (USG) and the Government rescinds limitation of liability. f. If Seller's property management system is reviewed by the USG, Seller shall provide Buyer a copy of Seller's US Government system status letter indicating current status of Seller's property-control system and any supporting documentation if applicable. Seller will provide subsequent property system review letters as released to Seller. If Seller's property management system has not been reviewed by the USG, Buyer may physically or virtually visit Seller's site and review its property control procedures. g. Seller will perform periodic internal reviews, surveillances, self-assessments or audits to assess compliance of Seller's property management system. Seller will notify Buyer in writing of any significant findings or issues that potentially impact or jeopardize the adequacy of Seller's property management system. h. Seller will perform periodic reviews, surveillances, assessments or audits to assess compliance of Seller's subcontractors and Seller's alternate locations. Seller will notify Buyer in writing of any significant findings or issues. i. In the event Buyer or Seller identify a significant deficiency or Seller's property management system is rated inadequate by the USG, Seller will notify Buyer and provide periodic communications regarding progress of corrective actions until the property management system is rated adequate by the USG. j. Seller will have adequate security processes and procedures in place to protect Buyer Provided Property, and will limit access to authorized personnel. k. Seller will include the substance of this clause in all subcontracts at all tiers in which Buyer Provided Property is acquired or furnished. l. The Seller's responsibility and liability for Buyer Provided Property extends from the initial acquisition and receipt of property, through stewardship, custody, and use until relieved of responsibility by Buyer in writing. 2. Process Outcome Requirements A. Acquisition 1. Upon submission of the invoice, Seller will submit a property list to Buyer's Authorized Procurement Representative. a. This property list is only required with submission of a supplier invoice when property is acquired against that purchase contract and includes Special Test Equipment or Special Tooling deliverables within NRE line item(s) in such invoice. 2. In the event Buyer Provided Property is not delivered to Seller by the dates stated in this Contract or property is received in a condition not suitable for its intended use, Seller will promptly notify Buyer in writing. a. In the event Buyer Provided Property is furnished in an "as-is" condition, any repairs, replacement and/or refurbishment shall be at Seller's expense.



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		3. Buyer may increase, decrease or substitute the amount of Provided Property, in accordance with the Changes article of this Contract . B. Receipt 1. Seller will perform an inspection for count, condition, verification to shipping documentation and damage promptly upon receipt of Provided Property. 2. Seller will notify Buyer in writing when property is received in a condition not suitable for its intended use. 3. Seller will promptly notify Buyer's Authorized Procurement Representative upon receipt of Buyer Provided Property and provide the information required by paragraph 2.C.1 of this clause. 4. Seller will physically mark property as directed by Buyer. 5. Seller will ensure that items delivered to the Department of Defense (DoD) conform to UII requirements. a. Seller will notify Buyer if it receives Government property which does not have a UII marking/label and/or a virtual UII annotated on a DD Form 1149 Requisition and Invoice/Shipping Document when applicable. C. Records 1. Seller will create property records which contain a complete, current, auditable record of all transactions within a timely manner upon receipt or fabrication. The property records will contain the following: a. The nomenclature, part or tool number, serial number, Manufacturer, model number, and National Stock Number (if available) b. Buyer's Property control number (after such number is provided by Buyer) c. Quantity received (or fabricated), issued, and balance-on-hand d. Unit acquisition cost e. Unique-item identifier or equivalent (if available and necessary for individual item tracking) f. Unit of measure g. Accountable contract number or equivalent code designation, (e.g. purchase contract number). h. Location i. Disposition j. Posting reference and date of transaction k. Date placed in service (if required in accordance with the terms and conditions of the contract) 2. Seller will manage, safeguard and control property records, artifacts, and documentation in accordance with FAR 4.7 or an industry accepted practice. 3. Seller will immediately notify Buyer's Authorized Procurement Representative in writing if the documentation associated with the Buyer Provided Property does not contain the information in paragraph 2.C.1. The required data elements shall be provided to the Seller.



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		D. Physical Inventory 1.Seller will conduct a physical inventory of Buyer Provided Property, including property in the possession of Seller's subcontractors and interdivision sites, as directed by Buyer. Seller will be required to perform inventories on an annual or triennial basis. Seller will be required to perform material and sensitive property on an annual basis and all other property on a triennial basis. Any Buyer specified additional inventory requests are out of scope of this Contract and are therefore subject to the "Changes" Article. Seller will conduct a physical inventory upon termination or completion of this Contract 2.Seller will provide Buyer's Authorized Procurement Representative a written report upon their completion of the physical inventory. E. Utilization 1.Seller will notify Buyer in writing if replacement and/or capital rehabilitation of Buyer Provided Property is required. 2.Seller will notify Buyer's Authorized Procurement Representative, in writing, of provided property in its possession that is excess to Contract requirements. 3.Seller may not cannibalize Buyer Provided Property without written consent from Buyer's Authorized Procurement Representative. 4.Seller will provide the Buyer purchase contract number(s) as justification for retention on Buyer physical inventory documentation in Seller's format containing the data elements required per Section C.1. F. Reports/Data Deliverables 1.Seller will submit periodic reports regarding Seller accountable property, according to the schedule in Attachment (1) of this clause. 2.Reports, documents, inventories and correspondence regarding Buyer Provided Property will contain the information identified in paragraph 2.C.1. 3.Upon Buyer request, Seller will provide property reports in support of a USG assessment or inquiry. G. Relief of Stewardship Responsibility and Liability 1.In the event of loss, damage, destruction or theft of Buyer Provided Property, including property at subcontractor and alternate locations, Seller will provide the following information regarding such property to Buyer: a. Date of incident b. The data elements required under paragraph 2.C.1 of this clause. c. Accountable purchase contract number d. A statement indicating current or future need e. Estimated repair or replacement costs. f. All known interests in commingled material of which includes Government material. - g.Cause and corrective action taken or to be taken to prevent recurrence. h. A statement reflecting whether the Seller has insurance to cover the incident i. Copies of all supporting documentation (as requested by the Buyer) j. Last known location k. A statement that the property did or did not contain sensitive, export controlled, hazardous, or toxic material, and that the appropriate agencies and authorities were notified



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		2.Seller will submit any documentation / forms required by Buyer related to the loss, damage, destruction or theft of Buyer property, provide a corrective action acceptable to Buyer for each incident, and provide assistance to resolve and/or participate with investigations required. 3.Seller will dispose of Buyer Provided Property as directed by Buyer or the U.S. Government. Seller will notify Buyer's Authorized Procurement Representative in writing of any such direction by the U.S. Government. H. Shipment of Buyer Provided Property 1. Seller will promptly comply with Buyer's direction to prepare and ship Buyer Provided Property. 2. Seller will pack Buyer Provided Property to prevent damage and deterioration and will comply with Buyer packaging specifications, if any. 3.Seller will include the following on all shipping documents: a. The nomenclature, part or tool number, serial number, Manufacturer, model number, and National Stock Number (if available) b. Boeing property control number c. Quantity d. Unit acquisition cost e. Unique-item identifier or equivalent (if available and necessary for individual item tracking) f. Unit of measure g. Accountable contract number or equivalent code designation, (e.g., purchase contract number). I. Maintenance 1.Seller will conduct routine preventative maintenance and repair on Buyer Provided Property. 2.Prior to modification of Buyer Provided Property, Seller will obtain written consent from Buyer's Authorized Procurement Representative. J. Property Closeout 1.Upon completion of performance of this Contract, Seller will, perform an inventory of residual property, including subcontractors and alternate locations, and provide a report of such inventory to Buyer reflecting a retention recommendation. This requirement applies to residual material acquired against Cost Type contracts. 2.If Seller recommends retention of Buyer Provided Property, Seller will provide the following information to Buyer, in writing: a. Purchase contract number which necessitates retention of said property b. Boeing property control number(s). 3. This Section Applies only if this Contract is issued in support of a NASA Prime Contract 1. Financial reporting of Government property in the possession of Seller (and its sub-tier suppliers or interdivisional entities), or for which Seller has responsibility, will be performed, recorded, and reported as set forth within the applicable Seller Data Requirements List (SDRL). a. Seller will complete and provide to Buyer NASA Form 1018 in accordance with NASA FAR Supplement 1845.7101; Instructions for Preparing NASA Form 1018, 1852.245-73.



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		b. In addition to any inventory requirements contained in this Contract, Seller will comply with NASA FAR Supplement 1852.245-78 Physical Inventory of Capital Personal Property. 4. Buyer Provided Property Authorized for Use in the Performance of this Contract Buyer Provided Property authorized for use in performance of this Contract is identified below, or may be identified elsewhere in this Contract (e.g. Clause D001), or funded as a fabrication/acquisition line item(s) on this Contract. Buyer Provided Property Listing Buyer Provided Property Listing <table border="1"> <thead> <tr> <th>Property Name/Description</th><th>Tool Part Number</th><th>Property ID Number (e.g. Property Control #, Boeing Asset ID or Tag #)</th></tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table> 5. Attachment (1) <table border="1"> <thead> <tr> <th>Outcome / Business Process</th><th>Frequency</th><th>Documentation Required</th></tr> </thead> <tbody> <tr> <td>Changes to the status of a Government approved property control system</td><td>Upon receipt of the Government letter</td><td>Government issued letter</td></tr> <tr> <td>Seller's internal assessment / corrective action plans associated with Buyer or Seller identified significant deficiency or the USG determines the Seller's property management system as inadequate</td><td>As released</td><td>Report of audit findings and corresponding corrective action plan</td></tr> <tr> <td>Significant revision or modification to the Seller's property control procedure previously approved by Boeing</td><td>As revised</td><td>Copy of revised procedure</td></tr> <tr> <td>Acquisition/fabrication</td><td>Upon receipt or upon Completion of fabrication</td><td>Special Tooling: -STL based programs use Tool Configuration System (TCS) as required by clause E011. -Use form X39470 for all other sites Special Test Equipment and</td></tr> </tbody> </table>	Property Name/Description	Tool Part Number	Property ID Number (e.g. Property Control #, Boeing Asset ID or Tag #)										Outcome / Business Process	Frequency	Documentation Required	Changes to the status of a Government approved property control system	Upon receipt of the Government letter	Government issued letter	Seller's internal assessment / corrective action plans associated with Buyer or Seller identified significant deficiency or the USG determines the Seller's property management system as inadequate	As released	Report of audit findings and corresponding corrective action plan	Significant revision or modification to the Seller's property control procedure previously approved by Boeing	As revised	Copy of revised procedure	Acquisition/fabrication	Upon receipt or upon Completion of fabrication	Special Tooling: -STL based programs use Tool Configuration System (TCS) as required by clause E011. -Use form X39470 for all other sites Special Test Equipment and
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				Equipment: -Use form X39470
		Confirmation of receipt	Immediately after receiving inspection	Seller to submit Form X39470
		Receiving / notification of discrepancies or damage upon receipt	Immediately after receiving inspection	Email notification or copy of receiving document
		Physical inventory results	Within the specified timeframe issued by the Buyer	Seller to submit Boeing Form X39217; Subcontractor Physical Inventory / Utilization Confirmation
		Loss, Damage, Destruction or Theft	As soon as the facts are known	Seller to submit report containing data identified in Paragraph 2.G.1
		Request to Modify or ReWork Buyer Provided Property	Prior to work	Written request to the Buyer's Authorized Procurement Representative
		Modification or Re-Work of Buyer Provided Property	Upon completion of work	STL based programs (Special Tooling only): Use Tool Configuration System (TCS) as required by clause E011 Use Form X39470 for all other submissions
		Declaration of Excess	Immediately upon completion of use or engineering changes to affect the need to utilize the property.	Seller to submit Form X39439; Excess Property Report
		Property disposal (Relief of Stewardship)	Upon physical disposal by shipment, scrap or sale.	Email notification as directed by Boeing
E223	BDS Seller Special Tooling Requirements 8/30/2016 AS MODIFIED BY G2300004	Seller shall maintain a special tooling management process that complies with the requirements of D950-11059-1 BDS Seller Special Tooling Requirements Document, incorporated herein and made a part hereof by reference. Buyer reserves the right to conduct surveillance at Seller's facility to determine whether Seller's special tooling management process meets the requirements of this article. A copy of D950-11059-1 can be obtained at the following URL address: http://www.boeingsuppliers.com/quality.html		



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F412	PERFORMANCE-BASED PAYMENTS (CUMULATIVE) Effective: 07/31/2023	Incomplete performance. Boeing shall not approve a performance-based payment until the specified event or performance criterion has been successfully accomplished in accordance with the contract. If an event is cumulative, Boeing shall not approve the performance-based payment unless all identified preceding events or criteria are accomplished. (a) Amount of payments and limitations on payments. Subject to such other limitations and conditions as are specified in this Contract and this clause, the amount of payments and limitations on payments shall be specified in the Contract's description of the basis for payment. (b) Seller request for performance-based payment. The Seller may submit requests for payment of performance-based payments not more frequently than monthly, in a form and manner acceptable to the Buyer. Unless otherwise authorized by the Buyer, all performancebased payments in any period for which payment is being requested shall be included in a single request, appropriately itemized and totaled. The Seller's request shall contain the information and certification detailed in paragraphs (l) and (m) of this clause. (c) Approval and payment of requests. (1) The Seller shall not be entitled to payment of a request for performance-based payment prior to successful accomplishment of the event or performance criterion for which payment is requested. The Buyer shall determine whether the event or performance criterion for which payment is requested has been successfully accomplished in accordance with the terms of the Contract. The Buyer may, at any time, require the Seller to substantiate the successful performance of any event or performance criterion which has been or is represented as being payable. (2) A payment under this performance-based payment clause is a contract financing payment and not subject to interest penalty provisions. Buyer will pay approved requests in accordance with the payment terms of this Contract. Buyer is not required to provide payment if the Buyer requires substantiation as provided in paragraph (c)(1) of this clause, or inquires into the status of an event or performance criterion, or into any of the conditions listed in paragraph (e) of this clause, or into the Seller certification. The payment period will not begin until the Buyer approves the request. (3) The approval by the Buyer of a request for performance-based payment does not constitute an acceptance by the Buyer and does not excuse the Seller from performance of obligations under this Contract. (d) Liquidation of performance-based payments. (1) Performance-based finance amounts paid prior to payment for delivery of an item shall be liquidated by deducting a percentage or a designated dollar amount from the delivery payment. If the performance-based finance payments are on a delivery item basis, the liquidation amount for each such line item shall be the percent of that delivery item price that was previously paid under performance-based finance payments or the designated dollar amount. If the performance-based finance payments are on a whole contract basis, liquidation shall be by either pre-designated liquidation amounts or a liquidation percentage.



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		(2) If at any time the amount of payments under this Contract exceeds any limitation in this Contract, the Seller shall repay to the Buyer the excess. Unless otherwise determined by the Buyer, such excess shall be credited as a reduction in the unliquidated performance-based payment balance(s), after adjustment of invoice payments and balances for any retroactive price adjustments. (e) Reduction or suspension of performance-based payments. The Buyer may reduce or suspend performance-based payments, liquidate performance-based payments by deduction from any payment under the Contract, or take a combination of these actions after finding upon substantial evidence any of the following conditions: (1) The Seller failed to comply with any material requirement of this Contract (which includes paragraphs (h) and (i) of this clause). (2) Performance of this Contract is endangered by the Seller's -- (i) Failure to make progress; or (ii) Unsatisfactory financial condition. (3) The Seller is delinquent in payment of any subcontractor or supplier under this Contract in the ordinary course of business. (f) Title. (1) Title to the property described in this paragraph (f) shall vest in the Buyer. Vestiture shall be immediately upon the date of the first performance-based payment under this Contract, for property acquired or produced before that date. Otherwise, vestiture shall occur when the property is or should have been allocable or properly chargeable to this Contract (2) "Property," as used in this clause, includes all of the following described items acquired or produced by the Seller that are or should be allocable or properly chargeable to this Contract under sound and generally accepted accounting principles and practices: (i) Parts, materials, inventories, and work in process; (ii) Special tooling and special test equipment to which the Buyer is to acquire title; (iii) Nondurable (i.e., noncapital) tools, jigs, dies, fixtures, molds, patterns, taps, gauges, test equipment and other similar manufacturing aids, title to which would not be obtained as special tooling under subparagraph (f)(2)(ii) of this clause; and (iv) Drawings and technical data, to the extent the Seller or subcontractors are required to deliver them to the Buyer by other clauses of this Contract. (3) Although title to property is in the Buyer under this clause, other applicable clauses of this contract (e.g., the termination clauses) shall determine the handling and disposition of the property. (4) Reserved. (5) In order to acquire for its own use or dispose of property to which title is vested in the Buyer under this clause, the Seller shall obtain the Buyer's advance approval of the action and the terms. If approved, the basis for payment (the events or performance criteria) to which the property is related shall be deemed to be not in compliance with the terms of the Contract and not payable (if the property is part of or needed for performance), and the Seller shall refund the related performance-based payments in accordance with paragraph (d) of this clause.



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		(6) When the Seller completes all of the obligations under this Contract, including liquidation of all performance-based payments, title shall vest in the Seller for all property (or the proceeds thereof) not -- (i) Delivered to, and accepted by, the Buyer under this Contract; or (ii) Incorporated in supplies delivered to, and accepted by, the Buyer under this Contract and to which title is vested in the Buyer under this clause. (7) The terms of this Contract concerning liability for Buyer-furnished property shall not apply to property to which the Buyer acquired title solely under this clause. (g) Risk of loss. Before delivery to and acceptance by the Buyer, the Seller shall bear the risk of loss for property, the title to which vests in the Buyer under this clause, except to the extent the Buyer expressly assumes the risk. If any property is lost, the basis of payment (the events or performance criteria) to which the property is related shall be deemed to be not in compliance with the terms of the Contract and not payable (if the property is part of or needed for performance), and the Seller shall refund the related performance-based payments in accordance with paragraph (d) of this clause. (h) Records and controls. The Seller shall maintain records and controls adequate for administration of this clause. The Seller shall have no entitlement to performance-based payments during any time the Seller's records or controls are determined by the Buyer to be inadequate for administration of this clause. (i) Reports and Buyer access. The Seller shall promptly furnish reports, certificates, financial statements, and other pertinent information requested by the Buyer for the administration of this clause and to determine that an event or other criterion prompting a financing payment has been successfully accomplished. The Seller shall give the Buyer reasonable opportunity to examine and verify the Seller's records and to examine and verify the Seller's performance of this Contract for administration of this clause. (j) Special terms regarding default. If this Contract is terminated under the Default clause, (1) the Seller shall, on demand, repay to the Buyer the amount of unliquidated performance-based payments, and (2) title shall vest in the Seller, on full liquidation of all performance-based payments, for all property for which the Buyer elects not to require delivery under the Default clause of this contract. The Buyer shall be liable for no payment except as provided by the Default clause. (k) Reservation of rights. (1) No payment or vesting of title under this clause shall -- (i) Excuse the Seller from performance of obligations under this Contract; or (ii) Constitute a waiver of any of the rights or remedies of the parties under the Contract. (2) The Buyer's rights and remedies under this clause -- (i) Shall not be exclusive, but rather shall be in addition to any other rights and remedies provided by law or this contract; and (ii) Shall not be affected by delayed, partial, or omitted exercise of any right, remedy, power, or privilege, nor shall such exercise or any single exercise preclude or impair any further exercise under this clause or the exercise of any other right, power, or privilege of the Buyer.



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		(l) Content of Seller's request for performance-based payment. The Seller's request for performance-based payment shall contain the following: (1) The name and address of the Seller; (2) The date of the request for performance-based payment; (3) The contract number and/or other identifier of the contract or order under which the request is made; (4) Such information and documentation as is required by the contract's description of the basis for payment; and (5) A certification by a Seller official authorized to bind the Seller, as specified in paragraph (m) of this clause. (m) Content of Seller's certification. As required in paragraph (l) (5) of this clause, the Seller shall make the following certification in each request for performance-based payment: I certify to the best of my knowledge and belief that -- (1) This request for performance-based payment is true and correct; this request (and attachments) has been prepared from the books and records of the Seller, in accordance with the contract and the instructions of the Buyer; (2) (Except as reported in writing on _____), all payments to subcontractors and suppliers under this Contract have been paid, or will be paid, currently, when due in the ordinary course of business; (3) There are no encumbrances (except as reported in writing on _____) against the property acquired or produced for, and allocated or properly chargeable to, the Contract which would affect or impair the Buyer's title; (4) There has been no materially adverse change in the financial condition of the Seller since the submission by the Seller to the Buyer of the most recent written information dated _____; and (5) After the making of this requested performance-based payment, the amount of all payments for each deliverable item for which performance-based payments have been requested will not exceed any limitation in the contract, and the amount of all payments under the contract will not exceed any limitation in the Contract.
H001	COST ACCOUNTING STANDARDS Effective: 07/10/2012	The clause entitled "Cost Accounting Standards," FAR 52.230-2, excluding paragraph (b), is incorporated herein by reference. In this clause, "Contractor" shall mean Seller. Seller shall comply with the clause in effect on Seller's award date or if Seller has submitted certified cost or pricing data, on the date of final agreement on price as shown on Seller's signed Certificate of Current Cost or Pricing Data.
H126	POLITICAL CONTRIBUTIONS, FEES, AND COMMISSIONS Effective: 08/10/2021	(Applicable to all Orders.) This clause applies when this contract is for \$500,000 or more and Buyer's prime contract is for the use of the armed forces of a foreign country or international organization. This clause is derived from the ITAR at 22 CFR 130, which requires Buyer to obtain from Seller a disclosure of political contributions or fees or commissions paid, or offered or agreed to be paid, by Seller with respect to Buyer's prime contract. (a) Definitions 1. "Fee or commission" means, except as provided in paragraph (a)2 below of this clause, any loan, gift, donation, or other payment of \$1,000 or more



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		made or offered or agreed to be made, directly or indirectly, whether in cash or in kind, and whether or not pursuant to a written contract, which is (i) To or at the direction of any person, irrespective of nationality, whether or not employed by or affiliated with the Seller; and (ii) For the solicitation or promotion or otherwise to secure the conclusion of a sale of defense articles or defense services to or for the use of the armed forces of a foreign country or international organization. 2. The term "fee or commission" does not include (i) A political contribution or a payment excluded by paragraph (a)3 below of this clause from the definition of political contribution; (ii) A normal salary (excluding contingent compensation) established at an annual rate and paid to a regular employee of Seller, its supplier, or vendor; (iii) General advertising or promotional expenses not directed to any particular sale or purchaser; or (iv) Payments made, or offered or agreed to be made, solely for the purchase by Seller of specific goods or technical, operational, or advisory services, which payments are not disproportionate in amount to the value of the specific goods or services actually furnished. 3. Political contribution means any loan, gift, donation, or other payment of \$1,000 or more made, or offered or agreed to be made, directly or indirectly, whether in cash or in kind, which is (i) To or for the benefit of, or at the direction of, any foreign candidate, committee, political party, political faction, or government or governmental subdivision, or any individual elected, appointed, or otherwise designated as an employee or officer thereof; and (ii) For the solicitation or promotion or otherwise to secure the conclusion of a sale of defense articles or defense services to or for the use of the armed forces of a foreign country or international organization. Taxes, customs duties, license fees, and other charges required to be paid by applicable law or regulation are not regarded as political contributions. (b) Information to Be Furnished by Seller 1. Within fifteen calendar days after contract award, Seller shall fully disclose to Buyer all political contributions in excess of \$2,500 or fees or commissions in excess of \$50,000 paid by Seller with respect to Buyer's issued purchase contract to Seller. (i) The amount of each political contribution paid, or offered or agreed to be paid, or the amount of each fee or commission paid, or offered or agreed to be paid; (ii) The date or dates on which each reported amount was paid, or offered or agreed to be paid; (iii) The recipient of each such amount paid or intended recipient if not yet paid; (iv) The person who paid, or offered or agreed to pay, such amount; (v) The aggregate amounts of political contributions and of fees or commissions, respectively, that shall have been reported; (vi) With respect to each payment reported, state whether such payment was in cash or in kind. If in kind, the statement must include a description and valuation thereof. Where precise amounts are not available because a payment has not yet been made, an estimate of the amount offered or agreed to be paid must be provided; and (vii) With respect to each recipient, state



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		(1) Its name; (2) Its nationality; (3) Its address and principal place of business; (4) Its employer and title; and (5) Its relationship, if any, to Seller and to any foreign purchaser or end user. 2. If Seller believes that furnishing information to Buyer in a requested statement would unreasonably risk injury to Seller's commercial interests, Seller may furnish in lieu of the statement an abbreviated statement disclosing only the aggregate amount of all political contributions and the aggregate amount of all fees or commissions that have been paid, or offered or agreed to be paid, by Seller with respect to the sale. Any abbreviated statement furnished to Buyer under this paragraph must be accompanied by a certification that the requested information has been reported by Seller directly to the U.S. Office of Defense Trade Controls. Seller must simultaneously report fully to the U.S. Office of Defense Trade Controls all information that Seller would otherwise have been required to report to Buyer under this section. Each such report must clearly identify the sale with respect to which the reported information pertains. The address of the U.S. Office of Defense Trade Controls is Director Office of Defense Trade Controls Bureau of Politico-Military Affairs PM/DTC, SA-6, Room 200 Department of State Washington, D.C. 20522-0602 3. Information to Be Obtained by Seller (i) Before furnishing the above required information, Seller must obtain from each person, if any, to whom it has paid, or offered or agreed to pay, a fee or commission in respect of such sale, a timely statement containing a full disclosure by such a person of all political contributions paid, or offered or agreed to be paid, by it or on its behalf or at its direction, in respect of such sale. Such disclosure must include responses to all the information required to enable Seller to comply fully with the requirements of this clause. (ii) In obtaining information under the above paragraph 3(i), Seller must also require each person to whom a fee or commission is paid, or offered or agreed to be paid, to furnish from time to time such reports of its political contributions as may be necessary to enable Seller to comply fully with the requirements of this clause. (iii) Seller must include any political contributions paid, or offered or agreed to be paid, by or on behalf of or at the direction of, any person to whom it has paid, or offered or agreed to pay, a fee or commission in determining whether Seller is required to furnish the information specified herein. 4. Record Keeping. Seller must maintain a record of any information it was required to furnish or obtain under this clause and all records on which its reports are based for a period of not less than five years following the date of the report to which they pertain. 5. Confidential Business Information (i) Any person who is required to furnish information under this part may



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		identify any information furnished hereunder that the person considers to be confidential business information. No person, including any applicant or supplier, shall publish, divulge, disclose, or make known in any manner any information so identified by a vendor or other person unless authorized by law or regulation. (ii) For purposes of this clause, "confidential business information" means commercial or financial information that by law is entitled to protection from disclosure. (See, for example, 5 USC 552(b)(3) and (4); 18 USC 1905; 22 USC 2778(e); Rule 26(c)(7), Federal Rules of Civil Procedure).
H217	AFFIRMATIVE ACTION AND NONDISCRIMINATION OBLIGATIONS OF CONTRACTORS AND SUBCONTRACTORS REGARDING INDIVIDUALS WITH DISABILITIES AND VETERANS Effective: 3/18/2014	(Applicable to Purchase Orders that exceeds \$10,000) Pursuant to the requirements of 41 CFR Part 60-741.5(a) and 41 CFR Part 60-300.5(a): This contractor and subcontractor shall abide by the requirements of 41 CFR 60- 741.5 (a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities. This contractor and subcontractor shall abide by the requirements of 41 CFR 60- 300.5 (a). This regulation prohibits discrimination against qualified protected veterans and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.
H906	UNDEFINITIZED PURCHASE CONTRACT TERMS AND CONDITIONS – FIXED PRICE (VARIABLE) Effective: 10/04/2022	1. PERFORMANCE OF THE PARTIES By Seller's acceptance of this Contract, Seller agrees to proceed immediately to procure the necessary materials and to commence the manufacture of the Goods/Services or the performance of the services called for by this Contract, and to pursue such work with all diligence to the end that the Goods/Services may be delivered or services performed in accordance with the schedules incorporated in this Contract. Subject to the terms of this clause, Buyer agrees to pay Seller in accordance with the terms of this Contract for conforming Goods/Services tendered in accordance with the schedules incorporated in this Contract. 2. NOT TO EXCEED PRICE The not-to-exceed (NTE) price set forth in this clause is \$ _____ and is the maximum price of the contemplated definitized Contract. Seller agrees to negotiate promptly and in good faith with Buyer for the purpose of definitizing this Contract for the Goods/Services set forth herein. The total NTE price is subject to negotiation and downward adjustment only. 3. PROVISIONAL PAYMENT (DELIVERABLE GOODS/SERVICES) The unit price for this undefinitized line item is provisional. In the event of delivery of Goods/Services and acceptance prior to definitization, or if this is a non-deliverable line item for which Buyer agrees to process payment prior to definitization, Buyer shall issue payment based on the "Provisional Billing Unit Price" as stated on this Contract. This Contract shall later be adjusted to reflect the definitized unit price. Any additional payments due to Seller resulting from Contract definitization shall be paid in accordance with the payment provisions of this Contract. For any reimbursements due to Buyer resulting from Contract definitization, Buyer may, at its option, equitably



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		adjust the Contract, or Seller shall promptly issue a check to Buyer that covers the balance of Buyer's claim. 4. FUNDING LIMITATION Seller's current funding limit(s) for any line item(s) subject to a funding limitation is stated on the Contract. These line item(s) are subject to that funding limitation through the date identified in F216 or the "Funding Through Date" specified in the Contract. Seller shall notify Buyer in writing of any additional funding required to continue timely performance under this contract for sixty (60) days after the date specified in clause F216 or the "Funding Through Date" as incorporated in this Contract or for any further period specified by Buyer. If Seller fails to give notice at least thirty (30) days before the date specified in clause F216 or the "Funding Through Date" specified in the Contract, Seller agrees to continue performance of the work under this contract with no additional funding amount authorized for thirty (30) days from the date that the notice is received by Buyer in order to allow Buyer time to authorize the additional funding amount. 5. TERMINATION LIABILITY The termination liability amount authorized by Buyer and Buyer's maximum liability is set forth in clause F218 as incorporated into this Contract. 6. TYPE OF CONTRACT It is expected that the definitized Contract will be a <u>Firm Fixt Contract</u>. 7. TERMS AND CONDITIONS (applicable when contract terms are undefinitized) Seller and Buyer recognize that the parties are currently negotiating, in good faith, revised terms and conditions to definitize this Contract. Seller agrees to negotiate promptly and in good faith with Buyer for the purpose of definitizing the terms and conditions of this Contract. Upon conclusion of negotiations the parties agree to incorporate the resulting agreed upon revised terms and conditions, if any, so as to be made a part of a definitized Contract. 8. DEFINITIZATION SCHEDULE The following is the schedule for definitization of this Contract: Submission of Proposal _07/20/2023 Fact Finding _11/15/2023 Negotiation Start Date _01/05/2024 Definitization Target Date _04/30/2024 9. EXTENSION OF DEFINITIZATION SCHEDULE Buyer's Authorized Procurement Representative may by written notice to Seller extend this definitization schedule if the parties are unable to begin or conclude negotiations in accordance with the definitization schedule set forth in this clause. Seller shall, subject to the maximum termination liability amount, continue performance hereunder in accordance with the terms of this Contract. 10. TERMINATION



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		In the event this Contract is not definitized by the definitization target date specified in this clause, or any extension of such date, because of the inability of the parties to agree upon the terms of a definitized Contract, Buyer may, at its sole discretion, terminate this Contract in accordance with the Termination for Convenience clause of this Contract and shall pay Seller's costs with no allowance for profit or fee and subject to the maximum termination liability amount. 11. CONTRACT DEFINITIZATION Upon definitization of this Contract, this clause will removed and replaced with clause F204.
Q020	APPROVED PROCESS SOURCE Effective: 6/21/2004	(Applicable to all Purchase Orders for work that involves D1-4426 processes) Seller and / or Seller's subcontract process sources shall be an approved processor or shall use approved processors as required by D1-4426, "Approved Process Sources". A list of the approved processors and associated processes are available from Buyer's Procurement Agent or at http://www.boeing.com/companyoffices/doingbiz/d14426/index.html This clause shall be included in Seller's subcontracts for work performed under this purchase contract that involves D1-4426 processes. A Certificate of Conformance and / or equivalent Process Certificate, signed by an authorized agent of the Processor / Seller shall be maintained by Seller. The certificate shall include purchase contract number, part number(s), Trace Number (as applicable), Process Specification number w/revision, processing date(s) and name and address of the Processor(s) performing each of the D1-4426 Process(es). Buyer approval of any processor shall not relieve Seller of Seller's requirement to comply with the terms of this purchase contract.
Q074	FIRST ARTICLE INSPECTION AND BOEING FIRST ARTICLE INSPECTION Effective: 12/11/2015	Seller shall perform First Article Inspections (FAI) in accordance with AS/EN/SJAC 9102, Aerospace First Article Inspection Requirement. FAI is required for unique single run production orders not intended for on-going production, regardless of exclusion in AS9102 (section 1.3 Applicability). Buyer reserves the right to conduct surveillance of the Seller's FAI, referred to as Boeing First Article Inspection (BFAI). BFAI may include in-process inspections to be accomplished during performance of the Seller's FAI. When a BFAI is required, Seller will be notified via the Supplier Quality supplier data system. Seller shall coordinate and schedule BFAI activity with the Buyer's Supplier Quality Representative (SQR) prior to start of related procurement, manufacturing, and/or processing. In the event a BFAI of the Seller's FAI is scheduled, supplier shall make available to the Buyer's SQR the following: 1. Applicable purchase document, material/process certifications, manufacturing and inspection records; including inspection plans developed to identify progressive inspection checkpoints for the FAI as a result of coordination and planning with Buyer's SQR.



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		2. Applicable Design Data 3. Applicable material review actions 4. Applicable acceptance and qualification test results 5. Applicable record(s) of Boeing approval for non-Boeing drawing and test procedures
Q132	COUNTERFEIT ELECTRONIC PARTS DETECTION AND AVOIDANCE SYSTEM REQUIREMENTS Effective: 05/23/2023	(Applicable to all Purchase Orders) Seller shall not furnish Counterfeit Parts, which are defined as unauthorized copies, imitation, substitute or modified parts (e.g. materials, parts, components, subassemblies) which are misrepresented as a specified genuine part(s) of an original or authorized manufacturer. Counterfeit Parts can include, but are not limited to, the false identification of marking or labeling, grade, serial number, lot number, date code, documentation or performance characteristics, including used parts represented as new. Counterfeit and Suspect Counterfeit Parts shall be deemed nonconforming to this Contract. A Suspect Counterfeit Part is a part for which there is objective and credible evidence indicating that it is likely counterfeit. Seller shall plan, implement and control processes appropriate to the organization and the products for the prevention of Counterfeit or Suspect Counterfeit Part use and their inclusion in Goods. Seller's Counterfeit Parts prevention processes shall address the following: (i) Training of appropriate persons in the awareness and prevention of Counterfeit Parts; (ii) Application of a parts obsolescence monitoring program; (iii) Controls for acquiring externally provided product from original or authorized manufacturers, authorized distributors, or other approved sources; (iv) Requirements for assuring traceability of parts and components to their original or authorized. (v) Verification and test methodologies to detect counterfeit parts; (vi) Monitoring of counterfeit parts reporting from external sources; (vii) Quarantine and reporting of suspect or detected counterfeit parts, including preventing reentry into the supply chain. If Seller provides Electronic, Electrical or Electromechanical (EEE) parts or assemblies containing EEE parts, Seller shall implement a counterfeit electronic parts detection and avoidance system compliant with the requirements of SAE standard AS5553 (revision as of the effective date of this Contract). If Seller becomes aware or suspects that it has furnished Counterfeit or Suspect Counterfeit Parts to Buyer, Seller promptly, but in no case later than thirty (30) days from discovery, shall notify Buyer and replace, at Seller's expense, such Counterfeit Parts or Suspect Counterfeit Parts with Goods that conform to the requirements of this Contract. For confirmed Counterfeit Parts or Suspect Counterfeit Parts, GIDEP notification shall also be made no later than sixty (60) days after discovery. Seller shall be liable for all costs related to the delivery or replacement of Counterfeit Parts or Suspect Counterfeit Parts



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		including any testing or validation costs necessitated by the installation of Goods in replacement of Counterfeit Parts or Suspect Counterfeit Parts. Seller bears responsibility for procuring authentic parts or items from its subcontractors and shall ensure that all such subcontractors comply with the requirements of this Article. Seller shall include the substance of this Article, including this flowdown requirement, in all subcontracts awarded by Seller for work under this Contract.
Q227	RETENTION OF RECORDS Effective 07/12/2018	Seller and Seller's Subcontractors shall maintain records, documented information, that demonstrate conformance to requirements, and shall make such records available on a timely basis to Buyer, Buyer's Customers or Regulatory Agencies, upon request. Records shall remain legible, readily available, and retrievable for a Period of 10 years after the final payment of that line item unless extended record retention requirements are specified elsewhere in this contract or attachments (e.g. Flight Safety / Critical Item drawings, specifications, Customer Contract requirements). Buyer may request delivery of such records at no additional cost
Q927	AS9117 RQMT FOR DELEGATED PROD RELEASE VERIFICATION Effective: 10/12/2017	When Seller delegates product verification, Seller shall conform to the requirements of AS9117, "Delegated Product Release Verification", as may be amended from time to time. Buyer reserves the right to conduct surveillance at Seller's facility to determine that Seller's quality system conforms to the requirements of AS9117. AS9117 defines the minimum requirements for delegation of product release to a supplier. When delegating product verification, Seller is not relieved of its obligations under this contract. Aerospace standards such as AS9117 can be obtained from SAE International at: http://standards.sae.org/

FAR AND DFARS CLAUSES INCORPORATED BY REFERENCE:

Clause Number	Title	Applicability (Reference to "Purchase Orders" includes underlying Solicitations)	Applies to Commercial (C) and/or Non-Commercial (NC) procurements	
			C	NC
52.203-6	Restrictions on Subcontractor Sales to the Government (Sep 2006)	Applicable to all Orders over the Simplified Acquisition Threshold.		X
52.203-7	Anti-Kickback Procedures (May 2014)	Applicable to all Orders that exceed \$150,000, excepting paragraph (c)(1)).	X	X
52.203-12	Limitation on Payments to Influence Certain Federal Transactions (Oct 2010)	Applicable to all Orders exceeding \$150,000.	X	X