BDS Terms and Conditions Guide

Clause Number: H108 Effective: 01/27/2015

Page: 1 of 1

H108

SUBCONTRACTING WITH A FOREIGN SELLER

Buyer's approval of Seller's request for approval to subcontract with a foreign third party a portion of the goods ordered hereunder is contingent upon the following:

- 1. Seller must have on file a "rate of drawback" request with the United States Bureau of Customs (a copy of which will be furnished to Boeing) and shall pay all United States Custom Duties, using the "drawback" method, on all supplies which will be used on aircraft to be exported from the United States by Boeing or an Boeing customer;
- 2. Seller will maintain and furnish Buyer with records of all such imports incorporated into the supplies ordered hereunder; and
- 3. Buyer will file for drawback, using Seller's record of imports, upon exportation of the aircraft and retain the refund as a price reduction of the supplies ordered hereunder. In addition to furnishing the documentation specified above, Seller shall, as requested by Buyer, furnish any other documentation and establish any administrative controls or invoicing procedures which may be required to properly and economically import and to allow Buyer to export any articles and/or items utilizing the supplies furnished hereunder and to obtain the refund of moneys paid in connection therewith. Seller shall also be responsible for assuring that its subcontractors furnish any documentation which may be required to carry out the intent of this Clause.