

Common Terms and Conditions Guide
Section 4 – Additional General Provisions

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Additional General Provisions

The following terms and conditions are in addition to the terms and conditions in GP1, The Boeing Company General Provisions (Fixed Price Contract), GP2, The Boeing Company General Provisions (Fixed Price Services Contract), and GP6, The Boeing Company General Provisions (Public College and University Fixed Price Contract). In some cases, they modify or supplement terms and conditions with the same or similar titles as in GP1, GP2, or GP6.

1. INSPECTIONS AND TEST RECORDS

During the performance of this contract and for a period of 15 years after acceptance of all goods to be delivered under this contract, Seller shall keep and maintain all inspection and test records, and all other technical data generated under or related to this contract including, but not limited to, drawings, designs, specifications, and manufacturing and process control records. Upon Buyer's request, Seller shall make available for inspection, and shall allow Buyer to make copies of, and take excerpts from, all such records and data.

2. BUYER'S USE OF DATA AND INFORMATION

(This article applies only if this contract is issued under a Government prime contract or subcontract.)

Seller agrees that any data such as drawings, instructions, or information furnished to Buyer in connection with this contract will be free from confidential, proprietary, or restrictive-use markings, other than statutory patent, copyright, U.S. Government security notices, or properly applied restrictive legends permitted by appropriate FAR, Department of Defense FAR Supplement (DFARS), or NASA FAR Supplement clauses incorporated herein. Buyer, its agents, or its assignees may duplicate or use such documents in connection with the manufacture, use, or disposition of the material furnished under this contract and may remove, obliterate, or ignore any such marking as may be on such documents unless such markings are specifically permitted by applicable FAR, DFARS, or NASA FAR Supplement clauses. Except as may be otherwise provided in this contract, all information and data disclosed or furnished to Buyer in connection herewith will be deemed to be disclosed or furnished as part of the consideration for this contract, and Seller agrees not to assert any claims (except claims for patent infringement) by reason of any use, duplication, or disclosure thereof.

3. PRECEDENCE

All documents and provisions in this contract shall be read so as to be consistent to the extent practicable. In the event various parts of this contract are inconsistent, the following order of precedence shall apply: (i) special terms and conditions; (ii) the terms and conditions in Customer Contract Requirements (CCR) documents that are incorporated in this contract by reference; (iii) terms and conditions from

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the IDS Common Terms and Conditions Guide that are incorporated in this contract by reference with the exception of CCR documents; (iii) specifications; (iv) all other attachments, exhibits, appendices, etc., incorporated by reference. Buyer's specifications will prevail over any subsidiary documents referenced therein. Seller will not use any specification in lieu of those contained in this contract without the written consent of Buyer's Authorized Procurement Representative.

4. SUBCONTRACTING

(This article applies only if this contract is a subcontract under a U.S. Government prime contract.)

Seller agrees that no subcontract placed under this contract will provide for payment on a cost-plus-a-percentage-of-cost basis.

5. BADGING REQUIREMENTS FOR FOREIGN PERSONS

(This article applies only if this contract requires Seller to work on facilities owned or controlled by Buyer or Buyer's customer.)

(A) An employee of Seller who is not a U.S. citizen and does not have a permanent-resident-alien "green" card on his or her person may not be admitted to Buyer's or Buyer's customer's facilities for purposes of performing work without special arrangements.

(B) If foreign persons are to be used for work at Buyer's or Buyer's customer's facilities, advance notice must be provided to Buyer's Authorized Procurement Representative at least three weeks prior to the scheduled need for access to Buyer's or Buyer's customer's facilities.

(C) The following specific information must be provided for each such foreign national:

- (i) Complete name and address of employee;
- (ii) Company name and address;
- (iii) Contract number;
- (iv) Detailed description of employee's duties;
- (v) Nationality;
- (vi) Date and place of birth (country of origin);
- (vii) Passport number and expiration date;

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- (viii) Employment authorization and/or work permit number issued by the Immigration and Naturalization Service;
 - (ix) Access requirements (i.e., facility locations, building number(s), controlled access areas, automated information systems, etc.), and
 - (x) Duration of need for access to Buyer's or Buyer's customer's facilities.
- (D) Buyer's Authorized Procurement Representative will make arrangements for appropriate badging for Seller's foreign national employees, or will notify Seller if unescorted access is denied or delayed.
- (E) Seller agrees that it will not employ for the performance of work at Buyer's or Buyer's customer's facilities any individuals who are not legally authorized to work in the United States.
- (F) Nothing in this clause shall be construed as requiring or encouraging violation of the labor laws of the United States, including without limitation, those pertaining to equal employment opportunity.

6. SECURITY REQUIREMENTS FOR ACCESS TO PREMISES OWNED OR CONTROLLED BY BUYER OR THE GOVERNMENT

(This article applies only if this contract requires Seller to work on facilities owned or controlled by Buyer or Buyer's customer.)

All employees, agents, and representatives of Seller or its subcontractors who are expected to enter premises owned or controlled by Buyer or the Government are required to provide Buyer's Security personnel with proof of citizenship. Examples of original documents that are considered satisfactory are U.S. Birth Certificates, U.S. Passports, Certificates of Naturalization, Alien Registration Receipt Card (with photograph), and/or other evidence of citizenship satisfactory to Buyer before being allowed access to Buyer's premises. All such employees, agents, and representatives are bound by the provisions of the United States Criminal Code relating to espionage and sabotage and will conform to the standards and requirements established by the Government and Buyer's Security. Seller will submit the name and birth certificate and/or other satisfactory evidence of citizenship of each such employee, agent, or representative prior to the time for reporting for work. Selected positions and assignments of Seller's employees may require a security clearance.

7. SAFEGUARDS

(This article applies only if this contract requires Seller to work on facilities owned or controlled by Buyer or Buyer's customer.)

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If this contract requires work to be performed on property owned or controlled by Buyer or the Government, Seller will provide suitable and adequate protection of the work, property adjacent to the work, and persons in the immediate vicinity of the work.

8. INDEMNIFICATION, INSURANCE, AND PROTECTION OF PROPERTY

(This article applies only if this contract incorporates GP1 and requires Seller to work at a Boeing site.)

- (A) **Indemnification Negligence of Seller or Subcontractor.** Seller shall indemnify and hold harmless The Boeing Company, its subsidiaries, and their directors, officers, employees and agents from and against all actions, causes of action, liabilities, claims, suits, judgments, liens, awards, and damages, of any kind and nature whatsoever for property damage, personal injury, or death (including without limitation injury to or death of employees of Seller or any subcontractor thereof) and expenses, costs of litigation and counsel fees related thereto or incident to establishing the right to indemnification, arising out of or in any way related to this contract, the performance thereof by Seller or any subcontractor thereof or other third parties, including, without limitation, the provision of services, personnel, facilities, equipment, support, supervision or review. The foregoing indemnity shall apply only to the extent of the negligence of Seller, any subcontractor thereof, or their respective employees. In no event shall Seller's obligations hereunder be limited to the extent of any insurance available to or provided by Seller or any subcontractor thereof. Seller expressly waives any immunity under industrial insurance, whether arising out of statute or source, to the extent of the indemnity set forth in this paragraph (A).
- (B) **Commercial General Liability.** If Seller or any subcontractor thereof will be performing work on Buyer's premises, Seller shall carry and maintain, and ensure that all subcontractors thereof carry and maintain, throughout the period when work is performed and until final acceptance by Buyer, Commercial General Liability insurance with available limits of not less than one million dollars (\$1,000,000) per occurrence for bodily injury and property damage combined. Such insurance shall contain coverage for all premises and operations, broad form property damage, contractual liability (including, without limitation, that specifically assumed under paragraph (A) herein) and goods and completed-operations insurance with limits of not less than one million dollars (\$1,000,000) per occurrence for a minimum of 24 months after final acceptance of the work by Buyer. Such insurance shall not be maintained on a per-project basis unless the respective Seller or subcontractor thereof does not have blanket coverage.
- (C) **Automobile Liability.** If licensed vehicles will be used in connection with the performance of the work, Seller shall carry and maintain, and ensure that any subcontractor thereof who uses a licensed vehicle in connection with the

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performance of the work carries and maintains, throughout the period when work is performed and until final acceptance by Buyer, Business Automobile Liability insurance covering all vehicles, whether owned, hired, rented, borrowed or otherwise, with available limits of not less than one million dollars (\$1,000,000) per occurrence combined single limit for bodily injury and property damage.

- (D) **Workers' Compensation.** Throughout the period when work is performed and until final acceptance by Buyer, Seller shall, and ensure that any subcontractor thereof shall, cover or maintain insurance in accordance with the applicable laws relating to Workers' Compensation with respect to all of their respective employees working on or about Buyer's premises. If Buyer is required by any applicable law to pay any Workers' Compensation premiums with respect to an employee of Seller or any subcontractor, Seller shall reimburse Buyer for such payment.
- (E) **Certificates of Insurance.** Prior to commencement of the work, Seller shall provide for Buyer's review and approval certificates of insurance reflecting full compliance with the requirements set forth in paragraphs (B) Commercial General Liability, (C) Automobile Liability, and (D) Workers' Compensation. Such certificates shall be kept current and in compliance throughout the period when work is being performed and until final acceptance by Buyer, and shall provide for 30 days advance written notice to Buyer in the event of cancellation. Failure of Seller or any subcontractor thereof to furnish Certificates of Insurance, or to procure and maintain the insurance required herein or failure of Buyer to request such certificates, endorsements or other proof of coverage shall not constitute a waiver of the respective Seller's or subcontractor's obligations hereunder.
- (F) **Self-Assumption.** Any self-insured retention, deductibles and exclusions in coverage in the policies required under this article shall be assumed by, for the account of and at the sole risk of Seller or the subcontractor which provides the insurance and to the extent applicable shall be paid by such Seller or subcontractor. In no event shall the liability of Seller or any subcontractor thereof be limited to the extent of any of the minimum limits of insurance required herein.
- (G) **Protection of Property.** Seller assumes, and shall ensure that all subcontractors thereof and their respective employees assume, the risk of loss or destruction of or damage to any property of such parties whether owned, hired, rented, borrowed, or otherwise. Seller waives, and shall ensure that any subcontractor thereof and their respective employees waive, all rights of recovery against Buyer, its subsidiaries and their respective directors, officers, employees and agents for any such loss or destruction of or damage to any property of Seller, any subcontractor or their respective employees.

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(H) At all times Seller shall, and ensure that any subcontractor thereof shall, use suitable precautions to prevent damage to Buyer's property. If any such property is damaged by the fault or negligence of Seller or any subcontractor thereof, Seller shall, at no cost to Buyer, promptly and equitably reimburse Buyer for such damage or repair or otherwise make good such property to Buyer's satisfaction. If Seller fails to do so, Buyer may do so and recover from Seller the cost thereof.

9. ELECTRONIC SUBMITTAL OF QUALITY-RELATED DOCUMENTATION

(This article applies only if Seller has access to the S&C Supplier Portal.)

Seller shall, prior to shipment and via the Supplier Portal, provide Buyer contract-required quality-related documentation for Buyer's review and acceptance.

10. FINANCIAL DATA

(This article applies only if this contract exceeds \$250,000 and has a period of performance of more than one year.)

If requested, Seller shall provide financial data, on a quarterly basis, or as requested to the Boeing Corporate Credit Office for credit and financial condition reviews. Said data shall include but not be limited to Balance Sheets, schedules of accounts payable and receivable, major lines of credit, creditors, Statements of Income (profit and loss), Statements of Cash Flow, firm backlog, and headcount. Copies of such data are to be made available within 72 hours of any written request by Boeing's Corporate Credit Office. All such information shall be treated as confidential.

11. ETHICAL BUSINESS CONDUCT

(This article applies only if this contract requires Seller's employees to work on Boeing premises for extended periods of time.)

Seller will ensure that its employees performing under this contract comply with Boeing's Ethical Business Conduct Guidelines. The Guidelines are available at the following Internet address:

<http://www.boeing.com/companyoffices/aboutus/ethics/index.htm>

A hardcopy of the Guidelines will be provided upon request.

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12. FOREIGN CONTENT REPORTING

(This article applies only if this contract exceeds \$500,000 and Seller is a domestic supplier.)

In accordance with the Offset Credits article of Boeing's General Provisions, Seller shall provide the following information on all subcontracts of \$50,000 or more, for performance of work under this contract, with foreign companies.

- The Boeing Company PC number, a point of contact within your Company (*name and telephone number*);
- Name of Foreign Company;
- Foreign Company Address;
- Foreign Company Point of Contact (*name, telephone number, E-mail address, and FAX number*);
- Part number(s) or description of product(s) and service(s) to be provided;
- Estimated or actual Dollar Value; (*Pre-Award*)
- Your order number;
- Anticipated Award Date (*upon receipt of offer, or issuance of solicitation to foreign firm*);
- Actual Award Date (*indicate whether new award or contract change, change no., and date change was issued*);
- US Dollar Value;
- Quantity and Unit of Measure;
- Comments, if any.

A report will be provided within 30 days of the effective date of this contract, and semi annually thereafter (January and July), as necessary, to represent any changes to foreign content/value under this contract.

The information provided will be used for the sole purpose of claiming credit toward Boeing's Industrial Participation (Offsets) obligations with its international customers. The information will be treated as proprietary information, to be disclosed only for the purpose as noted. Reports shall be directed to the Industrial Participation organization at the following address:

The Boeing Company
Integrated Defense Systems
Industrial Participation Programs, M/C S100-3185
P.O. Box 516
St. Louis, MO 63166

13. ITAR Registration Requirements

Seller shall comply with International Traffic in Arms Regulation §122.1, Registration requirements.

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14. Export Control Requirements

(This clause applies only if Buyer furnishes data to Seller.)

Seller agrees to comply fully with all applicable U.S. laws and regulations as they may apply to the export of any hardware, software, defense service, or technical data (collectively "Data") provided by, through or with the cooperation of Seller in the performance of this subcontract in the U.S. or abroad or under any export license or exemption issued to Buyer. Seller agrees that it will not permit the re-export of Data, including to foreign persons, employed by or associated with, or under contract to Seller or Seller's lower-tier suppliers, without the prior written consent of Buyer and under authority of an export license or applicable license exemption.

15. Product Support

(A) In the event that any goods delivered under this contract become defective or malfunction for any reason and at any time (even after the applicable warranty period has expired), including while "in-orbit" if integrated into a satellite, Seller shall promptly perform a failure verification or analysis and determine the appropriate corrective action at no additional cost to Buyer. Seller shall take the appropriate measures to correct all defects, determined to be Seller's responsibility, in all applicable documentation, undelivered goods, and delivered unlaunched goods, as required by Buyer.

(B) Seller shall immediately provide Buyer with full visibility of all technical and programmatic aspects of failures and problems occurring on the ground or in orbit that are relevant to the goods being delivered by Seller under this contract; however, Seller is not required to provide Buyer information that would violate the confidentiality and commercial sensitivity of Seller's relationships with its other customers.

16. INDUSTRIAL PARTICIPATION COMMITMENT

Seller shall use its best efforts to cooperate with Boeing in the fulfillment of any Industrial Participation (IP), Offsets, Co-Production or similar obligations to certain foreign governments that Boeing may have accepted as a requirement for the sale of products to foreign customers.

17. NOTICE OF THE REQUIREMENTS OF DFARS 252.225-7014, *PREFERENCE FOR DOMESTIC SPECIALTY METALS, ALTERNATE I* (HEREINAFTER "SPECIALTY METALS CLAUSE")

(This article applies only if this contract is issued under a Department of Defense (DoD) prime contract or subcontract under a DoD prime contract.)

DoD's interpretation of this specialty metals clause is that it prohibits the contractor (including its suppliers at every tier) from incorporating into military

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parts, components, and/or end item deliverables “specialty metals” (identified in the clause, including titanium and stainless steel) which have been melted outside the United States, its possessions, or Puerto Rico, unless certain limited exceptions set forth in the clause or DFARS Subpart 225.7002-2 apply. One such exception is for specialty metals melted in a qualifying country or incorporated into an article manufactured in a qualifying country. Those countries are listed at DFARS 225.872-1(a) or (b). Since the United States is not listed as a qualifying country, DoD does not consider it to be a qualifying country. Even if a qualifying country exception applies, the source for specialty metals melted outside the United States may also have to be listed in an applicable Qualified Products List (QPL), such as that set forth in Douglas Material Specification (DMS) 2201, *Procurement from Foreign Sources - Metallic Raw Material*. Please check your purchase order carefully for any such requirement. If your purchase order contains this requirement, you must comply with its provisions unless you apply for and are granted, through The Boeing Company, one or more of the limited exemptions authorized under the specialty metals clause.

If your organization is issued a purchase order with the specialty metals clause, compliance to the following is strongly encouraged:

- a. Your Quality Assurance Personnel, particularly Receiving Inspection, (i.e. where in-coming material and certifications are verified), should be made aware of specialty clause requirements, and ensure that no foreign melted specialty metals are utilized to fabricate any components for use on a product to be supplied to DoD unless they are melted in a qualifying country.
- b. If a distributor or other subtier supplier is the source of your material, ensure that the specialty metals clause requirements have been flowed down. Also take the necessary steps to ensure that your supplier provides only specialty metals (such as Titanium or stainless steel) that have been melted within the United States or a qualifying country and, if required, proper certifications are issued.

If your organization needs further information and/or assistance, please contact the Boeing Procurement Quality Representative assigned to your facility or identified in your purchase order.



The purpose of the Ethics and Business Conduct program is to:

- Communicate the Boeing Values and standards of ethical business conduct to employees
- Inform employees of company policies and procedures regarding ethical business conduct
- Establish companywide processes to assist employees in obtaining guidance and resolving questions regarding compliance with the company's standards of conduct and the Boeing Values
- Establish companywide criteria for ethics education and awareness programs

Company Policy POL-2 “Ethical Business Conduct”

POL-2 applies to all employees of The Boeing Company, including subsidiaries, contingent labor, consultants, and others acting for the company (“employees”).

Boeing will conduct its business fairly, impartially, in an ethical and proper manner, in accordance with the company’s values and Code of Conduct, and in full compliance with all laws and regulations. In the course of conducting company business, integrity must underlie all company relationships, including those with customers, suppliers, and communities and among employees. The highest standards of ethical business conduct and compliance are required of Boeing employees in performance of their company responsibilities. Employees must not engage in conduct or activity that may raise questions as to the company’s honesty, impartiality, or reputation or otherwise cause embarrassment to the company. Conduct that is prohibited under Boeing policy or does not comply with laws and regulations may not be accomplished on an employee’s behalf by anyone outside the company.

All employees must sign and abide by the Boeing Code of Conduct, which requires that they understand the code, and ask questions, seek guidance, report suspected violations, and express concerns regarding compliance with this policy and the related procedures.

To support the requirement for complete and accurate financial records and reporting, all employees of the Finance organization have an additional Code of Conduct for Finance.

In addition, the Board of Directors of The Boeing Company has adopted a Code of Ethical Business Conduct that complies with the standards set forth in the New York Stock Exchange’s corporate governance rules.

The Ethics and Business Conduct Committee, consisting of members of the Executive Council and the Vice President of Ethics and Business Conduct, is responsible for ensuring that appropriate policies and procedures exist to help employees comply with Boeing expectations of ethical business conduct.

The Boeing Company will administer ethics and compliance programs to promote its commitment to integrity and values as set forth in the Boeing values and Code of Conduct and to ensure compliance with laws, rules, and regulations. These programs will inform employees of company policies and procedures regarding ethical business conduct and help them to resolve questions and to report suspected violations. Managers are responsible for supporting implementation of ethics and business conduct programs, and monitoring compliance to the company's values and ethical business conduct guidelines through such programs. Managers are responsible for creating an open and honest environment in which employees feel comfortable in bringing issues forward. Retaliation against employees who raise genuine concerns will not be tolerated.

How to Reach the Boeing Ethics Line

The Boeing Ethics Line listens to and acts on concerns expressed by employees and others about possible violations of company policies, laws, or regulations such as improper, or unethical business practices, and health, safety, and environmental issues. Employees are encouraged to communicate their concerns, as well as ask questions about ethical issues. The Ethics Line is available to all Boeing employees, in all payrolls, from anywhere in the company, including subsidiaries. It is also available to concerned individuals outside the company.

Toll free telephone	1-888-970-7171
TDD/TTY	1-800-617-3384
Fax	1-888-970-5330

Ethics Advisors

Each Boeing Business Unit has an Ethics Executive and Ethics Advisors assigned to provide guidance and answer questions regarding proper behavior in the workplace, business ethics issues, and the Boeing Values.

[Code of Conduct](#) | [Policies and Procedures](#) | [Ethical Business Guidelines Booklet](#) | [Values](#) | [Ethics](#) | [Ethics Challenge](#)

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