

**PREMISES**

WHEREAS, The Boeing Company acting by and through its division Boeing Commercial Airplanes (Boeing) and Partner desire to facilitate purchase sale and related transactions ("Transactions") by electronically transmitting and receiving data in agreed formats in substitution for conventional paper-based documents and to assure that such Transactions are not legally invalid or unenforceable as a result of the use of available electronic technologies for the mutual benefit of the parties; and

WHEREAS, EDI is intended to mean the exchange of data contained in normal business transactions, electronically and in standard format;

NOW THEREFORE, in consideration of the Premises and the mutual promises contained herein, the parties hereto, intending to be legally bound, agree as follows:

**1.0 SCOPE OF THE AGREEMENT**

This Agreement refers to the interchange of business data by direct electronic or computer systems communications between Boeing and Partner.

**2.0 TRANSACTIONS**

This is an Agreement in which either party may, from time to time, be acting as a representative of their own purchasing organizations. This Agreement, however, does not express or imply any commitment or authority to purchase or sell goods and/or services.

**3.0 DOCUMENTS AND STANDARDS**

Each party may electronically transmit to or receive from the other party any of the business Documents listed in the EDI Transaction List (reference EXHIBIT "A" entitled "EDI Requirements," which is attached hereto and hereby incorporated by this reference). Any transmission of data which is not a Document, as described in EXHIBIT "A," shall have no force or effect between the parties hereto, unless justifiably relied upon by the receiving party.

**4.0 THIRD PARTY SERVICES**

- 4.1 Documents will be transmitted electronically between the parties directly or through a third party network. Either party hereto may modify its election to use, not use or change a third party network upon thirty (30) days prior written notice. Each party shall be solely responsible for the costs of any third party network with which it contracts.
- 4.2 Each party shall be liable for the acts or omissions of its third party network while transmitting, receiving, storing or handling documents or performing related activities for such party; provided that if both parties use the same third party network to effect the transmissions and receipt of a document, the originating party shall be liable for the acts or omissions of the third party as to such document.

**5.0 SYSTEMS OPERATIONS**

Each party, at its own expense, shall provide and maintain their own equipment, software, services and testing necessary to effectively and reliably transmit, receive and control documents.

**6.0 GARBLED TRANSMISSIONS**

If any properly transmitted document is received in an unintelligible or garbled form, the receiving party shall promptly notify the originating party (if identifiable from the received document) in a reasonable manner. In absence of such a notice, the originating party's records of the contents of such document shall control.

**7.0 TRANSACTION SECURITY**

- 7.1 Each party shall properly use their standard company's security procedures to ensure that all transmissions of documents are authorized and to protect its business records and data from improper access.
- 7.2 Each party shall use due care and diligence to confidentially maintain all EDI transactions in the same secured manner it would maintain conventional paper-based documents.

**8.0 SIGNED DOCUMENTS AND SIGNATURES**

- 8.1 Each party shall adopt, as its signature, an electronic identification consisting of symbol(s) or code(s) which are to be affixed to or contained in each document transmitted by such party.
- 8.2 Each party agrees that any signature of such party affixed to or contained in any transmitted document shall be sufficient to identify the party that originated and authorized such document. Neither party shall disclose to any unauthorized person the signature(s) of the other party.

**9.0 DOCUMENT RETRIEVAL**

Each party shall retain all communications relating to each EDI transaction so that all communications are retrievable for at least four (4) weeks after the conclusion of each transaction. Notwithstanding the foregoing, the Partner in any EDI transaction shall maintain such records as may be required by the terms and conditions of individual purchase orders and any federal, state or local laws in accordance with the provisions thereof.

**10.0 SIGNED DOCUMENTS AND SIGNATURES**

- 10.1 Documents shall not be deemed to have been properly received, and no document shall give rise to any obligation, until accessible to the receiving party at such party's designated receipt computer. Upon receipt of any document, the receiving party shall promptly and properly transmit a functional acknowledgment in return. A functional acknowledgment shall constitute conclusive evidence that a document has been properly received.
- 10.2 If acceptance of a document is required, any such document which has been properly received shall not give rise to any obligation unless and until the party initially transmitting the document has properly received in return an acceptance document.

**11.0 TERMS AND CONDITIONS OF PURCHASE**

- 11.1 All purchase transactions shall be subject to Boeing's General Terms and Conditions as referenced in the individual purchase order(s). This Agreement is to be considered part of any other written agreement incorporating same by reference.
- 11.2 The terms of this Agreement shall prevail in the event of any conflict with any other terms and conditions applicable to any transaction. If Partner receives, from time to time, non-EDI purchase orders from Boeing, they shall not be subject to the terms and conditions of this Agreement, but rather they shall be subject exclusively by the terms and conditions referenced on the face of the non-EDI purchase order.

**12.0 RATED ORDERS**

- 12.1 Partner understands that Boeing may issue purchase orders in support of a Government program which may require expeditious treatment in accordance with the provisions of the Defense Priorities and Allocations Systems (DPAS) Regulation (15 CFR Part 700).
- 12.2 EDI purchase orders issued in support of a Government program will be identified by the presence of a "DO" or "DX" signifying that it is a rated order. The following certification shall be deemed to be part thereof as set forth in full text: **"THIS IS A RATED ORDER CERTIFIED FOR NATIONAL DEFENSE USE. YOU ARE REQUIRED TO FOLLOW ALL THE PROVISIONS OF THE DEFENSE PRIORITIES AND ALLOCATION SYSTEM REGULATION (15 CFR Part 700)."**
- 12.3 When a "DX" or "DO" rating is made part of a Government purchase order, as described above, Partner shall fully comply with FAR 52.212-8 "Priorities, Allocations and Allotments," which is incorporated herein and made part hereof by this reference.

**13.0 VALIDITY AND ENFORCEABILITY**

- 13.1 This Agreement has been executed by the parties to evidence their mutual intent to create binding purchase and sale obligations as they relate specifically to the electronic transmission and receipt of documents specifying certain applicable terms.

- 13.2 Any document properly transmitted pursuant to this Agreement, in connection with any EDI transaction, shall be considered to be a "writing" or "in writing." Any such documents when containing, or to which there is affixed, a signature, shall be deemed, for all purposes, to have been "signed" and to constitute an "original" when printed from electronic files or records, and shall be considered a signed document maintained in the normal course of business.
- 13.3 The conduct of the parties pursuant to this Agreement, including the use of documents properly transmitted pursuant to this Agreement, shall, for all legal purposes, evidence a course of dealing and a course of performance accepted by the parties in furtherance of this Agreement.
- 13.4 The parties hereto agree not to contest the validity or enforceability of signed documents under the provisions of any applicable law relating to whether certain agreements are to be in writing or signed by the party to be bound thereby. Such documents, if introduced as evidence on paper in any judicial, arbitration, mediation or administrative proceedings, will be deemed admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form.
- 13.5 Neither party shall contest the admissibility of copies of EDI transmitted documents under either the business records exception to the hearsay rule or the best evidence rule on any basis, including, but not limited to, the argument that the documents were not originated or maintained in documentary form or in the normal course of business.

## **14.0 MISCELLANEOUS**

### **14.1 Disclaimer**

This Agreement is not intended to constitute, create, give effect to or otherwise contemplate a joint venture partnership or formal business entity of any kind. The rights and obligations of the parties hereto shall not be constructed as providing for a sharing of profits or losses arising out of the efforts of any or all of the parties; except as may be provided for or negotiated otherwise in any future subcontracts at Boeing's sole and exclusive discretion.

### **14.2 Termination**

This Agreement shall remain in full force and effect until terminated by either party with not less than thirty (30) days prior written notice. Said written notice shall specify the effective date of termination. However, any termination shall not affect the respective rights, obligations or duties of the parties arising under any documents or otherwise under this Agreement prior to the effective date of termination.

### **14.3 Severability**

Any provision of this Agreement which is determined to be invalid or unenforceable will be ineffective to the limited extent of such determination without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such remaining provisions.

### **14.4 Entire Agreement**

This Agreement constitutes the full and complete agreement between the parties relating to the matters specified in this Agreement and supersedes all prior representations or agreements, whether oral or written, with respect to such matters. No oral modification or waiver of any of the provisions of this Agreement shall be binding on either party. No obligation to enter into any transaction is to be implied from the execution or delivery of this Agreement. This Agreement is for the mutual benefit of and shall be mutually binding upon the parties hereto and their respective successors and assigns.

### **14.5 Governing Law**

This Agreement shall be governed by and interpreted in accordance with the applicable laws of the State of Washington.

### **14.6 Force Majeure**

No party shall be liable for any failure to perform its obligations in connection with any transaction or any document, where such failure results from any act of God or other cause beyond such party's reasonable control including, without limitation, any mechanical, electronic or communications failure which prevents such party from transmitting or receiving any documents.



**14.7 Limitation of Damages**

Neither party shall be liable to the other for any special, incidental, exemplary or consequential damages arising from or as a result of any delay, omission or error in the electronic transmission or receipt of any documents pursuant to this Agreement, even if either party has been advised of the possibility of such damages.

**14.8 Arbitration**

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment on the award rendered by the Arbitrator(s) may be entered in any court of law having proper jurisdiction thereof.

**14.9 Notices**

All notices required to be given under this Agreement, except for those communications forming a part of transactions, shall be in writing and shall be sent by certified mail, return receipt requested, to the parties as follows:

**Boeing:**

**Partner:**

\_\_\_\_\_

\_\_\_\_\_

(print full name)

(print full name)

\_\_\_\_\_

\_\_\_\_\_

(address/mail code)

(address/mail code)

\_\_\_\_\_

\_\_\_\_\_

(title)

(title)

**EXHIBIT "A"  
EDI REQUIREMENTS****1.0 DEFINITIONS**

- 1.1 Electronic Data Interchange (EDI): Computer-to-computer exchange of business information in a public standard format as defined by the American National Institute Accredited Standards Committee X12 (ANSI ASC X12). The initialization "EDI" shall mean Electronic Data Interchange as defined above.
- 1.2 EDI Partner or Supplier: For the purpose of these requirements only, partner is defined as any potential or current business entity that exchanges EDI transactions with McDonnell Douglas Corporation (Boeing), which may also be referred to as Douglas Aircraft Company (DAC).
- 1.3 Value Added Network (VAN): A third party communication vehicle used to exchange EDI transactions between Partners and Boeing. The term "third party network" shall mean BT North America or other DAC designated Value Added Network (VAN).

**2.0 SCOPE**

This procurement will utilize computer-to-computer communications of business information in a public standard format. Boeing will have the right to make changes, addition or deletions to the Transaction Specification List by agreement between Boeing and the EDI Partner at no additional cost to Boeing.

**3.0 USAGE**

Attachment I, entitled "EDI Transaction Specification List," as set forth herein, outlines current and proposed formats for use within Boeing's Supplier Management (Purchasing) as adopted, or proposed, by the American National Standards Institute Accredited Standards Committee X12 (ANSI ASC X12).

**4.0 COMPUTER HARDWARE**

- 4.1 EDI Partners will provide their own computer hardware necessary to create, send or receive all EDI transactions (as outlined in Attachment 1) in an approved or public standard format (ANSI X12), and to transmit these transactions to an approved Value Added Network that interconnects with BT North America or other DAC designated third party networks.
- 4.2 The EDI Partner agrees that the costs of procuring and maintaining all computer hardware and maintenance of said hardware required to support Boeing's Electronic Data Interchange Requirements are the sole and exclusive responsibility of each EDI Partner as a part of their nonrecurring costs.

**5.0 COMPUTER SOFTWARE**

- 5.1 EDI Partners will provide their own computer software necessary to create, send and receive all EDI transactions in an approved or proposed public standard format (ANSI X12), and to transmit these transactions to an approved Value Added Network that interconnects with BT North America or other Boeing designed third party networks.
- 5.2 The EDI Partner agrees that the cost of procuring and maintaining any and all required computer software is the responsibility of each EDI Partner as a part of their nonrecurring costs. Upgrades to software to meet latest version/release requirements are the sole and exclusive responsibility of each EDI Partner. Software shall meet the minimum requirements of certification through Boeing's Value Added Network, BT North America. Expenses incurred through the Value Added Network for upgrading version and release of software are the sole and exclusive responsibility of the EDI Partner.

**6.0 EDI PARTNER AGREEMENT**

- 6.1 Each business entity exchanging information in EDI formats will be required to unconditionally accept Boeing Purchase Clause 1045, entitled Electronic Data Interchange, referenced on the EDI Purchase Order, which incorporates the EDI Partner Agreement by reference, before actual transmission of business information begins between Boeing and the EDI Partner. This agreement will cover issues related to implementation of the EDI transactions and data protection rights. Other issues addressed will include operational, security, and data format implementation arrangements.

**This EDI Requirements document, along with Attachment I and II, is to be used in conjunction with, and incorporated by reference into, the attached EDI Partner Agreement.**

**7.0 EDI PARTNER CAPABILITIES**

Boeing shall have the right to expect EDI Partners to maintain EDI software, hardware and communication linkages in proper working order to enable the uninterrupted transmission and receipt of electronic communications in a timely manner.

**8.0 STANDARD FORMAT USAGE**

- 8.1 The American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 Draft Standards for Trial Use and Proposed Draft Standards for Trial Use will be the standard EDI format used for this procurement. Proprietary EDI formats may be employed, but only as a temporary solution pending adoption of a public standard format, which must be negotiated between the EDI Partner and Boeing.
- 8.2 Use of proprietary formats must be negotiated between the parties as a separate agreement and incorporated into the EDI Partner Agreement as referenced in Section 6. The use of UN/EDIFACT messages for international business may be used where there are developed UN/EDIFACT messages that parallel ASC X12 transactions. Use of UN/EDIFACT must be negotiated as a separate agreement and incorporated into the EDI Partner Agreement as referenced in Section 5.

**9.0 NETWORKS AND ADVANCED COMMUNICATION TECHNOLOGIES**

- 9.1 EDI Partners will have access to a Value Added Network (VAN) that allows the transmission and receipt of EDI transactions as pursuant to this section hereof entitled "Electronic Data Interchange Requirements." This VAN will interconnect with BT North America or other Boeing designated third party networks.
- 9.2 Costs associated with maintaining access to the VAN are the EDI Partners' sole and exclusive responsibility. Upgrades to meet version/release requirements, as they pertain to the VAN, are also the EDI Partners' responsibility.

**10.0 TESTING**

- 10.1 After completing the start-up procedures, an EDI pilot program between Boeing and the EDI Partner will be scheduled. The following specifications shall be followed during the pilot program:
  - a. Test schedules and production implementation will be negotiated jointly with the EDI Partner and appropriate Boeing EDI business representatives. EDI Partners will meet with Boeing EDI business representatives to discuss details of the test plan and production implementation. Any changes to the plan shall be submitted in writing to the Boeing EDI Representative and will be subject to negotiation before implementation.
  - b. An initial test will be conducted with the EDI Partners before full scale testing begins. This test will be considered successful after two consecutive transmissions to and from Boeing. EDI Partners will advise the appropriate Boeing EDI business representatives that the EDI transmission has been received after test.
  - c. A full scale test of the EDI transaction will be conducted for a minimum of two weeks.
  - d. During the testing process, EDI Partners will provide the authorized Boeing EDI business representative with a weekly report of testing progress.
- 10.2 EDI Partners using a Value Added Network (VAN) other than BT North America or other Boeing designated third party network, must be able to complete the interconnects from their own VAN to BT North America or other Boeing designated VAN's in a manner that is transparent to both parties.



**ATTACHMENT I**

**EDI TRANSACTION SPECIFICATION LIST**

The following matrix sets forth the minimum set of EDI transactions to be exchanged by Boeing and the EDI Partner. This is an initial list of transactions covering basic functions in a contract relationship with a partner and is not intended to be all inclusive.

ANSI  
TRANS. NO.  
VERSION  
RELEASE NO.  
DOCUMENT  
NAME/DESCRIPTION  
FA REQUIRED  
(Y OR N)  
ACKNOWLEDGEMENT  
REQUIRED  
(Y OR N)  
810  
3010  
Invoice  
Y  
N  
820  
3010  
Remittance Advice  
Y  
N  
830  
3010  
Planning Schedule with Release  
Y  
N  
850  
3010  
Purchase Order  
Y  
Y  
855  
3010  
Purchase Order Acknowledgment  
Y  
N  
856  
3010  
Advance Ship Notice  
Y  
N  
860  
3010  
Purchase Order Change -- Buyer Initiated  
Y  
Y  
862  
3010  
Shipping Schedule  
Y  
N



865  
3010  
Purchase Order Change Acknowledgment -- Seller Initiated  
Y  
Y\*  
869  
3010  
Order Status Inquiry  
Y  
Y  
870  
3010  
Order Status Acknowledgment  
Y  
N  
997  
3010  
Functional Acknowledgment  
N  
N

\* If used as Seller initiated change, transaction 860 will be used by Boeing to respond.



**ATTACHMENT II  
EDI TRANSACTION DESCRIPTION****810 – INVOICE**

Provides for customary and established business and industry practice relative to the billing for goods and/or services.

**820 – PAYMENT ORDER/REMITTANCE ADVICE**

Provides a format for: (1) ordering a financial institution to make payment to a Seller; (2) reporting the completion of a payment to Seller by a financial institution; and (3) giving advice to the Seller by the Seller on the application of a payment made with the payment order or by some other means.

**830 – PLANNING SCHEDULE WITH RELEASE CAPABILITY**

Provides for customary and established business practice relative to the transfer of forecasting/material release information as: (1) simple forecast; (2) a forecast with the buyer's authorization for the Seller to commit resources such as labor or material, and (3) a forecast used as an order release from an overriding agreement.

**850 – PURCHASE ORDER**

Provides for customary and established business and industry practice relative to the placement of purchase orders for goods and services.

**855 – PURCHASE ORDER ACKNOWLEDGMENT**

Provides for customary and established business and industry practice relative to a Seller's acknowledgment of a buyer's purchase order.

**856 – SHIP NOTICE/MANIFEST**

Provides a listing of the contents of a shipment as well as additional information relating to the shipment such as order information, product description, physical characteristics, type of packaging, marking, carrier information and configuration of goods within the transportation equipment.

**860 – PURCHASE ORDER CHANGE REQUEST – BUYER INITIATED**

Provides the information necessary to change a purchase order or request such change. May be used to confirm a Seller-initiated change.

**862 – SHIPPING SCHEDULE**

Provides the ability of the customer to convey "precise" shipping schedule requirements to a Seller, and is intended to supplement the 830 transaction. Also provides the ability for a customer to issue shipping schedule requirements independent of other customer locations when planning schedule transactions (830) are issued by a consolidated scheduling organization.

**865 – PURCHASE ORDER CHANGE ACKNOWLEDGMENT REQUEST – SELLER INITIATED CHANGE**

Provides the information necessary to acknowledge a purchase order change and may be used: (1) by the Seller to convey acceptance or rejection of changes to a previously submitted purchase order; or (2) by the Seller to notify the buyer of Seller-initiated or requested changes to a previously submitted purchase order.

**869 – ORDER STATUS INQUIRY**

Provides the ability to request all pertinent information relative to an entire purchase order, selected line items, or selected products/services on a purchase order with the inclusion of reasons.



**870 – ORDER STATUS ACKNOWLEDGMENT**

Provides the ability to report on the current status of an entire purchase order, selected line item on a purchase order, selected products/services on a purchase order, or purchase orders for a specific customer in their entirety or on a selected basis.

**997 – FUNCTIONAL ACKNOWLEDGMENT**

Provides acknowledgment of receipt and syntactical analysis of transactions.