

**1. FORMATION OF CONTRACT.** This proposed purchase contract, which incorporates by reference these General Provisions and all other terms and conditions set forth in this proposed purchase contract, (collectively, the “Contract”) is Buyer's offer to purchase the goods, services and/or other deliverables (collectively, the “Goods”) described in this offer. Acceptance is strictly limited to the terms and conditions in this offer. Unless specifically agreed to in writing by Buyer's Authorized Procurement Representative, Buyer objects to, and is not bound by, any term or condition that differs from or adds to this offer and Seller agrees that it shall not make any acceptance or counter-offer conditional upon any other contract or event. Seller's commencement of performance or acceptance of this offer in any manner shall conclusively evidence acceptance of this offer as written. Seller's provision of the Goods shall be governed solely by this Contract. Any reference to this Contract or any other document referred to or incorporated by reference into this Contract shall include any permitted variation, amendment or supplement to this Contract made pursuant to article 4 “Changes”. All documents exchanged between the Parties pursuant to this Contract, including each and every purchase contract change, purchase contract acknowledgement, purchase order, advancement, shipment notice and invoice, shall be subject to the terms and conditions of this Contract. Buyer and Seller are sometimes referred to herein as a “Party” or collectively as the “Parties”.

**2. SCHEDULE.**

- a. Seller shall strictly adhere to the shipment or delivery schedules specified in this Contract. In the event of any anticipated or actual delay, including delays attributed to labor disputes, Seller shall: (i) promptly notify Buyer in writing of the reasons for the delay and the actions being taken to overcome or minimize the delay; (ii) provide Buyer with a written recovery schedule; and (iii) if requested by Buyer: (a) ship via air or other expedited routing, at no additional cost to Buyer, to avoid or minimize delay to the maximum extent possible; or (b) take such other action as directed by Buyer. Any added premium transportation costs are to be borne by Seller.
- b. Seller shall not deliver Goods prior to the scheduled delivery dates unless authorized in writing by Buyer's Authorized Procurement Representative.
- c. Time is of the essence in the performance of this Contract by Seller.

**3. PACKING AND SHIPPING.**

- a. Seller warrants, represents and shall ensure that it shall pack the Goods to prevent damage and deterioration. Unless otherwise set forth in this Contract, Seller shall package the Goods in accordance with the requirements of Boeing Document D37522-6 “Supplier Packaging,” which is available as set forth at: [http://www.boeingsuppliers.com/supplier\\_portal](http://www.boeingsuppliers.com/supplier_portal).
- b. Unless otherwise specified in this Contract, the price includes transport charges for Goods sold Delivered Duty Paid (DDP) in accordance with INCOTERMS 2010.
- c. Seller shall ship the Goods in accordance with the provisions as notified to Seller by Buyer in writing or if no notification is given, as set forth at: [http://www.boeingsuppliers.com/supplier\\_portal/SRI\\_International.pdf](http://www.boeingsuppliers.com/supplier_portal/SRI_International.pdf). Seller needs a One Time Password (OTP) token to log into the Boeing Supplier Portal.
- d. Upon Buyer's request, Seller shall identify packaging charges showing material and labor costs for container fabrication.
- e. Title in the Goods shall pass to Buyer on delivery, and risk in the Goods shall pass to Buyer following acceptance of the Goods in accordance with article 12 “Acceptance and Rejection”.
- f. If Seller delivers more or less than the quantity of Goods ordered and if such delivery is not part of an agreement to deliver the Goods in installments, and Buyer

accepts the delivery pursuant to article 12 "Acceptance and Rejection", a pro rata adjustment shall be made to the invoice for the Goods but only in respect of shortages. No pro rata adjustment shall be made to the invoice for the Goods in respect of an overage. Any rejected Goods shall be returnable at Seller's risk and expense.

#### **4. CHANGES.**

a. Buyer's Authorized Procurement Representative may, without notice to sureties and in writing, direct changes within the general scope of this Contract in any of the following: (i) technical requirements and descriptions, specifications, statement of work, drawings or designs; (ii) shipment or packing methods; (iii) place of delivery, inspection or acceptance; (iv) reasonable adjustments in quantities or delivery schedules or both; (v) amount of Buyer-furnished property; (vi) terms and conditions of this Contract required to meet Buyer's obligations under superior contracts or subcontracts, which shall take effect from the date specified in the notice provided by Buyer to Seller; and (vii) if this Contract includes services, (a) description of services to be performed; (b) time of performance (e.g., hours of the day, days of the week); and/or (c) place of performance. Seller shall comply promptly with such direction. Except for the rights granted to Buyer under this article 4, a change pursuant to this article 4 shall not give rise to nor authorize any other modification of or amendment to the terms and conditions of this Contract.

b. If such change increases or decreases the cost or time required to perform this Contract, Buyer and Seller shall negotiate an equitable adjustment in the price or schedule, or both, to reflect the increase or decrease. Buyer shall modify this Contract in writing accordingly. Unless otherwise agreed in writing, Seller must assert any claim for adjustment to Buyer's Authorized Procurement Representative in writing within 20 days and deliver a fully supported proposal to Buyer's Authorized Procurement Representative within 60 days after Seller's receipt of such direction. Buyer may, at its sole discretion, consider any claim regardless of when asserted. If Seller's proposal includes the cost of property made obsolete or excess by the change, Buyer may direct the disposition of the property. Seller has the burden to support the amount of Seller's claim for equitable adjustment. Further, Buyer shall have the right to verify the amount of Seller's claim in accordance with article 18 "Financial Records and Audit". Failure of the Parties to agree upon any adjustment shall not excuse Seller from performing in accordance with Buyer's direction.

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

#### **5. SUSPENSION OF WORK.**

a. Buyer's Authorized Procurement Representative may, by written order, suspend all or part of the work to be performed under this Contract for a period not to exceed 100 days (the "Period"). Within the Period of any such suspension of work, Buyer is entitled to either: (i) cancel the suspension of work order; (ii) terminate this Contract in accordance with article 6 "Termination for Convenience"; (iii) cancel this Contract in accordance with article 7 "Cancellation for Default" if grounds for default exist; or (iv) extend the stop work period.

b. Seller shall resume work whenever a suspension is canceled. Buyer and Seller shall negotiate an equitable adjustment in the price or schedule or both if: (i) this Contract is not canceled or terminated; (ii) the suspension results in a change in Seller's cost of performance or ability to meet the Contract delivery schedule; and (iii) Seller submits a claim for adjustment within 20 days after the date the suspension

is canceled.

**6. TERMINATION FOR CONVENIENCE.** Buyer may terminate all or part of this Contract for its sole convenience. In the event of such termination, Seller shall immediately stop all work hereunder and shall immediately cause any and all of Seller's Subcontractors (as such term is defined in article 23.a.) to cease work. Subject to the terms of this Contract, within 90 days after the effective date of termination, Seller may submit to Buyer a claim to be paid a percentage of the Contract price reflecting the percentage of the work performed prior to the effective date of termination, plus reasonable charges that Seller can demonstrate to the satisfaction of Buyer using its standard record keeping system have resulted from the termination. Seller shall not be paid for any work performed or costs incurred which reasonably could have been avoided. Further, Seller shall not be paid and in no event shall Buyer be obligated to pay lost or anticipated profits or unabsorbed indirect costs or overhead. In no event shall Buyer be obligated to pay Seller any amount in excess of the Contract price. The provisions of this article 6 shall not limit or affect the right of Buyer to cancel this Contract for default. Seller shall continue all work not terminated.

**7. CANCELLATION FOR DEFAULT.**

a. Buyer may, by written notice to Seller, cancel all or part of this Contract if: (i) Seller fails to deliver the Goods within the time specified by this Contract or any written extension; (ii) Seller fails to perform any other provision of this Contract or fails to make progress, so as to endanger performance of this Contract, and, in either of these circumstances, within 10 days after receipt of notice from Buyer specifying the failure, does not cure the failure or provide Buyer with a written detailed plan adequate to cure the failure if such failure reasonably cannot be cured within such 10 days and such plan is acceptable to Buyer's Authorized Procurement Representative; and/or (iii) immediately in the event: (a) of Seller's suspension of business; (b) an application is made to any competent Court for a winding up of Seller; (c) Seller is insolvent; (d) Seller is bankrupt; (e) Seller commences negotiation with all or any class of creditors with a view to rescheduling or compromising a debt; (f) a creditor of Seller enforces security; (g) a receiver for Seller's property or business is appointed; or (h) Seller engages in any assignment, reorganization or arrangement for the benefit of its creditors.

b. Seller shall continue work not canceled. If Buyer cancels all or part of this Contract, Seller shall be liable for Buyer's excess re-procurement costs.

c. Buyer may require Seller to transfer title, including any Intellectual Property and deliver to Buyer, as directed by Buyer, any: (i) completed Goods; and (ii) any partially completed Goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and contract rights (collectively, "Manufacturing Materials") that Seller has specifically produced or acquired for the canceled portion of this Contract. Upon direction from Buyer, Seller shall also protect and preserve property in its possession in which Buyer or its customers have an interest.

d. Buyer shall pay the Contract price for completed Goods accepted. In addition, any payment for Manufacturing Materials accepted by Buyer and for the protection and preservation of property shall be at a price determined in accordance with article 6 "Termination for Convenience". Buyer may withhold from any amount due under this Contract any sum Buyer determines to be necessary to protect Buyer or Buyer's customers against loss because of outstanding liens or claims of former lien holders.

e. If, after cancellation, it is determined that Seller was not in default, the rights and remedies of the Parties shall be as if the Contract had been terminated according to article 6 "Termination for Convenience".

f. Notwithstanding any other provision in this Contract, if Seller breaches articles 23.d. "Assignment, Delegation, Subcontracting and Change Of Control"; 18

“Financial Records and Audit”; 28.a. “Business Conduct”; or, otherwise acts in contravention of anti-corruption legislation, Buyer shall have the right to terminate this Contract without notice and with immediate effect. Buyer shall be in no way liable to Seller in respect of such termination for payment of damages, tortious claims (including negligence) or any other form of compensation.

**8. FORCE MAJEURE.**

a. For the purposes of this Contract, a “Force Majeure Event” shall mean: an act of God; war, insurrection, riot, civil commotion, act or threat of terrorism; lightning, earthquake, fire, flood, storm or extreme weather condition; any other event or circumstance to the extent that it is beyond the control and without the fault or negligence of Seller. However, the following shall not constitute Force Majeure Events: strikes, lockouts and industrial disputes affecting Seller’s workforce and/or the workforce of Seller’s Subcontractors; any failure to secure a supplier or subcontractor or any failure or default of Seller’s Subcontractors except to the extent that the failure or default is caused by an event or circumstance beyond the control and without the fault or negligence of Seller’s Subcontractor; or any event attributable to the willful or negligent act or omission of Seller or Seller’s Subcontractor.

b. Seller shall not be liable to Buyer for any excess re-procurement costs which would otherwise be payable to Buyer pursuant to article 7.b. “Cancellation for Default” where such excess re-procurement costs result from a failure by Seller to perform its obligations under this Contract to the extent that such failure is solely due to a Force Majeure Event provided that the impact of the Force Majeure Event could not have reasonably been avoided or prevented by Seller and Seller has complied with the provisions of article 8.c.

c. Seller shall: (i) as soon as reasonably possible and in any event within 5 days of the commencement of the Force Majeure Event give notice to Buyer setting out details of the nature, extent and anticipated duration of the Force Majeure Event, the expected impact of the Force Majeure Event on its ability to perform its obligations and the steps that it is taking and/or proposes to take to mitigate the effects of the Force Majeure Event, to continue to perform the affected obligations notwithstanding the occurrence of the Force Majeure Event and to ensure that the Force Majeure Event comes to an end, including exercising work-around plans or obtaining the Goods from other sources and taking such steps as may reasonably be required by Buyer; (ii) keep Buyer informed of all developments relating to the Force Majeure Event and the steps being taken to comply with article 8.c.i. and as soon as reasonably possible and in any event within 2 days of the cessation of the Force Majeure Event give notice to Buyer of the cessation of the Force Majeure Event and resume performance of its obligations under the Contract; and (iii) continue to perform all of its obligations under the Contract the performance of which are not prevented by the Force Majeure Event.

d. Buyer shall not be in breach of this Contract or otherwise liable to Seller for any failure to perform or delay in performing its obligations under the Contract to the extent that this is due to a Force Majeure Event affecting Seller.

e. Buyer shall have no obligation to pay Seller for any Goods, or any part, which Seller does not supply due to a Force Majeure Event.

**9. QUALITY CONTROL.** Seller shall establish and maintain a quality control system acceptable to Buyer for the Goods purchased under this Contract. Seller shall permit Buyer to review and makes copies of such quality control system, procedures, practices, processes and related documents to determine such acceptability. Seller shall ensure that at all times it has and maintains all the licences, permissions, authorisations, consents, approvals, certificates and permits that it needs to carry out its obligations under, and for Buyer and Buyer’s customers to enjoy the Goods as specified by this Contract (including satisfying any

security requirements of Buyer) whether required in order to comply with any rules and regulations, regardless of their source, including judicial or administrative interpretation of them, in force from time to time or as a result of the rights of any third party.

**10. SELLER'S NOTICE OF DISCREPANCIES.** Seller shall promptly notify Buyer in writing when discrepancies in Seller's process, including any violation of or deviation from Seller's approved inspection/quality control system or Goods are discovered or suspected regarding Goods delivered or performed and/or to be delivered or performed under this Contract.

**11. INSPECTION**

a. At no additional cost to Buyer, Goods shall be subject to inspection, surveillance and test at reasonable times and places, including Seller's Subcontractors'. Buyer has the right to visit Seller's and Seller's Subcontractors' locations during operating hours to inspect, review and assess progress and performance under this Contract, including production, schedule and quality. Any Buyer representative shall be allowed access to all areas used for the performance of the Contract. Buyer or Buyer's agents shall perform inspections, surveillance and tests so as not to unduly delay the performance under this Contract. Seller shall and shall ensure that Seller's Subcontractors shall not impose pre-conditions, restrictions and/or prohibitions on Buyer's exercise of its rights pursuant to this article 11.a. except to the minimum extent necessary for Seller and/or Seller's Subcontractors to comply with applicable law.

b. Seller shall maintain an inspection system acceptable to Buyer for the Goods purchased under this Contract.

c. If Buyer performs an inspection or test on the premises of Seller or Seller's Subcontractors, Seller shall furnish, and require Seller's Subcontractors to furnish, without additional charge to Buyer, reasonable facilities and assistance for the safe and convenient performance of such inspection or test.

d. All Goods are subject to inspection at Buyer's premises notwithstanding any payments or other prior inspections or prior acceptances.

e. If following any inspection or testing Buyer considers that the Goods do not conform or are unlikely to comply with the requirements of this Contract, Buyer shall inform Seller and Seller shall at no additional cost to Buyer, immediately take such remedial action as required by Buyer to ensure compliance.

f. Notwithstanding any inspection or testing, whether or not successful, Seller shall remain fully responsible for the Goods and any such inspection, testing or acceptance shall not diminish or relieve Seller from any obligation or liability imposed on Seller under or by virtue of this Contract, and Buyer shall have the right to conduct further inspections and tests after Seller has carried out its remedial actions and until the Goods are finally accepted by Buyer.

g. For the duration of this Contract and for a period of 7 years after, Seller shall keep and maintain all inspection and test records, and all other technical data generated under or related to this Contract including 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.

**12. ACCEPTANCE AND REJECTION.**

a. Buyer shall accept the Goods or give Seller notice of rejection due to any defect or nonconformance within a reasonable time after the date of delivery. No payment, inspection, test, delay or failure to inspect or test or failure to discover any defect or other nonconformance shall relieve Seller of any obligations under this Contract or impair any rights or remedies of Buyer, including revocation of acceptance.

b. Buyer shall have the right, exercisable at Buyer's sole discretion, to revoke acceptance and reject the Goods as though they had not been accepted should: (i) Buyer accept defective Goods on the stated assumption that Seller would cure the defect but in respect of such Goods, Seller fails to cure such defect within the time frame specified by Buyer; (ii) Buyer accept the Goods but then subsequently discovers a defect in the Goods which was not reasonably discoverable by Buyer at the time of acceptance; or (iii) Buyer discover a defect in the Goods in respect of which Seller provided Buyer assurances as to conformance prior to Buyer's acceptance.

c. If Seller delivers defective or non-conforming Goods, Buyer may at its option and at Seller's expense: (i) require Seller to promptly correct or replace the Goods; (ii) return the Goods for credit or refund; (iii) correct the Goods; or (iv) obtain replacement Goods from another source. Return to Seller of defective or non-conforming Goods and redelivery to Buyer of corrected or replaced Goods shall be at Seller's expense.

d. Seller shall not redeliver corrected or rejected Goods without disclosing the former rejection or requirement for correction. Seller shall disclose any corrective action taken. Repair, replacement and other correction and redelivery shall be completed as Buyer's Authorized Procurement Representative may reasonably direct.

e. The rights and remedies contained in this Contract shall extend to any Goods supplied by Seller which are substituted; remedial; repaired; or replaced.

### **13. WARRANTY.**

a. Seller warrants, represents and shall ensure that:

i. All Goods shall: (a) correspond with their description and be of satisfactory quality and be fit for any purpose held out by Seller or made known to Seller expressly or by implication; (b) conform to all express and impliedly made known specifications and requirements of this Contract; (c) be free from defects in materials and workmanship and conform to all generally recognized commercial practices and standards in the industry; (d) be performed by persons who are experienced and skilled in their profession and in accordance with industry standards; and (e) be free from any liens and/or encumbrances.

ii. All Goods shall be free from design and specification defects (even to the extent that Buyer approves such designs or specifications) to the extent such Goods are not manufactured pursuant to detailed designs and specifications furnished by Buyer.

iii. All Goods shall: (a) not contain any viruses, malicious code, trojan horse, worm, time bomb, self-help code, back door, or other software code or routine that may: (i) damage, destroy or alter any software or hardware; (ii) reveal, damage, destroy, make any unauthorized copies of, or alter any data; (iii) disable or limit any hardware, software or firmware; and/or (iv) permit unauthorized access to any hardware, software or firmware; (b) not contain, include or link to any third party software (including software that may be considered in the public domain, free software or open source software) or software that: (i) may require any software to be identified, published, accessed or otherwise made available without the consent of Buyer; and/or (ii) may require distribution, copying or modification of any software free of charge; and (c) not infringe and/or misuse any Intellectual Property (as such term is defined in article 22.a.) of any third party.

b. Seller's warranties, representations and other promises under article 13.a. (the "warranties"), shall survive inspection, test, acceptance of, and payment for, the Goods. The warranties to the extent that they relate to performance of Goods shall be continuing warranties arising anew every day until the later of: (i) 1 year after the date of final acceptance, or any subsequent final acceptance that is consequential to the provisions of article 12.b.; or (ii) any such other period as agreed and set forth in this Contract. The

warranties under article 13.a. shall run to Buyer, its successors, assigns and Buyer's customers and Buyer has the right to transfer the benefit of the warranties and the right to enforce such directly to such persons. In the event of any defect or nonconformance, but for the avoidance of doubt without limiting any other rights or remedies that Buyer may have, Buyer may, at its option and at Seller's expense: (i) require prompt correction, reperformance or replacement of the Goods; (ii) return the Goods for credit or refund; or (iii) make an equitable adjustment in the price of this Contract. Return to Seller of defective or non-conforming Goods and redelivery or reperformance of corrected, reperfomed or replaced Goods shall be at Seller's expense. Goods required to be corrected, reperfomed or replaced shall be subject to the requirements of this Contract in the same manner and to the same extent as Goods originally delivered or performed under this Contract, but only as to the corrected, reperfomed or replaced part or parts thereof. Even if the Parties disagree about the existence of a breach, Seller shall promptly comply with Buyer's direction to: (i) repair, rework, reperform or replace the Goods; and/or (ii) furnish any materials or parts and installation instructions required to successfully correct the defect or nonconformance. If the Parties later determine that Seller did not breach, the Parties shall equitably adjust the Contract price.

**14. COUNTERFEIT GOODS.** Seller shall not furnish Counterfeit Goods to Buyer, defined as Goods or separately-identifiable items or components of Goods that: (i) are an unauthorized copy or substitute of an Original Equipment Manufacturer or Original Component Manufacturer (collectively, "OEM") item; (ii) are not traceable to an OEM sufficient to ensure authenticity in OEM design and manufacture; (iii) do not contain proper external or internal materials or components required by the OEM or are not constructed in accordance with OEM design; (iv) have been re-worked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OEM design but not disclosed as such or are represented as OEM authentic or new; or (v) have not passed successfully all OEM required testing, verification, screening, and quality control processes. Notwithstanding the foregoing, Goods or items that contain modifications, repairs, re-work, or re-marking as a result of Seller's or Seller's Subcontractors' design authority, material review procedures, quality control processes or parts management plans, and that have not been misrepresented or mismarked without legal right to do so, shall not be deemed Counterfeit Goods. Counterfeit Goods shall be deemed nonconforming to this Contract.

b. Seller shall implement an appropriate strategy to ensure that Goods furnished to Buyer under this Contract are not Counterfeit Goods. Seller's strategy shall include the direct procurement of items from OEMs or authorized suppliers, conducting approved testing or inspection to ensure the authenticity of items, and, when items are to be procured from non-authorized suppliers, obtaining from such non-authorized suppliers appropriate certificates of conformance that provide one or more of the following: (i) the OEM's original certificate of conformance for the item; (ii) sufficient records providing unbroken supply chain traceability to the OEM; or (iii) test and inspection records demonstrating the item's authenticity.

c. If Seller becomes aware or suspects that it has furnished Counterfeit Goods to Buyer under this Contract, Seller promptly, but in no case later than 30 days from discovery, shall notify Buyer and replace, at Seller's expense, such Counterfeit Goods with OEM or Buyer-approved Goods that conform to the requirements of this Contract. Seller shall be liable for all costs related to the replacement of Counterfeit Goods and any testing or validation necessitated by the installation of authentic Goods after Counterfeit Goods have been replaced.

d. Seller bears responsibility for procuring authentic Goods or items from Seller's Subcontractors and shall ensure that all such Seller Subcontractors comply with the requirements of this article 14.

**15. RIGHTS OF BUYER'S CUSTOMERS AND REGULATORS TO PERFORM INSPECTION, SURVEILLANCE AND TESTING.** Buyer's rights to perform inspections, surveillance and tests and to review procedures, practices, processes and related documents related to quality assurance, quality control, flight safety and configuration control shall extend to the customers of Buyer that are departments, agencies or instrumentalities of the United States or United Kingdom Government (as applicable) including the United States Government Federal Aviation Administration or United Kingdom Civil Aviation Authority (as applicable) and any successor agency or instrumentality of the United States or United Kingdom Government. Buyer may also, at Buyer's option, by prior written notice from Buyer's Authorized Procurement Representative, extend such rights to other customers of Buyer and to agencies or instrumentalities of foreign governments equivalent in purpose to the United States Federal Aviation Administration or United Kingdom Civil Aviation Authority. Seller shall cooperate with any such United States or United Kingdom Government-directed or Buyer-directed inspection, surveillance, test or review without additional charge to Buyer. Nothing in this Contract shall be interpreted to limit United States or United Kingdom Government's access to Seller's facilities pursuant to law or regulation.

**16. INVOICES AND PAYMENT.**

- a. Unless otherwise authorized by Buyer's Authorized Procurement Representative, Seller shall issue a separate original invoice for each delivery of Goods that shall include Buyer's Contract number and line item number. Seller shall forward its invoice to the address specified elsewhere in this Contract. Unless freight or other charges are itemized, Buyer may take any offered discount on the full amount of the invoice. Payment due date, including discount periods, shall be computed from the later of the scheduled delivery of Goods date, the actual delivery of Goods date or the date of receipt of a correct invoice. Payment shall be deemed made on the date Buyer's check is mailed or payment is otherwise tendered. Seller shall promptly repay Buyer any amounts paid in excess of amounts due to Seller.
- b. Unless otherwise stated, payment under this Contract is due in Great British Pounds (sterling) within 30 days of receipt by Buyer of an undisputed invoice satisfying the provisions of this article 16.
- c. If Buyer fails to pay any amount properly due and payable by it under this Contract, Seller shall have the right to charge interest on the overdue amount at the rate of 4 per cent per annum above the base rate for the time being of Bank of England accruing on a daily basis from the due date up to the date of actual payment, whether before or after judgment. The payment of interest on outstanding amounts, shall not apply to payments that Buyer disputes in good faith.
- d. Seller warrants, represents and shall ensure that the price for the Goods is the current list price or, in the case of non-commercially available Goods, a price that would be reasonable and fair if the Goods were to be made commercially available, less any specifically negotiated discounts. Seller agrees that any price reduction for the Goods subsequent to its placement but prior to date of delivery thereof shall be applicable to it.
- e. Seller shall supply all supporting information reasonably required by Buyer to substantiate invoices and any other supporting information reasonably required by Buyer to clarify the relevant charges as set out in an invoice submitted by Seller pursuant to article 16(a). Any failure to supply such information shall entitle Buyer to withhold payment in respect of that part not substantiated or clarified until such information is produced to the reasonable satisfaction of Buyer, and such withheld amount shall constitute a disputed payment for purposes of this Contract.

**17. TAXES.** Unless this Contract specifies otherwise and subject to articles 17.a. and 17.b., the price of this Contract includes, and Seller is liable for and shall pay, all taxes, impositions, charges and exactions imposed on or measured by this Contract except for



applicable value added sales and use taxes that are separately stated on Seller's invoice. Prices shall not include any taxes, impositions, charges or exactions for which Buyer has furnished a valid exemption certificate or other evidence of exemption.

- a. **Value Added Tax.**
  - i. Unless otherwise stated, all prices in this Contract are exclusive of value added tax (VAT).
  - ii. If either Buyer or Seller is the supplier of a supply made under or in connection with this Contract and is liable by applicable law to pay VAT on the supply, the consideration otherwise payable by the recipient of the supply shall be increased by an amount equal to the VAT paid or payable by the supplier.
  - iii. Each Party agrees to do all things, including providing tax invoices and other documentation that may be necessary or desirable to enable or assist the other Party to claim any input tax credit, set-off, rebate or refund in relation to any amount of VAT paid or payable in respect of any supply under this Contract.
- b. **Withholding Taxes.**
  - i. If either Party is required by law to make a deduction or withholding from any sum payable under or in connection with this Contract, the Party shall promptly notify the other Party of the withholding requirement.
  - ii. Where either Party makes a withholding or deduction from a payment as required by applicable law, it shall pay the full amount required to be deducted or withheld to the relevant taxation or other authority within the time allowed for such payment under the laws applicable to the withholding or deduction. Within 30 days of making the payment to the relevant authority, the Party making the withholding or deduction shall provide the other Party with an original or certified copy of a receipt evidencing the payment to the relevant authority.
  - iii. Where an amount previously withheld or deducted as contemplated above is subsequently refunded, credited or otherwise returned to the withholding Party, the withholding Party shall immediately pass on the benefit to the other Party.

**18. FINANCIAL RECORDS AND AUDIT.** Seller shall retain all financial records and documents pertaining to the Contract during the performance of the Contract and for a period of no less than 3 years after final payment. Such records and documents shall date back to the time this Contract was issued and shall include catalogs, price lists, invoices, underlying data and basis for cost estimates, and inventory records. Buyer shall have the right to examine, reproduce and audit all Seller's records related to pricing, incurred costs and proposed costs associated with any proposals (prior to or after contract award), invoices or claims.

**19. SELLER FINANCIAL REVIEW.** Seller shall provide financial data as specified below, on a quarterly basis or as requested to Buyer's Corporate Credit Office for credit and financial condition reviews. If Seller is required to file reports with any regulatory authority or stock exchange (the "Authority"), said data shall be limited to the data contained in Seller's periodic reports to the Authority. Copies of such data are to be made available within 72 hours of any written request by Buyer. All such information shall be treated as confidential. In the event that Seller is no longer required to disclose financial information publicly to the Authority during the term of this Contract, Seller shall provide financial data on a quarterly basis to Buyer's Corporate Credit Office. Such financial data shall include balance sheets, schedule of accounts payable and receivable, major lines of credit, creditors, income statements (profit and loss), cash flow statements, firm backlog, and headcount. Copies of

such data are to be made available within 72 hours of any written request by Buyer. All such information shall be treated as confidential.

## **20. CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION AND MATERIALS.**

a. Subject to any other relevant terms contained in this Contract, Buyer and Seller shall each keep confidential and protect from unauthorized use and disclosure all: (i) confidential, proprietary, trade secret, commercial, financial, technical and/or operational information including Buyer-provided specifications and Buyer-provided information pertaining to qualification, certification, manufacturing and/or quality testing and procedures; (ii) tangible items and software containing, conveying or embodying such information; (iii) tooling identified as being subject to this article 20 that is obtained, directly or indirectly, from the other in connection with this Contract or other agreement referencing this Contract, including Buyer's contract with its customers, if any; and (iv) information that has been or may be disclosed or otherwise made available in whole or in part to a receiving Party or any representative in any form or medium (such information may include oral or visual information, hardware, software, component design, manufacture, inspection, qualification, certification, quality testing and procedures, and/or repair and overhaul, business information relating to supplies, pricing, costs, profits, business plans and strategies, customer or vendor lists and legal or financial advice) (collectively referred to as "Proprietary Information and Materials"). Proprietary Information and Materials shall not include information that is, as evidenced by competent records provided by the receiving Party, lawfully in the public domain, lawfully disclosed to or known by the receiving Party without restriction, generally known in the relevant trade or industry prior to disclosure hereunder, or developed by the receiving Party independently without use of or reference to the disclosing Party's Proprietary Information and Materials.

b. Buyer and Seller shall each use Proprietary Information and Materials of the other only in the performance of and for the purpose of this Contract (including the use, enjoyment and exploitation of the Goods) and/or any other agreement referencing this Contract, including Buyer's contract with its customers, if any. However, despite any other obligations or restrictions imposed by this article 20, Buyer shall have the right to use and reproduce Seller's Proprietary Information and Materials internal to Buyer regardless of when disclosed. Buyer shall further have the right to use, disclose, reproduce and make derivative works and adaptations of Seller's Proprietary Information and Materials: (i) to fulfill Buyer's obligations; and (ii) for the purposes of testing, certification, use, sale or support of any Goods, in each case under this Contract, other contracts with Seller and/or Buyer's contract with its customer, if any. Any such use, disclosure, reproduction or derivative work by Buyer shall, whenever appropriate, include a restrictive legend suitable for the particular circumstances. The restrictions on disclosure or use of Proprietary Information and Materials by Seller shall apply to all materials derived by Seller or others from Buyer's Proprietary Information and Materials. In addition to disclosures permitted hereunder, a receiving Party may disclose received Proprietary Information and Materials in response to a subpoena or court order duly issued in a judicial or legislative process, provided that the receiving Party has used reasonable efforts to give the disclosing Party advance written notice of any such disclosure requirement and to reasonably cooperate with the disclosing Party in protecting against any such disclosure and/or obtaining a protective order narrowing its scope.

c. Upon Buyer's request at any time, and in any event upon the completion, change, termination or cancellation (in each case whether whole or in part) of this Contract, Seller shall return to Buyer all of Buyer's Proprietary Information and Materials and all materials derived therefrom, unless specifically directed otherwise in

writing by Buyer. Seller shall not: (i) dispose of (as scrap or otherwise) any Goods, parts or other materials containing, conveying, embodying or made in accordance with or by reference to any Proprietary Information and Materials of Buyer without the prior written authorization of Buyer; or (ii) make, use or sell any Goods, parts or other materials containing, conveying, embodying or made in accordance with or by reference to any Proprietary Information and Materials of Buyer without notifying Buyer in writing before any such planned making, using, or selling activity and executing an agreement between the Parties requiring payment by Seller of a reasonable license fee to Buyer as consideration for each use of such Proprietary Information and Materials of Buyer, unless Buyer has provided prior written authorization to Seller. Prior to disposing of such Goods, parts or other materials as scrap, Seller shall render them unusable. Buyer shall have the right to audit Seller's compliance with this article 20.

d. Seller may disclose Proprietary Information and Materials of Buyer to Seller's Subcontractors as required for the performance of this Contract, provided that each of Seller's Subcontractors first agrees in writing to the same obligations imposed upon Seller under this article 20 and subject always to the provisions of article 23.a.

e. The provisions of this article 20 are effective notwithstanding the application of any restrictive legends or notices to Proprietary Information and Materials.

## **21. PATENT, TRADEMARK AND COPYRIGHT INDEMNITY.**

a. Seller shall indemnify, keep indemnified, defend and hold harmless Buyer and Buyer's customers from and against all expenses, contingent liabilities, liabilities, injuries, losses, damages, claims, demands, proceedings, awards (including awards based on intentional infringement of patents known at the time of such infringement, exceeding actual damages and/or including legal costs), judgments and legal costs (on a full indemnity basis) whether arising in tort (including negligence), breach of contract, breach of statutory duty, collaterally or otherwise which Buyer and/or Buyer's customers incur or suffer (or may incur or suffer) as a result of any actual, suspected or alleged infringement and/or misuse of any English or foreign Intellectual Property rights arising out of the manufacture, offer for sale, import, sale and/or use of Goods in each case by Buyer or Buyer's customers. Buyer and/or Buyer's customers shall duly notify Seller of any such claim, suit or action. Seller shall, at its own expense, fully defend such claim, suit or action on behalf of the indemnitees.

b. Seller shall have no obligation under this article 21 with regard to any infringement arising from: (i) the compliance of Seller's new product design with formal specifications issued by Buyer where infringement could not be avoided in complying with such specifications except that Seller shall not be granted such relief where it had or should reasonably have had knowledge that such specification compliance would have or might reasonably have been expected to have resulted in such infringement; or (ii) use, import, offer for sale and/or sale of Goods for other than their intended application in combination with other items when such infringement would not have occurred from the use, import, offer for sale or sale of those Goods solely for the purpose for which they were designed or sold by Seller.

c. If any element of the Goods becomes, or in Seller's and/or Buyer's reasonable opinion is likely to become, the subject of an infringement claim, Seller shall, at its own expense and in addition to any obligation of Seller to indemnify Buyer and Buyer's customers in relation to such claim: (i) acting promptly, procure for Buyer (and where relevant Buyer's customers) the right to continue using the relevant Goods that are subject to the infringement claim on terms which are acceptable to Buyer; and (ii) if Seller cannot comply with the requirements of article 21.c.i. within a reasonable period, replace or modify the relevant Goods with non-infringing substitutes provided that: (a) the performance and functionality of the replaced or modified Goods is at least equivalent to the performance and

functionality of the original Goods; (b) the replaced or modified Goods do not have an adverse effect on the environment within which Goods are utilized; (c) there is no additional cost to Buyer; and (d) the terms of this Contract shall apply (including the indemnity contained in article 21.a.) to the replaced or modified Goods.

## **22. INTELLECTUAL PROPERTY.**

a. The following shall each have the meaning ascribed to them. "Foreground Intellectual Property" means all Intellectual Property (as hereinafter defined) conceived, generated, developed, or first reduced to practice by, for, or with Seller or Seller's Subcontractors in performance of this Contract. "Background Intellectual Property" means all Intellectual Property owned by or licensed to Seller or Seller's Subcontractors which is created or acquired prior to or outside the scope of this Contract. "Intellectual Property" means designs, design rights, patents, rights to inventions, utility models, copyright and related rights, rights in databases, topography rights, mask work registrations, trade marks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, confidential information (including know-how and trade secrets) and all similar property rights including those subsisting (in any part of the world), in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world.

b. Seller hereby grants by way of present and future grants to Buyer an irrevocable, royalty-free, non-exclusive, perpetual, worldwide license (including the right to grant sublicenses) of the Background Intellectual Property in or related to the Goods to the extent that such license is necessary for Buyer and/or Buyer's customers to use, enjoy and/or otherwise exploit the Goods. The rights granted to Buyer pursuant to this article 22.b. shall include the right for Buyer and any sublicensee to copy, modify, make any adaptation (including in respect of software the right to enhance, reverse compile, decode or translate) and publish the relevant Background Intellectual Property.

c. All Foreground Intellectual Property is hereby assigned by way of an assignment of all present and future rights from Seller to Buyer with full title guarantee, and to the extent that such Foreground Intellectual Property cannot be prospectively assigned shall be so assigned on creation, and any patents resulting from such inventions (both domestic and foreign) shall be the property of Buyer. Seller shall: (i) promptly disclose all such inventions to Buyer in written detail; and (ii) execute all papers, cooperate with Buyer, and perform all acts necessary and appropriate in connection with the filing, prosecution, maintenance, or assignment of related patents or patent applications on behalf of Buyer.

d. To the extent Seller incorporates third party Intellectual Property into any Goods, Seller shall obtain for Buyer at least the license rights granted in article 22.b. in such third party Intellectual Property, at no additional cost to Buyer.

e. In respect of works of authorship and/or copyright for both Background Intellectual Property and Foreground Intellectual Property, Seller shall obtain waivers of all moral rights in the relevant Intellectual Property which any individual is now or may be at any future time entitled under Chapter IV of Part I of the UK Copyright Designs and Patents Act 1988 or any similar provisions of law in any other relevant jurisdiction.

f. Seller shall, promptly at Buyer's request, provide documentary copies of all know-how which is relevant to Buyer's and/or Buyer's customers use, enjoyment and/or exploitation of the Goods.

g. Seller shall and/or shall procure that Seller and Seller's Subcontractors: (i) prior to acceptance, make themselves available at no further cost to Buyer for such reasonable period of time as is necessary to instruct Buyer's employees in the

principles and techniques relating to the use, enjoyment and/or exploitation of the Goods; and/or (ii) after acceptance of the Goods and to the extent not otherwise contracted for pursuant to this Contract, provide Buyer with any consultancy services which may be necessary for Buyer to use, enjoy and/or exploit the Goods, such consultancy services to be provided upon reasonable terms to be agreed mutually in writing between Buyer and Seller and/or Seller's Subcontractors but under no circumstances less favourable to Buyer than the terms of this Contract.

**23. ASSIGNMENT, DELEGATION, SUBCONTRACTING AND CHANGE OF CONTROL.**

a. Seller shall not: (i) novate this Contract; (ii) transfer or assign (or purport to transfer or assign) any of its rights or interests in this Contract; (iii) delegate performance of this Contract; and/or (iv) subcontract all or substantially all of its performance of this Contract, in each case without Buyer's prior written consent. Seller may assign its right to monies due or to become due. Seller shall be liable for the acts and/or omissions of Seller's Subcontractors in relation to this Contract as if such acts and omissions were performed or omitted by Seller. "Subcontractor" means each of Seller's agents, delegates, suppliers, subcontractors, independent contractors and associated companies, in each case at any tier who supports Seller in respect of the Contract.

b. No assignment, delegation or subcontracting by Seller, with or without Buyer's consent, shall relieve Seller of any of its obligations under this Contract or prejudice any of Buyer's rights against Seller whether arising before or after the date of any assignment, delegation or subcontracting. This article 23 does not limit Seller's ability to purchase standard commercial supplies or raw materials.

c. Buyer may at any time assign, transfer, charge, novate, subcontract, or deal in any other manner with all or any of its rights under this Contract and may subcontract or delegate in any manner any or all of its obligations under this Contract to any third party or agent and Seller hereby provides consent in advance to such assignment, transfer, novation, subcontracting or dealing.

d. Seller shall notify Buyer in writing promptly, and in no case greater than 10 business days following a Change of Control, as defined below, of Seller. Within 30 business days of Buyer's receipt of any Change of Control notification contemplated above, or such longer period of time as the Parties may agree, Buyer shall provide written notice to Seller of its approval or rejection of Seller's Change of Control, such approval or rejection being determined at Buyer's absolute discretion. In the event Buyer provides notice of rejection of a Change of Control request or in the event Seller fails to notify Buyer of a Change of Control in accordance with this article 23, Buyer, at Buyer's election, may terminate this Contract in accordance with article 7 "Cancellation for Default." For the purposes of this article 23, a "Change of Control" shall occur in respect of a person where: (i) control, having the meaning set out in sections 450 and 451 of the UK Corporation Tax Act 2010, of that person is obtained, whether directly or as a result of obtaining control of one or more other persons, by any person, either alone or together with persons acting in concert with it, as such expression is defined in the Takeover Code, who did not at the date of this Contract hold control, whether directly or as a result of having control of one or more other persons, of that person; or (ii) a person who has control, whether directly or as a result of having control of one or more other persons, of that person at any time during the term of this Contract ceases to have control, whether directly or as a result of having control of one or more other persons, of that person.

**24. PUBLICITY AND CUSTOMER COMMUNICATION.**

a. Without Buyer's prior written approval, such approval being refused at Buyer's absolute discretion, Seller shall not, and shall ensure that Seller's Subcontractors

shall not, release any publicity, advertisement, news release or denial or confirmation of same regarding this Contract or the Goods or program to which it pertains.

b. Except as otherwise expressly provided in this Contract, Buyer shall be responsible for all coordination and communication with Buyer's customers regarding this Contract or the Goods or program to which it pertains. Seller shall have no communications regarding the foregoing with Buyer's customers without Buyer's advance written approval and coordination.

**25. 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 howsoever caused 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, destruction or damage. Seller shall not use such property other than in performance of this Contract without Buyer's prior written consent. At all times, Seller shall and shall ensure that Seller and Seller's Subcontractor thereof shall, use suitable precautions to prevent any damage, loss or destruction to Buyer's property. If any such property is damaged, lost or destroyed by the fault or negligence of Seller or Seller's Subcontractors, Seller shall, at no cost to Buyer promptly and equitably reimburse Buyer for such damage or repair or otherwise repair or replace such property to Buyer's satisfaction. If Seller fails to do so, Buyer may do so and recover such amounts from Seller as a debt payable on demand. Seller shall notify Buyer's Authorized Procurement Representative if Buyer's property is lost, damaged or destroyed. As directed by Buyer, upon completion, change, termination or cancellation (in each case whether in whole or in part) 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 25 limits Seller's use, in its direct contracts with the government, of property in which the government has an interest.

**26. OFFSET CREDITS / INDUSTRIAL PARTICIPATION BENEFITS.**

a. To the exclusion of all others, Buyer or its assignees and successors shall be entitled to all industrial participation benefits or offset credits which might result from this Contract.

b. Upon the request of Buyer or any relevant government authority Seller shall be required to confirm, provide or submit any information or documentation (including the value of work subcontracted offshore, the total subcontract value, identification of the foreign content of goods that Seller either produces itself or procures from Seller's Subcontractors and the defence or military nature of the work): (i) requested to support any industrial participation benefits or offset credit claim of Buyer or an assignee; or (ii) as required under applicable law, regulations, industry convention or industry custom and practice.

c. Seller shall use its best efforts to cooperate with Buyer in the fulfillment of any industrial participation benefits, offset credits, co-production or similar obligations to certain foreign governments that Buyer or any assignee may have accepted as a requirement for the sale of products to foreign customers.

**27. NOT USED.**

**28. BUSINESS CONDUCT.**

**a. Compliance with Laws.**

i. Seller warrants, represents and shall ensure that it and the Goods have and shall comply with all applicable laws and government rules, regulations, authorizations and orders, including: (a) all applicable export, import and sanctions laws, regulations, decrees, orders, policies and

authorizations applicable to the export (including re-export) or import of goods, software, technology, or technical data or services (including the Export Administration Regulations (“EAR”) of the U.S. Department of Commerce, the International Traffic in Arms Regulations (“ITAR”) of the U.S. Department of State, the U.S. Customs & Border Protection Regulations, the Harmonized Tariff Schedule, and the antiboycott and embargo regulations and guidelines as set forth in the EAR and in the U.S. Department of the Treasury, Office of Foreign Assets Control and the UK Export Control Act 2002 (collectively, “Trade Control Laws”)); (b) EU Regulation (EC) No 1907/2006 concerning the registration, evaluation, authorization and restriction of chemicals); and (c) all applicable laws relating to anti-corruption or anti-bribery (including the UK Bribery Act 2010 (the “UKBA”) as if such activity, practice or conduct has been carried out in the UK, legislation implementing the Organization for Economic Co-operation and Development “Convention on Combating Bribery of Foreign Public Officials in International Business Transactions” and the US Foreign Corrupt Practices Act (15 U.S.C. §§78dd-1, et. seq.) regardless of whether Seller is within the jurisdiction of the United States).

ii. Seller warrants, represents and shall ensure that it: (a) has and keeps in place adequate procedures to prevent bribery by any of Seller’s “Associated Person(s)” (as such term is defined in the UKBA and Seller will enforce them where appropriate); and (b) has and keeps in place an effective export/import control compliance program in accordance with all applicable Trade Control Laws. A copy of process control documents and other documents reasonably requested by Buyer related to Seller’s compliance with applicable Trade Control Laws shall be made available to Buyer upon request.

iii. Seller shall immediately notify Buyer and provide Buyer with such information as Buyer may so request, if Seller becomes aware of any credible allegation of non-compliance (or in the case of an allegation of non-compliance made by a department, agency or instrumentality of government, any allegation of non-compliance) with any applicable law by Seller in relation to this Contract. Furthermore, Seller shall immediately notify Buyer and provide Buyer with such information as Buyer may so request, if Seller becomes aware of any credible allegation of non-compliance (or in the case of an allegation of non-compliance made by a department, agency or instrumentality of government, any allegation of non-compliance) with any anti-bribery or anti-corruption laws by Seller and/or any of Seller’s Associated Person(s). Notwithstanding the foregoing, Seller shall promptly notify Buyer if Seller is, or becomes, listed in any Denied Parties List or if Seller’s export privileges are otherwise denied, suspended or revoked in whole or in part by any Governmental entity.

iv. Seller shall control the disclosure of, and access to, controlled items or technical data provided by Buyer related to performance of this Contract in compliance with all applicable Trade Control Laws. Seller shall not transfer any export controlled item, data or services, to include transfer to foreign persons employed by or associated with, or under contract to Seller, or Seller’s Subcontractors, without providing advance notice to Buyer and obtaining the requisite export and/or import authority. Subject to applicable Trade Control Laws, Seller shall provide Buyer with the export control classification of any commodity or technology including software.

v. Seller shall incorporate into any contracts with Seller’s Subcontractors obligations no less restrictive than those set forth in this article 28.a. requiring

compliance with all applicable Trade Control Laws and all applicable laws relating to anti-corruption or anti-bribery.

b. **Modern slavery:** Seller will not, and will procure that any other persons who perform services or supply goods for or on behalf of it in connection with the Contract will not engage in any practice or omit to do any act or thing that amounts to modern slavery as defined under the Modern Slavery Act 2015 ("Modern Slavery Practice"). Buyer has adopted a Code of Basic Working Conditions and Human Rights setting out the steps it takes to ensure this commitment is fulfilled. This may be downloaded at <http://www.boeing.com/aboutus/culture/code.html>. Seller will adopt and enforce concepts similar to those embodied in the Code, including conducting Seller's operations in a manner that is fully compliant with all applicable laws and regulations pertaining to fair wages and treatment, freedom of association, privacy, safety and environmental protection. Seller will conduct proper checks on its own suppliers and sellers and all persons employed or engaged on or in connection with the Contract to ensure that they do not engage in any Modern Slavery Practice; provide Buyer (at Seller's cost) with assistance and information to enable Buyer to prepare a slavery and human trafficking statement as required by section 54 Modern Slavery Act 2015; permit Buyer to have such access on request to Seller's premises, personnel, systems, books and records as Buyer may reasonably require to verify Seller's compliance with this clause. Seller will immediately give written notice to the Buyer upon a breach, or suspected breach, of any of its obligations referred to in this clause occurring. The notice will set out full details of the breach or suspected breach or non-compliance. Any Modern Slavery Practice or other contraventions of law by Seller relating to basic working conditions and human rights in the performance of work under this Contract may be considered a breach of this Contract for which Buyer may elect to cancel any open orders between Buyer and Seller, for cause, in accordance with article 7 "Cancellation for Default". Seller will include in any sub-Seller appointment which it enters into in connection with the Contract a clause equivalent to this clause.

c. **Environmental Health and Safety Performance and Reach Compliance.**

i. Seller acknowledges and accepts full and sole responsibility to maintain an environment, health and safety management system ("EMS") appropriate for its 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 article 28(c) to Seller's Subcontractors.

ii. Seller shall provide to Buyer with each shipment the following information and data: (i) for any "substance" or "mixture" in the shipment, a "safety data sheet" conforming to the requirements of article 31 of Regulation (EC) No. 1907/2006 ("REACH Regulation"); and (ii) for any "article" in the shipment that contains a "substance" listed on the "candidate list" in a concentration above 0.1% weight by weight, the identity of each such "substance" and such other information as may be required to allow safe use of the "article" as set forth in article 33 of the REACH Regulation, (the terms "substance", "mixture", "article", "candidate list", and "safety data sheet" shall have the same meaning as are given those terms in the REACH Regulation and the list of substances currently on the candidate list can be found at <http://echa.europa.eu/web/quest/candidate-list-table>.)

iii. Seller warrants, represents and shall ensure that each item in each shipment delivered pursuant to this Contract conforms to and shall be compliant with the restrictions included in Annex XVII of the REACH Regulation and/or is otherwise authorized for use in accordance with Annex XIV of the REACH Regulation (in each case where relevant).



d. **Seller Facility.** Seller shall provide Buyer 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. In no event shall Seller proceed with implementing such plans prior to obtaining Buyer's prior written approval.

e. **Conflict Minerals.** Seller shall, no later than thirty (30) days following each calendar year in which Seller has delivered any goods to Buyer, under this Contract or otherwise, complete and provide to Buyer a single and comprehensive Conflict Minerals Reporting Template, using the form found at <http://www.boeingsuppliers.com>. Seller shall perform appropriate due diligence on its supply chain in order to fulfil the reporting obligations of this article 28.e.

**29. ACCESS TO PLANTS AND PROPERTIES.** Where Seller and/or Seller's Subcontractors are either entering or performing work at premises owned or controlled by Buyer or Buyer's customer or obtaining access electronically to Buyer systems or information, Seller shall and shall ensure that Seller's Subcontractors each comply with (a) all the rules and regulations established by Buyer or Buyer's customer for access to and activities in and around premises controlled by Buyer or Buyer's customer; and (b) Buyer requests for information and documentation to validate citizenship or immigration status of Seller's personnel or Seller's Subcontractor personnel. In addition, Seller acknowledges that Buyer may perform routine background checks on Seller personnel and Seller's Subcontractor's personnel.

**30. ELECTRONIC ACCESS.**

a. Buyer may, in its sole discretion, grant in writing to Seller a limited, nontransferable, nonexclusive, revocable, in Buyer's sole discretion, right for Seller personnel to access electronic information systems operated by or on behalf of Buyer, including facilities, network communications systems, telecommunications systems, software, applications, information and data, (collectively, the "Boeing Systems") during the term of this Contract to the extent necessary for Seller to perform this Contract. Seller personnel shall not access or use the Boeing Systems for any other purpose. Seller and its personnel's access to and use of the Boeing Systems shall be in accordance with the Terms of Use of Boeing Electronic Systems set forth in Document 124-00-00 (Appendix A) located at <http://www.boeingsuppliers.com> which is incorporated herein by reference, with the revision date applicable to this Contract being the revision in effect as of the date of Seller's acceptance of this Contract. BOEING SYSTEMS ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS, AND SELLER EXPRESSLY AGREES THAT BUYER MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RELIABILITY AND AVAILABILITY OF ANY BOEING SYSTEMS.

b. In addition to any other rights and obligations set forth in any relevant Contract, Seller acknowledges that any information accessed through the Boeing Systems, whether or not marked as "proprietary" or equivalent, shall be considered as proprietary to Buyer and shall be protected in accordance with article 20 "Confidential, Proprietary and Trade Secret Information and Materials".

c. Buyer shall have the right to audit Seller's compliance with this article 30.

d. Seller understands and consents and shall ensure that Seller's personnel and Seller's Subcontractors understand and consent as follows: Seller, Seller's personnel and Seller's Subcontractor's have no reasonable expectation of privacy in any communications or data, personal or otherwise, transiting or stored on Boeing Systems; any communications or data transiting or stored on Boeing Systems may be monitored, intercepted, recorded, and searched at any time and for any lawful purpose, and may be used or disclosed for any lawful purpose.

e. Any security breach of the Boeing Systems or other breach of the requirements of this article 30, including the requirements set forth in the Terms of Use of Boeing Electronic Systems, shall be grounds for default in accordance with article 7 "Cancellation for Default".

**31. NOT USED.**

**32. CUSTOMER CLAUSES.** Seller acknowledges that, to the extent that it has notice (express or implied), this Contract and the Goods support Buyer in its performance of a superior contract. Seller agrees that applicable clauses contained within that superior contract shall be incorporated into this Contract in order to ensure that Buyer is able to satisfy all of the obligations placed upon it by the contract (including obligations relating to audit rights, quality assurance, issued property, progress reporting, security, ownership and intellectual property). Clauses contained within the superior contract applicable to this Contract are incorporated herein either by attachment to this Contract or by some other means of reference provided always, unless otherwise stated, these clauses shall not extend or create liability upon Buyer or reduce the liability of Seller except to the extent that such clauses: (i) permit direct enforcement by Seller against the relevant superior contracting entity; or (ii) provide directly enforceable limitations for Seller against the relevant superior contracting entity (in both cases, the claim or relief of Seller shall be against or from the relevant superior contracting entity directly and not Buyer).

**33. GOVERNING LAW.** This Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with, English law. This Contract excludes the application of the 1980 United Nations Convention on Contracts for the International Sale of Goods.

**34. DISPUTES.**

a. In the event of any dispute, controversy or claim arising out of, in connection with or relating to this Contract, including any question regarding its formation, existence, validity, enforceability, performance, interpretation, breach or termination ("Dispute(s)"), the Parties shall use reasonable efforts to resolve such Dispute through amicable negotiations. If either Party gives written notice to the other Party that a Dispute has arisen, and the Parties are unable within 60 days of such written notice to resolve such Dispute, it shall be referred to Buyer's Vice President for Supplier Management or Buyer's higher Supplier Management authority and Seller's relevant comparable for resolution.

b. Without prejudice to articles 34.a. and 34.b. of this article 34 but subject to article 34.i. and 34.k., any Dispute shall be finally resolved by arbitration under the Rules of Arbitration of the London Court of International Arbitration ("LCIA") in accordance with the said Rules by 3 arbitrators. Each Party shall nominate one arbitrator within 15 days of service of the LCIA Court's determination on the Parties. The two arbitrators so nominated and appointed shall nominate the third arbitrator, who shall be the chair of the tribunal. If the two arbitrators appointed by the Parties fail to agree upon a third arbitrator within 30 days of the appointment of the second arbitrator, the third arbitrator shall be appointed by the LCIA Court. Article 6 of the said Rules is excluded for the purposes of the appointment of the third arbitrator.

c. The place of arbitration shall be in London, England.

d. The language of the arbitration shall be English, and all documents not in English shall be accompanied by a translation into English.

e. The arbitrators' award shall be final and binding. The Parties agree to exclude any right of application or appeal to the English Courts in connection with any question of law arising in the course of the arbitration or with respect to any

award made. Judgment on any award rendered by the arbitrators may be entered in any court of competent jurisdiction.

f. The Parties intend that any arbitration proceedings be confidential and the Parties shall not disclose to any person, other than those necessary to the proceedings, the existence of the arbitration, any information submitted during the arbitration, any documents submitted in connection with it, any oral submissions or testimony, transcripts, or any award unless disclosure is required by law or is necessary for permissible court proceedings, such as proceedings to recognize or enforce an award.

g. Nothing in this Contract shall prevent any Party from seeking preliminary, provisional, interim or conservatory measures (including temporary restraining orders or preliminary injunctions or their equivalent), from any court of competent jurisdiction at any time either before or after an arbitral tribunal has been appointed.

h. Where a Dispute arises under this Contract and a dispute arises out of, in connection with or relating to any related contract (including any subcontract of Seller or any contracts between Buyer and Buyer's customers) and Buyer by written notice to Seller and to any relevant subcontractor of Seller elects that the proceedings to resolve these dispute(s) (including for the avoidance of doubt a Dispute) shall be consolidated (whether or not proceedings to resolve those disputes have yet been instituted), the parties to each dispute which is a subject of Buyer's written notice (including for the avoidance of doubt Seller) shall be treated as having consented to that dispute being finally decided: (i) by the arbitral tribunal appointed under this Contract; and (ii) in accordance with the procedure, at the seat and in the language specified in this article 34, save as otherwise agreed by all parties to the consolidated proceedings or, in the absence of such agreement, ordered by the arbitral tribunal in the consolidated proceedings.

i. At the sole option, and for sole benefit, of Buyer, any Dispute may be resolved by proceedings brought in the courts of England or the courts of any other competent jurisdiction.

j. Seller shall ensure that the provisions of this article 34, and specifically article 34.i. above, shall be included mutatis mutandis in any subcontract from Seller in respect of this Contract so that the relevant subcontractor therein consents to any disputes under the subcontract being resolved by the arbitral tribunal appointed under this Contract or, at the election of Buyer, the contracts between Buyer and Buyer's customers.

k. If any related contracting parties (including any subcontractor of Buyer or Buyer's customers) commences an arbitration against Buyer and provided that these related contracting parties consent to Seller joining that arbitration, Seller hereby consents to join that arbitration at Buyer's written election such that any Dispute as well as the dispute under the related contract shall be determined in that arbitration. If Buyer and/or a joined party has the ability to appoint an arbitrator in that arbitration then, if Buyer's appointment has not yet been made, Seller hereby agrees to appoint an arbitrator jointly with Buyer in that arbitration, or, if Buyer's appointment has already been made, agrees to and adopts the appointment already made by Buyer. If Seller does not or, as a result of this article 34, is unable to appoint an arbitrator in that arbitration then Seller hereby waives any breach of its rights in this respect and agrees not to make any complaint in any form or forum about this waiver.

l. Pending final resolution of any Dispute, Seller shall perform this Contract according to Buyer's instructions so long as Buyer continues to pay amounts not in dispute.

### **35. NO WAIVER, RIGHTS AND REMEDIES.**

a. Any failures, delays or forbearances of either Party in insisting upon or enforcing any provisions of this Contract, or in exercising any rights or remedies

under this Contract, shall not be construed as a waiver or relinquishment of any such provisions, rights or remedies; rather, the same shall remain in full force and effect.

b. Except as expressly and affirmatively disclaimed in writing in this Contract, the rights and remedies set forth herein are cumulative and in addition to any other rights or remedies that the Parties may have at law or in equity. If any provision of this Contract is or becomes void or unenforceable by law, the remainder shall be valid and enforceable. Seller acknowledges and agrees that money damages would not be an adequate remedy for any actual, anticipatory or threatened breach of this Contract by Seller with respect to its delivery of the Goods to Buyer.

c. Seller agrees that Buyer approvals of Seller's technical and quality specifications, drawings, plans, procedures, reports, and other submissions shall not relieve Seller from its obligations to perform all requirements of this Contract.

d. Buyer may at any time deduct or set-off Seller's claims for money due or to become due from Buyer against any claims that Buyer has or may have arising out of this Contract or other transactions between Buyer and Seller.

### **36. INDEMNITY AND INSURANCE.**

a. Seller shall indemnify, keep indemnified and hold harmless Buyer from and against all expenses, contingent liabilities, liabilities, injuries, losses, damages, claims, demands, proceedings, judgments and legal costs (on a full indemnity basis) whether arising in tort (including negligence), breach of contract, breach of statutory duty, collaterally or otherwise which Buyer incurs or suffers as a result of or in connection with: (i) any claim made against Buyer by a third party for death, personal injury or damage to or loss of property arising out of, or in connection with, defects in Goods, to the extent that the defect in the Goods is attributable to the acts or omissions of Seller or Seller's Subcontractors; (ii) any claim made against Buyer by a third party arising out of, or in connection with, the supply of the Goods, to the extent that such claim arises out of the breach, intentional or negligent acts or omissions, or failure or delay in performance of this Contract by Seller or Seller's Subcontractors; (iii) any breach by Seller of any of its obligations, representations or warranties in article 28.a.; and (iv) arising from Buyer's exercise of its rights pursuant to article 39.a.

b. Unless different minimum insurance levels are specified in this Contract, for the duration of this Contract and for a period of 6 years thereafter, Seller shall maintain in force, with a reputable insurance company, professional indemnity insurance (with an annual aggregate limit of not less than £1,000,000), product liability insurance (not less than £1,000,000 per occurrence), public liability insurance (not less than £1,000,000 per occurrence), employer's liability insurance (not less than the minimum limit required by law), motor liability insurance (not less than the minimum limit required by law) and/or shall procure that employees obtain and maintain motor liability insurance for business travel (not less than the minimum limit required by law), each insurance to cover the liabilities that may arise under or in connection with this Contract. Seller shall, prior to commencement of work and at any other time on Buyer's reasonable request, produce evidence in a form acceptable to Buyer that the insurances which Seller is required under this Contract to maintain are in force and that the premiums for such insurances are paid in full. Seller shall for the period of this Contract and for a period of 7 years thereafter, give 30 days advance written notice to Buyer in the event of cancellation, avoidance, non renewal or suspension of any relevant insurance policy.

c. Seller assumes, and shall ensure that Seller and Seller's 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 Seller's Subcontractors 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 or Seller's Subcontractors and their respective employees. At all times Seller shall, and ensure that Seller's Subcontractors 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 Seller's Subcontractors 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 on an indemnity basis.

d. Any self-insured retention or deductibles and exclusions in coverage in respect of the insurance policies required under this Contract shall be the liability solely of Seller or Seller's Subcontractor responsible for maintaining the insurance. In no event shall the liability of Seller or Seller's Subcontractor thereof be limited to the extent of any of the minimum limits of insurance required herein.

**37. 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, Seller shall notify Buyer's Authorized Procurement Representative of the conflict, so that Buyer's Authorized Procurement Representative can resolve the conflict. If Buyer's Authorized Procurement Representative cannot resolve the conflict, then the documents as incorporated into the Contract shall prevail in the following order of precedence: (i) the terms and conditions in Customer Contract Requirements (CCR) documents that are incorporated in this Contract by reference; (ii) the system or otherwise generated purchase contract; (iii) these General Provisions; (iv) specifications and statements of work; and (v) all other attachments, exhibits, appendices, and other documents or terms, incorporated by reference. Buyer's specifications and statements of work shall prevail over any subsidiary documents referenced therein. Seller shall not use any specification in lieu of those contained in this Contract without the written consent of Buyer's Authorized Procurement Representative.

**38. GENERAL.**

a. Nothing in this Contract is intended to, nor shall be deemed to, constitute a partnership or joint venture of any kind between any of the Parties, nor constitute any Party being the agent of another Party for any purpose. No Party shall have authority to act as agent for, or to bind, the other Party in any way.

b. Except as otherwise provided for herein or as necessary to give effect to any provision herein, a person who is not a Party to this Contract shall not have any rights under the UK Contract (Rights of Third Parties) Act 1999 to enforce any term of this Contract. For the purposes of articles 20 "Confidential, Proprietary and Trade Secret Information and Materials", 21 "Patent, Trademark and Copyright Indemnity", 22 "Intellectual Property", 26 "Industrial Participation Benefits and Offset Credits", 36 "Indemnity and Insurance", 38 "General" and 39 "Seller Personnel" references to "Buyer" include The Boeing Company, all entities ultimately owned by The Boeing Company from time to time and in respect of each, respective directors, officers, employees and agents, and their customers, subcontractors and assignees ("Third Party Beneficiaries"). Seller acknowledges that Buyer has entered into this Contract for its own benefit and for the benefit of each Third Party Beneficiary and that each Third Party Beneficiary obtains the benefit of the rights, acknowledgements, undertakings, warranties and indemnities granted to Buyer under this Contract as third party beneficiaries for the purposes of the Contract (Rights of Third Parties) Act 1999 with the right to enforce relevant provisions of this Contract directly against Seller. Buyer and Seller will be entitled to vary, terminate or rescind this Contract (on the terms set out in this Contract) without the consent of the Third Party Beneficiaries.

- c. Seller agrees that Buyer's internal policies, procedures and codes are intended to guide the internal management of Buyer and are not intended to, and do not, create any right or benefit, substantive or procedural, enforceable at law or in equity, by Seller against Buyer.
- d. Seller shall execute all such documents and do all such things as Buyer may request from time to time in order to give full effect to the provisions of this Contract (including the rights given under it) and the transactions contemplated by it.
- e. The Parties agree that this Contract, as well as all contractual documents, correspondence, invoices, notices, and other documents, shall be in English. Any necessary conversations shall be in English. Buyer shall determine whether measurements shall be in the English or metric system or a combination of the two. Seller shall not convert measurements that Buyer has stated in the English system into the metric system in documents furnished to Buyer.
- f. Unless the context otherwise requires, references to the singular include the plural and vice versa and references to any gender include every gender.
- g. References to any statute or statutory provision shall include any subordinate legislation made under it and shall be construed as references to such statute, statutory provision and/or subordinate legislation as modified, amended, extended, consolidated, re-enacted and/or replaced and in force from time to time.
- h. A reference to a person includes firms, partnerships and corporations and their successors and permitted assignees or transferees.
- i. A reference to any article, sub-article, clause, sub-clause, paragraph, schedule, recital or annex is, except where expressly stated to the contrary, a reference to such article, sub-article, clause, sub-clause, paragraph, schedule, recital or annex of and to this Contract. Headings are for convenience of reference only.
- j. Any obligation on a Party to do any act matter or thing includes, unless expressly stated otherwise, an obligation to procure that it is done.
- k. Subject to any express provisions of this Contract to the contrary, the obligations of either Party are to be performed at that Party's own cost and expense.
- l. Seller agrees that its relationship with Buyer is not exclusive and that Buyer may: (i) itself provide any goods or perform any services similar to any of the Goods (or part thereof); or (ii) contract with any third party to provide any goods or perform any services similar to any of the Goods (or part thereof).
- m. Any words following the words "include", "includes", "including", "in particular" or any similar words or expressions shall be construed without limitation and accordingly shall not limit the meaning of the words preceding them.
- n. Seller shall not be relieved of its obligations to supply the Goods in accordance with the terms of this Contract by virtue of any change in law and shall not be entitled to any increase in the Contract price.
- o. If any term of this Contract is found by any court or body or authority of competent jurisdiction to be illegal, unlawful, void or unenforceable under the laws of any jurisdiction, such term shall be deemed to be severed from this Contract in respect only of such jurisdiction and such severance shall not affect: (i) the legality, lawfulness, or enforceability of such term under the laws of any other jurisdiction; or (ii) the remainder of this Contract which shall continue in full force and effect. In the event of severance of a term as envisaged by this article 38.o., the Parties agree in respect of the jurisdiction in question to adopt a valid and enforceable term (with minimum modification) to replace the severed term, which, to the maximum extent possible, achieves the Parties' original commercial intention and has the same economic effect as the severed term.

**39. SELLER PERSONNEL.**

- a. If this Contract requires Seller to provide services, Seller shall assign personnel satisfactory to Buyer to conduct such services. Buyer may, for good cause

shown in Buyer's sole determination, require Seller to withdraw the services of any person and require that Seller promptly provide replacements for such person satisfactory to Buyer.

b. In the event that employees of Seller shall be on Buyer's sites for extended periods of time, Seller shall 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/ethics\\_booklet.pdf](http://www.boeing.com/companyoffices/aboutus/ethics/ethics_booklet.pdf)

#### **40. NOTICES.**

a. Any notice or other communication required to be given to a Party under or in connection with this Contract shall be in writing and shall be: (i) delivered to the other Party personally or be sent by recorded delivery or by commercial courier, at its registered office (if a company) or (in any other case) its principal place of business; or (ii) sent by e-mail to the e-mail address of Buyer's Authorized Procurement Representative or Seller's equivalent contact respectively (except that if an automatic electronic notification is received by the sender informing them that their e-mail has not been delivered to the recipient (within 12 hours after the sender sent their e-mail) then such e-mail shall be deemed not to have been served).

b. Any notice or communication shall be deemed to have been duly received if delivered personally, when left at the address referred to above or, if sent by recorded delivery, at 9.00 am on the second business day after posting, or if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed, or if sent by e-mail, on the next business day after transmission.

c. This article 40 shall not apply to the service of any proceedings or other documents in respect of any Dispute(s) or other legal action.

**41. TUPE.** It is the parties intention that the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") shall not apply upon completion, change, termination or cancellation (in each case whether whole or in part) of this Contract. Seller shall be responsible for all liabilities in connection with the employment and/or termination of employment of any Seller personnel and/or any Seller's Subcontractor personnel ("Services Personnel") before and after any completion, change, termination or cancellation (in each case whether whole or in part) of this Contract (including to the extent that the employment of any Services Personnel, or any related liability, transfers to Buyer, Buyer's customers and/or Buyer's replacement service provider or any of its or theirs subcontractors, each a "Buyer Entity"). Seller shall indemnify, keep indemnified and hold harmless each Buyer Entity against all expenses, contingent liabilities, liabilities, injuries, losses, damages, claims, demands, proceedings, judgments and legal costs (on a full indemnity basis) whether arising in tort (including negligence), breach of contract, breach of statutory duty, collaterally or otherwise which any Buyer Entity incurs or suffers arising from: (a) the termination of employment of any Services Personnel before or after any completion, change, termination or cancellation (in each case whether whole or in part) of this Contract; (b) the transfer of employment or any claim by any Services Personnel alleging transfer of employment to any Buyer Entity by operation of TUPE in connection with any completion, change, termination or cancellation (in each case whether whole or in part) of this Contract; (c) any act or omission or alleged act or omission of Seller and/or Seller's Subcontractors in relation to the employment of any Services Personnel on, before and/or after any completion, change, termination or cancellation (in each case whether whole or in part) of this Contract; (d) any claim by Services Personnel who object to the transfer of their employment pursuant to TUPE in anticipation of any completion, change, termination or cancellation (in each case whether whole or in part) of this Contract; and/or (e) any failure by Seller and/or any Seller

Subcontractor to comply with regulations 13 and 14 of TUPE in respect of Services Personnel.

**42. DATA PROTECTION.** For the purpose of this article 42, "Personal Data" and "Data Controller" shall have the meanings ascribed to them in the UK Data Protection Act 1998 ("DPA"). Seller shall ensure that it complies with all requirements of the DPA as if Seller were the Data Controller in respect of all Personal Data provided to Seller by Buyer, any employee of Buyer, Buyer's customers, Buyer's subcontractors and/or any agent of Buyer pursuant to or relating to this Contract. Seller shall not process any Personal Data controlled by Buyer except in the performance of and for the purpose of this Contract. Furthermore, Seller shall not transfer any Personal Data controlled by Buyer to any other entity or outside of the EEA without the express written consent of Buyer and without the provisions of the DPA and all applicable data protection law having been satisfied. Seller will have in place adequate technical and organizational security measures so that the confidentiality of this processing complies with the DPA and all applicable data protection laws and regulations. Seller shall immediately provide Buyer with copies of any and all requests by data subjects or regulatory authorities in relation to personal data processed pursuant to this Contract, and notice of any and all data breaches or other unlawful processing of personal data, and shall promptly provide Buyer with any and all assistance that may be required to respond to such requests or breaches. Where such requests relate to Seller's failure to comply with the DPA or other applicable data protection laws and regulations, then such support and any remediation shall be at Seller's expense. Where under this Contract personal data needs to be exported from the EEA, Seller shall agree to execute such data transfer contracts based upon the model contracts published by the article 29 Working Party of the European Commission. Seller shall indemnify, keep indemnified and hold harmless Buyer and Buyer's customers from and against all expenses, contingent liabilities, liabilities, injuries, losses, damages, claims, demands, proceedings, judgments and legal costs (on a full indemnity basis) whether arising in tort (including negligence), breach of contract, breach of statutory duty, collaterally or otherwise which Buyer and/or Buyer's customers incur or suffer arising from breach of this article 42 or any model contract entered into by Seller pursuant to it.

**43. SURVIVAL.** Cancellation, change, termination or completion (in each case whether whole or in part) of this Contract shall not affect operation of those provisions of this Contract that, by their terms, survive or are required to survive in order to give effect to the intent of the parties as reflected by this Contract; including the provisions of articles 1, 6, 7, 11, 12, 13, 14, 15, 16, 17, 18, 23, 24, 25, 20, 21, 22, 26, 28, 30, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43 and 44.

**44. ENTIRE AGREEMENT.**

a. This Contract, together with all purchase orders, annexures, attachments, exhibits, specifications, schedules, supplements and other terms specifically referenced in or attached to this Contract, contains the entire agreement of the Parties and supersedes any and all prior agreements, understandings and communications between Buyer and Seller related to the subject matter of this Contract and upon which neither Party places any reliance.

b. This article 44 does not apply to any statement, representation or warranty made fraudulently, or to any provision of this Contract induced by fraud, for which remedies are otherwise available under English law.

c. Except as authorized herein, no amendment or modification of this Contract shall bind either Party unless it is in writing and is signed by Buyer's Authorized Procurement Representative and an authorized representative of Seller.



Boeing and the company to whom this Annex Z has been sent (the “Processor”) have one or more written agreements (collectively, “the Agreements”) pursuant to which the Processor provides services to Boeing (collectively, the “Services”) that may entail the Processing of Personal Data (as defined below).

The European General Data Protection Regulation (GDPR) imposes specific obligation on Boeing and other companies (controllers) with regard to their vendor relationships. The GDPR requires companies to conduct appropriate due diligence on processors and to have contracts containing specific provisions relating to data protection.

Each of the Agreements contains provisions requiring each party to comply with all applicable laws. This Annex Z documents the data protection requirements imposed upon the parties by the GDPR. This Annex Z is hereby incorporated by reference into each Agreement in order to demonstrate the parties’ compliance with the GDPR.

1. For purposes of this Annex, “GDPR” means Regulation (EU) 2016/679, the General Data Protection Regulation, together with any addition implementing legislation, rules or regulations that are issued by applicable supervisory authorities. Words and phrases in this Annex shall, to the greatest extent possible, have the meanings given to them in Article 4 of the GDPR. In particular:

- a. “Personal Data” has the meaning to give it in Article 4(1) of the GDPR: “any information relating to an identified or identifiable natural person; an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person,” but only to the extent such personal data pertain residents of the European Economic Area (EEA) or are otherwise subject to the GDPR.
- b. “Personal Data Breach” has the meaning given to it in Article 4(12) of the GDPR: “[any] breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed.”
- c. “Processing” has the meaning given to it in Article 4(2) of the GDPR: “any operation or set of operations which is performed on personal data or on sets of personal data, whether or not by automated means, such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction.”
- d. “Sub-processor” means any processor as defined in Article 4(8) of the GDPR: “[any] natural or legal person, public authority, agency or other body which processes personal data” on behalf of the Processor (including any affiliate of the Processor).
- e. “Transfer” means to disclose or otherwise make Personal Data available to a third party (including to any affiliate or Sub-processor), either by physical movement of the Personal Data to such third party or by enabling access to the Personal Data by other means.

2. In accordance with GDPR Article 28(1), Processor represents that it has implemented appropriate technical and organisational measures in such a manner that its Processing of Personal Data will meet the requirements of the GDPR and ensure the protection of the rights of the data subjects.

3. In accordance with GDPR Article 28(2), the Processor shall not engage any Sub-processor without prior specific or general written authorisation of Boeing. In the case of general written authorisation, the Processor shall inform the Boeing of any intended changes concerning the addition or replacement of other Sub-processors and give Boeing the opportunity to object to such changes. The Processor shall also comply with the requirements for sub-processing as set forth in Article 28(4), namely that the data protection obligations set forth herein (and as my otherwise be agreed by the Processor in the Agreements) such be imposed upon the Sub-processor, so that the Processor's contract with the Sub-processor contains sufficient guarantees that the Processing will meet the requirements of the GDPR.

4. In accordance with GDPR Article 28(3), the following terms are incorporated by reference into the Agreements:

- a. The Processor shall only process the Personal Data only (i) as needed to provide the Services, (ii) in accordance with the specific instructions that it has received from Boeing, including with regard to any Transfers, and (iii) as needed to comply with law (in which case, the Processor shall provide prior notice to Boeing of such legal requirement, unless that law prohibits this disclosure);
- b. Processor shall ensure that persons authorised to process the Personal Data have committed themselves to confidentiality or are under an appropriate statutory obligation of confidentiality;
- c. Processor shall take all security measures required by GDPR Article 32, namely:
  - i. Taking into account the state of the art, the costs of implementation and the nature, scope, context and purposes of processing as well as the risk of varying likelihood and severity for the rights and freedoms of natural persons, the Processor shall implement appropriate technical and organisational measures to ensure a level of security appropriate to the risk, including inter alia as appropriate: (a) the pseudonymisation and encryption of Personal Data; (b) the ability to ensure the ongoing confidentiality, integrity, availability and resilience of processing systems and services; (c) the ability to restore the availability and access to Personal Data in a timely manner in the event of a physical or technical incident; (d) a process for regularly testing, assessing and evaluating the effectiveness of technical and organisational measures for ensuring the security of the processing.
  - ii. In assessing the appropriate level of security account shall be taken in particular of the risks that are presented by processing, in particular from accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to Personal Data transmitted, stored or otherwise processed.
  - iii. The Processor shall take steps to ensure that any natural person acting under the authority of the Processor who has access to Personal Data does not process them except on instructions from Boeing, unless he or she is required to do so by EEA Member State law.

- d. Taking into account the nature of the processing, Processor shall reasonably assist Boeing by appropriate technical and organisational measures, insofar as this is possible, for the fulfilment of Boeing's obligation to respond to requests for exercising the data subject's rights;
- e. Taking into account the nature of processing and the information available to the Processor, Processor shall comply with (and shall reasonably assist Boeing to comply with) the obligations regarding Personal Data Breaches (as set forth in GDPR Articles 33 and 34), data protection impact assessments (as set forth in GDPR Article 35), and prior consultation (as set forth in GDPR Article 36);
- f. At Boeing's discretion, the Processor shall delete or return all the Personal Data to Boeing after the end of the provision of services relating to Processing, and delete existing copies unless applicable EEA member state law requires storage of the Personal Data;
- g. The Processor shall provide Boeing with all information necessary to demonstrate compliance with the obligations laid down in the GDPR, and allow for and contribute to audits, including inspections, conducted by Boeing or another auditor mandated by Boeing; and
- h. The Processor shall immediately inform Boeing if, in its opinion, an instruction infringes the GDPR other Union or Member State data protection provisions.

**5.** The Processor shall not Transfer any Personal Data (and shall not permit its Sub-processors to Transfer any Personal Data) without the prior consent of Boeing. The Processor understands that Boeing must approve and document that adequate protection for the Personal Data will exist after the Transfer, using contracts that provide sufficient guarantees (such as standard contractual clauses) unless another legal basis for the Transfer exists.

**6.** The Processor will promptly and thoroughly investigate all allegations of unauthorized access to, use or disclosure of the Personal Data. Processor will notify Boeing without undue delay in the event of any Personal Data Breach.

**7.** The Processor shall maintain all records required by Article 30(2) of the GDPR, and (to the extent they are applicable to Processor's activities for Boeing) Processor shall make them available to Boeing upon request.