

BOEING CANADA OPERATIONS LIMITED
99 Murray Park Road
Winnipeg, Manitoba
R3J 3M6

SUPPLEMENTAL PURCHASE ORDER NOTE SHEET

NOTES ARE CATEGORIZED AS FOLLOWS:

000	ADMINISTRATIVE/GENERAL
200	TECHNICAL
300	QUALITY
400	DELIVERY/PACKAGING/IDENTIFICATION
600	SAFETY, HEALTH AND ENVIRONMENTAL AFFAIRS
700	TOOLING
800	INSURANCE LIABILITIES

TERMS AND CONDITIONS TABLE

006	<p>SHIPPING INSTRUCTIONS</p> <p>TAXES</p> <p>A. Goods and Service Tax - Extra</p> <p>1. All domestic registrant Sellers of non-exempt goods and services within the Canadian border shall:</p> <p style="margin-left: 20px;">i. Show GST extra: clearly and separately, not included in the invoice amount.</p> <p style="margin-left: 20px;">ii. Display GST registration number on all invoices.</p> <p style="margin-left: 20px;">iii. Display Boeing Canada Technology #R100568443</p> <p>2. All domestic non-registrant Sellers of non-exempt goods and services shall declare themselves as being non-registered Sellers.</p> <p>B. Goods and Services Tax - Special</p> <p>1. All foreign registrant Sellers of non-exempt goods and services outside of Canadian borders shall allow for GST to be collected by Canada Customs under the authority of the "Customs Act" by:</p> <p style="margin-left: 20px;">i. Displaying on invoices "GST to be collected by Canada Customs."</p> <p style="margin-left: 20px;">ii. Display Boeing Canada Technology #R100568443</p>	<p>(CGR). Sellers must be registered with the Controlled Goods Directorate (CGD) of Canada. It is the seller's responsibility to ensure their registration is up to date. As well, it is the seller's responsibility to ensure any employees performing the service or work have been security assessed or is considered exempt as defined by the Controlled Goods Directorate. In the event registration is rescinded or expires, it is the Seller's responsibility to immediately notify the Procurement Agent.</p> <p>Sellers who contract sub-contractors, independent service providers, consultants, etc. who are not their employees to carry out work identified on this purchase order must ensure the contractual worker is an employee, officer or director of a registered person with Controlled Goods Directorate (CGD) of Canada or with the International Traffic in Arms Regulations (ITAR) of the USA. It is the seller's responsibility to ensure the service provider's registration is up to date. As well, it is the seller's responsibility to ensure any employees performing the service or work have been security assessed or is considered exempt as defined by the Controlled Goods Directorate of Canada. In the event registration is rescinded or expires, it is the Seller's responsibility to immediately notify the Procurement Agent.</p> <p>Sellers are required to provide the following, to the Procurement Agent, prior to commencement of any services or work,</p> <ol style="list-style-type: none"> 1. A copy of their certificate of registration with the Controlled Goods Directorate (CGD) of Canada that states the registration expiry date. 2. Their Designated Official's Name and Phone Number. 3. A list of employee names that will be carrying out the service or work identified on this purchase order. 4. A list of sub-contractors, independent service providers, consultants, etc. and employee names (if applicable) that will be carrying out the service or work identified on this purchase order. 5. As applicable, a list of 'Visitor' names, (as defined by the Controlled Goods Directorate) who will be performing the service or work identified on this purchase order, at least 45 days prior to commencement of any service or work. Boeing will have to apply & receive an exemption for all visitors from the Controlled Goods Directorate prior to commencement of work or services.
008	<p>Items procured and identified on this Purchase Order are subject to requirements of the Controlled Goods Directorate (CGD), which is a Canadian Government Program legislated by the Defense Production Act (DPA) and the Controlled Goods Regulations (CGR).</p> <p>It is the seller's responsibility to ensure their Controlled Goods Registration is up to date. In the event registration is rescinded or expires, it is the Seller's responsibility to immediately notify the Procurement Agent.</p> <p>Where approval is provided by Boeing's Procurement Agent to dispose of any items listed on this Purchase Order, or any Controlled Goods technology provided to produce the items on this Purchase Order, the Seller agrees to scrap the items by mutilating them, so as to render them unusable. Records of such must be provided to the Procurement Agent.</p>	
009	<p>Items procured and identified on this Purchase Order are subject to requirements of the International Traffic in Arms Regulations (ITAR).</p> <p>It is the seller's responsibility to ensure their ITAR registration is up to date, and that evidence of such be produced and issued to the Boeing's responsible Procurement Agent. In the event registration is rescinded or expires, it is the Seller's responsibility to immediately notify the Procurement Agent.</p> <p>Where approval is provided by Boeing's Procurement Agent to dispose of any items listed on this Purchase Order, or any technology provided to produce the items on this Purchase Order, the seller agrees to scrap the items by mutilating them, so as to render them unusable. Records of such must be provided to the Procurement Agent.</p>	<p>Sellers are required to notify their contractual workers and/or employees they will be required to present identification and proof of employment before being allowed to enter the Boeing premise. ('Visitors' will be required to present an up to date passport and a copy of their exemption certificate, if applicable, prior to entering the Boeing facilities.)</p>
010	<p>Sellers performing services or carrying out work identified on this purchase order are subject to requirements of the Controlled Goods Directorate (CGD), which is a Canadian Government Program legislated by the Defense Production Act (DPA) and the Controlled Goods Regulations</p>	<p>011 Seller is to contact the Boeing Procurement Representative upon completion of this purchase order for instructions concerning the return, destruction, retention of Boeing drawings, documents, proprietary information, technical data, or other forms of media which were furnished by Boeing to fulfill this order.</p> <p>012 Sellers performing services or carrying out work identified on this purchase order are subject to requirements of the International Traffic in Arms Regulations (ITAR) of United States of America. Sellers must be registered with the International Traffic in Arms Regulations (ITAR). It is the seller's responsibility to ensure their</p>

	<p>registration is up to date. As well, it is the seller's responsibility to ensure any employees performing the service or work have been security assessed and eligible or is considered exempt as defined by the International Traffic in Arms Regulations (ITAR). In the event registration is rescinded or expires, it is the Seller's responsibility to immediately notify the Procurement Agent.</p>		
	<p>Sellers who contract sub-contractors, independent service providers, consultants, etc., who are not their employees, to carry out work identified on this purchase order must ensure the contractual worker is an employee, officer or director of a registered person with International Traffic in Arms Regulations (ITAR) of the USA or with Controlled Goods Directorate (CGD) of Canada. It is the seller's responsibility to ensure the service provider's registration is up to date. As well, it is the seller's responsibility to ensure any employees performing the service or work have been security assessed and eligible or is considered exempt as defined by the International Traffic in Arms Regulations (ITAR). In the event registration is rescinded or expires, it is the Seller's responsibility to immediately notify the Procurement Agent.</p>	301	<p>Seller shall be charged for all Boeing incurred costs as a result of product found to be unacceptable when inspected to the requirements called out on the latest Outside Production Specification Plans (O.P.S.P.), A.D.C.N.'s (advanced drawing change notice) and applicable engineering requirements. At the discretion of the Boeing Procurement Representative, where Boeing's production schedule does not allow return of defective product/ material for rework, Seller shall be charged the current hourly wrap rate to cover costs of reworking any nonconformity of product into an acceptable condition at Boeing's facility.</p>
	<p>Sellers are required to provide the following, to the Procurement Agent, prior to commencement of any services or work,</p> <ol style="list-style-type: none"> 1. A copy of their certificate of registration with the International Traffic in Arms Regulations (ITAR) of the USA that states the registration expiry date. 2. Their Designated Official's Name and Phone Number. 3. A list of employee names that will be carrying out the service or work identified on this purchase order. 4. A list of sub-contractors, independent service providers, consultants, etc. and employee names (if applicable) that will be carrying out the service or work identified on this purchase order. 	302	<p>Seller shall perform First Article Inspections (FAI's) in accordance with AS/EN/SJC 9102. The FAI report must list all drawing characteristics (i.e., dimensions, notes, materials/process requirements, etc.), as well as any additional Outside Production Specification Plan (O.P.S.P.) requirements. The FAI Report must reflect the actual dimension/value obtained for each characteristic. The FAI report shall be maintained on file at the seller's facility. In the event of an Engineering configuration change, manufacturing method change, tool change, or major tool rework a Delta FAI documenting all characteristics affected by the change must be completed. A new FAI report is required for product fabricated from tooling, programming, or processes which have been inactive for a period greater than two years.</p> <p>Note: The certificate of conformance for first product shipped must include a special note to indicate that an acceptable F.A.I. is on file and is available for review upon request. Do not send the FAI Report unless it is requested by note code 312.</p>
	<p>Sellers are required to notify their contractual workers and/or employees they will be required to present identification and proof of employment before being allowed to enter the Boeing premise.</p>	303	<p>Seller will be responsible for rework and/or replacement of all parts not conforming to the revision level of the O.P.S.P. and engineering requirements applicable at the time of delivery for a period of one (1) year from date of shipment or if the seller has agreed to a warranty per Boeing document M6-1124-3, the later will prevail. Seller will be responsible for all Freight and Customs charges associated with the return of these goods.</p>
013	<p>Sellers performing services or carrying out work identified on this purchase order are subject to requirements of the Controlled Goods Directorate (CGD), which is a Canadian Government Program legislated by the Defense Production Act (DPA) and the Controlled Goods Regulations (CGR).</p> <p>The seller has been identified as a person that is not registered with the Controlled Goods Directorate (CGD) of Canada or with the International Traffic in Arms Regulations (ITAR) of the USA.</p> <p>The seller is also considered to be a 'Visitor' as defined by the Controlled Goods Directorate.</p> <p>Boeing Canada Operation Ltd is required to obtain an exemption with the Controlled Goods Directorate for all visitors for each place of business where controlled goods and/or controlled technology are kept and which they will access.</p> <p>Sellers are required to provide the following, to the Procurement Agent, 45 days prior to commencement of any services or work performed at the premise,</p> <ol style="list-style-type: none"> 1. For each visitor, their full name, date of birth, citizenship and evidence of the visitor's employment history for the last five-year period. The letter must include the name and address of the visitor's current employer. (if applicable). 2. For each visitor, any information regarding any valid Government security clearance the visitor may be holding (if applicable). 	304	<p>Manufacturer certified test reports showing actual test results and stating compliance to applicable specifications shall accompany each shipment when required per applicable specifications.</p>
		305	<p>Test specimens are required from production lot supplied. (Note: code note not required if BMS specification stipulates that test coupons be supplied).</p>
		306	<p>Material supplied on this Purchase Order must be supplied from a Boeing approved batch. A test report from a Boeing Lab with a Boeing QC stamp containing test results for characteristics required by the "Purchaser Quality Control" section of the applicable BMS must accompany the manufacturer test report with each shipment.</p>
		307	<p>Seller is required to maintain compliance with D1-4426: Boeing Approved Process Sources. This document defines the approved sources for special processing, composite raw materials, composite products, aircraft bearings, designated fasteners, and metallic raw materials. When Statement of Work/ Engineering specifies the requirement for a Boeing special process or an approved process source, the supplier or process seller must be an approved processor listed in Boeing document "D1-4426, Approved Process Sources" or applicable Boeing specification.</p>
		308	<p>Boeing, Boeing customers, or regulatory agencies shall be allowed to perform quality, or production verifications at Seller's facility, or any sub-tier seller/supplier, during any point of manufacture. All applicable quality records shall be made available at the time of any such verification.</p>
		309	<p>Boeing First Article Inspection and acceptance at source is required. Notify the Boeing Winnipeg Procurement Representative with the completion schedule so that appropriate planning can be accomplished.</p>
		310	<p>The items procured by this Purchase Order are subject to the quality requirements of Boeing's D6-82479 Appendix A (AS9100) Quality Management System. Boeing, Boeing customers, or regulatory agencies reserve the right to audit/conduct surveillance at the Seller to verify conformance to these requirements. The seller shall flow down all applicable requirements from the pertinent purchasing documents for these items to any and all sub-tier suppliers.</p>
201	<p>Fabricate complete per latest Outside Production Specification Plans (O.P.S.P.) revision. Revisions of drawings later than what is referenced on the O.P.S.P. shall be used except where specifically instructed otherwise in the "Fabrication Notes". The Seller is required to ensure all OPSPs are maintained to same revision level as Boeing with the OPSP Revision Report unless specified on the Purchase Order.</p>	311	<p>Certificate of Conformance is required with each shipment stating that the Seller certifies material and/or finished parts /kits have been controlled and tested in accordance with, and meet, specified Purchase Order requirements, and that applicable records are on file subject to examination. For traceability purposes, the deliverable end item and it's applicable traceability must be listed on the Certificate of Conformance.</p> <p>NOTE 1: Kits delivered as end items shall include a list of components and their applicable traceability attached to the Certificate of Conformance.</p> <p>Note 2: Bulk seals delivered as end items shall have the BCW 10 digit code number, if applicable, included in the part marking along with the Engineering configuration identification.</p>
202	<p>Raw Materials supplied must be manufactured to the latest product specification document revision. Material supplied to earlier revisions must be prior approved by the Boeing Procurement Representative.</p>		
300	<p>Product that deviates from drawing, engineering specification or OPSP requirements must be rejected and dispositioned by a Boeing Approved Material Review Board (MRB) Representative. Sellers that do not have Boeing MRB approval must submit Advance Rejections to Boeing Procurement Representative and ensure completion prior to shipment. All Advance Rejection tag numbers must be listed on the Certificate of Conformance and the product, adjacent to part identification. Copies of</p>		

- 312 The completed first article inspection report must be forwarded to Boeing with the first shipment of this product. In the event of a rejection, a delta FAI report will be required on the next lot manufactured for those characteristics found to be non-conforming.
- 313 Seller shall purchase items listed on this Purchase Order from a Boeing approved manufacturer. Seller shall list approved manufacturer and batch numbers for items supplied and maintain documentation on file to support this.
- 314 Boeing Procurement Quality Assurance approval of Seller's Manufacturing, Inspection, and Quality Plans are required prior to shipment of product.
- 315 The Seller is to control variation of drawing and/or Boeing identified Key Characteristics through the application of Continuous Quality Improvement principles of D6-82479 Addendum 1 AQS Continuous Improvement. The AQS control plan (or equivalent) shall be maintained on file at the seller's facility and be readily available for review. Key Characteristics control responsibility be flowed down to subcontractors to ensure that characteristics not verifiable upon receipt are adequately controlled by the subcontractor.
- 316 Boeing source inspection and acceptance of all product is required prior to shipment. Adequate notice of shipment is required to allow proper coordination of travel.
- 317 A supplier of parts with SCD (Specification Control Drawing) Engineering is to include the latest design drawings for the product and show evidence of Boeing approval of the design with the first shipment, as well as after each revision. The supplier shall also provide the latest design drawings at any time upon request of the Boeing Procurement Representative.
- 318 The items procured by this Purchase Order are subject to the quality requirements of Boeing's D6-82479 Appendix B (AS9003) Inspection and Test Quality System. Boeing, Boeing customers or regulatory agencies reserve the right to audit/conduct surveillance at the Seller to verify conformance to these requirements.
- 319 D-590 Standards purchased to meet SOS, Rework, Spare or AOG requirements require a Certificate of Conformance showing manufacturer/ distributor, batch number, lot number, Boeing identification and a specific description of the fasteners/ standard.
- 320 The Seller shall provide statements of corrective action per applicable section of D6-82479 Appendix A (AS9100) "Quality Management System" or Appendix B (AS9003) Inspection and Test Quality System on failures or non-conformance of Seller's product upon request by the Boeing Procurement Representative
- 321 All reworked or repaired items returned by the Seller shall be identified with applicable Boeing rejection tag numbers adjacent to the part identification. All rejection tag numbers must also be listed on the Certificate of Conformance.
- 323 All time-sensitive materials shall have a minimum shelf life as specified on the applicable Boeing Agreement or Specification. If a minimum shelf life has not been specified, product shall have a at least three months of remaining shelf life from the date of delivery, unless specifically authorized by the Boeing Procurement Representative.
- 324 Calibration and certification of measurement and test equipment must meet the following requirements:
- A. Calibration is performed to a documented method or procedure.
- B. Calibration is performed with certified equipment traceable to the National Research Council of Canada (NRC) or the United States National Institute of Standard Technology (NIST). Where no such standards exist, the basis used for calibration is to be documented.
- C. Appropriate environmental controls are maintained to the extent necessary to ensure valid measurements. When necessary, apply compensating corrections to the measurement data.
- D. The Certificate of Calibration is to include:
- Name and signature of technician who performed the calibration
 - Name and serial number of the equipment
 - Manufacturer
 - Date of certification
 - Calibration method or procedure number
 - Equipment tolerances
 - Traceable standard used
 - Result of calibration. This includes a statement of any repair or adjustments made. If no adjustments or repairs were necessary, then the actual instrument tolerance should be indicated.
- 325 Boeing Canada Operations Limited (BCW) has approved the seller for Verification and Acceptance of this product. The product can be shipped directly to the customer specified by the purchase order. Direct shipment to Airline customers is not permitted.

Note: Accompanying paperwork must include a statement that responsibility for acceptance of this product has been granted to the seller by BCW.

- 326 Where qualified personnel are required to perform work (special processes, BAC specification), the seller is responsible for ensuring the personnel have the necessary certification and/or training.
- 327 Quality Assurance records shall be maintained on file at the Seller's facility and available to Regulatory Bodies and Boeing representatives. Seller shall retain such records for a period of not less than seven (7) years from the date of final payment under the applicable purchase order for all products unless otherwise specified.
- 328 Quality Assurance record retention for this product is covered under the applicable Controlled Goods / ITARS requirements and must be maintained on file at the Seller's facility and made available to Regulatory Bodies and Boeing representatives. Seller must retain records accordingly.
- 329 Seller is required to maintain compliance with Boeing Document D6-51991 "Quality Assurance Standards for Digital Product Definition (DPD) at Boeing Suppliers" As may be revised from time to time. Seller is required to obtain Boeing approval as a DPD-capable supplier if seller receives, downloads, and/or uses Computer Aided Design (CAD) geometry in any format from any Boeing facility. Boeing digital data sets are reference only (not design or inspection authority) until Boeing DPD approval status is obtained.
- 330 Seller shall package product in accordance with the requirements set forth in D37520-0, -1, -1A, -1B and -1C as applicable. Packaging shall be sufficient to ensure product integrity while in-transit.
- 408 Each roll shall be permanently and legibly marked on the container and in the core providing the information required by the specification identified on this Purchase Order.
- 409 Each container/sheet shall be permanently and legibly marked providing the information required by the specification identified on this purchase Order.
- 410 Time and Temperature recorders are to be positioned within the shipment in accordance with Boeing Material Standard BSS-7061 "Requirements for Time and Temperature recorders used with Time and Temperature Sensitive (TATS) Materials".
- 601 Seller shall supply material safety data sheet that complies with the Hazardous Products Act (Canada) and related regulations under the Workplace Hazardous Materials Information System (WHMIS). Seller must ensure that the MSDS(s) provided is the most current MSDS available. MSDS and a safe use plan shall be submitted for approval prior to use.
- Send To: BOEING CANADA OPERATIONS LTD.
WINNIPEG DIVISION
99 MURRAY PARK ROAD
WINNIPEG, MANITOBA
R3J 3M6
Attention: SAFETY, HEALTH AND ENVIRONMENTAL AFFAIRS
DEPARTMENT
- Sellers shall provide the Boeing focal (on site activity representative) with a contractor safety plan for work to be done on Boeing premises prior to commencement of project.
- Sellers performing work or carrying out work at any facility controlled by Boeing Winnipeg will adhere to safety, health & environmental practices in accordance with applicable laws and regulations as well as Boeing Policies and Procedures, including but not limited to;
- Manitoba Workplace Safety and Health Act
 - Hazardous Products Act (Canada)
 - Transportation of Dangerous Goods Act (Canada)
 - Canadian Environmental Protection Act (Canada)
 - Dangerous Goods Handling & Transportation Act (Manitoba)
 - Ozone Depleting Substances Act (Manitoba)
 - Public Health Act (Manitoba)
 - Pesticides and Fertilizers Control Act (Manitoba)
 - Environment Act of Manitoba
 - Service Provider safety plan form 5217
- Sellers shall provide their employees with approved personal protection equipment appropriate for the level of hazard including but not limited to:
1. Safety shoes (worn in all factory work areas).
 2. Safety eye protection (worn in all factory areas).
 3. Hard hat (worn where applicable).
 4. Fall protection shall include, as a minimum, body harness and safety lanyard: belts are not acceptable. Contractors must be fully trained per Workplace Health & Safety requirements.
 5. Respiratory protection (worn where applicable).
 6. Hearing protection (worn where applicable).

Sellers shall provide their own forklift/ manlift (electric for inside use) and operator and/or scaffolding, unless prior arrangements have been

made with the Facilities/Maintenance Manager. Forklift operators will be qualified to the Manitoba Workplace Safety & Health requirements and will have valid operators license for such forklifts. Such license will be available for viewing at any time during the term of the project. In addition, all forklifts will be equipped with a flashing amber light, safety mirrors, backup alarm, seat belts, and head & tail lights.

Sellers acquiring the services of subcontractors must ensure their subcontractors meet and follow the same requirements above.

603 Any Seller or Seller's employees, including any subcontractors or subcontractor employees of the Seller, not adhering to all safety requirements will be instructed to report to their supervisor and the Boeing facilities/maintenance representative responsible for overseeing the Contract before continuing their duties under the Contract.

605 Any Seller providing radiographic services including x-ray, ultrasonic, magnetic particle, but not limited to such must be certified for such specified test methods, to CGSB (Canadian Government Specification Board) and/or ASNTCIA (American Standard National Testing Certificate IA). All licensing and certification validity shall be ensured by the Seller and proof of such certification and licensing may be, at the discretion of Boeing, required as a condition of any work statement or Contract at this facility.

606 Seller shall inform their employees and subcontractors (if applicable) that Boeing Canada Operations Ltd.; Winnipeg Division has adopted a "No Smoking" policy. Smoking is only permitted in designated external smoking shelters, and other areas outside of the building with the exception of the front of the building and front parking lots. Care shall be taken to not obstruct building entrances in smoking permitted areas. This policy takes effect May 1, 1998 and will be strictly enforced.

607 All work on systems/equipment that contain or potentially contain stored energy sources such as but not limited to electricity, compressed air, steam, gas, hydraulics, mechanical energy, vacuum and chemical, shall be controlled through lockout-tag-tryout procedures that are consistent with industry standards, applicable legislation and Boeing policies/procedures. Sellers acquiring the services of subcontractors must ensure their subcontractors meet and follow the same requirements.

700 Boeing Quality Assurance acceptance of Seller's manufactured tools does not free the Seller from implied warranty of the tools. Tool failure resulting from defective manufacturing processes will be addressed as determined necessary by the Procurement Agent.

701 For Boeing owned tools, Certified Tool List (CTL) Corporate Form #D1-4101-0600 or BCW's approved form # 5276 must be completed and forwarded to the Procurement Agent for new, reworked, and/or re-identified tools. Payment for tools will not be authorized by the Procurement Agent until C.T.L. has been received.

A digital photograph of the tool and a digital photograph of the tool identification data and tool inspection stamps must accompany the CTL.

When tooling is transferred to a seller's facility from Boeing or another supplier, the seller will be required to submit a list of the tooling received. BCW (Form 5268). This list will acknowledge receipt of tooling and acceptance of the tool's visual condition.

When accountability for tooling, located at a sub-tier supplier, is being transferred to the seller, the seller will be required to sign BCW (Form 5037) assuming responsibility for those tools and agreeing to the supplier responsibilities outlined in the Boeing Suppliers' Tooling Manual D33200-1.

702 Seller shall apply identification to all newly manufactured tools.

The identification of Seller owned tools shall meet the requirements of Boeing Tooling Document D33200-2.

The identification of Boeing owned tools shall meet the requirements of Boeing Tooling Documents D33200-1 and D33181-40. The seller is required to apply a 7 digit lifetime serial number to the tool. Serial numbers will be supplied by the Procurement Agent on an as required basis.

703 TOOLING FABRICATION TERMS AND CONDITIONS
(To support part- seller tooling requirements)

1. TITLE CLAUSE

Legal title for tooling manufactured or purchased by the Seller in the performance of this Order shall be retained by the Seller as security for the payment of the price thereof, and retained thereafter unless and until Procurement Agent shall request the transfer of such tooling to Procurement Agent or any third party as hereinafter provided. Subject to the following provisions of this tooling clause, Seller is hereby authorized to use such tooling only in the performance of Purchase Orders for the Procurement Agent. Buyer may, at any time, for any reason, and at Procurement Agent's absolute discretion, remove the tooling from Seller's possession, or require Seller to deliver the tooling to Procurement Agent or any third party, or direct Seller to use any such tooling or take any other action with respect to such tooling that could be taken by the absolute owner thereof, including without limitation the power to divest Seller of legal title to such tooling and to transfer such title to

Procurement Agent or to any other party. If any such action taken by Procurement Agent pursuant to this paragraph causes an increase in the cost of, or the time required for the performance of any part of the work under any Order, an equitable adjustment shall be made in the Contract price or delivery schedule, or both, pursuant to the clause thereof entitled "Changes".

2. TAX CLAUSE

Unless specifically stated in the Contract, Seller shall pay all present and future taxes arising in connection with this Contract and all such taxes shall be deemed to be included in price listed on this purchase Order.

Seller agrees that for income tax purposes, Buyer shall be entitled to claim all investment tax credit and depreciation with respect to all tooling based on Procurement Agent's equitable interest in such property and regardless of the fact that Buyer may not have legal ownership or legal title in the tooling.

3. ASSIGNMENT

Seller agrees that Procurement Agent may unilaterally assign all or any part of its rights and obligations, including its title to or any interest in the property under this Order to any affiliate of Buyer, for purposes of this Order, an affiliate of Procurement Agent shall mean any entity controlled by, controlling, or under common control with Procurement Agent.

4. SELLER'S QUALITY REQUIREMENTS

Seller must comply with the requirements of D33200-1, Boeing Suppliers' Tooling Document when fabricating Boeing, or Boeing Customer owned tools. All quality checks, verifications and records shall be retained at the seller and presented upon request per D33200-1. These quality records shall support the validations of the Seller's Quality Manager and an officer of the Seller. These signatures will serve to validate the compliance statement(s) on the certified tool list and/or tool usage list.

A. TOOL FABRICATION

1. Each tool shall have a tool fabrication order referencing specific tool fabrication instructions, dataset, drawing, and any other coordinating media. Seller's Inspection stamp shall be affixed to indicate compliance and acceptance of completed tool.

B. MANUFACTURING RECORDS

1. Seller's manufacturing plan shall provide traceability for verification of need, function and usage for each tool listed on the certified tool list.

C. DESIGN RECORDS

1. Seller's quality system shall verify the maintenance of one reproducible design drawing, with the exception of non-design tools.

D. TOOL DESIGNS

1. In order to maintain tool design standards it is mandatory that tool designs be governed by the requirements of Boeing Tool Design Document D33011-0, engineering drawings or equivalent approved standards.

2. Seller's quality system shall ensure that all tool designs are governed by Boeing tooling standards.

3. Seller's quality system shall ensure all Sellers' tool designs have been approved by the Procurement Agent's tool design organization.

E. RECORD REQUIREMENTS

1. Seller shall perform progressive inspections on features of the tool that cannot be inspected after tool is completed. Seller shall retain all progressive inspection records in the tool history record file.

F. IDENTIFICATION OF ACCOUNTABLE TOOLS

Seller's quality system shall verify all tools are identified in compliance with D33181-40, Boeing Tooling Procedure Specifications.

1. No tool will be considered complete that is not properly identified.

NOTE: Tool must have Seller's quality acceptance stamp (permanent) on tool and quality acceptance stamp on tool fabrication Order.

- 2. It is Seller's responsibility to assure that the tooling has produced acceptable product.
 - 3. Seller's quality system shall verify acceptable product has been produced by a tool and affix quality acceptance stamp in tool try-out space.
- NOTE: If tool try-out is not required, stamp "N.R." beside inspection acceptance stamp.

the applicable order for all tools unless otherwise specified on the order.

G. CERTIFIED TOOL LIST (CTL)

- 1. Seller's quality system shall verify the completeness and accuracy of each tool on the certified tool list (Corp. form D1 4101 0600 or BCW's approved Form# 5276)
- 2. Seller's Quality Assurance manager shall sign and/or use their quality acceptance stamp to validate compliance to all D33200-1 requirements, as stated on the certified tool list. An Officer of the Seller must also sign the CTL or BCW approved Form# 5276.

C. TOOL DESIGN

- 1. In Order to maintain tool design standards it is mandatory that tool designs be governed by the requirements of Boeing tooling, manuals, engineering drawings or equivalent approved standards.
- 2. Seller's quality system shall ensure that all tool designs are governed by Boeing tooling standards.
- 3. Seller's quality system shall ensure that all Sellers' tool designs have been approved by the Buyer's tool design organization.

H. TOOL HISTORY RECORDS

- 1. Tool history records are maintained to document tool rework, repair, or maintenance of Category III tools after fabrication has been accepted. Seller is to provide the Boeing procurement representative with notification prior to any rework, repair or maintenance of Category I and II tools.
- 2. Seller's quality system shall verify the work specified on the purchase Order is complete.
- 3. Seller shall have a tool rework Order. To show specific rework instructions have been completed, Seller's quality acceptance stamp shall be affixed to the tool rework Order and rework record tag per tooling manual D33181-40.
- 4. Seller's quality system shall verify the accuracy and completeness of tool rework records, prior to presenting to Buyer Procurement Agent's quality for validation.

D. RECORD REQUIREMENTS

- 1. Seller shall perform progressive inspections on features of the tool that cannot be inspected after tool is completed.
- 2. Seller shall retain all progressive inspection records.

E. IDENTIFICATION OF ACCOUNTABLE TOOLS

- Seller's quality system shall verify all tools are identified in compliance with D33181-40, Boeing Tooling Procedure Specifications.
- 1. No tool will be considered complete that is not properly identified.
- NOTE: Tool shall have Seller's quality acceptance stamp (permanent) on tool and quality acceptance stamp on tool fabrication order.
- 2. The tool try-out section on the I.D. tag is to be left blank unless advised otherwise.
- NOTE: Boeing Quality Control acceptance of Seller's manufactured tools does not free Seller from implied warranty of tool. Tool failures resulting from defective manufacturing processes will be addressed as determined necessary by the Buyer.

704 TOOLING FABRICATION TERMS AND CONDITIONS

(To support tool fabrication for Boeing in-house production parts)

1. TAX CLAUSE

Unless specifically stated in this Contract, Seller shall pay all present and future taxes arising in connection with this Contract and all such taxes shall be deemed to be included in price listed on this purchase Order.

Seller agrees that for income tax purposes, Buyer shall be entitled to claim all investment tax credit and depreciation with respect to all tooling based on Buyer's equitable interest in such property and regardless of the fact that Buyer may not have legal ownership or legal title in the tooling.

2. ASSIGNMENT

Seller agrees that Buyer may unilaterally assign all or any part of its rights and obligations, including its title to or any interest in the property under this Order to any affiliate of Buyer, for purposes of this Order, an affiliate of Buyer shall mean any entity controlled by, controlling or under common control with Buyer.

3. SELLER'S QUALITY REQUIREMENTS

Seller's quality system shall maintain records to assure compliance with all the Buyer's requirements. All quality checks, verifications and records shall be presented. These quality records shall support the Seller's compliance statement(s).

A. TOOL FABRICATION

- 1. Each tool shall have a tool fabrication order referencing specific tool fabrication instructions per Buyer's applicable tooling manual, dataset, drawing, and any other coordinating media. Seller's inspection stamp shall be affixed to indicate acceptance of the completed tool.

B. DESIGN RECORDS

- 1. Seller shall retain one reproducible copy of each designed tool drawing for a period of not less than seven (7) years from the date of final payment under

INSURANCE/LIABILITIES

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Throughout the period when Work is performed and until Final Acceptance of the Goods and the Work by Boeing, Seller shall cover or maintain insurance, and shall ensure that all subcontractors cover or maintain insurance, in accordance with the applicable laws relating to Workers' Compensation, with respect to all of their respective Employees working on or about the Site, regardless of whether such coverage or insurance is mandatory or merely elective under the law. Throughout the period when Work is performed and until Final Acceptance of the Goods and the Work by Boeing, Seller shall provide, and shall ensure that all subcontractors provide, if required by law, insurance to meet the requirements of the Federal Longshoreman and Harbor Workers Act of Federal Maritime Employers Liability Law (Jones Act) and any requirements of any similar enactment's in Canada. Throughout the period when Work is performed and until Final Acceptance of the Goods and the Work by Boeing, Seller shall also carry and maintain and ensure that all subcontractors carry and maintain, Employers Liability coverage with limits of not less than One Million Canadian or United States dollars, as applicable, (\$1,000,000 USD) per accident. Any policy, which provides any of the insurance required by this paragraph, shall contain a waiver of rights of subrogation against the Boeing Company, its subsidiaries and their directors, officers and employees. If Boeing is required by any applicable law to pay any workers' compensation premiums with respect to employees of Seller or any subcontractors, Seller shall reimburse Boeing for such payment.