

e-Commerce Connections Frequently Asked Questions

WBS Ref.:

Document Number:

Compiled By: Jerry Grable, Prakash Patel & Anuj Nagpal

Issue Date: Jun-11-07

Issue No.: 1

Comment: Update these fields by adding the data under File Properties, then right mouse click on the field and click "Update Field".

TABLE OF CONTENTS

1 INTRODUCTION..... 4

2 BUYER FAQs 4

2.1 WHAT IS EXOSTAR? 4

2.2 HOW WILL THIS AFFECT MY JOB? 4

2.3 WHEN WILL PLATFORM SOLUTIONS BE CONNECTED TO EXOSTAR? 4

2.4 WHICH SITES WILL BE CONNECTED? 4

2.5 WHAT DOES THE TERM "TRADING PARTNER" MEAN? 4

2.6 WHO CAN I CONTACT FOR MORE INFORMATION? 5

2.7 WHAT DOES MY SUPPLIER NEED TO DO? 5

2.8 WHAT DOES EXOSTAR COST SUPPLIERS? 5

2.9 WHAT SHOULD I TELL MY SUPPLIER? 5

2.10 DO I NEED TO PROGRESS MY SUPPLIER TO REGISTER? 6

2.11 WHAT IF MY SUPPLIERS ARE USING ANOTHER INTERNET EXCHANGE/MARKETPLACE? 6

2.12 HOW WILL I KNOW WHEN MY SUPPLIER HAS JOINED? 6

2.13 WHAT CAN I SEND OVER EXOSTAR? 6

2.14 CAN I RECEIVE PURCHASE ORDER RESPONSES OVER EXOSTAR? 6

2.15 CAN I SEND RFQS AUTOMATICALLY FROM ORACLE VIA EXOSTAR? 6

2.16 WHAT IS THE DIFFERENCE BETWEEN THIS AND BUYSITE? 6

2.17 WHAT DO THE DIFFERENT STATUS TYPES IN A PO RESPONSE/PO CHANGE RESPONSE MEAN? 6

2.18 HOW DO I REVIEW PAST PO RESPONSES? 7

2.19 HOW DO I SEE WHICH PURCHASE ORDERS HAVE NOT BEEN RESPONDED TO? 7

2.20 WHAT ARE THE DIFFERENT SEARCH/REPORT SCREENS FOR? 7

2.21 WHAT IS SENT ON AN EXOSTAR PURCHASE ORDER/PO CHANGE? 7

2.22 WHAT CAN A SUPPLIER RESPOND WITH IN A PO/PO CHANGE RESPONSE? 8

2.23 HOW MANY RESPONSES CAN A SUPPLIER SEND ME? 8

2.24 WHAT ARE WE DOING WITH EXISTING ORDERS, THAT ARE STILL OPEN WHEN A SUPPLIER IS ADOPTED? 8

2.25 WHAT IF I AM UPDATING AN ORDER WHEN A SUPPLIER IS ENABLED? 9

2.26 WHY ARE WE DOING THIS? 9

2.27 WHAT ARE THE BENEFITS OF THIS? 9

2.28 HAVE WE GOT ANY OTHER PLANS FOR USING EXOSTAR? 9

2.29 WHY ARE WE SUPPRESSING THE PROCESSING RESPONSES (READ RECEIPTS)? 9

2.30 WHAT IF A SUPPLIER WON'T REGISTER WITH EXOSTAR? 9

2.31 CAN SUPPLIERS USE THE FIELDS IN SUPPLYPASS TO RENEGOTIATE? 10

2.32 WHY ARE WE NOT USING ELECTRONIC INVOICES? 10

2.33 WHEN SHOULD I USE THE EXOSTAR OVERRIDE FACILITY? 10

2.34 IF I HAVE USED THE EXOSTAR OVERRIDE FACILITY WHAT SHOULD I DO FOR FUTURE PO CHANGES TO THAT ORDER? 10

2.35	DOES TRADING USING EXOSTAR EFFECT THE CURRENT TERMS AND CONDITIONS WE HAVE ON THE PURCHASE ORDERS?	10
3	SUPPLIER FAQS.....	11
3.1	WHAT IS EXOSTAR?	11
3.2	WHY WAS EXOSTAR CREATED?	11
3.3	IS CREATING A THIRD PARTY/ "MIDDLE MAN" IN BETWEEN OUR RELATIONSHIPS WITH BUYERS AND SUPPLIERS A GOOD IDEA?	11
3.4	WHAT DO I NEED TO DO TO BE ABLE TO USE EXOSTAR?	11
3.5	WHY SHOULD I REGISTER ON EXOSTAR?.....	11
3.6	WHICH TRANSACTIONS/INFORMATION WILL YOU SEND/I REPLY TO USING EXOSTAR?	11
3.7	WHAT WILL HAPPEN TO THE EXISTING PURCHASE ORDERS THAT ARE STILL OPEN WHEN I JOIN EXOSTAR?.....	12
3.8	WILL I GET ALL MY PURCHASE ORDERS FROM YOU ON EXOSTAR ONCE I SIGN-UP?.....	12
3.9	WHICH OTHER COMPANIES ARE REGISTERING?	12
3.10	HOW MANY TIMES DO I NEED TO REGISTER WITH EXOSTAR?.....	12
3.11	HOW WILL I KNOW WHICH BAE SYSTEMS SITES ARE TRANSACTING AND WHEN?	12
3.12	WHAT IF I ALREADY BELONG TO ANOTHER INTERNET EXCHANGE/MARKETPLACE?	12
3.13	CAN I BUY THROUGH EXOSTAR?	13
3.14	WHAT DOES THE TERM "TRADING PARTNER" MEAN?	13
3.15	WHAT DO I NEED TO DO NEXT?.....	13

1 Introduction

This document provides answers to many of the questions you will have about the roll out of e-Commerce. These "Frequently Asked Questions" (FAQs) are divided into several categories. The general FAQs are for questions that apply to all aspects of e-Commerce, the Buyer FAQs relate to those specific areas of work and the Answers to Frequently Asked Questions From Suppliers are provided to assist communication with suppliers. These FAQs accompany the training material and are designed to be used as a reference when required.

2 Buyer FAQs

2.1 What is Exostar?

Exostar is an independent, electronic trading exchange for the global aerospace and defense industry-- a virtual place where buyers and sellers conduct business. For example, OEMs use the exchange to procure parts for production; airlines use it to order spare parts; and service providers use it to connect with new and existing clients. Altogether, Exostar uses web based technologies to bring together a wide variety of companies working right across the A&D supply chain and product life cycle who use the exchange on a daily basis to buy and sell the new supplies they need to run their businesses. From order placement and shipping, to billing and payment, all transactions are routed efficiently and secure, reducing the cost of doing business for all involved.

Exostar was started by BAE SYSTEMS plc, The Boeing Company, Lockheed Martin Corporation, Raytheon Company and Commerce One in March 2000, with Rolls Royce becoming the fifth founding partner in June 2001. The joint business-improvement vision of these companies has been realized in a global, open exchange that benefits all participants in a significant and ongoing way, and will transform the way the Aerospace and Defense industry does business.

2.2 How will this affect my job?

On a day to day basis you will spend less of your time entering data and sending e-mail/paper/faxes. This information will instead be sent and received electronically with the supplier's response data being automatically entered into the system (with manual intervention only when required). This will also improve response times in the communications with your suppliers, to further enable you to focus on more value added activities.

2.3 When will Platform Solutions be connected to Exostar?

Platform Solutions' Oracle system is planning to be connected to Exostar by April 19, 2004.

2.4 Which sites will be connected?

All Platform Solutions sites using Oracle will be connected. This includes Johnson City, Fort Wayne, Los Angeles, Ontario and Redmond.

2.5 What does the term "Trading Partner" mean?

Trading Partner is the term used to describe a Customer and/or Supplier who is available to trade via Exostar.

2.6 Who can I contact for more information?

Contact Jerry Grable on (260) 434 5232 or e-mail jerry.grable@baesystems.com

2.7 What does my Supplier need to do?

Those suppliers targeted for adoption will be invited to participate in training, Exostar and Platform Solutions specific, where the benefits of electronic trading and the registration process will be explained to them.

Your supplier should review the materials they receive from BAE SYSTEMS, follow the registration instructions provided by the Exostar representative, and logon to the Exostar Website at www.exostar.com for further information. Additionally, your supplier can contact Exostar directly through their assigned representative.

2.8 What does Exostar cost Suppliers?

Exostar have introduced a flexible pricing system for supplier members. There are four supplier membership price segments – Bronze, Silver, Gold, and Platinum – based on value received through transaction volume. A Transaction counts as an inbound transaction entering the suppliers SupplyPass account. Examples include Purchase Orders and Purchase Order Changes (Purchase Order Responses do not count as a transaction).

- **Bronze** \$99 for 12 month subscription, 5 -24 transactions
- **Silver** \$395 for 12 month subscription, 25 -120 transactions
- **Gold** \$645 for 12 month subscription, 121-1200 transactions
- **Platinum** \$995 for 12 month subscription, 1201+ transactions

Membership to SupplyPass gives the supplier:

A new sales channel: An effective way to conduct business with your customers over the Internet: fast, secure, standard

Listing in trading partner directory: Display your latest company information in Exostar's comprehensive sourcing directory used by the leading Aerospace & Defense buyers.

Ability to respond to electronic RFQs: Receive and respond to electronic requests for quote originated by the sourcing executives who use Exostar's SourcePass service.

Value added support services: such as training and customer support.

2.9 What should I tell my Supplier?

You should reinforce the messages given to the Supplier via the training and Supplier letters. These are:

- BAE SYSTEMS is committed to trading electronically through Exostar.
- That if suppliers do not register on Exostar, we will be unable to conduct business electronically with them, and both of us will fail to capture the associated benefits.
- They should follow the instructions of the Exostar representative for registration and visit the Exostar Website for training and additional information.

In addition to this, answers to questions you may be asked by suppliers can be found in section 3.

2.10 Do I need to progress my Supplier to register?

In the first instance you do not need to actively progress your Suppliers' registration, Exostar will carry out this activity. Occasionally there may be situations where you are asked to support this activity, but this should be minimal.

2.11 What if my Suppliers are using another Internet exchange/marketplace?

Exostar has agreements with some other exchanges, but generally we would advise that if Suppliers wish to trade with BAE SYSTEMS, Boeing, Lockheed Martin, Raytheon and Rolls Royce they should register with Exostar.

2.12 How will I know when my Supplier has joined?

Details of those Suppliers registered will be made available to the Platform Solutions eCommerce Administrator, Jerry Grable. Some Suppliers may contact you directly to let you know how they're progressing through the adoption process.

2.13 What can I send over Exostar?

The first transactions to be enabled will be Purchase Orders (POs), Purchase Order Responses (PORs), Purchase Order Changes (POCs) and Purchase Order Change Responses (POCRs).

2.14 Can I receive Purchase Order Responses over Exostar?

Yes, after go-live, registered suppliers will be able to send you Purchase Order Responses (PORs) and Purchase Order Change Responses (POCRs).

2.15 Can I send RFQs automatically from Oracle via Exostar?

No, but Platform Solutions is investigating the possible of using Exostar's SourcePass to send RFQ's electronically. Further details on SourcePass may be found at <http://www.exostar.com/auctions.asp>

2.16 What is the difference between this and BuySite?

The e-Commerce Connections project links Oracle to Exostar and is for all your Oracle generated procurement (mainly direct goods). BuySite is mainly used for Indirect procurement, in particular catalog goods.

2.17 What do the different Status types in a PO Response/PO Change Response mean?

Status Type	Explanation	Next Steps
Accepted	Supplier accepted the order as sent.	None
Accepted and Completed	Supplier accepted the order as sent and has fulfilled it.	None

Status Type	Explanation	Next Steps
Acknowledged with Exceptions	Supplier would like some changes to be made to the order. No contract has been made.	Review the changes proposed by supplier and either: <ol style="list-style-type: none"> 1. Accept the changes (which will trigger a PO Change to be sent) 2. Edit the order and send a PO Change 3. Contact the supplier to discuss 4. Reject the changes (this will re-send the previous version of the PO as a PO Change)
Rejected	Supplier rejected the order as sent.	Review the response sent by supplier and either: <ol style="list-style-type: none"> 1. Contact the supplier to discuss 2. Edit the order and send a PO Change 3. Reject the changes (this will re-send the previous version of the PO as a PO Change) 4. Find an alternative supplier
Processing	Supplier has opened the order. Automatically suppressed	None

2.18 How do I review past PO Responses?

Using the processed response report and history tables in Oracle.

2.19 How do I see which Purchase Orders have not been responded to?

Use the no response report in Oracle.

2.20 What are the different search/report screens for?

No response report in Oracle enables you to see which POs/PO Changes have NOT been responded to.

Non-processed response report in Oracle shows responses that have been received in Oracle but haven't been processed by buyers yet (still in Notification Inbox).

Processed response report in Oracle shows responses that have been received in Oracle and have been processed by buyers (and are now stored in history)

2.21 What is sent on an Exostar Purchase Order/PO Change?

Everything that is sent on an Oracle printed PO is sent electronically.

2.22 What can a supplier respond with in a PO/PO Change Response?

In Exostar there are a number of fields a supplier can fill-in in a response. Details are:

Exostar Field Name	Field Description	Used in Oracle
Header Level		
Supplier Reference Number	Order Number given to PO by supplier	Yes
Supplier Ship By Date	Promise Date	No (see shipment level fields)
Supplier Acceptance Status	Whether they accepted the order	Yes
Payment Choice	Method of Payment	No
Shipment Choice	Shipment Status	No
Note to Buyer	Notes	Yes
Line Level		
Line Status	Whether they accepted the line	Yes
Payment	Method of Payment	No
Supplier Price	Unit Price	Yes
Shipment Level		
Quantity	Quantity	Yes
Ship By Date	Promise Date	Yes
Shipment	Shipment Status	No
Notes	Notes	Yes

2.23 How many responses can a supplier send me?

Technically a supplier can send as many responses as they want to for each order. In practice only one response should be received to avoid contractual debates (did the supplier accept the order).

2.24 What are we doing with existing orders that are still open when a supplier is adopted?

All active open PO's previously sent to the supplier hardcopy will be migrated to SupplyPass immediately following the e-Enabling of the supplier. Once the supplier has been activated in SupplyPass and the PO migration completed, the supplier should log into SupplyPass and verify that all previously sent open paper PO's have been received electronically. By doing this, it means all future changes to those orders can also be sent electronically. It also means that the buyer doesn't have to check which orders were sent before the supplier was enabled and which afterwards, as they can all be managed in the same way.

2.25 What if I am updating an order when a supplier is enabled?

Part of the supplier adoption process will be to check for existing open orders that need to be migrated (see 2.24). Any that are not approved will need to have the updates and approval completed so that they can be migrated to Exostar.

2.26 Why are we doing this?

Prior to the deployment, an assessment of the benefits and impact of e-Commerce was undertaken. This led to a number of transaction types being recommended for enablement. Benefits identified included:

- Reduced people time
- Cost saving of sending/receiving documents
- Reduced cycle time
- Supplier pass-on benefits
- Reduced queries
- More secure (encrypted)
- Improved order tracking
- Step towards integrated supply chain
- Improved data quality

2.27 What are the benefits of this?

See 2.26.

2.28 Have we got any other plans for using Exostar?

There are plans to look at other transaction types (e.g. Planning Schedules, RFQ's) for connection between Oracle and Exostar. In addition to this, we already use Exostar for e-Sourcing, BuySite orders are routed through Exostar and some sales orders are received from customers using Exostar SupplyPass.

2.29 Why are we suppressing the Processing Responses (read receipts)?

It was decided that the effort involved in buyers reading them was more than the benefits. This may be re-reviewed at a later date.

2.30 What if a supplier won't register with Exostar?

An analysis should be completed to understand why the supplier has declined to register with Exostar, including a discussion between buyer and supplier. It should be made clear to the supplier that Platform Solutions (and BAE SYSTEMS as a whole) is committed to using Exostar for electronic trading, including the transmission of Purchase Orders. Following this, if the supplier still refuses to register, Oracle may retain the capability to print Purchase Orders.

2.31 Can suppliers use the fields in SupplyPass to renegotiate?

Suppliers should only use those fields to inform us of errors. However, theoretically, as with paper orders, suppliers can at any stage request price changes etc. Negotiations as normal should take place prior to placing the order or change.

2.32 Why are we not using electronic invoices?

It has been decided to move to payment on receipt i.e. when the goods are delivered and inspected, an internal invoice will be generated in Oracle so that the supplier can be paid.

2.33 When should I use the Exostar override functionality?

This should not happen very often, if at all. However it may be required, for example, if the supplier is having problems accessing their SupplyPass account or there are Internet connectivity problems.

2.34 If I have used the Exostar override functionality, what should I do for future PO Changes to that order?

You should continue to send them on paper to prevent any issues.

2.35 Does trading using Exostar effect the current Terms and Conditions we have on the Purchase Orders?

No.

3 Supplier FAQs

3.1 What is Exostar?

See question 2.1 on page 4.

3.2 Why was Exostar created?

The decision by BAE SYSTEMS and the other major Aerospace & Defense (A&D) companies (Boeing, Lockheed Martin, Raytheon and Rolls Royce) to found Exostar was based on several common business drivers. We had all encountered problems with Electronic Data Interchange (EDI) due to lack of standardization, low take-up and the restrictive costs of a one-to-one solution, many times over. Each partner wanted to exploit the benefits offered by e-Commerce in process efficiency, on an easily accessible platform provided by the web, where the relationships can be many-to-many. Rather than each company investing heavily in their own solution so that customers and suppliers would need to adopt different processes to use different sites, we decided to work together to develop one infrastructure / technology standard for the A&D and share the development costs.

3.3 Is creating a third party / "middle man" in between our relationships with buyers and suppliers a good idea?

Exostar is a network provider, not an agent or intermediary. Exostar facilitates the interactions between buyers and suppliers by freeing them to focus on the more strategic and value-added work, as the more basic/transactional activities are automated and speeded up.

3.4 What do I need to do to be able to use Exostar?

At it's simplest; you can trade on Exostar with just a PC with Internet access and a web browser e.g. Internet Explorer. However, increased benefits are achievable by connecting your back office system to fully automate transactions.

3.5 Why should I register on Exostar?

Suppliers should register on Exostar to enable them to conduct business electronically with their customers, and allow both parties to capture the associated benefits. Platform Solutions (and BAE SYSTEMS as a whole) is committed to using Exostar for electronic trading, including the transmission of Purchase Orders. In addition to this Exostar also offer other services including a Trade Directory. Exostar is also BAE SYSTEMS preferred vehicle for the enactment of e-Auctions and e-Sourcing.

3.6 Which transactions / information will you send / I reply to using Exostar?

The transaction set available includes Purchase Order, PO Response, PO Change, PO Change Response, RFQ, Quote, Invoice, Rejected invoice, Remittance advice, Invoicing Report, Planning Schedule, Planning Schedule Response, Advanced Shipping Notice and Goods Receipt Report. The transactions to be used by BAE SYSTEMS will be decided on a site by site basis.

Platform Solutions will be using the Purchase Order, PO Response, PO Change and PO Change Response transactions initially.

3.7 What will happen to the existing Purchase Orders that are still open when I join Exostar?

All active open PO's previously sent to the supplier hardcopy will be migrated to SupplyPass once the supplier has been e-Enabled. Once the supplier has been activated in SupplyPass and the PO migration completed, the supplier should log into SupplyPass and verify that all previously sent open PO's have been received electronically. By doing this, it means all future changes to those orders can also be sent electronically. It also means that the buyer doesn't have to check which orders were sent before the supplier was enabled and which afterwards, as they can all be managed in the same way.

3.8 Will I get all my Purchase Orders from you on Exostar once I sign-up?

Once a supplier signs up to Exostar, they will receive a test transaction from Exostar followed by full training. Platform Solutions shall then migrate all live purchase orders they have with the supplier over to SupplyPass. The supplier should respond to the electronic Purchase Order from that point onwards and disregard the paper copy. Once a Supplier is activated on Exostar, all new orders shall be sent electronically to the Supplier's SupplyPass account.

3.9 Which other companies are registering?

Exostar have over 12,000 suppliers adopted and activated to trade with the 5 Founding Partners (Boeing, BAE Systems, Lockheed Martin, Raytheon and Rolls Royce). All the Founding Partners are currently nominating their Suppliers for registration across a wide range of goods and services, e.g. Lockheed Martin implementing a single requisition-to-pay process with all their 18,000 suppliers, - 8,000 registered at end 2001, including all BAE SYSTEMS sites in NA.

3.10 How many times do I need to register with Exostar?

e.g. Do I need to register for every customer I have (e.g. once for BAE SYSTEMS, once for Boeing etc.....)? Do I need to register for each different customer site I deal with?

Each Supplier will only be required to register once with Exostar to enable each customer or customer site to transact with you. To receive orders, a supplier lists each buying organization on SupplyPass. All Customers using the exchange will have visibility of registered Suppliers.

However, depending on the structure of your company, you may wish to register different business units separately. Exostar can advise you of the most appropriate registrations to reflect your organization.

3.11 How will I know which BAE SYSTEMS sites are transacting and when?

BAE SYSTEMS is linking its systems to Exostar on a site-by-site basis. BAE SYSTEMS will contact you on a specific site basis with details of which sites are trading electronically and when. Platform Solutions (Johnson City, Fort Wayne, Los Angeles, Ontario and Redmond) will be transacting from March 2004.

3.12 What if I already belong to another Internet exchange / marketplace?

Exostar has agreements with some other exchanges, but generally we would advise that if Suppliers wish to trade with BAE SYSTEMS, Boeing, Lockheed Martin, Raytheon and Rolls Royce they should register with Exostar.

3.13 Can I buy through Exostar?

Suppliers will also have the opportunity to buy on Exostar. More information is available through the Exostar support team.

3.14 What does the term “Trading Partner” mean?

Trading Partner is the term used to describe a Buyer and/or Supplier who is available to trade via Exostar.

3.15 What do I need to do next?

Visit www.Exostar.com to discover more about this exciting way to conduct business and register on-line. Should you have any further questions, call Exostar on either 0800-917-2485 in the U.K. or 1-866-239-6782 in the U.S., or talk to your regular BAE SYSTEMS contact.