

CUSTOMER CONTRACT REQUIREMENTS
Combined Helicopter Support
CUSTOMER CONTRACT 4600123156

CUSTOMER CONTRACT REQUIREMENTS

The following customer contract requirements apply to this contract to the extent indicated below.

1. Prime Contract Special Provisions The following prime contract special provisions apply to this purchase order

Article 1 - Audit

1.1 According to the provisions of this article, Buyer is authorized to cause examinations to be made by or on behalf of the CGAS, Defense Cluster through the Defense Contract Management Agency (DCMA) and Defense Contract Audit Agency (DCAA) of all calculations and pricing in Sellers proposals submitted in connection with this Contract for parts and/or Services that are above US\$650,000.00, and are not catalog priced, and of the correct compliance in a general sense with the financial terms and terms having financial aspects included in the Contract and of the acceptability of any deviations from such terms.

1.2 For the purpose of the above examinations, Seller shall promptly grant DCMA and DCAA inspection of all books and records and shall further provide as a minimum the below mentioned cost and pricing information and also all additional information as the CGAS, Defense Cluster, DCMA and DCAA will deem necessary for properly carrying out such examinations in accordance with DCAA audit guidelines applicable for USG price audits. Specifically the breakdown of the calculation in all its aspects (from bottom lines to end price) will be made available to DCMA and DCAA. Seller shall ensure that the information required by the CGAS, Defense Cluster, DCMA and DCAA can be derived by DCMA and DCAA from the accounting records in a simple and timely manner.

1.3 In accordance with the above-mentioned DCAA audit guidelines, Seller agrees to provide to DCMA and DCAA the following cost and pricing data as may be available concerning the proposals.

- a) Work breakdown structure information that is related to Seller statement of work.
- b) Task sheets that substantiate Seller labor hours estimates;
- c) Full supported material estimates including copies of vendor quotes, subcontractors proposed price, interdivisional work authorization's proposed price together with information on vendor/subcontractor strategy and value for money assessments on vendors/subcontractors;
- d) Full supported rates and factors by year applicable to b and c in accordance with the Contractors accounting system;
- e) Travel costs including the basis for the estimates of these costs;
- f) Data sufficient to compare the projected payment schedule against the projected expenditure profile;
- g) Any other needed additional information that may be requested as the audit progresses.

1.4 In addition to the above, DCMA is authorized to conduct an assessment of the applied profit to Sellers proposal. Comparison shall be made to other Direct Commercial Sales (DCS) contracts to assure the applied profit is no less favorable than for other DCS contract for similar products/quantities and/or services under comparable circumstances including but not limited to program risks, comparable terms and conditions, and delivery periods In addition to that and if applicable, a recommendation will be included for a reduction of the profit in the form of a dollar amount if the applied profit is not in keeping with the aforementioned criteria.

1.5 DCMA and DCAA will thru DoD CCP issue a report to CGAS, Defense Cluster; this report shall include any difference between Seller's submission and the DCMA/DCAA recommendation, the so called questionable elements, on a summarized level. This summarization shall be made at the price level for the categories of "total labor", "total materiel", "overhead", "IWA, other direct costs and non groundrules and assumptions" and "travel" split into non-recurring and recurring per category and shall not include any pricing details or factors which Seller considers to be Seller proprietary/competitive sensitive information. Prior to release of the audit report by DCMA/DCAA to DoD CCP and CGAS, Defense Cluster, the contents of the report will be discussed and disclosed between DCMA/DCAA and Seller in a so called "exit meeting". Seller will submit a release letter as appropriate within 14 calendar days,

enabling DCMA/DCAA and DoD CCP to release the report to the CGAS, Defense Cluster.

1.6 The examinations shall be confidential and shall extend no further than will be necessary for the assessment of the matters provided for in this article. The information gathered with regard to these examinations will not be disclosed to any one not involved with this Contract and no further than necessary for the negotiations. In no event DCMA and DCAA will release rates & factors and the profit or the profit rate to Buyer's Customer. Buyer's Customer and its employees shall not disclose any information furnished hereunder in any manner contrary to the laws and regulations of the United States of America and the Kingdom of the Netherlands.

1.7 Seller declares that to the best of its ability all information involving financial aspects which has been or will be presented to The CGAS, Defense Cluster, DCMA and DCAA for assessment was or will be current, complete and accurate as of the date of submittal of the its proposal to Buyer.

1.8 Seller shall to the best of their abilities pursue, that the clauses as stated in this article shall be stipulated in every other contract between Seller and its prospective major sub-suppliers and subcontractors.

1.9 Upon mutual agreement between the Parties, a proposal review similar to that conducted for this Contract may be conducted with the CGAS, Defense Cluster for State directed changes that exceed the US\$750,000.00 threshold as defined in paragraph 1.1 above.

Article 2 - Customer Furnished Equipment (CFE)

Manuals, Materials, and Facilities

2.1 Buyer shall provide Manuals, Materials and Facilities to Seller in order to support Seller's Phase Maintenance. Seller shall have no liability for pre-existing conditions of the Manuals, Materials and Facilities that are not attributable to Seller's fault. The transfer protocol shall specify the time and date of transfer from State to Seller shall also cite any discrepancies identified during the inspection. By signing this document Seller also declares that he has received the Manuals, Materials and Facilities in full and in 'as is' condition. The risk of the Manuals, Materials and Facilities shall transfer from Buyer's Customer to Seller after signing the transfer protocol. The ownership of the Manuals, Materials and Facilities shall remain with Buyer's Customer. After inspection of the Manuals, Materials and Facilities are complete and in "as is" condition, Seller shall sign the protocol for receipt as soon as possible but not later than 24 hours after transferring the Manuals, Materials and Facilities, with one copy of the protocol bearing an original signature of Seller being sent to Buyer's Customer. Seller is responsible for the storage and administration of a copy of the protocol and should set up the administration in such a way that both Parties are able to consult it quickly at all times.

Parts

2.2 Buyer shall provide Parts to Seller in order to support Seller's Phase Maintenance. Seller shall perform a visual inspection upon receipt of the Parts. Seller shall have no liability for pre-existing conditions of the Parts that are not attributable to Seller's fault. The packing slip shall specify the time and date of transfer from Buyer to Seller shall also cite any discrepancies identified during the inspection. By signing a packing slip on behalf of Buyer and Seller It shall be confirmed that Parts have been supplied. By signing this packing slip, Seller also declares that he has received the Parts in full, in good condition and undamaged The risk of Parts shall transfer from Buyer to Seller after signing the packing slip The ownership of the Parts shall remain with Buyer's Customer. After inspection of the Parts are complete, in good condition and undamaged, Seller shall sign the packing slip for receipt as soon as possible but not later than two hours after transferring the Parts, with one copy of the protocol bearing an original signature of Seller being sent to Buyer's Customer. Seller is responsible for the storage and administration of a copy of the protocol and should set up the administration in such a way that both Parties are able to consult it quickly at all times.

Equipment

2.3 Buyer shall, on request of Seller, provide Equipment to Seller in order to support Seller's Phase Maintenance. Seller shall perform an inspection upon receipt of the Equipment. Seller shall have no liability for pre-existing conditions of the Equipment that are not attributable to Seller's fault. The protocol shall specify the time and date of transfer from Buyer's Customer to Seller and shall also cite any discrepancies identified during the inspection. The risk of Equipment shall transfer from Buyer to Seller after signing the transfer protocol. The ownership of the Equipment shall remain with Buyer's Customer. After ascertaining that the Equipment is In full, Seller shall sign the protocol for receipt as soon as possible but not later than two hours after transferring the Equipment, with one copy of the protocol bearing an original signature of Seller being sent to Buyer's Customer. Seller is responsible for the storage and administration of a copy of the protocol and should set up the administration in such a way that both Parties are able to consult it quickly at all times.

Aircraft

2.4 Buyer shall provide the CFE to perform Phase Maintenance in accordance with Statement of Work.

Parties shall perform an inspection upon receipt of the Aircraft; and document the results in writing. Title to the Aircraft shall remain with Buyer's Customer. Seller shall not sell, mortgage, encumber or otherwise subject the Aircraft to any legal process. Seller shall indemnify Buyer's Customer against loss of or destruction of or damage to the Aircraft to the extent such loss, damage or destruction arises out of the negligence of Seller, or Seller's failure to perform its obligations under this Agreement; provided that such loss, damage, or destruction occurs while the Aircraft is in the care, custody, and control of Seller.

2.5 Seller shall return to Buyer's Customer all GFE provided in ban, except for the Parts that are consumed during the execution of the Phase Maintenance and Parts that are installed in the Aircraft from the date of acceptance of the Aircraft by Buyer's Customer.

Manuals, Materials, Facilities and Parts are returned in the same condition in which they were received from Buyer, excluding normal wear and tear of Materials and Facilities Equipment Is returned in the same condition, excluding normal wear and tear, in which they were received from Buyer. Seller shall monitor calibration and Buyer shall remain responsible for the calibration of the Equipment throughout the life of the Agreement. Seller shall return the Aircraft, excluding normal wear and tear, to Buyer's Customer.

2.6 GFE shall be returned on the End Date of the Agreement, with the exception of the Aircraft, which shall be returned at acceptance and Equipment which shall be returned on another specific date as agreed upon by the Parties.

2.7 Replaced Parts shall be returned by Seller to Buyer's Customer as soon as possible but no later than five (5) Working Days after the Replaced Part is extracted from the Aircraft. By signing a transfer protocol on behalf of Buyer's Customer and Seller it shall be confirmed that Replaced Parts have been returned.

2.8 GFE provided by Buyer's Customer and Replaced Parts are the responsibility of Seller from the moment that they are transferred to Seller per protocols referred to in paragraph 2.1, 2.2, 2.3 or 2.4 of this Article for GFE provided, that responsibility continues until the moment after the GFE has been consumed during the execution of the Phase Maintenance and Parts which are installed in the Aircraft from the date of acceptance of the Aircraft by Buyer's Customer or returned as described in paragraph 8.5 of this article. For Replaced Parts this responsibility continues until the moment the Replaced Parts are returned as described in paragraph 8.7 of this article

2.9 Seller shall use GFE in a way that is intended for that specific OFE and that is In line with normal usage. Seller shall be responsible for the proper storage of GFE and Replaced Parts. Buyer's Customer shall be responsible for providing the facilities in order to ensure that Seller is able to proper store the CFE.

2.10 Seller undertakes to account for GFE and Replaced Parts in the books as the property of Buyer's Customer, to mark them as such and to store them separately. Furthermore, Seller undertakes to make every effort to preserve the rights of the Buyer's Customer in respect of GFE and Replaced Parts, and further to notify Buyer's Customer without delay with respect to all information relevant to Buyer's Customer in connection with GFE and Replaced Parts and the preservation of the rights of Buyer's Customer, including, if applicable, of Seller's bankruptcy, the filing of a petition for a moratorium or attachment of property; in these cases Seller shall show the Agreement to the receiver, administrator or process server serving the writ of attachment.

2.11 Seller shall not use GFE and Replaced Parts for any purpose other than those set out in the Agreement nor transfer them to Third Parties whether for nothing or for a consideration, nor encumber them and/or give the use thereof to Third Parties, nor perform any act in respect of GFE and Replaced Parts which may be detrimental to the interests of Buyer's Customer.

Article 3- Intellectual Property

Seller grants Buyer's Customer a non-exclusive, non-transferable right of use for defense purposes, free of charge, of the information delivered to Buyer's Customer (excluding non-deliverable information Seller makes available for viewing by Buyer's Customer) in connection with this Contract, including data, software and documentation.

Article 4 Security

4.1 All classified material and information exchanged or generated in connection with this Contract will be used, transmitted, stored, handled and safeguarded in accordance with applicable national security laws and regulations and with the procedures as agreed in the bilateral general security of information agreement between the government of the United States and the government of the Netherlands, entered into August 18, 1960, as amended April 6, 1981, and the security procedures for industrial operations between the ministry of Defense of the Netherlands and the Department of Defense of the United States (Security Protocol), effective on April 9, 1982

4.2 The Parties shall use their best reasonable efforts to assure that their employees do not disclose the terms or conditions of this Agreement, except as required by the Parties in the performance of this Agreement.

4.3 Each Party agrees to notify the other Party in writing of any such disclosure it intends to make at least ten (10) Working Days in advance of the date it is required to make the disclosure.