

**CUSTOMER CONTRACT REQUIREMENTS
COHESU II
CUSTOMER CONTRACT 4600126901**

CUSTOMER CONTRACT REQUIREMENTS

The following customer contract requirements apply to this Contract to the extent indicated below. Please note, the requirements below are developed in accordance with Buyer's prime contract and are not modified by Buyer for each individual Seller or statement of work. Seller will remain at all times responsible for providing to any government agency, Buyer, or Buyer's customer, evidence of compliance with the requirements herein or that such requirements are not applicable to the extent satisfactory to the requesting party.

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

**4600126901 Special Provisions .
ARTICLE 8. Audit**

8.1 According to the provisions of this article, the Buyer's customer and Buyer are authorized to cause examinations to be made by or on behalf of the CGAS AZ/DEF through the Defense Contract Management Agency (DCMA) and Defense Contract Audit Agency (DCAA) of all calculations and pricing in Seller's proposals submitted in connection with this Agreement in accordance with U.S. Government practices under the Annex VI ("Principles Governing Defense Contract Audit Services", date 14 January/ 2 February 1991) to the Memorandum of Understanding ("MOU") between the Government of the Kingdom of The Netherlands and the Government of the United States of America Concerning the Principles Governing Mutual Cooperation in the Research and development, production, and procurement of defense equipment, signed at the Hague on 24 August 1978, as amended for parts and/or Services that are above US \$2,000,000.00 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 Agreement and of the acceptability of any deviations from such terms.

8.2 For the purpose of the above examinations, the 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 AZ/DEF, 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. The Seller shall ensure that the information required by the CGAS AZ/DEF, DCMA and DCAA can be derived by DCMA and DCAA from the accounting records in a simple and timely manner.

8.3 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 the Seller statement of work;
- b. Task sheets that substantiate the 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; and
- g. Any other needed additional information that may be requested as the audit progresses.

8.4 In addition to the above, DCMA is authorized to conduct an assessment of the applied profit to Seller's 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 contracts 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.

8.5 DCMA and DCAA, may thru DoD CCP issue a report to CGAS AZ/DEF; this report shall include any difference between the 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-General and Administrative (G&A)" and "travel" split into non-recurring and recurring per category and shall not include any pricing details or factors which the Seller considers to be Seller proprietary/competitive sensitive information. Prior to release of the audit report by DCMA/DCAA to DoD CCP and CGAS AZ/DEF, the contents of the report will be discussed and disclosed between DCMA/DCAA and Seller in a so called "exit meeting". The Seller will submit a release letter as appropriate within fourteen (14) calendar days, enabling DCMA/DCAA and DoD CCP to release the report to the CGAS AZ/DEF.

8.6 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 Agreement 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 the Buyer's customer, the State. The Buyer's customer, the State, 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.

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

8.8 The 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 with respect to this Agreement.

8.9 A proposal review may be conducted with the CGAS AZ/DEF for State directed changes that exceed the US \$2,000,000.00 threshold.

ARTICLE 24. Intellectual property

24.1 The Goods to be delivered and the Services rendered by the Seller under the Agreement shall be free of all restrictions arising from patents, copyrights or other intellectual property rights, with the exception of the restrictions that have been expressly accepted by Buyer in writing. The Seller shall indemnify and hold the Buyer and Buyer's customer harmless against any claims of Third Parties in respect thereof. If the Buyer or Buyer's customer is held liable by a Third Party, the Buyer shall inform the Seller in writing immediately and make available to the Seller all information it has at its disposal to enable the Seller to assess the Third Party's claim and to take measures or other types of action, if required.

24.2 The preceding paragraph of this article does not apply to restrictions inherent in a design furnished by the Buyer or Buyer's customer which must be followed by the Seller.

24.3 Reserved.

24.4 The Seller grants the Buyer and Buyer's customer a non-exclusive, transferable right of use for Defense Purposes / Government Purposes, free of charge, of the information made available to the Buyer and Buyer's customer in connection with the Agreement, including Technical Information, software and documentation in accordance with this Article.

24.5 The Seller will use any knowledge contributed by the Buyer or Buyer's customer for the purposes of the Agreement, for instance Technical Information, exclusively in the context of agreements to be concluded with or for the benefit of the Buyer and Buyer's customer, unless such knowledge is public knowledge or can be obtained from other sources without any restrictions on the disposal thereof.