CUSTOMER CONTRACT REQUIREMENTS Provision of P-8A Aircraft Support and Training Support CUSTOMER CONTRACT: 701356373

GENERAL

1.1. For the purposes of the United Kingdom Defence Conditions (DEFCONs) referenced within this document, the following terms shall apply:

1.1.1. The term "ASP" shall mean "Aircraft Support Provision"

1.1.2. The term "Authority" shall mean "Buyer" unless it is clear from the context of the DEFCON that "Authority" must refer to the UK Secretary of State for Defence in order to effect the essential purpose of the DEFCON.

- 1.1.3. The term "BDS" shall mean Boeing Defence Space & Security.
- 1.1.4. The term "BGS" shall mean Boeing Global Services.
- 1.1.5. The term "BDUK" shall mean Boeing Defence UK Limited.
- 1.1.6. The term "Buyer" shall mean BDUK acting as Prime Contractor to the Customer.
- 1.1.7. The term "Contract" shall mean this Contract.
- 1.1.8. The term "Contractor" shall mean "Seller".
- 1.1.9. The term "Customer" shall mean the "United Kingdom Ministry of Defence (UK MoD) ".
- 1.1.10. The term "Prime Contract" shall mean the contract between the Customer and Buyer.
- 1.1.11. The term "Prime Contractor" shall mean BDUK.
- 1.1.12. The term "Seller" shall mean the company contracted by Buyer to perform the Contract.

1.1.13. The term "Sub-contract" shall mean any contract placed by Seller or lower-tier Sub-contractors under this Contract.

1.1.14. The term "Sub-contractor" shall mean any supplier that is contracted by Buyer to deliver goods and/or services in support of the Prime Contract.

1.1.15. The term "TSP" shall mean "Training Support Provision".

2. UK MoD DEFENCE CONDITIONS

2.1. The Contract clauses identified at paragraph 2.2 are required by the Customer, and are additional to any terms and conditions agreed between the parties. They are to be incorporated by reference and apply to the extent indicated.

2.2. DEFCONs applicable to this contract:

DEFCON	DEFCON	Title	Applicability
Number	Edition		
76	12/06	Contractor's Personnel at Government Establishments	Required for all contracts where there is an actual or possible requirement for a Seller to carry out work at a Government Establishments or HM Ships.
			n.b. This DEFCON is only applicable to TSP.

501	11/17	Definitions And	Required for all contracts.
		Interpretations	
			n.b. The definitions within this DEFCON
			apply only to the other DEFCONs
			detailed in this document.
609	08/18	Contractors Records	Required for all contracts and apply to
			records required under the contract that
			are not subject to DEFCON 21 (Edn
			10/04) i.e. DEFCON 609 should not be
			applied to information delivered under a
			Contract Data Requirement (CDR).
			n.b. This DEFCON is only applicable to
			TSP.
611	02/16	Issued Property	Required for all contracts where
			Customer Issued Property is anticipated.
			n.b. This DEFCON is only applicable to
			ASP.
658	10/17	Cyber	Required for all contracts where the
			Cyber Risk Assessment has resulted in a
			cyber risk level of higher than Not
			Applicable.
			n.b. the Cyber Risk Level of the Contract
			is Low, as defined in Def Stan 05-138.
659A	02/17	Security Measures	Required for all contracts where any
			matter connected with the contract is to
			bear the Government Security
			Classification SECRET or above.
660	12/15	Reportable Official and	Required for all contracts where any
		Official-Sensitive Security	matter connected with the contract is to
		Requirements	bear the Government Security
			Classification OFFICIAL-SENSITIVE
			and requires a Security Aspects Letter
			(SAL).
694	07/18	Accounting For Property Of	Required for all contracts involving the
		The Authority	issue of Customer property to a
			Contractor.

3. QUALIFYING DEFENCE CONTRACTS (QDCs) AND QUALIFYING DFENCE SUB-CONTRACTS (QSCs)

3.1. The Customer has assessed that the Prime Contract is defined as a Qualifying Defence Contract subject to the provisions of the Defence Reform Act 2014 (DRA) and the Single Source Contract Regulations 2014 (SSCR). The DRA is primary legislation and the SSCR is secondary legislation, both can be accessed at <u>www.legislation.gov.uk</u>. For clarification, the DRA is only applicable to contracts placed by BDUK, and is not applicable to any BDS/BGS contracts placed with suppliers from the United States of America.

3.2. Regulations 20 and 21 of the SSCR require records to be kept in relation to a QDC and allow the Customer access to those records. This obligation also encompasses a period prior to Prime Contract award.

3.3. Sections 28-30 of the DRA and Regulations 57-65 of the SSCR describe how any subcontract that is placed may be a Qualifying Sub-Contract. Regulation 61 of the SSCR requires the assessment of whether any sub-contracts placed in connection with the Prime Contract will be QSCs, and to keep a records of those assessments. Where a sub-contract is assessed as being a QSC, the Customer and the Seller must be notified of this decision. 3.4. In accordance with the information at paragraphs 3.1 - 3.3. above, the following DEFCONs are incorporated by reference from the Customer and apply to the extent indicated:

DEFCON Number	DEFCON Edition	Title	Applicability
802	12/14	Qualifying Defence Contracts: Open Book on sub-contracts that are not	Required for any contract assessed as a Qualifying Defence Contract (QDC).
		Qualifying Sub-contracts	n.b. For the purposes of this contract, the published threshold value is reduced from $\pounds 1M$ to $\pounds 250k$.
804	03/15	QDC: Confidentiality of SSCR Information	Required for in any contract assessed as a Qualifying Defence Contract (QDC), where applicable.
			n.b. For the purposes of this contract, the published threshold value is £250k.