

CUSTOMER CONTRACT REQUIREMENTS
CH-47 Renew Aircraft
CUSTOMER CONTRACT 715.37.0011.00

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. ACCOUNTING EXAMINATION

1.1 According to the provisions of this Article, the State of the Netherlands, for the purposes hereof represented by the Minister of Defense, hereinafter referred to as "the State or Buyer's Customer", is authorized to cause examinations to be made on behalf of the State's Audit Board through the Defense Contract Management Agency (DCMA) and Defense Contract Audit Agency (DCAA) of all calculations and pricings in Seller's subsequent proposals submitted in connection with this Contract that are above US \$750,000 of the correct compliance in a general sense with the financial terms and terms having financial aspects included in this Contract and of the acceptability of any deviations from such terms.

1.2 For the purpose of the examinations Seller shall promptly grant DCMA and DCAA inspection of all applicable proposal data and shall further provide as a minimum the below mentioned cost and pricing information and also all additional information as the State's Audit Board, DCMA and DCAA will deem necessary for properly carrying out their examinations based on the data provided by Seller. 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 State's Audit Board, 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 concerning the proposals:

- a.** Work Breakdown Structure information that is related to Seller's Statement of Work
- b.** Task Sheets that substantiate Seller's labor hours estimates.
- c.** Material estimates including copies of vendor quotes, subcontractors proposed price, Interdivisional Work Authorization's proposed price.
- d.** Full supported rates and factors by year applicable to b and c in accordance with Seller's 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 a validation of the applied profit to Seller's

proposal in comparison with other Direct Commercial Sales contracts.

1.5 DCMA and DCAA will issue a report to the audit board, this report shall include any difference between Seller's submission and the DCMA/DCAA recommendation, the so called questionable costs, on a summarized level. This summarization shall be made at the price level, and should per line item show the various cost categories as labor, material, Interdivisional Work Authorization costs and travel costs. Prior to release of the audit report by DCMA/DCAA to the State's Audit Board, the contents of the report will be discussed between DCMA/DCAA and Seller in a so called "exit meeting". Seller will submit a release letter enabling DCMA/DCAA to release the report to The Audit Board.

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 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 State. The State and its employees shall not disclose any proprietary information or other 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 he has presented or will still present to the State's Audit Board, DCMA and DCAA for assessment will be current, complete and accurate as of the date of submittal of the 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 subsuppliers and subcontractors.

ARTICLE 2. MOST FAVOURED CUSTOMER TREATMENT

2.1 Seller guarantees that the prices and the terms and conditions of this Contract are not less favorable than the prices and conditions he has obtained, during the one (1) year preceding this Agreement, from any other non-US Government customer under comparable circumstances.

2.2 Supplier agrees to investigate any Buyer- or State-claimed lower prices. If it is determined that a lower price has been charged to a non-US Government customer under comparable circumstances, then Seller shall provide a credit for the difference.

ARTICLE 3. QUALITY ASSURANCE

3.1 This Contract is subject to Government Quality Assurance (GQA). GQA will be accomplished on behalf of Buyer's Customer through delegation to a US Government Quality Assurance Representative (GQAR). The GQAR shall have access to any subcontractor and/or vendor at all tiers to carry out whatever quality assurance inspection he deems necessary.

3.2 Seller shall maintain a quality system in accordance with ISO 9001:2008 "Quality Management System, AS 9100 " Aerospace Requirements, Quality Management System" or equivalent system as agreed between Seller and Buyer. Seller shall make available, for review by the GQAR, quality system procedures, planning and all other documentation and data that comprise Seller's quality system for both hardware and software. The GQAR will review the documents that comprise the quality system, and may perform any inspections, or

evaluations to confirm conformance to requirements and adequacy of the quality system. Seller shall present as part of regularly scheduled program reviews, Quality status related to overall quality system status, procedure/process changes or initiatives, or areas of concern/quality issues.

3.3 Product Acceptance System: Seller shall maintain a product acceptance system that demonstrates compliance to the technical and contractual requirements. The product acceptance system shall identify all end items that require individual Acceptance Test Procedures and or Special Inspection Equipment. The GQAR will be given the opportunity to participate in Seller Validation Process of the Acceptance Test Procedures and Special Inspection Equipment.

3.4 Seller shall maintain a Supplier Management System that identifies processes for selecting, qualifying and managing subcontractors/suppliers, managing product and processes, flowing applicable quality requirements to subcontractors/suppliers, assessing subcontractor/suppliers capabilities, verifying compliance of subcontractors/suppliers and establishing metrics for continuously monitoring and rating supplier quality performance. The supplier rating system shall be made available for US Government review via in-plant reviews or on-line quality system. The State will be given the opportunity to participate in subcontractor quality reviews.

3.5 Foreign Object Elimination (FOE)/Foreign Object Damage and Debris (FOO) Program: Seller shall maintain existing Foreign Object Elimination (FOE) program, which systematically eliminates Foreign Object Damage and Debris (FOO) to preserve safety, quality, and reliability. The FOE program shall provide for a standardized approach that maintains awareness, prevention, compliance, and assures continued reinforcement. The FOE program shall also ensure operational processing areas maintain a safe, clean, and FOO-Free environment. Seller shall develop and maintain FOE program plan that specifies the requirements and techniques used for assuring FOE awareness and prevention. The FOE Program Plan shall be made available to the GQAR upon request.

ARTICLE 4. INTELLECTUAL PROPERTY

4.1 Seller grants the State a non-exclusive, worldwide, royalty-free, irrevocable, assignable right of use to Supplier-owned and Supplier's subcontractor-owned Technical Data for Defense Purposes, for the operation, maintenance, repair, modification, and/or overhaul of the Renew Aircraft.