

**CUSTOMER CONTRACT REQUIREMENTS
C17 UK-5
CUSTOMER CONTRACT C17A/04/12**

CUSTOMER CONTRACT REQUIREMENTS

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

1. The following contract clauses are incorporated by reference from the United Kingdom MOD web site <http://www.ams.mod.uk/ams/content/docs/toolkit/content/defcons/defcon.htm> and apply to the extent indicated. In all of the following clauses, “Contractor” and “Offeror” mean Seller and “Authority” mean the UK MOD or the Buyer, as appropriate.

DEFCON 68 Supply of Hazardous Articles and Substances (Edn. 09/97).

DEFCON 516 Racial Discrimination (Edn. 06/04). For the purposes of this Contract the reference to ‘sub-contractors’ in clause 2 shall apply only to any newly placed sub-contracts with UK companies after the award of the customer contract.

DEFCON 520 Corrupt Gifts and Payments of Commission (Edn. 07/05). For the purposes of clause 2a of DEFCON 520, the Authority shall act in a reasonable and proportionate manner, including consideration of measures, short of termination, which may satisfy the Authority’s requirements. If the Authority elects to terminate the Contract for default under this DEFCON, it shall follow the procedure set forth in Clause 5.6 of the Contract

DEFCON 531 Disclosure of Information (Edn. 05/05)

DEFCON 534 Prompt Payment (SUB-CONTRACTS) (Edn. 06/97). Applicable only to newly placed sub-contracts with UK companies after the award of the customer contract.

DEFCON 649 Vesting (Edn. 07/99). In clause 2 of DEFCON 649, the notification required shall only apply to sub-contracts, related to this Contract, placed post Contract award; In clause 3 of DEFCON 649, the Contractor shall use appropriate signage to note that the Aircraft is the property of the Authority. In clause 5 of DEFCON 649, reference to “DEFCON 656” shall be replaced by “Clause 5.1 of this Contract” and references to “DEFCON 525” shall be replaced by “Clause 4.4 of this Contract and, where applicable, DEFCON 525”. In clause 7 of DEFCON 649 any Representative of the Authority shall have all US Government security clearances and authorizations in place prior to entering the Contractor’s premises and shall comply with the security regulations and policies of the Contractor’s facilities.

DEFCON 684 Limitation Upon Claims in Respect of Aviation Products (Edn. 01/04).

2. The following prime contract special provisions apply to this purchase order. In the following provision, “Contractor” and “Offeror” mean Seller and “Authority” mean the UK MOD or the Buyer, as appropriate.

A. SECURITY REQUIREMENTS

1. The provisions of this Clause 6.1 are based upon the Security Implementing Arrangement for Operations between the Ministry of Defence of the United Kingdom and the Department of Defense of the United States, and shall apply to the extent that this Contract involves access to or the possession of information or Materiel to which a security classification has been assigned by the Government that originated the information (hereafter, Originating Government).

2. All Classified Information and Materiel furnished or generated pursuant to this Contract shall be protected as follows:

2.1. The recipient shall not release the information or Materiel to a third-Country government, person, or firm without the prior approval of the Originating Government.

2.2. The recipient shall afford the information and Materiel a degree of protection at least equivalent to that afforded it by the Originating Government as indicated in the table of Equivalent Security Classification Categories below. Information received shall be marked with the originator's level of classification and denote the country of origin.

2.3. The Recipient shall not use the information or Materiel for other than the purpose for which it was furnished without the prior written consent of the originating Party.

Table of Equivalent Security Classification Categories

United Kingdom	United States
UK TOP SECRET	TOP SECRET
UK SECRET	SECRET
UK CONFIDENTIAL	CONFIDENTIAL
UK RESTRICTED	No equivalent

3. Classified Information and Materiel furnished or generated pursuant to this Contract shall be transferred through government-to-government channels or other channels mutually approved, in writing, by the Governments of the United States and the United Kingdom. Access to Classified Information or Materiel CONFIDENTIAL or above shall be granted only to persons who have a security clearance at least equal to the classification level of the information and an official need for access to the information in order to perform on the Contract.

4. To enable the recipient to apply appropriate protection as defined in paragraph 1 above, if required, Classified Information or Materiel furnished under this Contract may be remarked by the recipient with its government's equivalent security classification markings.

5. Classified Information or Materiel generated under this Contract shall be assigned a security classification as specified by the Contract Security Classification Specifications/Security Aspects Letter (SAL) provided with this Contract.

6. All cases in which it is known or there is reason to believe that Classified Information or Materiel furnished or generated pursuant to this Contract has been subject to a security breach, compromised, lost, or disclosed to unauthorized persons shall be reported promptly and fully by the Contractor to its government's security authorities.

7. Classified Information or Materiel furnished or generated pursuant to this Contract shall not be further provided to another potential Contractor or sub-Contractor unless:

7.1. A potential Contractor or sub-Contractor which is located in the United States or United Kingdom has been approved for access to Classified Information and Materiel at the requisite level by United States or United Kingdom security authorities as appropriate; or,

7.2. If located in a third country, prior written consent is obtained from the U.S. or UK Government, whichever is the Originating Government.

8. The recipient Contractor shall insert terms that substantially conform to the language of these provisions, including this Clause, in all sub-Contracts under this Contract that involve access to Classified Information furnished or generated under this Contract.

9. Upon completion of the Contract, all Classified Information or Materiel furnished or generated pursuant to the Contract shall either be destroyed by the Contractor in accordance with national rules and regulations or, if requested, returned to the Government that furnished the information.

B. INTELLECTUAL PROPERTY RIGHTS.

In accordance with the requirements of Buyer's contract with the its customer, Seller agrees that all technical data and computer software to be delivered or subject to delivery under this contract shall be furnished with unlimited rights. "Technical data," "computer software" and "unlimited rights" are defined as follows:

1. Technical data means recorded information, regardless of the form or method of the recording, of a scientific or technical nature (including computer software documentation). The term does not include computer software or data incidental to contract administration, such as financial and/or management information.

2. Computer software means computer programs, source code, source code listings, object code listings, design details, algorithms, processes, flow charts, formulae and related material that would enable the software to be reproduced, recreated, or recompiled. Computer software does not include computer data bases or computer software documentation.

3. Unlimited rights means rights to use, modify, reproduce, perform, display, release, or disclose technical data in whole or in part, in any manner, and for any purpose whatsoever, and to have or authorize others to do so.

C. INDEMNITY

1. The Contractor hereby agrees to indemnify the Authority against any claim, action or proceeding relating to the use or infringement or alleged use or infringement (whether by manufacture, use, sale or otherwise) of any patent (including any patent application), registered design (including any application for registration), copyright or other Intellectual Property in effect on the date this Contract has been approved to come into effect arising in or out of the performance of the Contract or the supply or provision of the Article or use by the Authority of any Article provided under the Contract, and the Contractor undertakes to be responsible for dealing with and settling, at his own expense, any such claim, action or proceeding. The Contractor shall keep the Authority fully informed of the progress of any such claim, action or proceeding and shall not conclude any settlement thereof without first advising the Authority of the terms proposed. The Authority reserves the right to intervene or assume responsibility at any time for the conduct of any such action or proceeding or consequent settlement. In such event, the Authority will bear any additional cost that arises beyond that which should have been reasonably incurred by the Contractor in such action, proceeding or settlement. As used in this Paragraph 1, the term "Article" does not include GPE.

2. The Contractor hereby agrees to indemnify the Authority against any claim, action or proceeding relating to the infringement or misappropriation or alleged infringement or misappropriation of any patent (including any patent application), registered design (including any application for registration), copyright, trade secret or any other Intellectual Property in effect on the date this Contract has been approved to come into effect arising out of the use by the Authority of any Deliverable Information and/or FMS Case Technical Data, and the Contractor undertakes to be responsible for dealing with and settling, at his own expense, any such claim, action or proceeding. The Contractor shall keep the Authority fully informed of the progress of any such claim, action or proceeding and shall not conclude any settlement thereof without first advising the Authority of the terms proposed. The Authority reserves the right to intervene or assume responsibility at any time for the conduct of any such action or proceeding or consequent settlement. In such event, the Authority will bear any additional cost that arises beyond that which should have been reasonably incurred by the Contractor in such action, proceeding or settlement.