

**CUSTOMER CONTRACT REQUIREMENTS**  
**E-737 Korea TSP**  
**CUSTOMER CONTRACT KD43AE09I64**

CUSTOMER CONTRACT REQUIREMENTS

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

**1. LIQUIDATED DAMAGES FOR DELAYED DELIVERY**

a. In case the Seller fails to complete the Performance of the Technical Service within the period stipulated in the implementation schedule, liquidated damages shall be levied at the rate of twenty-five (25) hundredth of one percent (0.25%) of the contract value of the applicable Technical Service per day, irrespective of the cure period, and deducted from the money payable.

b. The total amount of the liquidated damages shall not exceed ten percent (10%) of the Contract Price.

**2. FORCE MAJURE**

a. In accordance with General Provisions Article, Force Majeure, Seller shall notify Buyer in writing within 10 days after the beginning of any such cause. The notification shall be attached by a written confirmation of the occurrence of the Force Majeure event issued by the Chamber of Commerce or a similar independent 3rd party in the location where the event occurred. The notification shall indicate that: the Seller could not reasonably foresee occurrences of Force Majeure event at the time of execution of the Contract, and that the Seller could not control the failure of or the delay in delivery of the deliverable(s) due to such Force Majeure event.

**3. MAINTENANCE OF SECRECY**

a. The Seller hereby warrants that any data or information concerning or relating to the contract will be held and preserved as "Confidential Matters of the Republic of Korea" in strict compliance with the relevant laws and regulations of the Republic of Korea.

b. Regardless of whether marked with "Confidential", all documents and communications by teletransmission in relation to this contract shall not be disclosed in any way without Buyer's prior consent.

c. Seller's obligations provided in this Article shall survive termination or completion of this contract.

**4.1 SELLER'S TECHNICAL PERSONNEL**

a. Seller, with its own responsibility and at its own expenses, shall select and dispatch the technical personnel necessary for the Performance of the Technical Service, and shall be responsible and liable, as the employer of such personnel, for the official discipline, the management and the welfare of the personnel. DAPA and Buyer shall be free from any liability in connection with any damages incurred by Seller's technical personnel, unless such damages are caused by DAPA or Buyer, or the End User's intentional act or recklessness.

b. The personnel dispatched for the Performance of the Technical Service shall possess professional qualification, skill and experiences in the relevant field, command of proficient English.

c. Seller assures that its dispatched personnel shall abide by the laws and regulations of the Republic of Korea, and the local regulations with regard to safety, security and administration of the province where the Technical Service is provided.

d. In case Buyer determines that the qualification or behavior of the personnel is not appropriate, or that the method of implementation of the Technical Service is improper, Buyer, may request for replacement of such personnel. Upon such request, Seller shall change the

personnel without delay.

e. Reserved

f. Any day of the personnel's absence from duty shall be supplemented by work after such absence day. In case the implementation of the Technical Service is delayed by dispatched personnel's absence, the liquidated damages shall be levied for the delayed period.

#### **4.2 SELLER'S TECHNICAL PERSONNEL**

a. The personnel dispatched for the Performance of the Technical Service shall possess professional qualification, skill and experiences in the relevant field. The required qualification for the dispatched personnel shall be the possession of at least 5 years experience in their professional field, with a goal of 20 years of experience for Software Field Service Representatives (FSR).

b. In case Buyer determines that the qualification or behavior of the personnel is not appropriate, or that the method of implementation of the Technical Service is improper, Buyer may request for replacement of such personnel with adequate rationale. Upon such request, Seller shall assess the request and determine a counter measure via corrective action to be implemented. Seller should have a goal of an FSR being in place for 6 months or more but may also choose to replace an FSR over the course of the contract (hard-ship, disciplinary, termination of employment or FSR requested reassignment). Seller will notify Buyer when and FSR is to be replaced via choice or after unsuccessful implementation of counter measure/corrective action. A temporary qualified replacement FSR should be provided within 1 month after notification by Seller and a permanent FSR should be provided within 6 months after notification by Seller.

c. Seller's technical personnel (1) shall observe hours of duty of forty (40) hours a week (8 hours/day, 5 days/week) to perform this Contract. If required, the FSRs will additionally provide on-call/on-site support in accordance with the Statement of Work, up to four hours (10% of weekly duty hours). In total, the maximum hours of duty (weekly duty hours (40) and possible on-call/on-site support (up to 4 hours) shall be forty-four (44) hours a week including hours of overtime work (evening, weekends and holidays, and may be increased by mutual agreement between Seller and Buyer when necessary (FSRs are allowed to flex their schedule the next day when available); (2) may take holidays on the national holidays when the military of the Republic of Korea has day off.

The mutual agreement is that FSRs vacation will be in accordance with Seller's policy. A temporary qualified substitute FSR shall be on-site before the absence per the below:

A Radar FSR shall have a substitute for greater than 1 day of vacation.

A Mission system FSR shall have a substitute for greater than 5 days of vacation

There is no requirement to have a substitute for the Mission Software FSRs.

If Technical Services are required while and FSR is on vacation, Buyer can contact the Seller for reach-back support.

#### **5. INTEGRITY**

Buyer has the right to restrict participation in programs as stipulated in Defense Acquisition Program Act (article 59, Enforcement Decree articles 70 & 58) in the event Seller violates the following:

- a. Promise or provision of payment or entertainment to the relevant public servants (including members of committees and/or subcommittees, as well as expert consultants in accordance with regulation 16 of Defense Program management Regulation) to influence decisions or in the course of bidding, contract award, or signing & implementing a contract.
- b. Request of certain information for a defense program.
- c. Disclosure of certain information to a third party without approval, including R&D result obtained during implementation of the contract.
- d. Taking money, wrongful action, or unfair measures against subcontractor(s) by abusing the position as the contractor in the course of signing a contract or implementing a program with a subcontractor.

#### **6. DELIVERY TERMS**

Delivery terms stipulated in this contract shall be governed by Incoterms 20(Publication No. 715 of the International Chamber of Commerce).

**7. PROPER CONTRACT PRICE**

- a. Seller shall guarantee that all the prices specified in this contract do not include any improper costs, and warrant that this contract is made directly between the Seller and Buyer.
- b. Seller shall guarantee that the prices stated in this contract do not exceed the Seller's regular prices as adjusted by the export differential, and that the prices are not higher than those stated to other buyer similarly situated at the time of conclusion of this contract.
- c. Seller hereby agrees and undertakes that the selling price(s) of the Technical Service for the Buyer's future requirements will be adjusted only within the scope of fluctuations measured by the price index of the recognized authorities.
- d. Seller's violation of the provisions of this Article will entitle Buyer to terminate this contract and/or to claim refund for excessive price paid.

**8. SPECIAL PROVISION FOR PROHIBITION OF ANY DIRECT OR INDIRECT SALE OF THE TECHNICAL SERVICE TO NORTH KOREA**

1. Any direct or indirect sale of the Technical Service to North Korea is prohibited. The Technical Service stated herein includes any related technical data and information.
2. Seller warrants that any service same as or similar to the Technical Service shall not be sold or transferred to North Korea, regardless of whether or not Seller is involved directly in such sale or transfer.
3. In case Buyer has obtained the information that Seller has violated these special provisions, Buyer shall:
  - a. Confiscate the whole amount of any Performance Bond,
  - b. Make a claim for recovery of all payments made to Seller, and
  - c. Make a claim for recovery of other losses incurred to Buyer.
4. The term "sale" or "transfer" used herein covers lease, release, assignment or any other possession of the Technical Service stated herein.
5. These special provisions are incorporated in and made part of this contract, and shall survive all other terms and conditions under this contract.
6. Where the agent for the Seller is involved in this contract, these special provisions are binding upon such agent.