

CUSTOMER CONTRACT REQUIREMENTS
B-737 Repairs BOA
CUSTOMER CONTRACT KFX-DAPA-73AB04025

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

A. FORCE MAJEURE

In accordance with the Force Majeure Article of the General Provisions, Seller shall notify Buyer in writing within 10 days after the beginning of any such cause. The notification shall include a written confirmation of the occurrence of the Force Majeure event issued by the Chamber of Commerce or a similar independent third party in the location where the event occurred. The notification shall indicate that (i) Seller could not reasonably foresee occurrence of the Force majeure event at the time of execution of this Contract; and (ii) Seller could not control the failure of or the delay in delivery of the Goods due to such Force Majeure Event.

B. MAINTENANCE OF SECRECY

1. Seller warrants that any data or information related to this Contract, originally developed by the Republic of Korea, shall be held and preserved as "Confidential Matters of the Republic of Korea." Seller further warrants that any data or information related to this Contract, originally developed by Buyer shall be held and preserved as "Confidential Matters of The Boeing Company." Seller warrants that any document provided by Buyer in relation to this Contract shall be protected in accordance with the equivalent U.S. or Korean security classification.

2. Any documents or correspondence in relation to and in connection with this Contract, whether or not marked "Confidential," therein, shall not be divulged in any way outside of Seller's organization and shall not be disclosed or released to any other unauthorized person or corporation with Buyer's written consent.

C. PROPER CONTRACT PRICE

1. Seller guarantees that all the prices specified in this Contract do not include any improper costs, and warrants that this Contract is made directly between Seller and Buyer.

2. Seller will do its best to provide that the prices stated in this Contract do not exceed Seller's regular prices adjusted by the export differential, and the prices are not higher than those stated to other buyers similarly situated at the time of submission of the solicitation/quote for repairs under this Contract.

D. OBSOLESCENCE AND DIMINISHING MANUFACTURING SOURCE OF SUPPLY

In the event neither the original parts nor suitable substitute parts (including any components or subcomponents of such parts) required to perform the repair order requirement are available, due to being identified as obsolete by Seller or Seller's supplier based on diminishing manufacturing sources and material shortages ("DMSMS part(s)"), Seller will place the RFQ or order on hold, notify Buyer of the DMSMS issue, and work with Buyer to propose a solution. Once a solution has been agreed upon, the RFQ or Contract will be amended accordingly.

E. INTELLECTUAL PROPERTY RIGHTS

1. In case of any claim, suit, or action of a third party alleging that any service of parts provided by Seller under this Contract infringes a patent, design, or copyright right, registered under the Korean or United States Intellectual Property Office, Seller shall, at its own expense and option, conduct the following actions, provided that Seller is notified promptly in writing of the claim, Buyer has not reached any compromise or settlement of such claim or made any admissions after receipt of such claim in respect of the same, and Seller is given the option, at its expense, to control the claim and all requested reasonable assistance from Buyer regarding same:

- a. Settle the claim in an amicable way such as reconciliation with the claimant;
- b. Procure for the Buyer or Buyer's Customer, the right to use such service or part provided by Seller under this Contract in a manner specified in this Contract;

- c. Replace or modify the service or part with an equivalent but non-infringing alternative that conforms to the specifications of this Contract; or
- d. Defend against such claims. If any court of competent jurisdiction issues an injunction prohibiting use of any service or part provided by Seller, Seller shall take at its own option one of the actions described under a through c above.

2. Notwithstanding the foregoing provisions, Seller will have no obligation under this article with regard to any infringement arising from (i) to the extent applicable, the compliance of Seller's service or part with formal specifications issued by Buyer where infringement could not be avoided in complying with such specifications, (ii) use of the service or part for other than their intended application, or (iii) the modification or combination of such service or part with other item(s) when such infringement would not have occurred from the use of such service or part solely for the purpose for which they were designed or sold by Seller.

F. INVESTIGATION IN THE EVENT OF AN ACCIDENT OR FAILURE

In the event of an accident or failure for which parts or services were provided under this Contract, Seller agrees that upon request, Seller shall use best efforts to share information to the extent permissible under the relevant laws and to cooperate in any investigation in good faith to ascertain the cause of such accident or failure, including the existence of any Gross Negligence or willful misconduct.

G. SPECIAL PROVISION FOR PROHIBITION OF ANY DIRECT OR INDIRECT SALE OF GOODS/SERVICE TO NORTH KOREA

1. Any direct or indirect sale of the Goods/Service to North Korea is prohibited. The Goods/Services stated herein includes any related technical data and information.
2. Seller warrants that any goods/service same as or similar to the Goods/Service provided 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. Make a claim for recovery of all payments made to Seller, and (in this case, the Goods/Service delivered or in transit for delivery shall be returned to Seller at Seller's risk and expense,) and
 - b. 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 Goods/Services 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 an agent for the Seller is involved in this contract, these special provisions are binding upon such agent.

H. SPECIAL TERMS AND CONDITIONS FOR INTEGRITY PLEDGE

1. The purpose of this clause is to stipulate what constitutes violation of the Integrity Pledge and penalties for such violation.
2. Seller and any agent shall be aware of what is stipulated in the Integrity Pledge, as accepting and fulfilling this Contract, including prohibition of offering valuables or entertainment, and requesting certain information.
3. In the event there is any violation of the Integrity Pledge in the areas listed below by Seller, the DAPA holds the right to restrict participation in programs as stipulated in Defense Acquisition Program Act (article 59, Enforcement Decree articles 70 & 58):
 - 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 results 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.
4. In the event there is an action that constitutes a violation of the Integrity Pledge, Buyer is entitled to terminate the Contract.

