

CUSTOMER CONTRACT REQUIREMENTS
ROTARY WING ENTERPRISE TRANSITION
CUSTOMER CONTRACT NUMBER: 701760450

CUSTOMER CONTRACT REQUIREMENTS (CCR)

This CCR document applies to contracts BDUK places with Sellers. This CCR and its terms do not apply to contracts other Boeing business units place with Sellers.

1. 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 "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 affect the essential purpose of the DEFCON.

1.1.2. The term "BDS" shall mean Boeing Defence Space & Security.

1.1.3. The term "BGS" shall mean Boeing Global Services.

1.1.4. The term "BDUK" shall mean Boeing Defence UK Limited.

1.1.5. The term "Buyer" shall mean BDUK acting as Prime Contractor to the Customer.

1.1.6. The term "Compliance Matrix" shall mean a document provided by Buyer as part of a request for proposal package.

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 (UKMoD)".

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.

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. UK MoD Defence Conditions (DEFCONs) applicable to this contract:

DEFCON Number	DEFCON Edition	Title	Applicability
23	06/21	Special Jigs, Tooling and Test Equipment	Required for contracts that have provision for Government Furnished Assets
68	10/22	Supply of Hazard Data for Articles, Materials and Substances	Required for contracts for the supply of goods.
117	09/24	Supply Of Information For NATO Codification And Defence Inventory Introduction	Required for all contracts that cover either the full development phase of a project, or for the manufacture of goods not identified with a NATO Stock Number (NSN).
501	10/21	Definitions And Interpretations	The definitions within this DEFCON apply only to the other DEFCONs detailed in this document.
550	02/14	Child Labour and Employment Law Required for all contracts.	Required for all contracts.
565	12/24	Supply Chain Resilience and Risk Awareness	Requirement for all contracts with a value of £5M (ex VAT) and above. Requires the details of all Buyer Tier 1 and Tier 2 sub-contractors to be reported to the Customer.
611	12/22	Issued Property	Addresses the rights and obligations in respect of ownership, receipt, inspection and use of Customer owned property loaned under the Contract.
624	08/22	Use of Asbestos	Suppliers are not to include asbestos of any type intentionally into Articles or other materials.
625	06/21	Co-operation on Expiry Of Contract	Required when the Customer may require the Contractor to assist with the transition of goods and/or services to the UK MoD or a different person.
638	11/22	Flights Liability and Indemnity	Used in contracts where aircraft will become the property of the Customer.
646	10/98	Law and Jurisdiction	Required for contracts with a foreign

		(Foreign Suppliers)	contractor, in place of DEFCON 529 (Edn 09/97) or DEFCON 529a (Edn 09/97), when some or all of the contract will be performed outside the UK.
658	10/22	Cyber	Required as a result a Cyber Risk Assessment resulting in a cyber risk level of Moderate.
659A	02/24	Security Measures	Required should any matter connected with the Prime Contract bear the UK Government Security Classification SECRET or above.
671	10/22	Plastic Packaging Tax	Ensures MoD Contractors are meeting their obligations in accordance with HMRC's Plastic Packaging Tax legislation.
684	01/04	Limitation Upon Claims in Respect of Aviation Products	Depending on the individual Statement of Work, this may be appropriate in contracts for the supply of Aviation Products (include in contracts for the supply of goods, repair and overhaul, supply of technical publications and other contracts in support of aircraft, space vehicles and satellites).
691	03/15	Timber And Wood-Derived Products	Required when contracting for specific goods and services.
694	04/25	Accounting For Property Of The Authority	Required for all contracts involving the issue of Customer. Requires maintenance of proper records of possession, use and consumption of Customer property.

3. UK MOD Defence Forms (DEFFORM)

The DEFFORMs listed below are incorporated by reference from the United Kingdom Ministry of Defence (UK MoD) and apply to the extent indicated.

3.1. DEFFORM 177 (Edn 03/80) – Design Rights and Patents (Sub-Contracts) Agreement
Seller should be aware that they will be required to agree the contents of this document directly with the Customer for the delivery of the items covered, if notified by Buyer.

3.2. DEFFORM 315 (Edn 02/98) – Contract Data Requirement
Seller should be aware that they will be required to agree the contents of this document directly with the Customer for the delivery of the items covered, if notified by Buyer.

3.3. DEFFORM 532 (Edn 10/19) – Personal Data Particulars
Seller will be notified by Buyer, should they be required to complete this form should they

have need to handle personal data belonging to the Customer.

3.4. DEFFORM 701 (Edn 06/21) – Head agreement for licence terms for commercial software purchased by the Secretary of State for Defence.

Seller will be notified by Buyer should they need to agree this document directly with the Customer should they be required to provide Commercial Off The Shelf software to the Customer.

4. QUALIFYING DEFENCE CONTRACTS (QDCs) AND QUALIFYING DEFENCE SUB-CONTRACTS (QSCs)

4.1. 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 www.legislation.gov.uk. 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.

4.2. 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.

4.3. Sections 28-30 of the DRA and Regulations 57-65 of the SSCR describe how any sub-contract 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 record of those assessments. Where a Sub-contract is assessed as being a QSC, Seller must be notified of this decision by Buyer.

4.4. In accordance with the information at paragraphs 4.1 – 4.3. above, the following DEFCONs are incorporated by reference from the Customer and apply to the extent indicated:

DEFCON Number	DEFCON Edition	Title	Applicability
800	12/14	Qualifying Defence Contract	Required for any contract assessed as a Qualifying Defence Contract (QDC).
801	12/14	Amendments to Qualifying Defence Contracts – Consolidated versions	Required for any contract assessed as a Qualifying Defence Contract (QDC).
802	12/14	QDC: Open Book on sub-contracts that are not Qualifying Sub-contracts (QSC)	Required for any contract assessed as a Qualifying Defence Contract (QDC).
803	04/21	QDC: Disapplication of Final Price Adjustment	Required for any contract assessed as a QDC or QSC that breaches certain financial thresholds.
804	03/15	QDC: Confidentiality of Single Source Contract Regulations	Required for any contract assessed as a Qualifying Defence Contract (QDC).

		Information	
811	12/14	Single Source: Profit and Loss Sharing on Firm/Fixed Price Contracts	Applicable only where: • the contract is not the result of a competitive process (as defined in the Single Source Contract Regulations 2014 (SSCR)); • the contract is not a Qualifying Defence Contract; • the entire contract or a part of the contract is priced on a firm or fixed price basis; • the value of the contract (where entirely priced on a firm or fixed price basis) or any defined parts of the contract which are priced on that basis, is equal to or greater than £5M; and • the Authority requires using an equivalent profit / loss sharing mechanism to that used in the SSCR.
812	04/15	Single Source Open Book	Applicable only where: • the contract is not the result of a competitive process (as defined in the Single Source Contract Regulations 2014 (SSCR)); • the contract is not a Qualifying Defence Contract; and • the contract is valued at £1m or above.
813	12/14	Single Source Contract Reports and Notifications	Applicable only where: • the contract is not the result of a competitive process (as defined in the Single Source Contract Regulations 2014 (SSCR)); • the contract is not a Qualifying Defence Contract; • the contract is valued at £5M or above; and • the MOD requires a reporting regime equivalent to that which exists under the Defence Reform Act 2014 (DRA) and SSCR to apply to the contract and certain single-source sub-contracts.
814	02/19	Single Source Confidentiality of Open Book and Reporting Information	Applicable only where: • the contract is not the result of a competitive process (as defined in the Single Source Contract Regulations 2014 (SSCR)); • the contract is not a Qualifying Defence Contract (QDC); and

			the contract includes either DEFCON 812 or DEFCON 813, or both
815	04/15	Contract Pricing Statement – Single Source Non-qualifying contracts	Applicable only where: - the contract is not the result of a competitive process (as defined in the Single Source Contract Regulations 2014 (SSCR)); - the contract is not a Qualifying Defence Contract; and - the contract is valued at £1M or above.

5. SOCIAL VALUE

5.1. In response to the Public Services (Social Value) Act 2012 (the “Act”) and associated Procurement Policy Notice 06/20 – Taking Account of Social Value in the Award of UK Central Government Contracts, the Customer include specific criteria that require public authorities to have regard to economic, social and environmental well-being in connection with public services contracts; and for connected purposes. Seller shall demonstrate their efforts to comply with the requirements of the Act.

6. UTILISATION OF SMALL AND MEDIUM SIZE ENTERPRISES

6.1. Seller agrees to actively seek out and provide the maximum practicable opportunities for Small and Medium Size Enterprises (as defined in the United Kingdom Ministry of Defence publication “The Defence Small and Medium-sized Enterprise (SME) Action Plan”). SMEs are to participate in the Sub-contracts Seller awards to the fullest extent possible, consistent with the efficient performance of this Contract.

7. MONTREAL PROTOCOL SUBSTANCES

7.1. Prior to Contract Award the Seller shall either confirm in writing that no Montreal Protocol Substances are to be used in the performance of the Contract or provided a list to Buyer specifying:

- 7.1.1. any Montreal Protocol Substances to be used in the performance of the Contract;
- 7.1.2. the quantity of any Montreal Protocol Substances; and
- 7.1.3. where any Montreal Protocol Substances shall be used or contained.

7.2. If at any time during the Contract Period Seller changes the use of any Montreal Protocol Substances from such confirmation or such list, Seller shall immediately provide to Buyer an updated list.

8. CUSTOMER INTERVENTION

8.1. Measures in a crisis. Should the Customer ever identify a situation that requires special actions in the national interests of the United Kingdom, then the procedures in Annex A

shall apply.

8.2. Step-in Rights. Should the Customer ever identify a situation where they need to take direct action relating to the performance of the Sub-contract, then the procedures in Annex B shall apply.

9. PERSONNEL SECURITY

9.1. Seller shall ensure that they make themselves familiar with, and at all times shall conduct themselves in accordance with rules and regulations as issued from time to time by the Customer regarding access to Customer premises.

9.2. The Customer reserves the right to refuse access to or remove anyone from the Customer premises who fails to comply with the associated Customer rules and regulations.

9.3. If Seller is reasonably refused access to or removed from the Customer premises for failure to comply with the associated Customer rules and regulations, Seller shall not be relieved from its obligations to provide their Contractual obligations.

9.4. Seller shall be responsible for ensuring that each of their employee (and Sub-contractors) holds the correct security clearance, and that all security clearances remain valid throughout the duration of the Contract.

10. CO-OPERATION FOR SECURITY INVESTIGATION

10.1. Seller shall notify Buyer immediately it becomes aware of any breach of Article 9 (PERSONNEL SECURITY) and/or Article 11 (SECURITY ASPECTS) in connection with the Contract.

10.2. Seller shall give reasonable assistance to Buyer and Customer for the purposes of carrying out any investigation that the Customer undertakes.

11. SECURITY ASPECTS

11.1. Seller shall be responsible for complying with the security obligations of the Contract as defined within a published Security Aspects Letter, whilst also referring to DEFCON 659A (Security Measures) and DEFCON 660 (Official-Sensitive Security Measures). Buyer will provide Seller with the relevant documentation should compliance with this Article be required.

12. BOARDS OF INQUIRY

12.1. If an accident or other incident occurs and a service inquiry or significant occurrence is convened in accordance with regulations from time to time in force to investigate such a matter (an "Inquiry"), Seller shall make available to the officer in charge of that Inquiry all relevant information and facilities including access for the purpose of immediate and detailed investigations. If so requested by the officer in charge of the Inquiry, Seller shall undertake his own investigation into for example, flight safety accidents or incidents and shall submit written reports to that officer.

12.2. In connection with any such Inquiry, Seller shall take all reasonable steps to ensure

that any persons, whose evidence may assist the Inquiry in reaching its findings, attends and gives evidence to the inquiry.

12.3. Seller shall include as a condition in any supporting Sub-contract a stipulation that the Sub-contractor shall take all reasonable steps to ensure that any employee of such Sub-contractor whose evidence may assist any Inquiry in reaching its findings shall attend and give evidence to that Inquiry when called upon to do so.

Annex A – Measures in a Crisis

1. Subject always to the provisions of Force Majeure conditions contained within this Contract, Seller shall continue to provide the Contract deliverables in peacetime and during periods of war, crisis, tension and other emergencies (whether or not involving hostilities).
2. If at any time, the Customer believes, in its sole opinion, that the circumstances identified in Annex A Article 3. apply, the Customer will notify Buyer (and/or the Seller) in writing (and Buyer will then notify Seller of such communication). If Customer notifies Seller directly, then Seller shall immediately notify Buyer of the communication from Customer.
3. The circumstances referred to in Annex A Article 2 are that, in view of:
 - 3.1. the national interests of the United Kingdom and its territories, or a threat to their national security and defence, or the occurrence of a state of war, crisis, state of tension or other emergency (whether or not involving hostilities);
 - 3.2. a request to the Customer by a local authority, public body or statutory corporation for assistance in relation to the occurrence or possible occurrence of a major accident, crisis or natural disaster; and/or
 - 3.3. a request by NATO, the European Union or the United Nations or other country or organisation(s) for support or assistance in relation to international obligations, it is necessary, appropriate or desirable for the Authority to take all or any of the measures described in Annex A Articles 4 to 8 inclusive.
4. Subject to the issue of a notice in accordance with Annex A Article 2 the Customer may require Seller, within such period as may be specified by the Customer in its sole discretion, to provide such information in the possession, knowledge or control of Seller as the Customer may in its sole discretion require, including information relating to all or any of the following matters:
 - 4.1. the Contract deliverables currently provided by Seller or due to be provided by Seller within a period specified by the Customer for:
 - 4.1.1. the Customer; and
 - 4.1.2. any third parties save to the extent Seller is prohibited from disclosing such information by any contractual or other legal obligations.
 - 4.2. Seller's current deployment, whether inside or outside of Government Furnished Facilities; and/or
 - 4.3. all supporting equipment and documentation currently held by Seller and the location of such equipment and documentation,and Seller shall promptly and diligently comply fully with the requirement to provide such information.

5. Upon the earlier of:

5.1. Seller providing the Customer with the information requested pursuant to Annex A Article 4; and

5.2. expiry of the period specified by the Customer for the supply of such information, Seller shall, upon being so requested by the Customer, discuss (acting reasonably) with the Customer any matters which the Customer, in its sole opinion, may consider relevant or appropriate to any proposals the Customer may have for the reallocation of priorities for, or for the reorganisation of, Contract deliverables provided or to be provided by Seller. These will be in order to deal with the circumstances which gave rise to the issuing of a notice pursuant to this Annex A and may include, without limitation, the following matters:

5.3.1. the revision (including the early completion, suspension or permanent cessation) of the provision of the Contract deliverables for the Customer;

5.3.2. the early completion, suspension, or permanent cessation of any Contract deliverables by Seller for third parties; and

5.3.3. the immediate implementation of new Contract deliverables,

and the Parties shall endeavour, as far as reasonably possible, to reach agreement as a matter of urgency on such matters.

6. Notwithstanding any provision to the contrary in the Contract (but without prejudice to Annex A Articles 4. and 8.) and notwithstanding that any of the measures described in Annex A Article 5. may not be taken, required to be taken, or have been completed, the Customer may, in the circumstances provided under Annex A Article 3., at any time and at its sole discretion, issue written instructions including, without limitation, in relation to all or any of the following matters:

6.1. to accelerate to early completion, to suspend, or to cease permanently provision of any of the Contract deliverables provided by Seller for third parties;

6.2. to remove (permanently or temporarily) the property of either Seller and/or third parties from the Government Furnished Facilities used in the provision of the Contract deliverables and to use all reasonable endeavours to procure that any such action is carried out on terms with such third parties, which result in the least possible loss or damage;

6.3. to accelerate to early completion, to suspend, or to cease permanently provision of any of the Contract deliverables;

6.4. to carry out any changes whatsoever to the Contract deliverables required by the Customer without reference to any formal Contract change processes agreed between Buyer and Seller; and/or

6.5. to deploy and/or to use or make available for use by the Customer or as directed by the Customer its employees, its stocks of materials, premises, plant, machinery, equipment and other supplies,

and Seller shall use all reasonable endeavours to fully, promptly and diligently comply with such instructions.

7. The provision of Annex A Articles.4. to 8. shall immediately cease to apply when the Customer issues a written notice to that effect to Buyer and Seller shall continue to be bound by the provisions of the Contract.

8. Any action or measures which the Customer may, or is required to, take pursuant to this Annex A may validly be taken by the Customer acting through the representative of the Customer or such other person or persons as the Customer may from time to time authorise in writing for that purpose and notify to Seller.

8.1. Any formal Contract change required to implement the provisions of this Annex A will be issued in accordance with the Contract terms and conditions agreed between Buyer and Seller.

Annex B – Customer Step-In

1. If the Customer reasonably believes that it needs to take action in connection with the Contract deliverables:

1.1. because a serious risk exists to the health or safety of persons or property or to the environment;

1.2. to discharge a statutory duty; and/or

1.3. because an urgent operational requirement has arisen,

then the Customer shall be entitled to take action in accordance with Annex B Articles 2. to 4. below.

2. If Annex B Article 1. applies and the Customer wishes to take action, the Customer will notify the Buyer (and/or the Seller) in writing (and Buyer will then notify Seller of such communication). If Customer notifies Seller directly, then Seller shall immediately notify Buyer of the communication from Customer. The original notification from the Customer shall likely include the following:

2.1. the action it wishes to take;

2.2. the reason for such action;

2.3. the date it wishes to commence such action;

2.4. the time period which it believes will be necessary for such action; and

2.5. to the extent practicable, the effect on the Seller and its obligation to provide the Contract deliverables during the period such action is being taken.

3. Following service of such notice, the Customer shall take such action as notified under Annex B Article 2 and any consequential additional action as it reasonably believes is necessary (together, the "Required Action") and Seller shall give all reasonable assistance required by the Customer while it is taking such Required Action. The Customer shall provide Seller with notice of completion of the Required Action and shall use reasonable endeavours to provide such advance notice, as is reasonably practicable, of its anticipated completion.