

CUSTOMER CONTRACT REQUIREMENTS
Advance Harpoon Weapon Control System Follow On Support
CUSTOMER CONTRACT 460005057

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. Security and Security Classification

Access to and treatment of classified matters and documents, if applicable to this Contract or its performance, shall be governed by the NATO security regulations laid down in NATO document C-M (2002) 49 or relevant US Government security regulations (such as National Industrial Security Program Operating Manual - NISPOM).

If it is necessary for Seller to disclose classified matters or documents to any of his suppliers or sub-contractors, Seller shall require the supplier or sub-contractor to comply with the security regulations mentioned above.

Seller shall comply with all instructions relating to security obligations in particular those relating to supervision of personnel, security procedures, safety of materials and actual or presumed sabotage.

Failure by Seller or any Subcontractor to comply with the security regulations referred to in this clause shall be deemed to be a material breach of the Contract. In addition, Seller may be liable to criminal proceedings.

B. Procedure Regarding Discontinued Spare Parts and Substitution Hereoff

At any time during the contract, Seller shall notify Buyer of potential obsolescence issues that may affect the delivered AHWCS configuration for RDN ships. Obsolescence notifications shall be made as soon as practical. Seller undertakes to inform purchaser if spare and replacement parts are no longer available as soon as practical prior to such cessation and Seller will, on terms to be agreed, accept final provision orders for such spare and replacement parts according to part's availability. Seller shall upon purchaser's request host a spare parts provisioning conference at Seller's facilities if ordered by Buyer.

C. Corporate Social Responsibility (CSR) Requirements

1. ILO Convention NO. 94

Seller shall ensure that workers employed by Seller and any Subcontractors who contribute to the performance of the Contract are secured pay, including special allowances, hours of work and other working conditions which are not less favorable than those established for work by the Labor Laws of the State/Country for which the employee is employed.

“Contribute to the performance of the Contract”, see the labor clause above, shall mean work performed in Denmark for the performance of the Contract.

Seller shall ensure that workers employed by Seller and any Subcontractors who contribute to the performance of the Contract outside of Denmark are secured pay, including special allowances, hours of work and other working conditions in accordance with applicable regulations and legislation (including international obligations) in the state/country for which the employee is employed.

This clause does not apply to Contracts concerning the purchase of deliverables that are part of the Seller's ordinary production or stocks (off-the-shelf goods), unless the product is manufactured in a custom-made production for Buyer.

2. Agreement CSR Requirements

a. General Requirements

The Contract shall be performed while observing the principles of the UN Global Compact initiative.

The principles of the UN Global Compact are as follows:

- i. Human rights- Businesses should support and respect the protection of internationally proclaimed human rights; and ensure that they are not complicit in human rights abuses.
- ii. Labor standards- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; support the elimination of all forms of forced and compulsory labor; support the effective abolition of child labor; and the elimination of discrimination in respect of employment and occupation.
- iii. The environment-Businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies.
- iv. Anti-corruption- Businesses should work against corruption in all its forms, including extortion and bribery.

In the performance of the Contract, Seller shall assume social responsibility as set out in the conventions on which the above principles are based. Seller assumes social responsibility by committing to observe the requirements set out below in the performance of the Contract.

b. Human Rights

In the performance of the Contract, Seller undertakes to comply at all times with applicable law aiming to prohibit discrimination on the basis of race, color, religion or faith, political beliefs, sexual orientation, age, handicap, or national, social or ethnic origin, or aiming to ensure ethnic equal treatment.

In the performance of the Contract, Seller thus commits to comply with the basic human rights as set out in principles 1 and 2 of the UN Global Compact.

c. Labor Standards

In the performance of the Contract, Seller shall ensure that basic labor standards are complied with, including:

- i. that the products/services supplied, in whole or in part, are not produced in contravention of the general ban on forced and compulsory labor as set out, inter alia, in ILO Convention nos. 29 and 105,
- ii. that the products/services supplied, in whole or in part, are not produced in contravention of the general ban on the use of child labor as set out, inter alia, in ILO Convention nos. 138 and 182,
- iii. that the products/services are produced, in whole or in part, in conditions where the general principle regarding the freedom of association and the effective recognition of the right to collective bargaining as set out, inter alia, in ILO Convention nos. 87, 98, and 135 are upheld.
- iv. that the products/services supplied are produced, in whole or in part, in conditions where the general principle on the right to fair pay as set out, inter alia, in ILO Convention nos. 26 and 131 and Article 23 (3) of the UN Universal Declaration of Human Rights is upheld.
- v. that the products/services supplied are produced, in whole or in part, in conditions where the general principle on the right to fair hours of work as set out, inter alia, in ILO Convention nos. 1 and 30 and Article 24 of the UN Universal Declaration of Human Rights is observed.
- vi. that the products/services supplied are produced, in whole or in part, in conditions where the general principle on the right to occupational safety and health as set out, inter alia, in ILO Convention no. 155 is observed.

In the performance of the Contract, Seller shall thus comply with basic labor rights, including the ban on child labor and forced or compulsory labor as set out in principles 3, 4, 5 and 6 of the UN Global Compact.

d. The Environment

In the performance of the Contract, Seller shall promote the protection of natural resources and the environment in

order to promote a sustainable development of the conditions of human beings and the preservation of animal and plant life.

In the production and supply of the deliverables under the Contract, Seller shall particularly to the best of its ability strive to

- prevent and fight pollution of air, water, soil and subsoil and any vibration and noise nuisance,
- use hygienic processes for the protection of the environment and human beings,
- reduce use and waste of raw materials and other resources,
- promote the use of cleaner technology and
- promote recycling and reduce problems of disposal of waste.

In this respect, emphasis is placed on what is obtainable when using the best technology available, including less polluting raw materials, processes and facilities and the best possible anti-pollution measures.

In the performance of the Contract, Seller shall thus contribute to the preservation of natural resources and the environment as set out in principles 7, 8 and 9 of the UN Global Compact.

In this Contract, the principles are implemented by Seller's compliance with specific requirements with respect to the quality of the products/services and minimum requirements of environmental protection and energy efficiency.

e. Anti-Corruption

A final judgment for corruption during the term of Contract, including active bribery as defined in Article 3 of the Council Act of 26 May 1997 and Article 3(1) of Council Joint Action 98/742/RIA, respectively, shall be considered material breach, cf. the provisions of the Contract.

In addition, any other incident of abuse of entrusted power for private gain shall be deemed to constitute corruption, such as:

- Passive corruption
- Embezzlement
- Fraud
- Criminal breach of trust
- Misconduct

f. Seller's Obligations

As set out above, Seller's obligations under the Contract only extend to compliance with the mentioned requirements "in the performance of the Contract". Seller's obligations thus only concern what is delivered under the Contract.

When assessing whether the Supplier in its performance of the Contract is liable for any non-compliance of the requirements mentioned, Seller's own production processes and methods shall be taken into account as well as whether Seller's conduct otherwise in the performance of the Contract may have had an impact, including Seller's choice of Subcontractors or choice of components for the products/services.

3. Documentation

a. General documentation

Except as set out specifically in the Contract, Buyer's Customer, through Buyer, will not in general request documentation that Seller in the performance of the Contract complies with the Article C above, regarding production processes and methods.

It is a condition, however, that Seller, no later than 20 Days from Buyer's Customer's written request, communicated through Buyer, complies with the following documentation requirements:

i. Statement from Seller's management and other documentation

In this statement, Seller shall make representation ensuring, on a continuous basis, the compliance of the above requirements regarding human rights, cf. section C.2.b, labor standards, cf. section C.2.c., the environment in the performance of the Agreement, cf. section C.2.d. and anti-corruption, cf. Section C.2.e.

ii. Reporting of practical measures

In this document, Seller shall describe the practical measures taken to ensure the compliance of the requirements mentioned. The document may include a description of obligations undertaken, systems implemented and other measures initiated.

iii. Reporting of results

In this document, Seller shall describe the method according to which the initiatives taken are measured. In this respect, standards such as Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines may be used.

Buyer's Customer also accepts other types of documentation as long as they fulfil the documentation requirements stipulated.

Buyer's Customer will not request the documentation mentioned above unless prompted by special circumstances, such as a suspicion based on concrete observations.

If Buyer or Buyer's Customer has doubts as to whether Seller complies with the requirements set out above regarding human rights, labor standards, the environment, Buyer's Customer will as a rule initiate a close dialogue with the Supplier in order to clarify matters of dispute.

The procedure set forth in this clause shall not affect the labor clause or the documentation that can be required according to the labor clause.

b. Procedure in case of suspicion based on concrete observations of non-compliance of requirements regarding Human Rights, Labor standards, or Environmental protection

In case of suspicion based on concrete observations regarding non-compliance of the requirements concerning human rights, labor standards, environmental protection, and/or anti-corruption, in the manufacture of any deliverables, or part thereof, Seller shall promptly, at Buyer's request, submit a written statement and documentation of the production processes and/or methods according to which the deliverables included in the performance of the Contract have been manufactured and/or otherwise delivered and submit any necessary documentation of the materials used in the deliverables.

Seller shall inform whether its own actions in connection with the performance of the Contract have an impact on the compliance of the above requirements regarding human rights, labor standards and environmental protection and/or anticorruption including its choice of Subcontractors or components.

The statement and the supporting documentation shall include any certificates and/or other relevant required documentation to substantiate the production processes and/or methods used as well as the materials used in the deliverables.

On the basis of the written statement and documentation, etc., and taking all relevant circumstances into consideration, Buyer and Buyer's Customer will make a concrete assessment of the individual incident.

4. Defects

In addition to any other provisions of the Contract that address defects, a defect shall also be deemed to exist if any deliverables supplied, in whole or in part, including components of the deliverables, have been manufactured according to manufacturing processes or is otherwise delivered under methods where the requirements set out in this CCR regarding human rights, labor standards, environmental protection, and/or anti-corruption have not been observed.

In case of suspicion, based on concrete and strong indications of failure to observe any requirements regarding human rights, labor standards, environmental protection, and/or anti-corruption, during the performance of the Contract, in whole or in part, the procedure set out in this CCR shall be followed. This procedure includes, at Buyer's Customer's request, a prompt written statement and documentation, etc., from Seller, whereupon Buyer and Buyer's Customer will make a concrete assessment of the individual incident.

Suspicion based on concrete and strong indications may be deemed to exist, inter alia, if proceedings are brought against Seller for violation of human rights, labor standards, environmental requirements, and/or anti-corruption, connected to the performance of the Contract in whichever country the proceedings may be brought. If Seller becomes aware of having violated the aforementioned requirements, or if proceedings are brought against Seller for such violations, Seller must immediately, on its own initiative, inform Buyer.

Failure to deliver the documentation required in clause C.3.a. of this CCR within 20 Days, failure to deliver the statement and the documentation required promptly in clause C.3.b. (in case of suspicion) and/or failure to inform Buyer on its own initiative in case of a violation or proceedings brought against Seller, shall furthermore be construed as a failure to comply.

When assessing whether Seller is liable for any performance of the Contract in contravention of this CCR, Seller's own production processes and methods shall be taken into account as well as whether Seller's conduct otherwise in the performance of the Contract, may have had an impact, including Seller's choice of Subcontractors or choice of components for the deliverables supplied.

In the event of a defect due to violation of human rights, labor standards, the environmental requirements, and/or anti-corruption, set out in this CCR, Buyer shall be entitled to demand:

- That Seller promptly remedies the defect upon Buyer's request to this effect,
- That Seller, henceforth, in the performance of the Contract, comply with the requirements set out in this CCR regarding human rights, labor standards, environmental protection, and anti-corruption, and
- That Seller compensates in full any damage caused, including payment of adequate compensation. The assessment of whether any damage caused in the performance of the Contract has been compensated in full shall not be affected by the provisions of any national rules on tort, governing the incident in question, only providing for partial indemnification.

D. NATO Codification

Seller shall comply with contract requirements with respect to NATO codification of Spare Parts.

2.

Customer Contract Requirements (Direct Commercial Sales)

In addition to the requirements set forth in the Boeing General Provisions and other terms and conditions in or attached to this Contract, the Goods to be delivered under this Contract may be common to items delivered to a U.S. Government customer. Accordingly, the following terms supporting technical conformance of the Goods apply to this Contract to the extent indicated below. In all of the following clauses, "Contractor" and "Offeror" mean Seller. Certain clauses below may be deemed inapplicable if the parts being purchased under this Contract previously had commercial item determinations (CIDs) completed and approved for identical parts.

52.204-23 Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities(JUL 2018). In paragraph (c) (1), the term "Government" means "Government or Buyer" and the term "Contracting Officer" means "Buyer." All reporting required by paragraph (c) shall be reported through Buyer. Seller shall report the information in paragraph (c) (2) to Buyer.

52.211-5 Material Requirements(AUG 2000). Any notice will be given to Buyer rather than the Contracting Officer.

252.209-7010 Critical Safety Items (AUG 2011). Delete the second sentence in paragraph (b) and substitute the following sentence in lieu thereof: Items delivered under the Contract are considered critical safety items if they have previously been designated as critical safety items under a prior contract. Delete paragraph (c) and insert the following in lieu thereof: Heightened quality assurance surveillance. Items considered critical safety items in accordance with paragraph (b) of this clause are subject to heightened, risk-based surveillance by Buyer and/or the Government.

252.223-7003 Change in Place of Performance-Ammunition and Explosives(DEC 1991). The clause is revised as follows: (a) Seller shall identify in their offer, the place of performance of all ammunition and explosives work that would be covered by 252.223-7002. Failure to furnish this information with the offer may result in rejection of the offer. (b) Seller agrees not to change the place of performance of any portion of the offer that would be covered by 252.223-7002 after the date set for receipt of offers without the written approval of the Contracting Officer, which shall be obtained through Buyer. The Contracting Officer shall grant approval only if there is enough time for the Government to perform the necessary safety reviews on the new proposed place of performance. (c) If a contract results from this offer, Seller agrees not to change any place of performance previously cited without the advance written approval of the Contracting Officer, which shall be obtained through Buyer.

252.223-7008 Prohibition of Hexavalent Chromium(JUN 2013). "Contracting Officer" shall mean Buyer.

252.225-7001 Buy American and Balance of Payments Program (DEC 2017). In paragraph (c), the phrase "in the Buy American Balance of Payments Program Certificate provision of the solicitation" is deleted and the word "certified" is deleted and replaced with the word "specified."

252.225-7007 Prohibition on Acquisition of Certain Items from Communist Chinese Military Companies (DEC 2018). This clause applies to items covered by the United States Munitions List or the 600 series of the Commerce Control List.

252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals (OCT 2014). Paragraphs (d) and (e) (1) of this clause are excluded. In paragraph (e) (2) "Government" means Buyer. Paragraph (c) (6) is revised as follows:

(c)(6) End items of the prime contract containing a minimal amount of otherwise noncompliant specialty metals (*i.e.*, specialty metals not melted or produced in the United States, an outlying area, or a qualifying country, that are not covered by one of the other exceptions in this paragraph (c)), if the total weight of such noncompliant metals does not exceed 2 percent of the total weight of all specialty metals in that end item. This exception does not apply to high performance magnets containing specialty metals. If the Seller will furnish goods that contain otherwise noncompliant specialty metals (*i.e.*, specialty metals not melted or produced in the United States, an outlying area, or a qualifying country, that are not covered by one of the other exceptions in this paragraph (c)), then the Seller shall disclose to the Buyer (i) the total weight of all specialty metals in each of the goods of this contract, and (ii) the total weight of the noncompliant specialty metals in each of those goods. In the calculation of total weight of noncompliant specialty metals in each of the goods, exclude the weight of specialty metals covered by other exemptions in this paragraph (c).

252.225-7011 Restriction on Acquisition of Supercomputers (JUN 2005).

252.225-7012 Preference for Certain Domestic Commodities (DEC 2017).

252.225-7015 Restriction on Acquisition of Hand or Measuring Tools (JUN 2005).

252.225-7016 Restriction on Acquisition of Ball and Roller Bearings (JUN 2011). This clause does not apply to contracts for commercial items or items that do not contain ball or roller bearings.

252.225-7025 Restriction on Acquisition of Forgings (DEC 2009). This clause applies if the Contract is for forging items or for other items that contain forging items.

252.225-7030 Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate (DEC 2006).

252.225-7036 Buy American-Free Trade Agreements-Balance of Payments Program-Basic (DEC 2017). In paragraph (c), the phrase "in the Buy American-Free Trade Agreements-Balance of Payments Program Certificate-Basic provision of the solicitation" is deleted, and the word "certified" is deleted and replaced with the word "specified."

252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System (AUG 2016). This clause applies to contracts for electronic parts or assemblies containing electronic parts or for contracts for the performance of authentication testing. The term "Contractor" means "Buyer" in the first sentence. In paragraph (c) (6), "Contracting Officer" means "Buyer." The introductory text at the beginning of the clause is deleted and only paragraphs (a) through (e) apply.

252.246-7008 Sources of Electronic Parts (MAY 2018). This clause applies if the Contract is for electronic parts or assemblies containing electronics parts, unless Seller is the original manufacturer of the electronic parts. The term "Contractor" means Seller and the term "subcontractor" means Seller's lower-tier suppliers. In paragraph (b) (3) (ii) (A), the term "Contracting Officer" means "Buyer's Authorized Procurement Representative." Seller's notification shall include, at a minimum, identification of the electronic parts being procured, identification of Seller's lower-tier supplier providing such electronic parts, Seller's rationale on acceptability of procuring such parts (including risk mitigation), and identification of the product using such parts (by lot or serial numbers).