

CUSTOMER CONTRACT REQUIREMENTS
Flexible Capacity LCW Agreement
CUSTOMER CONTRACT 4600121684

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

Special Provisions .

Article 7 - Audit

7.1 According to the provisions of this article, the Buyer is authorized to cause examinations to be made by or on behalf of the CGAS, Defense Cluster through the Defense Contract Management Agency (DCMA) and Defense Contract Audit Agency (DCAA) of all calculations and pricing in Sellers proposals submitted in connection with this Contract for parts and/or Services that are above US\$650,000.00, and are not catalog priced, and of the correct compliance in a general sense with the financial terms and terms having financial aspects included in the Contract and of the acceptability of any deviations from such terms.

7.2 For the purpose of the above examinations, the Seller shall promptly grant DCMA and DCAA inspection of all books and records and shall further provide as a minimum the below mentioned cost and pricing information and also all additional information as the CGAS, Defense Cluster, DCMA and DCAA will deem necessary for properly carrying out such examinations in accordance with DCAA audit guidelines applicable for USG price audits. Specifically the breakdown of the calculation in all its aspects (from bottom lines to end price) will be made available to DCMA and DCAA. The Seller shall ensure that the information required by the CGAS, Defense Cluster, DCMA and DCAA can be derived by DCMA and DCAA from the accounting records in a simple and timely manner.

7.3 In accordance with the above-mentioned DCAA audit guidelines, Seller agrees to provide to DCMA and DCAA the following cost and pricing data as may be available concerning the proposals.

- a) Work breakdown structure information that is related to the Seller statement of work.
- b) Task sheets that substantiate the Seller labor hours estimates.
- c) Full supported material estimates including copies of vendor quotes, subcontractors proposed price, interdivisional work authorization's proposed price together with information on vendor/subcontractor strategy and value for money assessments on vendors/subcontractors.
- d) Full supported rates and factors by year applicable to b and c in accordance with the Contractors accounting system.
- e) Travel costs including the basis for the estimates of these costs.
- f) Data sufficient to compare the projected payment schedule against the projected expenditure profile.
- g) Any other needed additional information that may be requested as the audit progresses.

7.4 In addition to the above, DCMA is authorized to conduct an assessment of the applied profit to Sellers proposal. Comparison shall be made to other Direct Commercial Sales (DCS) contracts to assure the applied profit is no less favorable than for other DCS contract for similar products/quantities and/or services under comparable circumstances including but not limited to program risks, comparable terms and conditions, and delivery periods In addition to that and if applicable, a recommendation will be included for a reduction of the profit in the form of a dollar amount if the applied profit is not in keeping with the aforementioned criteria.

7.5 DCMA and DCAA will thru DoD CCP issue a report to CGAS, Defense Cluster; this report shall include any difference between the Sellers submission and the DCMA/DCAA recommendation, the so called questionable elements, on a summarized level. This summarization shall be made at the price level for the categories of "total labor", "total materiel", "overhead", "IWA, other direct costs and non groundrules and assumptions" and "travel" split into non-recurring and recurring per category and shall not include any pricing details or factors which the Seller considers to be Seller proprietary/competitive sensitive information. Prior to release of the audit report by DCMA/DCAA to DoD CCP and CGAS, Defense Cluster, the contents of the report will be discussed and disclosed between DCMA/DCAA and Seller in a so called "exit meeting". The Seller will submit a release letter as appropriate within 14 calendar days,

enabling DCMA/DCAA and DoD CCP to release the report to the CGAS, Defense Cluster.

7.6 The examinations shall be confidential and shall extend no further than will be necessary for the assessment of the matters provided for in this article. The information gathered with regard to these examinations will not be disclosed to any one not involved with this Contract and no further than necessary for the negotiations. In no event DCMA and DCAA will release rates & factors and the profit or the profit rate to the State. The State and its employees shall not disclose any information furnished hereunder in any manner contrary to the laws and regulations of the United States of America and the Kingdom of the Netherlands.

7.7 The Seller declares that to the best of its ability all information involving financial aspects which has been or will be presented to The CGAS, Defense Cluster, DCMA and DCAA for assessment was or will be current, complete and accurate as of the date of submittal of the its proposal to the Buyer.

7.8 The Seller shall to the best of their abilities pursue, that the clauses as stated in this article shall be stipulated in every other contract between Seller and its prospective major sub-suppliers and subcontractors.

7.9 Upon mutual agreement between the Parties, a proposal review similar to that conducted for this Contract may be conducted with the CGAS, Defense Cluster for State directed changes that exceed the US\$650,000.00 threshold as defined in paragraph 7.1 above.

Article 8 - Customer Furnished Equipment (CFE)

Manuals, Materials, and Facilities

8.1 The Buyer shall provide Manuals, Materials and Facilities to the Seller in order to support Seller's Phase Maintenance. Seller shall have no liability for pre-existing conditions of the Manuals, Materials and Facilities that are not attributable to Seller's fault. The transfer protocol shall specify the time and date of transfer from State to Seller shall also cite any discrepancies identified during the inspection. By signing this document the Seller also declares that he has received the Manuals, Materials and Facilities in full and in 'as is' condition. The risk of the Manuals, Materials and Facilities shall transfer from the State to the Seller after signing the transfer protocol. The ownership of the Manuals, Materials and Facilities shall remain with the State. After inspection of the Manuals, Materials and Facilities are complete and in "as is" condition, the Seller shall sign the protocol for receipt as soon as possible but not later than 24 hours after transferring the Manuals, Materials and Facilities, with one copy of the protocol bearing an original signature of the Seller being sent to the State. The Seller is responsible for the storage and administration of a copy of the protocol and should set up the administration in such a way that both Parties are able to consult it quickly at all times.

Parts

8.2 The Buyer shall provide Parts to the Seller in order to support Seller's Phase Maintenance. Seller shall perform a visual inspection upon receipt of the Parts. Seller shall have no liability for pre-existing conditions of the Parts that are not attributable to Seller's fault. The packing slip shall specify the time and date of transfer from the Buyer to the Seller shall also cite any discrepancies identified during the inspection. By signing a packing slip on behalf of the Buyer and the Seller It shall be confirmed that Parts have been supplied. By signing this packing slip, the Seller also declares that he has received the Parts in full, in good condition and undamaged. The risk of Parts shall transfer from the Buyer to the Seller after signing the packing slip. The ownership of the Parts shall remain with the State. After inspection of the Parts are complete, in good condition and undamaged, the Seller shall sign the packing slip for receipt as soon as possible but not later than two hours after transferring the Parts, with one copy of the protocol bearing an original signature of the Seller being sent to the State. The Seller is responsible for the storage and administration of a copy of the protocol and should set up the administration in such a way that both Parties are able to consult it quickly at all times.

Equipment

8.3 The Buyer shall, on request of the Seller, provide Equipment to the Seller in order to support Seller's Phase Maintenance. Seller shall perform an inspection upon receipt of the Equipment. Seller shall have no liability for pre-existing conditions of the Equipment that are not attributable to Seller's fault. The protocol shall specify the time and date of transfer from the State to the Seller and shall also cite any discrepancies identified during the inspection. The risk of Equipment shall transfer from the Buyer to the Seller after signing the transfer protocol. The ownership of the Equipment shall remain with the State. After ascertaining that the Equipment is In full, the Seller shall sign the protocol for receipt as soon as possible but not later than two hours after transferring the Equipment, with one copy of the protocol bearing an original signature of the Seller being sent to the State. The Seller is responsible for the storage and administration of a copy of the protocol and should set up the administration in such a way that both Parties are able to consult it quickly at all times.

Aircraft

8.4 The Buyer shall provide the CFE to perform Phase Maintenance in accordance with Statement of Work.

Parties shall perform an inspection upon receipt of the Aircraft; and document the results in writing. Title to the Aircraft shall remain with the State. The Seller shall not sell, mortgage, encumber or otherwise subject the Aircraft to any legal process. The Seller shall indemnify the State against loss of or destruction of or damage to the Aircraft to the extent such loss, damage or destruction arises out of the negligence of the Seller, or the Seller's failure to perform its obligations under this Agreement; provided that such loss, damage, or destruction occurs while the Aircraft is in the care, custody, and control of the Seller.

8.5 The Seller shall return to the State all GFE provided in ban, except for the Parts that are consumed during the execution of the Phase Maintenance and Parts that are installed in the Aircraft from the date of acceptance of the Aircraft by the State.

Manuals, Materials, Facilities and Parts are returned in the same condition in which they were received from the Buyer, excluding normal wear and tear of Materials and Facilities Equipment Is returned in the same condition, excluding normal wear and tear, in which they were received from the Buyer. The Seller shall monitor calibration and the Buyer shall remain responsible for the calibration of the Equipment throughout the life of the Agreement. Seller shall return the Aircraft, excluding normal wear and tear, to the State.

8.6 GFE shall be returned on the End Date of the Agreement, with the exception of the Aircraft, which shall be returned at acceptance and Equipment which shall be returned on another specific date as agreed upon by the Parties.

8.7 Replaced Parts shall be returned by the Seller to the State as soon as possible but no later than five (5) Working Days after the Replaced Part is extracted from the Aircraft. By signing a transfer protocol on behalf of the State and the Seller it shall be confirmed that Replaced Parts have been returned.

8.8 GFE provided by the State and Replaced Parts are the responsibility of the Seller from the moment that they are transferred to the Seller per protocols referred to in paragraph 8.1, 8.2, 8.3 or 8.4 of this Article for GFE provided, that responsibility continues until the moment after the GFE has been consumed during the execution of the Phase Maintenance and Parts which are installed in the Aircraft from the date of acceptance of the Aircraft by the State or returned as described in paragraph 8.5 of this article. For Replaced Parts this responsibility continues until the moment the Replaced Parts are returned as described in paragraph 8.7 of this article

8.9 The Seller shall use GFE in a way that is intended for that specific OFE and that is In line with normal usage. The Seller shall be responsible for the proper storage of GFE and Replaced Parts. The State shall be responsible for providing the facilities in order to ensure that the Seller is able to proper store the CFE.

8.10 The Seller undertakes to account for GFE and Replaced Parts in the books as the property of the State, to mark them as such and to store them separately. Furthermore, the Seller undertakes to make every effort to preserve the rights of the State in respect of GFE and Replaced Parts, and further to notify the State without delay with respect to all information relevant to the State in connection with GFE and Replaced Parts and the preservation of the rights of the State, including, if applicable, of the Seller's bankruptcy, the filing of a petition for a moratorium or attachment of property; in these cases the Seller shall show the Agreement to the receiver, administrator or process server serving the writ of attachment.

8.11 The Seller shall not use GFE and Replaced Parts for any purpose other than those set out in the Agreement nor transfer them to Third Parties whether for nothing or for a consideration, nor encumber them and/or give the use thereof to Third Parties, nor perform any act in respect of GFE and Replaced Parts which may be detrimental to the interests of the State.

Article 9- Quality Assurance

9.1 Seller shall have and maintain a quality-management system that demonstrably complies with AS9100/AS9110 including Annex 8 — Additions to AS9100 Requirements and act in accordance with a MAR-145 approval for the relevant scope of work. The scope of the quality management system (QMS) shall cover the Phase Maintenance. Prior to accreditation, the maintenance activities performed under this Contract shall be in accordance with the State's quality management system, including the Phase Maintenance on the first Aircraft.

9.2 The Seller shall upon request of the State, through the Buyer, support accreditation by the Dutch Military Aviation Authority (NLD-MAA). The initial information for this process shall be demonstrated by the Seller by completion of the 'Questionnaire for Accreditation of Maintenance Organizations' by the Seller if deemed necessary by the NLD-MAA, an on-site organizational audit will be performed by the NtD-MAA.

9.3 The Seller shall immediately inform the State, through the Buyer, in writing about any changes impacting its in-country maintenance organization approval and/or QMS.

9.4 In connection with the quality assurance requirements as per paragraph 9.1 and 9.2 of this article, the Seller shall submit a copy of a quality plan in in regard to AS9100/9110 including Annex 8 — Additions to A59100 Requirements to the State, through the Buyer, in accordance with Annex 2 — Accreditation Plan. This quality plan shall outline the Seller's plan to obtain the requirements outlined in section 9.1 and 9.2 of this Article as stated in this Contract, the quality plan shall require a certificate of no objection from the State.

9.5 Prior to obtaining accreditation in accordance with MAR-145 the State, through the Buyer, shall either give Seller the written certificate of no objection, or notify him in writing of its objections to the quality plan submitted by Seller. The certificate of no objection provided on behalf of the State in respect of the quality plan or modifications thereof shall not affect the obligations of Seller regarding the performance of the Services conforming to the Contract.

9.6 If the State, through the Buyer, has given written notice of objections to the quality plan submitted by Seller, Seller shall submit a quality plan adjusted to meet the objections of the State in a time period mutually agreed upon between the Parties within 2 weeks after receiving the improved quality plan the State, through the Buyer, shall provide Seller with a written certificate of no objection, unless the objections have not been met in full.

9.7 Compliance with the quality assurance requirements laid down above will be subject to oversight by a Government Quality Assurance Representative (GQAR). To perform this duty, s/he is entitled to have unrestricted access to all premises (the industry dock at the LCW location) where Phase Maintenance is carried out under this Contract. The GQAR will get (upon request) access to view the Seller's QMS In order to perform quality assurance process audits and/ or verification of the Phase Maintenance performed.

9.8 In the event that the Seller engages any Third Parties, then such Third Parties will be subject of GQAR inspections as well GQAR inspection will not relieve the Seller from the responsibility to maintain his quality system and from the responsibility for performing Phase Maintenance in accordance with the terms and conditions of this Contract.

9.9 The ground runs and Functional Check Flight (FCF) shall be performed under the responsibility of the State. The Seller shall provide a request to the State, in conformity with the Concept of Operations, to schedule ground runs and Functional Check Flight (FCF) in a timely manner prior to requirement for State's personnel.

9.10 In case the provisions of the Contract have been met the GUAR shall countersign part II of the CCC. Prior to signing the COC the Seller shall provide the final phase inspection report to the GQAR. The signature of the GQAR shall not affect the obligations arising for Seller from this Contract. After (counter) signing of the CCC the Aircraft is considered to be ready for (re-)delivery to the State.

9.11 The COC has to be distributed by Seller as follows

1 original to be delivered with the Aircraft

1 copy to the GQAR

1 copy to Seller

1 copy to the State

Further copies to be distributed as part of the final phase inspection reports.

9.12 After satisfactory testing and after all required delivery documents/records have been generated and Signed, Seller shall issue a Certificate of Release to Service (CRS) document in accordance with Annex 10— Certificate of Release to Service, related to the type of service performed in accordance with MAR-145 and Certificate of Conformity (COC) in accordance with Annex 9— C1 and/or C2 - Certificate of Conformity, or which at least reflects the contents of Part I and Part II of the COC.

9.13 If Seller does not fulfil the quality assurance requirements that are specified in this article after Seller has been formally urged, in writing, by the Buyer to solve this unacceptable condition the Seller shall issue a formal corrective action plan. The Seller will receive a two (2) week prior written notice to take corrective actions.

9.14 Any event, occurrence or anomaly impacting the airworthiness of an Aircraft shall be reported to the State, and managed according to the existing procedures within the Seller's organization.

Article 16- Intellectual Property

16.3 The Seller grants the State of the Netherlands a non-exclusive, non-transferable right of use for defense purposes, free of charge, of the information delivered to the State (excluding non-deliverable information the Seller makes available for viewing by the State) in connection with this Contract, including data, software and documentation.

Article 22 Security

22.1 All classified material and information exchanged or generated in connection with this Contract will be used, transmitted, stored, handled and safeguarded in accordance with applicable national security laws and regulations and with the procedures as agreed in the

bilateral general security of information agreement between the government of the United States and the government of the Netherlands, entered into August 18th 1960, as amended April 6, 1981, and the security procedures for industrial operations between the ministry of Defense of the Netherlands and the Department of Defense of the United States (Security Protocol), effective on April 9, 1982

22.2 The Parties shall use their best reasonable efforts to assure that their employees do not disclose the terms or conditions of this Agreement, except as required by the Parties in the performance of this Agreement.

22.3 Each Party agrees to notify the other Party in writing of any such disclosure it intends to make at least ten (10) Working Days in advance of the date it is required to make the disclosure.