

**CUSTOMER CONTRACT REQUIREMENTS**  
**R-O CLS II Repair and Overhaul Contractor Logistics Support (Chinook)**  
**CUSTOMER CONTRACT 4600123169**

**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

**ARTICLE 1 - Audit**

1.1 According to the provisions of this Article, the State of the Netherlands, for the purposes hereof represented by the Minister of Defense, hereinafter referred to as "the State or Buyer's Customer", is authorized to cause examinations to be made by or on behalf of the State's Audit Board through the Defense Contract Management Agency (DCMA) and Defense Contract Audit Agency (DCAA) of all calculations and pricing in Suppliers proposals submitted in connection with this Contract in accordance with US Government practices under the Annex VI ("Principles Governing Defense Contract Audit Services", dated 14 January/2 February 1991) to the Memorandum of Understanding Between the Government of the Kingdom of The Netherlands and the Government of the United States of America Concerning the Principles Governing Mutual Cooperation in the Research and development, Production, and Procurement of Defense Equipment, signed at the Hague on 24 August 1978 as amended for Goods and Services that are not catalog priced, and are of the correct compliance in a general sense with the financial terms and terms having financial aspects included in the Contract and the acceptability of any deviations from such terms.

1.2 For the purpose of the above examinations, 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 State's Audit Board, DCMA and DCAA will deem necessary for properly carrying out such examinations in accordance with DCAA audit guidelines applicable (form bottom lines to end price) will be made available to DCMA and DCAA. Seller shall ensure that the information required by the State's Audit Board, DCMA and DCAA can be derived by DCMA and DCAA from the accounting records in a simple and timely manner,

1.3 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 Sellers Statement of Work
- b. Task Sheets that substantiate Sellers 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 Sellers 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

1.4 In addition to the above, DCMA Is authorized to conduct an assessment of the applied profit to Suppliers proposal. Comparison shall be made to other Direct Commercial Sales contracts to assure the applied profit is no less favorable than for other Direct Commercial Sales contracts 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.

1.5 DCMA and DCAA will thru DoD CCP Issue a report to The Audit Board, this report shall include any difference between Seller's 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 Material, "Overhead", "IWA ODC and Non G&A" and "Travel" spilt into non-recurring and recurring per category and shall not include any Pricing details or factors which Boeing considers to be Boeing Proprietary/ Competitive Sensitive Information. Prior to the release of the audit report by DCMA/DCAA to DoD CCP and the State Audit Board, the contents of the report will be discussed and disclosed between DCMA/DCAA and Supplier in a so

called "exit meeting". Seller will submit a release letter enabling DCMA/DCAA and DoD CCP to release the report to The Audit Board.

1.6 The examinations shall be confidential and shall extend no further than will be necessary for the assessment of the matter 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/DCAA will release rates and factors and the profit rate to the State. The State and Its employees shall not disclose any information furnished hereunder in any matter contrary to the laws and regulations of the United States of America and the Kingdom of the Netherlands.

1.7 Seller declares that to the best of its ability all information involving financial aspects which has been or will be presented to The State's Audit Board, DCMA and DCAA for assessment was or will be current, complete and accurate as of the date of submittal of the proposal to Buyer.

1.8 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 Supplier and Its prospective major suppliers and subcontractors.

#### ARTICLE 2- Quality Assurance

2.1 Seller shall have an ISO 9001-2008/AS9100 (latest revision) approval or equivalent approval. Seller shall notify Buyer at the earliest opportunity about any change to the extent of the approvals.

2.2 All Repairables under this Contract shall be repaired/ overhauled utilizing the same procedures and processes contained in Seller's Quality System.

2.3 This Contract is subject to Government Quality Assurance (GOA). Buyer's Customer may delegate GOA to the U.S. Government's Defense Contract Management Agency in accordance with STANAG 4107 (reference only), or to another nation in accordance with a Memorandum Of Understanding (MOU). GOA will be accomplished by and is the sole responsibility of the Government Quality Assurance Representative (GOAR). GOA will consist of verifications of Repairables, and of process and/or quality system audits. GOA may extend to subcontractor facilities. Seller shall provide any assistance required for the proper accomplishment of GOA.

2.4 After having been informed in writing by the GOAR that the quality/airworthiness does not or no longer meet the requirements laid down in preceding paragraphs, Seller shall take remedial measures as soon as possible, but in any case shall document and provide a corrective action plan to Buyer within ten (10) days after establishment of the deficiency.

2.5 Seller shall point out to Buyer any unsuitability or defects of Repairables furnished and/or prescribed by or on behalf of Buyer's Customer in so far as Seller was or reasonably should have been aware thereof.

#### Article 3 - Intellectual property

3.1 The Goods to be delivered by Seller under this Contract shall be free of all restrictions, also in combination with other Repairables, arising from patents, copyrights or other intellectual property rights, with the exception of the restrictions that have been expressly accepted by Buyer in writing. Seller shall indemnify and hold Buyer's Customer harmless against any claims of third parties in respect thereof.

3.2 The preceding paragraph does not apply to restrictions inherent in a design furnished by Buyer's Customer, which must be followed by Seller. Buyer's Customer shall indemnify and hold Seller harmless against any claims of third parties in respect thereof.

3.3 The indemnification referred to in article 3 shall apply subject to the condition that neither verbally nor in writing Buyer's Customer make any statement, promise, admission of rights or facts, or give any undertaking to or enter into any arrangement with Seller alleging the intellectual property infringement. The preceding sentence shall not apply to statements, which must be made as a witness in court proceedings by or in behalf of Buyer's Customer or the party to which Buyer's Customer has granted the use of the Repairables. The indemnification by Buyer's Customer under paragraph 3.2 shall be subject to the same conditions.

3.4 Seller grants Buyer's Customer a non-exclusive, non-transferable right of use for Defense Purposes, free of charge, of the information made available to Buyer's Customer in connection with this Contract, including technical information, software and documentation.

3.5 Seller gives an undertaking that he will use any knowledge contributed by Buyer's Customer for the purposes of this Contract, for instance technical information, exclusively in the context of Contracts in support of Agreements to be concluded with Buyer's Customer, unless such knowledge is public knowledge or can be obtained from other sources without any restrictions on the disposal thereof.

#### ARTICLE 4 - Security

4.1 All classified material and information exchanged or generated in connection with this Contract will be used, transmitted, stored, handled and safeguarded in accordance with 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.

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

4.3 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