

**CUSTOMER CONTRACT REQUIREMENTS
UNITED KINGDOM CHINOOK THROUGH LIFE CUSTOMER SUPPORT
CUSTOMER CONTRACT CHC/087**

CUSTOMER CONTRACT REQUIREMENTS

The following customer contract requirements apply to this contract to the extent indicated below. If this contract is for the procurement of commercial items under a Government prime contract, as defined in FAR Part 2.101, see Section 3 below.

- The following contract clauses are incorporated by reference from the United Kingdom Ministry of Defense (UK MoD) DEFCONs and apply to the extent indicated. The DEFCONs may be found at <http://www.ams.mod.uk/ams/content/docs/toolkit/home.htm> . In all of the following clauses “Purchaser” or “Authority” shall mean Boeing or Buyer or the like and any reference to “Supplier”, “Contractor” or “subcontractor” shall mean Seller, except for those DEFCONs indicated to the contrary by an asterisk (*) where the “Authority” shall mean the UK MoD.

DEFCON 5	(Edn. 7/99)	MOD Forms 640 - Advice and Inspection.
DEFCON 23	(Edn. 4/98)	Special Jigs, Tooling and Test Equipment*
DEFFORM 43	(Edn. 11/98)	Memorandum to Contractor on Disposal of Materials, etc. made Surplus by the Termination, Amendment or Reduction of Ministry of Defence Contracts;
DEFCON 68	(Edn. 9/97)	Supply of Hazardous Articles and Substances;
DEFCON 76	(Edn. 7/99)	Contractor’s Personnel at Government Establishments
DEFCON 117	(Edn. 8/02)	Supply of Documentation for NATO Codification Purposes
DEFCON 129	(Edn. 04/03)	Packaging
DEFCON 147	(Edn. 10/86)	Negative Acquittal of Issue Transaction Summaries - Consignee Receipts*; http://www.aof.mod.uk/aofcontent/tactical/toolkit/downloads/defcons/archive/147_10-86.pdf
DEFCON 315	(Edn. 2/98)	Contract Data Requirements

DEFCON 316	(Edn. 5/98)	Government Furnished Information
DEFCON 501	(Edn. 8/02)	Definitions and Interpretations:
DEFCON 507	(Edn. 10/98)	Delivery;
DEFCON 509	(Edn. 9/97)	Recovery of Sums Due
DEFCON 513	(Edn. 9/97)	Value Added Tax;
DEFCON 515	(Edn. 9/01)	Bankruptcy and Insolvency;
DEFCON 516	(Edn. 11/02)	Racial Discrimination;
DEFCON 518	(Edn. 9/97)	Transfer;
DEFCON 520	(Edn. 10/98)	Corrupt Gifts and Payments of Commission;
DEFCON 521	(Edn. 10/98)	Sub-Contracting to Supported Employment Enterprises;
DEFCON 522	(Edn. 07/99)	Payment;
DEFCON 524	(Edn. 10/98)	Rejection; For the purposes of this Partnering Agreement, the period by which The Boeing Company shall remove any rejected Article under Clause 4 of DEFCON 524 (Edn. 10/98) shall be Thirty (30) Calendar days: http://www.aof.mod.uk/aofcontent/tactical/toolkit/downloads/defcons/pdf/524.pdf
DEFCON 525	(Edn. 10/98)	Acceptance; http://www.aof.mod.uk/aofcontent/tactical/toolkit/downloads/defcons/pdf/525.pdf
DEFCON 526	(Edn. 8/02)	Notices;
DEFCON 527	(Edn. 9/97)	Waiver;
DEFCON 528	(Edn. 10/98)	Overseas Expenditure and Import Licences:

DEFCON 530	(Edn. 09/03)	Dispute Resolution (English Law):
DEFCON 531	(Edn. 10/97)	Disclosure of Information; http://www.aof.mod.uk/aofcontent/tactical/toolkit/downloads/defcons/archive/531_10_97.pdf
DEFCON 534	(Edn. 6/97)	Prompt Payment (Sub-Contracts);
DEFCON 537	(Edn. 6/02)	Rights of Third Parties;
DEFCON 538	(Edn. 6/02)	Severability; http://www.aof.mod.uk/aofcontent/tactical/toolkit/downloads/defcons/pdf/538.pdf
DEFCON 566	(Edn. 9/02)	Change of Control of Contractor
DEFCON 601	(Edn. 01/98)	Disposal of Redundant Material (Articles supplied under DEFCON 611 (Edn. 01/04) – Issued Property only);
DEFCON 602(a)	(Edn. 12/98)	Quality Assurance (With Quality Plan); http://www.aof.mod.uk/aofcontent/tactical/toolkit/downloads/defcons/pdf/602a.pdf (if quality plan is required with PO)
DEFCON 603	(Edn. 6/97)	Aircraft Integration and Clearance Procedure
DEFCON 604	(Edn. 10/98)	Progress Reports; Shall be provided by means of a weekly Programme Management Meeting (PMM) in the same format as used on Tasking No. 087 (informal deliverable TBA)
DEFCON 607	(Edn. 7/99)	Radio Transmissions;
DEFCON 608	(Edn. 10/98)	Access and Facilities to be Provided by the Contractor
DEFCON 611	(Edn. 01/04)	Issued Property Clause 6 of this DEFCON 611 will be revised from “all reasonable measures” to “reasonable measures”.

For the avoidance of doubt, the Authority's remedy for loss or damage to the Issued Property under Clause 8 of this DEFCON shall be limited to repair or replacement of the Issued Property or the cost of repairing or replacing the Issued Property, except where such loss or damage causes the Article not to conform to the requirements of the contract, in which case the Authority shall have the right to reject the Articles under clause 1 of DEFCON 524.

DEFCON 612	(Edn. 10/98)	Loss of or Damage to the Articles;
DEFCON 624	(Edn. 4/00)	Use of Asbestos in Arms, Munitions, or War Materials;
DEFCON 625	(Edn. 10/98)	Co-operation on Expiry of Contract
DEFCON 637	(Edn. 8/99)	Defect Investigation and Liability
DEFCON 638	(Edn. 11/02)	Flights Liability and Indemnity
DEFCON 642	(Edn. 6/97)	Progress Meetings;
DEFCON 644	(Edn. 10/98)	Marking of Articles-
		"For clarification where practical all Articles shall be marked with the data specified in DefStan 05-34 or Mil Std 129P as appropriate. In all cases such marking shall include the NSN. Where the size of an article prevents the direct application of such a marking regime the Contractor shall ensure that the smallest pack in which identical items are collectively packed shall be marked with the NSN and any other requirements as detailed in DEFCON129 (Edn 04/03)
DEFCON 646	(Edn. 10/98)	Law and Jurisdiction (Foreign Suppliers); For the purposes of Clause 5 of DEFCON 646 (Edn 10/98) the Contractors appointed Solicitors shall be Bryan Cave, 33 Cannon Street London, EC4M 5TE, Tel. 44 (0) 20 7246 5800 Fax: 44 (0) 20 7246 5858
DEFCON 649	(Edn. 7/99)	Vesting

DEFCON 656	(Edn. 10/98)	Break;
DEFCON 659	(Edn. 9/97)	Security Measures; (To be inserted in all UK Sub-Contracts)
DEFCON 661	(Edn. 05/02)	War Risk Indemnity;
DEFCON 681	(Edn. 6/02)	Decoupling clause -
DEFCON 684	(Edn. 01/04)	Limitation Upon Claims in Respect of Aviation Products:
DEFCON 694	(Edn. 01/04)	Accounting for Property of The Authority. For the avoidance of doubt, the requirement shall be for an annually reconciled report with access for audit by MoD Asset Accounting Centre, or other Authority appointed representative, on an as and when basis in accordance with Interim DefStan 05-99.

2. The following prime contract special provisions apply to this purchase order:

A. **Access**

Representatives of the Authority shall be granted reasonable access to work in progress at the Supplier's premises and at the Designated Area for the purposes of keeping in touch with the nature and progress of the work under the Contract. Such access will be pre-coordinated and be on a non-interference basis. Proper Security and Export clearances shall be in place.

The Supplier shall furnish to representatives of the Authority such copies of orders, specifications, drawings and other documents as may reasonably be required for the purposes of keeping in touch with the nature and progress of work under the Contract.

Whilst at RAF Waddington (including the Designated Area) or any other Authority site the Supplier's personnel shall at all times comply with appropriate site / Station Standing orders.

B. **Intellectual Property Rights**

- 1 The Intellectual Property Rights (IPR) conditions applicable to each Technical Deliverable shall be DEFCON's 632 (Edn 10/04) and 705 (Edn 11/02).
- 2 The Supplier shall enter into an Agreement with, and on the form prescribed by, the UK MoD. Two signed copies of the agreement are required to be sent to the Authority direct,

or submitted via the Purchaser.

- 3 Neither Party shall acquire title to any Background Rights of the other Party pursuant to this Contract.
- 4 The Supplier grants to the Purchaser a non-exclusive licence (on fair and reasonable terms to be agreed) to use any of the Supplier's Background Rights and the Foreground Rights vested in the Supplier pursuant to this Contract to the extent necessary to fulfil the Purchaser's obligations under the Prime Contract to the Authority, subject to the terms and execution of applicable Boeing Licensing Agreements which will be append to this Contract upon agreement

C. Security Measures

- 1 The Supplier shall ensure, where appropriate, that his employees are cleared to the appropriate security level as stated in the Security Aspects Letter issued by the Authority to the Purchaser.
- 2 The Purchaser reserves the right to insist on increased levels of security clearance for specific duties and to refuse or withdraw security clearance under specific circumstances following notification received by the Purchaser from the Authority.
- 3 The Supplier shall ensure that his employees, agents or Sub-Contractors comply with relevant UK MoD Security regulations when working at Government Property. This may include in the most exceptional circumstances a willingness to submit to a search of their person, personal belongings and transport when entering or leaving Government Property. The Supplier shall accept (without prejudice to any remedies the Purchaser may have) full responsibility for any loss or delay in performance of the Contract caused directly or indirectly by the expulsion of, or refusal to allow access to, a Supplier's employee, agent or Sub-Contractor who does not consent to being searched.

D. Supplier's Personnel

- 1 Personnel employed under the Contract shall have the appropriate qualifications, competence and security clearance for the tasks on which they are engaged.
- 2 Where so requested by the Purchaser following a request from the Authority, particulars (as detailed by the Authority) of all personnel to be so employed shall be forwarded in advance to the Purchaser for confirmation of acceptability unless such information is protected by US law.
- 3 The Supplier shall take all reasonable steps to avoid changes of personnel assigned to the work under the Contract. Except whenever changes are unavoidable or of a temporary

nature caused by sickness etc, the Supplier shall give at least one month's notice to the Purchaser and paragraphs 1 and 2 above shall apply to the replacement personnel.

E. Vesting

1. Subject to the provisions of this Article E, and in respect of Articles the production or purchase of which is funded under this Contract and which is necessary to undertake this Contract but not yet delivered under this Contract:
 - a. each Article as it is constructed together with its component parts and equipment so far as incorporated in the Articles; and
 - b. all materials which the Supplier acquires or allocates for incorporation in any of the Articles, shall vest in and become the joint property of the Supplier and the Purchaser, as from the time the construction of the Article begins or the material is acquired specifically for or is allocated for incorporation in any of the Articles and shall from that time be in the possession of the Supplier for the sole purpose of completing this Contract during its term.
2. Neither a sub-contractor, nor any other person shall have lien on any Article or material which have vested in the Supplier and the Purchaser under paragraph 1 above for any sum due to the sub-contractor or other person. The Supplier shall take all reasonable steps necessary to ensure that the provisions of this Article E are brought to the notice of all sub-contractors and other persons dealing with any such Articles or material.
3. Without prejudice to paragraph 1 above, the Supplier shall ensure that from the time when the construction of any Article begins, or as soon as practicable thereafter, or when any material is acquired specifically for or is allocated for incorporation in any of the Articles, they are marked or recorded so that they are readily identifiable as the property of the Supplier and the Purchaser. The Supplier shall comply with any direction given by the Purchaser in this respect.

F. Disputes

1. If a dispute arises during the performance of the Prime Contract and/or any Sub-Contract then both Parties agree that they shall continue the timely performance of their respective contractual obligations so that no such dispute shall in any way adversely affect performance against the Prime Contract. Both Parties will aim to quickly resolve any such disputes in accordance with the procedure detailed in paragraph 2 below of this Article.
2. If any dispute or difference arises out of or in connection with this Contract the Parties shall in good faith use all their respective reasonable endeavours to resolve the dispute or difference (referred to below as a "Matter") amicably and as soon as reasonably possible by referring the Matter to a senior representative of each party.

3. The parties may resolve any disputes pursuant to the disputes article of The Boeing Company's General Provisions set forth in this contract.

G. Health and Safety

- 1 The Supplier shall familiarise itself with and ensure that its sub-contractors and agents shall familiarise themselves with and use reasonable endeavours to comply with the Purchaser's and the Authority's procedures relating to discipline, fire, health and safety when on the U.K sites of the Authority and the Purchaser and such other procedures applicable to such other sites as the Contract requires.
- 2 The Supplier shall ensure that he complies with the Health and Safety at Work etc Act 1974 and corresponding "Enabling Regulations", Environmental Protection Act 1990, the Environment Act 1995 and other relevant statutory provisions.
- 3 The Supplier shall ensure the he operates under an Environmental Management System based on ISO 9001.

H. Suspension of Import Duty

In accordance with EC Regulation 150/2003, articles to which this Contract applies are Weapons or Military Equipment that will be used by or on behalf of the Authority in respect of which import duties will be suspended provided the Supplier holds an appropriate end-use authorisation from H.M. Customs & Excise. The Authority will issue the Supplier with a certificate confirming the items on which duty may be suspended. This certificate (or for multiple consignments, its reference number) together with the Supplier's end-use authorisation number, issued by Customs, must be made available to the Supplier's import agent to enable them to achieve suspension of the import duties at the time of import. In order that these items can readily be identified by the Supplier's import agent, the Supplier's overseas suppliers shall be instructed to endorse their invoices certifying that the goods are in aid of this Contract and shall quote "Destined for use by or on behalf of the Authority, Contract number: CCHC/087". No import duty is included in the Contract price.