

CUSTOMER CONTRACT REQUIREMENTS
Korea E-737 Upgrade Project for IFF and Link-16 System
CUSTOMER CONTRACT KD03AA5T004

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.

1. Prime Contract Special Provisions The following prime contract special provisions apply to this purchase order

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.

52.204-25 Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment (AUG 2020). Paragraph (b) is deleted and replaced with the following: "Seller is prohibited from providing Buyer with covered telecommunications equipment or services, or with any equipment, systems, or services that use covered equipment or services regardless of whether that use is in performance of work under a U.S. Government contract." Paragraph (c) is deleted in its entirety. Paragraph (d)(1) is deleted and replaced with the following: "In the event Seller identifies covered telecommunications equipment or services provided to Buyer during contract performance, or Seller is notified of such by a subcontractor at any tier or any other source, Seller shall report the information in paragraph (d)(2) of this clause via email to Buyer's Authorized Procurement Representative, with the required information in the body of the email."

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

52.209-7010 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.

52.223-7003 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 52.223-7002. 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 52.223-7002 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.

52.223-7008 Prohibition of Hexavalent Chromium (JUN 2013). "Contracting Officer" shall mean Buyer.

52.225-7001 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).

KD03AA5T004 Korea E-737 AEW&C . Acts, Regulations, Guidelines

Seller must comply with the listed Acts, Regulations, and Guidelines.

[Acts/Regulations](#)

- 8.1.1. Defence Acquisition Program Act (No.15051, NOV 28 2017) / Decree (No.29496, JAN 22 2019) / Rules (No.935, SEP 22 2017)
- 8.1.2. National Finance Act (No.16328, FEB 23 2019) / Decree (No.29677, APR 2 2019)
- 8.1.3. Act on Contracts to which the State is a Party (No.15219, DEC 19 2017) / Decree (No.29318, DEC 4 2018) / Rules (No.699, DEC 4 2018)
- 8.1.4. Military Aircraft Airworthiness Certification Act (No. 16353, APR 23 2019) / Decree (No.29307, NOV 27 2018) / Rules (No.792, MAR 18 2013)
- 8.1.5. Work Regulations regarding Military Aircraft Airworthiness Certification (DAPA Regulation No. 459, NOV 28 2018)
- 8.1.6. Defence Power Development Operation Regulation (Defense Regulation No.2266, MAR 19 2019)
- 8.1.7. Defence Program Management Regulation (DAPA Regulation No.497, MAR 25 2019)
- 8.1.8. Military Security Service Regulation (Defence Regulation No.2258, FEB 13 2019)
- 8.1.9. Defence Industry Security Service Regulation (Defence Regulation, No.2132, FEB 13 2018)
- 8.1.10. DAPA Security Service Regulation (DAPA Regulation, No.489, JUN 12 2019)
- 8.1.11. Military Procurement Management Regulation(DAPA Regulation, No.494, MAR 14 2019)
- 8.1.12. Guideline of Target Price Management(Contract Management Agency Guideline No. 2018-4, NOV 6 2018)
- 8.1.13. National Defense Informatization Directive(Defence Regulation, No.2275, MAY 9 2019)
- 8.1.14. National Defense Cyber Security Directive(Defence Regulation, No.2234, DEC 26 2018)
- 8.1.15. 8.1.1. In case of contradiction between 8.1.1. 「 Defense Acquisition Program Act 」 and

8.1.3. 「 Act on Contracts to which the State is a Party 」, 8.1.1. 「 Defense Acquisition Program

Act ㄱ shall take precedence.

Guidelines

- 8.2.1. General Terms and Conditions on Weapon System (DAPA Guideline No. 477, JAN 23 2019)
- 8.2.2. Foreign Direct Commercial Purchase Guideline (Contract Management Agency Guideline No. 2016-10, JAN 2 2017)
- 8.2.3. General Instructions to proposing company For Competitive Bidding (DAPA Guideline No. 414, APR 13 2018)
- 8.2.4. Weapon System RAM Guideline (DAPA Guideline No. 469, NOV 28 2018)
- 8.2.5. Interoperability Management Guideline (DAPA Procedure, No.470, NOV 28 2018)
- 8.2.6. Weapon System Test & Evaluation Guideline (JCS Guideline, AUG 10 2018)
- 8.2.7. Weapon System Proposal Evaluation Guideline (DAPA Guideline No.516, JUN 12 2019)
- 8.2.8. Defense Interoperability Management Directive(Defence Regulation, 2018-020, MAY 1 2018)

Maintenance of Secrecy

- a. The Seller shall warrant that any and all data or information related to this contract will be held and preserved as "Confidential Matters of the Republic of Korea" in strict compliance with the relevant laws and regulations of the Republic of Korea.
- b. Regardless of whether marked with "Confidential", all information acquired from any forms of communication in relation to this contract shall not be disclosed in any way without the Buyer's prior consent.
- c. The Seller's obligations provided here shall survive termination or completion of this contract.

Warranty

- a. The Seller warrants;

(1) That the Commodity/Part/Service is in strict conformity with requirements of this contract,

(2) That such Commodity/Part/Service is fit for the particular defense purpose expressly or impliedly made known to the Seller at the time of execution of this contract,

(3) That such Commodity/Part/Service is free from defects in material (includes Hardware, Software, Firmware, etc.), workmanship, condition, operation, etc.

(4) That the Commodity/Part/Service is contained or packaged in the manner appropriate for its carriage and storage, and

b. The Seller's warranty stipulated in the preceding subparagraphs shall unchangeably continue until the expiration of thirty six (36) months calculated from the latest date for Delivery of Commodity/Part/Service to the Buyer.

c. Upon discovery of any defect, Buyer shall immediately notify the Seller with request for repair or replacement. The Seller shall submit a warranty cure plan within thirty (30) days of receiving such request, and at its own risks and expenses, complete repair or replacement in the shortest period possible. If defective Commodity/Part/Service needs to be sent back to the Seller for repair or replacement, the Seller or its designated freight forwarder, shall pick up the defective Commodity/Part/Service at a time and place designated by Buyer at the Seller's own risk and expenses.

d. In the event the Seller fails to complete the repair or replacement within 180 days from receipt of the commodity from Buyer, liquidated damages for delayed warranty shall be levied as stated below from the day after the designated time period, and the total amount of the liquidated damages shall not exceed ten percent (10%) of delayed warranty item price.

(1) Liquidated damages for delayed warranty = (unit price of warranty item) X (quantity) X (number of delayed days) X (rate for delay: 0.15%)

(2) In the event a warranty plan explaining the need to have a longer cure period that exceeds 180 days due to special circumstances such as necessary time to investigate cause of failure and special cargo ship transportation is submitted and accepted, liquidated damages shall be levied after the agreed time period. The liquidated damages for delayed warranty shall be assessed separately from liquidated damages for delayed delivery.

e. In case the Seller fails to repair or replace the warranty item when the liquidated damages for delayed warranty have reached 10% of the contract value of the relevant item, Buyer shall be entitled to all of the compensations listed below. However, liquidated damages for delayed warranty shall not be levied in this case.

- (1) the contract price of the defective Commodity/Part/Service or any part thereof,
- (2) ten percent (10%) of such Contract amount as liquidated damages,
- (3) any additional damages, including but not limited to, extra costs incurred to Buyer for procurement of similar or replacement commodity from other source,

f. The defective or non-conforming Commodity/Part/Service or any part thereof repaired or furnished in replacement shall be subject to this Article to the same extent as the Commodity/Part/Service initially delivered or installed and/or integrated. Unless the parties agree otherwise, this warranty shall be equal in duration to that set forth in subparagraph b. of this Article and shall run from the date of delivery or installation and/or integration of the repaired or replaced Commodity/Part/Service or part thereof.

- g. When an intensive survey was carried out to investigate the details and the reason of the defect, and when such survey proves that the Seller is liable for the defect, all expenses for the survey shall be borne by the Seller. Also, the Seller shall bear all costs necessary for the repair or the replacement, including, but not limited to, disassembling, packing and transit of the defective Commodity/Part/Service or its part(s), and transportation of the repaired or replaced Commodity/Part/Service or any part thereof back to the point where the defect was discovered.
- h. The Seller shall prepare and submit to Buyer data and reports applicable to any repair required (including revision and updating of all related technical data required under this contract) at no increase in the contract price.
- i. In the event the Seller does not collect the remainders left as a result of treating warranty cases even after completion of warranty and six (6) months from expiration of the contract, Buyer or the End User can dispose of such items as it deems fit, using methods including auction and discarding. In this case, the Seller shall not protest against this disposal in civil or criminal court.
- j. If the end-customer, cannot perform any additional maintenance work (installation, testing, inspection, etc.) required to install the repaired or replaced object on the aircraft, all incurred costs shall be borne by the contractor.

Force Majeure

Immediately after the occurrence of a Force Majeure Event, the Seller shall provide notification to Buyer by email, fax, or mail as specified here within fifteen (15) days of such occurrence of Force Majeure Event. The notification shall include an attached written certificate issued by the authorized governmental organization or similar independent third party in the location where the event occurred. The notification shall indicate:

1. The Seller could not reasonably foresee occurrence of the Force Majeure Event at the time of the contract award.
2. The Seller could not control the failure of or the delay in Delivery due to such Force Majeure Event.

Complete, Return, and Comply with Integrity Pledge

Buyer can provide copy of Integrity Pledge form.

Complete, Return, and Comply with Prohibition of Sales to North Korea

Buyer can provide copy of Prohibition of Sales to North Korea form.