BDS Terms and Conditions Guide

Effective: 06/12/2017 Page 1 of 2

CUSTOMER CONTRACT REQUIREMENTS AEWandC BOA CUSTOMER CONTRACT KD63AM08P17

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

Special Provisions - KFX-DAPA-63AM08P17.

1. Maintenance of Secrecy

- a. The Seller shall warrant that any data or information related to this Contract, originally developed by the Republic of Korea, shall be held and preserved as "Confidential Matters of the Republic of Korea". The Buyer shall warrant that any data or information related to this Contract, originally developed by the Boeing Company and its Suppliers shall be held and preserved as "Confidential Matters of The Boeing Company". The Parties warrant that any document provided to the other Party in relation to this Contract shall be protected in accordance with the equivalent U.S. or Korean security classification.
- b. Any documents or correspondence in relation to and in connection with this Contract, whether or not marked "Confidential" therein, shall not be divulged in any way and shall not be disclosed or released to any other unauthorized person or corporation.
- c. The Seller's obligations provided in this Article for maintenance of secrecy shall survive termination or completion of this Contract.

2. Investigation in the Event of an Accident or Failure

In the event of an accident or failure for which parts or services were provided under this Contract, Seller agrees that upon request, Seller shall use best efforts to share information to the extent permissible under the relevant laws and to cooperate in any investigation in good faith to ascertain the cause of such accident or failure.

3. Special Provision for Prohibition of any Direct or Indirect Sale of Goods/Services to North Korea

- 3.1. These special provisions are primarily purposed to prohibit any direct or indirect sale of the Goods/Services to North Korea. The Goods/Services stated herein includes any related technical data and information.
- 3.2. The Seller warrants that any goods same as or similar to the Goods/Services shall not be sold or transferred to North Korea, regardless of whether or not the Seller is involved directly in such sale or transfer.
- 3.3. In case the Buyer or other governmental agency has obtained the information that the Seller has violated these special provisions, the Buyer shall:
 - a. Confiscate the whole amount of the Performance Bond,
 - b. Make a claim for recovery of all payments made to the Seller, (In this case, the Goods/Services, delivered or in transit for delivery, shall be returned to the Seller at the Seller's risks and expenses .) and
 - c. Make a claim for recovery of other losses incurred to the Buyer.
- 3.4. The term "sale" or "transfer" used here in covers lease, release, assignment or any other possession of the Goods/Services stated herein.
- 3.5. These special provisions are incorporated in and made part of this Contract, and shall survive all other terms and conditions under this Contract.
- 3.6. Where the agent for the Seller is involved in this Contract, these special provisions are binding upon such agent.

BDS Terms and Conditions Guide

Effective: 06/12/2017 Page 2 of 2

4. Special Terms and Conditions for Integrity Pledge

- 1. The purpose of this clause is to stipulate what constitutes violation of the Integrity Pledge, and penalties for such violation.
- 2. The Seller shall observe what is stipulated in the Integrity Pledge including prohibition of offering valuables or entertainment, and requesting certain information.
- 3. In the event there is any violation of the Integrity Pledge in areas listed below, the DAPA shall have the right to restrict participation in programs as stipulated in Defense Acquisition Program Act (article 59. Enforcement Decree articles 70 & 58)
 - a. Promise or provision of payment or entertainment to the relevant public servants (including members of committees and/or subcommittees, as well as expert consultants in accordance with regulation 16 of Defense Program management Regulation) to influence decisions or in the course of bidding, contract award, or signing & implementing a contract.
 - b. Request of certain information for a defense program.
 - c. Disclosure of certain information to a third party without approval, including R&D result obtained during implementation of the contract.
 - d. Taking money, wrongful action, or unfair measures against subcontractor(s) by abusing the position as the primary contractor in the course of signing a contract or implementing a program with a subcontractor.
- 4. In the event there is an action that constitutes as violation of the Integrity Pledge as stipulated in Article 4 of this Pledge, the Buyer is entitled to terminate the Contract.