

MYIX CRH ADDENDUM

ASC/WISV-H011 RETROFIT OF DELIVERED CRH SYSTEMS (FEB 2012)

The Supplier shall be responsible f

contract resulting in a request for equitable adjustment against Buyer, Buyer shall have equitable adjustment under this clause shall be on a pro rata basis to the extent the goods or services provided by Supplier are only a partial cause of the CRH failure to meet contractual R&M requirements. For the purposes of this clause, an in-scope deficiency is defined as any deficiency in Suppliers goods or services as evaluated against this Agreement, including any specifications, drawings, statements of work or other documents whether incorporated by reference or in full text.

Supplier shall submit an ECP to correct the in-scope deficiency, shall retrofit all delivered goods and or services to correct the in-scope deficiency, and shall provide yet to be delivered goods or services with the in-scope deficiency corrected. These efforts shall be completed within 12 months at no additional cost to Buyer. The failure of the parties to agree on the existence of an in-scope deficiency, as defined in this clause, shall be a considered a dispute and handled pursuant to the Disputes provision of this Agreement.

Illustrative Examples:

1. Supplier provides Widget X to Buyer. Widget X fails to conform to the requirements of this Agreement and causes the CRH fleet to be grounded. The grounding of the fleet results in the CRH aircraft failing to meet its MTBF requirements, and the Air Force submits a request for equitable adjustment against Buyer under prime contract clause H-019. This clause would apply in this scenario and enable Buyer to seek a corresponding request for equitable adjustment against supplier.
2. Supplier provides Widget Y to Buyer. Widget Y is provided with a widget-specific MTBF. Widget Y fails to meet its widget-specific MTBF on the CRH aircraft, but the CRH aircraft continues to meet or exceed the aircraft-level MTBF. This clause would not apply, and Buyer would not be entitled to an equitable ad remain intact).

U.S. Air Force Calculation of MTBF on the CRH Contract (provided for informational purposes only):

The specific measure monitored is mean time between failure (MTBF). The fleet's previous 12-