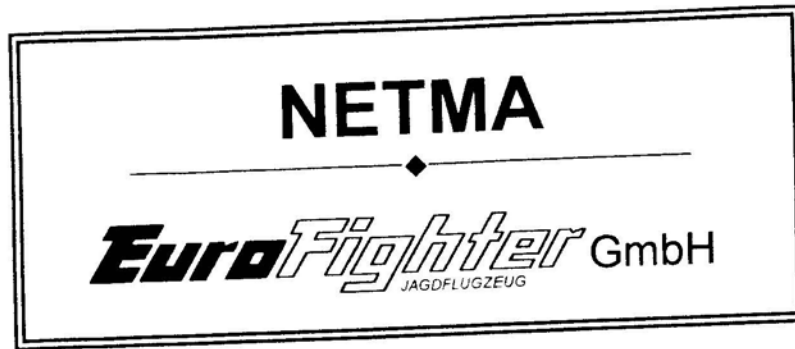


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Supplement No. 2 to the
Production Investment and Production
Contract No. NETMA/C2/40601/97/NR

ATTACHMENT D

ASSUMPTIONS AND CONDITIONS
TO THE PRICES

Issue 1

September 1998

-	Pages	NATO SECRET
-	Pages	NATO CONFIDENTIAL
-	Pages	NATO RESTRICTED
8	Pages	NATO UNCLASSIFIED
-	Pages	BLANK
8	Pages	TOTAL

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SHEET / ISSUE SUMMARY

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ISSUE APPROVAL

Issue:	Date:	CP-Number:	Attachment Amendment
1	September 1998		----

LIST OF INCORPORATED CHANGES

[illegible]

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P. M. F. F.

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ATTACHMENT D - ASSUMPTIONS AND CONDITIONS

This Attachment D contains only those Assumptions and Conditions which are specific to the prices set out in paragraph 7 of Supplement No. 2 and are in addition or represent a variation to the Assumptions and Conditions stated elsewhere in the Contract in particular Contract Annex 18.

1. ASSUMPTIONS

- 1.1 ALN/CASA/DASA prices for In-house Airframe activities and ALN prices for In-house Role Equipment activities are based on average 1997 economic conditions.

For BAe the price for In-house Airframe activities is a fixed price up to end of 2001 and a firm price at 2001 economic conditions thereafter.

- 1.2 Where prices are expressed in DEMe at average 1997 economic conditions they are based on the following exchange rates:

1 DEM	=	981,9324 ITL
		0,3520 GBP
		84,4381 ESP
		0,5764 US \$
		4,4018 SKR
		3,3664 FFR

- 1.3 Prices for equipment including Supplier Role Equipment, BAe In-house Role Equipment and AEA/HEA are based on the same economic conditions and exchange rates as detailed in Contract Annex 18, Assumptions 1.1 and 1.2.

- 1.4 The commitment figures for LLTI are composed as follows:
- average 1997 e.c.s. and exchange rates for airframe
 - e.c.s. and exchange rates as detailed in Contract Annex 18, Assumptions 1.1 and 1.2 for equipment.

- 1.5 Not used.

- 1.6 The prices have taken into account the findings of the Production Readiness Review.

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- 1.7 It is assumed that in respect of Contract Annex 18 Conditions 2.12 to 2.14 an international procedure will be agreed which will among other issues provide for adequate financial cover before any remedial work under a respective claim is undertaken.
- 1.8 Prices assume the availability of any dispensations necessary to allow Contractor Flying without TACAN on Production Aircraft when at a standard of CRR 1 or above. No provision has been made for fit of TACAN equipment to allow flying without such dispensations.
- 1.9 The Contractor is able to fulfil his obligations under the Contract in relation to the incorporation of CPs in the Weapon System on the following basis:-

The following CPs are assumed to be approved after submission of the appropriate change pages (awaiting ex-committee approval or Change Decision Form):

CP No.	TITLE
000056	Alert Mode Refinement Proposal
100039	Update to AEA ICD
100071	DASS Spokes on HUD
100073	CSMU Suppression
100076	ASRAAM
200056	Implications. of AMRAAM ICD
200072	SRAAM Min. Shooting Range In Gun
200073	IFF Suppression
400035	ESCAC

The following Change Proposals which are yet to be submitted are assumed to be approved within 2 months of their submission:-

CP No.	TITLE
100023	ACVMS
100036	MDLR/PDS Memory Size Increase
100047	GPWS
100069	Sort Lines
100503	Wiring Provisions for DASS
200061	Night Illumination
200044	Disorientation Recovery Facility
200083	IFF Mode S
400029	Two Selective Jettison Packages
400032	Change Coolant Liquid to PAO
400036	Enhanced Weapon Carriage - ALN Costs

- 1.10 The Customer will transfer to EF title to all airframe and equipment items allocated to six Tranche 1 WS at Block 5 standard and paid for under Supplement No. 2. In exchange title will vest in the Customer of airframe and equipment items subsequently allocated to six Tranche 1 Weapon Systems to be delivered at Block 8 Standard.
- 1.11 The Customer will only make claims for Liquidated Damages (LDs) on aircraft to be delivered post signed Amendment No. 4 to Supplement No. 2.
- 1.12 The Weapon System Price used for the calculation of Liquidated Damages is [REDACTED] €.
- 1.13 [REDACTED]
- 1.14 The prices contained in these change pages do not include the price impact of any approved CPs over and above those stated to be included at the time of signature of Supplement No. 1 and 2.
- 1.15 Equipment warranties on aircraft to be delivered post signed Amendment No. 4 to Supplement No. 2 will be confined to the residual warranty remaining on the equipment.

2. CONDITIONS

In addition to those qualifications and assumptions stated elsewhere in the Contract the prices detailed in Paragraph 7 of this Supplement No. 2 exclude the costs of the following items and the costs arising therefrom:

2.1 The following CPs agreed to be included in Contract Annex 1 WSPS for Supplement No. 2 and are over and above those listed in Contract Annex 18 Assumption 1.11/Attachment 1.

CP	100 503	DASS Wiring ¹
	100 023	ACVMS ¹
	100 047	GPWS ¹
	100 076	ASRAAM
	200 061	Night illumination of unpowered A/C ¹
	200 083	IFF Mode 'S' ¹
	400 029	Two Selective Jettison Packages ¹
	400 032	Change of Coolant to PAO ¹
	400 034	SCAC for P4 AM

Note:

¹ Final version not yet submitted

This entire condition, or parts of this condition relating to each individual CP, can be deleted following approval of the CPs.

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P. H. C. F.

ASSUMPTIONS/CONDITIONS SPECIFIC TO EACH EPC

1. CASA ASSUMPTIONS

1.1



1.2



2. DASA ASSUMPTIONS

2.1

