

**NATIONAL AIRCRAFT MAINTENANCE & LOGISTICS SUPPORT
INCENTIVE FEE SCHEDULE**

Incentive Fees

This contract includes multiple incentive fees that emphasize Operational Performance (aircraft launch rates, mission completion, and satisfactory inspection results) and Cost Performance. Because the Government considers Operational Performance to be more important than Cost Performance, the target incentive fee will be divided as follows: 60% Operational Performance/40% Cost Performance. The overall target fee will be (b) (4) **(Base Year and Option Year 1)**; and (b) (4) **(Option Years 2 through 9)** of the target cost of the contract. The maximum fee will be (b) (4) of the target cost of the contract, for each year.

Operational Performance Incentive (60%):

Fees relating to Operational Performance will be awarded quarterly and based upon the calculation of fees described in the "Determination of Incentive Fee" Clause. The Operational Performance Incentive Fee Schedule is as follows:

	Performance Period	Target Fee	Max Fee Available	Fee Earned
Base Year	Feb 1, 2010 – Apr 30, 2010	(b) (4)	(b) (4)	
	May 1, 2010 – July 31, 2010	(b) (4)	(b) (4)	
	Aug 1, 2010 – Sep 30, 2010	(b) (4)	(b) (4)	
	Total	(b) (4)	(b) (4)	
Option Yr 1	Oct 1, 2010 – Dec 31, 2010	(b) (4)	(b) (4)	
	Jan 1, 2011 – Mar 31, 2011	(b) (4)	(b) (4)	
	Apr 1, 2011 – Jun 30, 2011	(b) (4)	(b) (4)	
	Jul 1, 2011 – Sep 30, 2011	(b) (4)	(b) (4)	
	Total	(b) (4)	(b) (4)	
Option Yr 2	Oct 1, 2011 – Dec 31, 2011	(b) (4)	(b) (4)	
	Jan 1, 2012 – Mar 31, 2012	(b) (4)	(b) (4)	
	Apr 1, 2012 – Jun 30, 2012	(b) (4)	(b) (4)	
	Jul 1, 2012 – Sep 30, 2012	(b) (4)	(b) (4)	
	Total	(b) (4)	(b) (4)	
Option Yr 3	Oct 1, 2012 – Dec 31, 2012	(b) (4)	(b) (4)	
	Jan 1, 2013 – Mar 31, 2013	(b) (4)	(b) (4)	
	Apr 1, 2013 – Jun 30, 2013	(b) (4)	(b) (4)	
	Jul 1, 2013 – Sep 30, 2013	(b) (4)	(b) (4)	
	Total	(b) (4)	(b) (4)	
Option Yr 4	Oct 1, 2013 – Dec 31, 2013	(b) (4)	(b) (4)	
	Jan 1, 2014 – Mar 31, 2014	(b) (4)	(b) (4)	
	Apr 1, 2014 – Jun 30, 2014	(b) (4)	(b) (4)	
	Jul 1, 2014 – Sep 30, 2014	(b) (4)	(b) (4)	
	Total	(b) (4)	(b) (4)	

	Performance Period	Target Cost	Max Fee Available	Fee Earned
Option Yr 5	Oct 1, 2014 – Dec 31, 2014	(b) (4)	(b) (4)	
	Jan 1, 2015 – Mar 31, 2015	(b) (4)	(b) (4)	
	Apr 1, 2015 – Jun 30, 2015	(b) (4)	(b) (4)	
	Jul 1, 2015 – Sep 30, 2015	(b) (4)	(b) (4)	
	Total	(b) (4)	(b) (4)	
Option Yr 6	Oct 1, 2015 – Dec 31, 2015	(b) (4)	(b) (4)	
	Jan 1, 2016 – Mar 31, 2016	(b) (4)	(b) (4)	
	Apr 1, 2016 – Jun 30, 2016	(b) (4)	(b) (4)	
	Jul 1, 2016 – Sep 30, 2016	(b) (4)	(b) (4)	
	Total	(b) (4)	(b) (4)	
Option Yr 7	Oct 1, 2016 – Dec 31, 2016	(b) (4)	(b) (4)	
	Jan 1, 2017 – Mar 31, 2017	(b) (4)	(b) (4)	
	Apr 1, 2017 – Jun 30, 2017	(b) (4)	(b) (4)	
	Jul 1, 2017 – Sep 30, 2017	(b) (4)	(b) (4)	
	Total	(b) (4)	(b) (4)	
Option Yr 8	Oct 1, 2017 – Dec 31, 2017	(b) (4)	(b) (4)	
	Jan 1, 2018 – Mar 31, 2018	(b) (4)	(b) (4)	
	Apr 1, 2018 – Jun 30, 2018	(b) (4)	(b) (4)	
	Jul 1, 2018 – Sep 30, 2018	(b) (4)	(b) (4)	
	Total	(b) (4)	(b) (4)	
Option Yr 9	Oct 1, 2018 – Dec 31, 2018	(b) (4)	(b) (4)	
	Jan 1, 2019 – Mar 31, 2019	(b) (4)	(b) (4)	
	Apr 1, 2019 – Jun 30, 2019	(b) (4)	(b) (4)	
	Jul 1, 2019 – Sep 30, 2019	(b) (4)	(b) (4)	
	Total	(b) (4)	(b) (4)	
	GRAND TOTAL (ALL YRS)	(b) (4)	(b) (4)	

Cost Performance Incentive (40%):

Fees relating to Cost Performance will be awarded following the completion of the appropriate period of performance by applying the cost sharing ratio formula that relates total allowable costs incurred to the Target Cost. As an incentive for the contractor to exercise exceptional cost control, the additional fee (difference between the Operational Performance target fee and overall maximum fee) can only be earned in the category of Cost Performance. This additional fee is identified under "Max Fee Available" below. The Cost Performance Incentive Fee Schedule is as follows:

Fiscal/Contract Year	Performance Period	Target Fee	Max Fee Available	Fee Earned
Base Year	Feb 1, 2010 – Sep 30, 2010	(b) (4)	(b) (4)	
Option Year 1	Oct 1, 2010 – Sep 30, 2011	(b) (4)	(b) (4)	
Option Year 2	Oct 1, 2011 – Sep 30, 2012	(b) (4)	(b) (4)	
Option Year 3	Oct 1, 2012 – Sep 30, 2013	(b) (4)	(b) (4)	
Option Year 4	Oct 1, 2013 – Sep 30, 2014	(b) (4)	(b) (4)	
Option Year 5	Oct 1, 2014 – Sep 30, 2015	(b) (4)	(b) (4)	
Option Year 6	Oct 1, 2015 – Sep 30, 2016	(b) (4)	(b) (4)	
Option Year 7	Oct 1, 2016 – Sep 30, 2017	(b) (4)	(b) (4)	
Option Year 8	Oct 1, 2017 – Sep 30, 2018	(b) (4)	(b) (4)	
Option Year 9	Oct 1, 2018 – Sep 30, 2019	(b) (4)	(b) (4)	
Grand Total		(b) (4)	(b) (4)	