

## Standard Clauses—Fixed-Price Purchase Order for Supplies, Research and Development, Services

*Buyer hereby buys and Seller hereby sells those goods and services set forth on the face hereof subject to the terms and conditions set forth thereon, together with the additional terms and conditions set forth below. Terms "purchase order" and "subcontract" are synonymous herein; except where a purposeful distinction is made clear.*

### SECTION A – INSTRUCTIONS TO SELLER

**A. PURCHASE ORDER NUMBER:** Seller shall include Buyer's purchase order number, including any change, modification, or revision designation or controlling blanket agreement number, on all invoices (or vouchers), packing lists, bills of lading, packages, containers, and correspondence processed under this Purchase Order.

**B. PACKING LIST:** A packing list shall accompany each shipment of goods and, if such shipment completes the purchase order, shall show thereon: "This shipment completes this order."

**C. PACKAGING AND INSURANCE:** No extra charge for packaging or insurance shall be allowed unless specifically noted herein. Goods shall (i) be packaged to ensure safe arrival at destination, (ii) be described to conform to carrier's classification rules so as to obtain lowest transportation cost, and (iii) not be insured nor show declared value for shipment beyond FOB point.

#### **D. INVOICES (OR VOUCHERS):**

The purchase order will show on its face whether or not invoices are required. When required, invoices are submitted to Northrop Grumman Systems Corporation Accounts Payable, at the address shown on the face hereof. Where Seller is under Evaluated Receipts Settlement (ERS) agreement, no invoice is required, and payment process commences upon receipt of items.

**E. DISCOUNTS:** If a prompt payment discount is negotiated, its terms will be specifically identified in the individual purchase order.

### SECTION B – NORTHROP GRUMMAN SYSTEMS CORPORATION STANDARD CLAUSES

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**CLAUSE NO. 1 – SELLER ACCEPTANCE:** If this purchase order has been issued by Buyer in response to Seller's quotation, this purchase order is to be accepted in writing by Seller. If, however, for any reason Seller should fail to accept in writing, any conduct by Seller, which recognizes the existence of a contract pertaining to the subject matter hereof, shall constitute acceptance by Seller of this purchase order and all of its terms. Any terms proposed in Seller's acceptance of Buyer's offer that add to, vary from, or conflict with the terms of this purchase order are hereby objected to. Any such proposed terms shall be void and the terms herein shall constitute the complete and exclusive statement of the terms of the contract between the Parties and may hereafter be modified only by written instrument executed by Buyer.

If this purchase order has been issued by Buyer in response to an offer, and if any of the terms of this purchase order are additional to or different from any terms of such offer, then the issuance of this purchase order by Buyer shall constitute an acceptance of such offer subject to the express conditions that Seller assent to such additional and different terms herein and acknowledge that this purchase order constitutes the entire agreement between Buyer and Seller with respect to the subject matter hereof and the subject matter of such offer, and Seller shall be deemed to have so assented and acknowledged unless Seller notifies Buyer to the contrary in writing within 10 days of receipt this purchase order.

**CLAUSE NO. 2 – DELIVERY:** Time is of the essence in the performance of this purchase order by Seller. Delivery is to be made both in quantities and at times specified herein. If Seller's delivery shall fail to meet schedule, Buyer, without limiting its other rights or remedies, may direct expedited routing, and any excess cost incurred thereby shall be debited to Seller's account. Buyer shall not be liable for Seller's commitments or production arrangements in excess of the amount, or in advance of the time, necessary to meet Buyer's delivery schedule. Goods delivered in advance of schedule may, at Buyer's option, (i) be returned at Seller's expense for proper delivery, (ii) have payment therefore withheld by Buyer until the date that goods are actually scheduled for delivery, or (iii) be placed in storage for Seller's account until delivery date specified herein.

**CLAUSE NO. 3 – INSPECTION AND TEST:** All goods ordered hereunder shall be subject to inspection and test by Buyer to the extent practicable at all times and places, including the period of manufacture if the goods are to be specifically manufactured for Buyer in accordance with drawings, designs, or specifications furnished by Buyer, and in any event prior to acceptance. Such goods shall be subject to final inspection and to acceptance by Buyer after delivery to Buyer.

If the goods ordered herein do not meet the specifications or otherwise do not conform to the requirements of this purchase order, Buyer shall have the right to reject such goods. Goods that have been delivered and rejected may be returned to Seller for replacement, correction, reimbursement, or credit as Buyer may direct. If, after notice, Seller fails to promptly replace or correct such rejected items, same may be replaced or corrected (without thereby exercising wrongful ownership) by Buyer at the expense of Seller. Any goods rejected by Buyer shall be at Seller's risk and expense, and such goods shall not thereafter be tendered for acceptance unless the former rejection or requirement for correction is disclosed. Packaging and handling expense incidental thereto and applicable transportation cost shall be charged to Seller's account. Upon non-acceptance, repudiation or rejection of any goods, Buyer shall not be liable for any profit Seller would have made, nor for incidental damages.

If the goods are to be specifically manufactured for Buyer in accordance with drawings, designs, or specifications furnished by Buyer: (1) Seller shall provide and maintain an inspection and quality control system acceptable to Buyer and provide access to Seller's facilities at all reasonable times for inspection by Buyer's agents or employees, and shall provide all tools, facilities, and assistance reasonably necessary for inspection relating to the performance of this purchase order; and (2) Seller shall maintain adequate and authenticated inspection and test documents which relate to work performed under this purchase order for a period of three years after completion of this purchase order or as otherwise specified in this purchase order, and shall make such records available to Buyer upon request; and (3) Seller shall supply Buyer with inspection and test reports, affidavits, certifications, or any other documents as may reasonably be requested by Buyer.

Such inspection and test may be performed by U.S. Government representatives on behalf of Buyer.

**CLAUSE NO. 4 – WARRANTIES:** Seller expressly warrants that all items delivered hereunder shall be free from defects and of good materials and workmanship and shall conform to applicable specifications, drawings, samples, and performance specifications whether set forth in this purchase order or in Seller's sales literature. In the event of a conflict between the terms of this purchase order and such sales literature, the terms of this purchase order shall prevail.

Said warranties shall not be deemed to limit any warranties of additional scope given to Buyer by Seller, nor to limit Buyer's rights or Seller's obligations under any other provision of this purchase order, at law or in equity. No warranties are waived by Buyer by reason of supplying plans, specifications, or data or inspecting or accepting the goods. When Buyer furnishes specifications to Seller, Seller shall immediately notify Buyer of any infringement claim and Buyer may defend or negotiate the disposition of any such claim. Items repaired or replaced pursuant to this clause by Seller shall, unless otherwise provided herein, be subjected by the Seller to the same qualification or acceptance test as applicable to the item(s) at the time of the original delivery to Buyer. The foregoing warranties shall survive inspection and acceptance of and payment for the items delivered hereunder and shall run to Buyer, its successors, assigns, and customers.

**CLAUSE NO. 5 – DRAWINGS AND SPECIFICATION REVIEW:** If, during the term of this purchase order, Buyer representatives review drawings, specifications, or other data developed by Seller in connection with this purchase order and make suggestions or comments or approve such documents and data, such action is only an expression of opinion by Buyer and shall not serve to relieve Seller of any responsibility for the reliability, quality, rate of output, cost, delivery, performance, or any other requirements of this purchase order.

**CLAUSE NO. 6 – INFORMATION OF BUYER AND SELLER:**

- a. Unless expressly stated otherwise herein, the exchange of information under this Agreement shall be governed by this purchase order and, in particular this Clause 6, which supersedes any prior agreement between Buyer and Seller to protect information relating to the purpose of this purchase order.
- b. Seller shall keep confidential all information, drawings, specifications, or data and return, upon request, all documents furnished by Buyer and shall not divulge or use such information, drawings, specifications or data for the benefit of any other party. Except as required for the efficient performance of this purchase order, Seller shall not make copies or permit copies to be made without the prior written consent of Buyer. Seller shall make no use, either directly or indirectly, of any such data or any information derived therefrom, except in performing this purchase order, without obtaining Buyer's written consent.
- c. Seller agrees that all information heretofore or hereafter furnished or disclosed to Buyer by Seller in connection with the placing or performance of this

- purchase order is furnished or disclosed as a part of the consideration for this purchase order; that such information is not, unless otherwise agreed to by Buyer in writing, to be treated as confidential or proprietary; and that Seller shall assert no claims (other than for patent infringement) by reason of the use or disclosure of such information by Buyer, its assigns, or its customers and Seller shall not place any restrictive markings on such information. Any agreement purporting to provide for the confidential treatment of, or limiting the use of or disclosure of, information so furnished or disclosed, must be in writing and signed by Buyer.
- d. If this purchase order is issued under a U.S. Government contract, subsections b. and c. above shall be deemed deleted and this clause d. shall apply. Each Party agrees to keep confidential and not to disclose to any other person (unless permitted below or elsewhere in this purchase order) any Proprietary Information received from the other Party in connection with this purchase order. Proprietary Information shall be all information exchanged under this purchase order in written or other permanent form which is clearly and conspicuously marked as being proprietary using an appropriate legend. Proprietary Information shall also include information originally disclosed in some other form (e.g., orally or visually) to the extent that the disclosing Party: 1. Identifies the information as proprietary at the time of original disclosure; 2. Summarizes the Proprietary Information in writing; 3. Marks the writing clearly and conspicuously with an appropriate proprietary legend; and 4. Delivers the writing to the receiving party within thirty (30) days of the original disclosure. The foregoing limitation on disclosure and use shall not apply to data or information which (i) was in the rightful possession of a receiving Party without restriction, prior to the first receipt from the disclosing Party; or (ii) now or hereafter, through no act or failure to act on the part of a receiving Party, becomes generally known and available to the public without restriction; or (iii) is hereafter disclosed and made available to a receiving Party without restriction by others having the right to make such disclosure.
  - e. If this purchase order is issued under a U.S. Government contract, Seller agrees to use Buyer's Proprietary Information only for purposes necessary for performing this purchase order, without first obtaining Buyer's written authorization. Seller further hereby grants to Buyer a non-exclusive, irrevocable, worldwide, right and license to copy, modify, use and disclose to the U.S. Government or any higher tier contractor, any information received from Seller, including Proprietary Information, for the performance of this purchase order and any higher tier contract from which this purchase order is issued.
  - f. All documents and other tangible media (excluding Products) transferred in connection with this purchase order, together with any copies thereof, are and remain the property of Buyer.
  - g. Neither the existence of this purchase order nor the disclosure hereunder of Proprietary Information or any other information shall be construed as granting expressly, by implication, by estoppel or otherwise, a license under any invention or patent now or hereafter owned or controlled by Buyer or Buyer's customer, except as specifically set forth herein.
  - h. Seller's obligations with respect to information or data disclosed hereunder prior to the performance in full, termination or cancellation of this purchase order shall not, except as expressly set forth herein, be affected by such performance in full, termination, or cancellation.
  - i. Notwithstanding, the foregoing, nothing in this clause is intended to affect the rights or exercise of rights, if any, obtained by the U.S. Government under the "Rights in Technical Data--Noncommercial Items" clause DFARS 252.227-7013 and "Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation" clause DFARS 252.227-7014, or any similar or successor clauses, or other clauses that may be contained in any contracts or subcontracts between Buyer and Seller and any customer.

**CLAUSE NO. 7 – USE OF INFORMATION:** Seller agrees (i) that all information heretofore or hereafter furnished or disclosed to Buyer by Seller, in connection with the placing or filling of this purchase order, is furnished or disclosed as a part of the consideration for this purchase order; (ii) that such information is not, unless otherwise agreed to by Buyer in writing, to be treated as confidential or proprietary; and (iii) that Seller shall assert no claims (other than for patent infringement) by reason of the use or disclosure of such information by Buyer, its assigns, or its customers. No employee of Buyer has the authority to make an agreement providing for the confidential treatment of, or limiting the use or disclosure of, information so furnished or disclosed, unless such agreement is made in writing and signed by Buyer's cognizant general manager. However, in the event that this clause should conflict with the provisions of any patent rights or data rights clause of this purchase order, the latter shall prevail.

Any unpatented knowledge or information concerning Seller's products, methods, or manufacturing processes which Seller may disclose to Buyer incident to the manufacture of goods covered by this purchase order shall, unless otherwise specifically agreed in writing, be deemed to have been disclosed as part of the consideration for this purchase order, and Seller agrees not to assert any claim against Buyer by reason of Buyer's use or alleged use thereof and, if this purchase order involves research or development work, Seller agrees to grant to Buyer an irrevocable, exclusive, royalty-free license to make, have made, use, and sell any inventions resulting from that work under this purchase order.

**CLAUSE NO. 8 – DISCLOSURE OF INFORMATION:** (Also note clause of DFARS 252.204-7000.) Seller shall not in any manner advertise or publish the fact that it has furnished, or contracted to furnish, Buyer the goods or services herein described without prior written consent of

Buyer. Except as provided by law, Seller shall not disclose any details in connection with this purchase order to any party.

**CLAUSE NO. 9 – TOOLING AND OTHER ARTICLES:** Unless otherwise specified in this purchase order, all tooling and all other articles required for the performance hereof shall be furnished by Seller and shall be properly maintained and replaced when necessary at Seller's expense.

If Buyer agrees to pay Seller for such tooling and other articles, either separately or as a stated part of the unit price of goods purchased herein, title to same shall pass to Buyer upon (i) commencement of processing for use in performance of this purchase order, or (ii) Buyer payment therefore, whichever occurs first.

Any such tooling and other articles that are Buyer's property shall be used only in the performance of this purchase order unless otherwise provided in writing by Buyer. Seller agrees to follow normal industrial practice in the preparation and maintenance of pertinent property control records, and shall make such records available for inspection by Buyer at all reasonable times. After completion or termination of this purchase order and upon the request of Buyer, Seller shall furnish a list of such Buyer's property in the form requested by Buyer and shall make such available for disposition by Buyer. Buyer may, at its sole discretion and by written notice, divest itself of title in favor of Seller.

**CLAUSE NO. 10 – EXPORT AND IMPORT COMPLIANCE.**

**A. Export Compliance**

General. Performance of this Order may involve the use of or access to articles, technical data or software that is subject to export controls under 22 United States Code 2751 – 2799 (Arms Export Control Act) and 22 Code of Federal Regulations 120-130 (International Traffic in Arms Regulations or "ITAR") or 50 United States Code 2401-2420 (Export Administration Act of 1979, as amended), 50 United States Code 1701-1706, (International Emergency Economic Powers Act, as amended), and 15 Code of Federal Regulations 768 – 799 (Export Administration Regulations) and their successor and supplemental laws and regulations (collectively hereinafter referred to as the "Export Laws and Regulations"). Seller represents and warrants that it is either 1) a U.S. Person as that term is defined in the Export Laws and Regulations, or 2) a Foreign Person as that term is defined in the Export Laws and Regulations and has disclosed to Buyer's Representative in writing the country in which it is incorporated/authorized/organized to do business, and all nationalities of any dual or third-country national employees who will require access to the data, articles or services provided hereunder. Seller shall comply with any and all Export Laws and Regulations, and any license(s) issued there under.

1. Registration. If Seller is a U.S. entity and is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, Seller represents that it is registered with the U.S. Department of State's Directorate of Defense Trade Controls, as required by the ITAR, and it maintains an effective export and import compliance program in accordance with the ITAR.

2. Foreign Persons. Seller shall not re-transfer any export-controlled information (e.g. technical data or software) to any other non-US person or entity (including the Seller's dual and/or third-country national employees) without first complying with all the requirements of the applicable Export Laws and Regulations. Prior to any proposed re-transfer, Seller shall first obtain the written consent of the Buyer. No consent granted by Buyer in response to Seller's request shall relieve Seller of its obligations to comply with the provisions of paragraph A. of this Clause or the Export Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of paragraph A. hereinabove, nor constitute consent for Seller to violate any provision of the Export Laws and Regulations.

**B. Political Contributions, Fees and Commissions.**

If this Purchase Order is valued in an amount of \$500,000 or more, then in performance of this Purchase Order, Seller shall not directly or indirectly pay, offer or agree to pay any political contributions or any fees or commissions.

1. For purposes of this section and pursuant to 22 CFR 130.6, political contribution means any loan, gift, donation or other payment of \$1,000 or more made, or offered or agreed to be made, directly or indirectly, whether in cash or in kind, which is:

(a) To or for the benefit of, or at the direction of, any non-U.S. candidate, committee, political party, political faction, or government or governmental subdivision, or any individual elected, appointed or otherwise designated as an employee or officer thereof; and

(b) For the solicitation or promotion or otherwise to secure the conclusion of a sale of defense articles or defense services to or for the use of the armed forces of a non-U.S. country or international organization. Taxes, customs duties, license fees, and other charges required to be paid by applicable law or regulation are not regarded as political contributions.

2. For purposes of this section and pursuant to 22 CFR 130.5, fee or commission means any loan, gift, donation or other payment of \$1,000 or more made, or offered or agreed to be made directly or indirectly, whether in cash or in kind, and whether or not pursuant to a written contract, which is:

(a) To or at the direction of any person, irrespective of nationality, whether or not employed by or affiliated with the Seller; and

(b) For the solicitation or promotion or otherwise to secure the conclusion of a sale of defense articles or defense services to or for the use of the armed forces of a Non-U.S. country or international organization.

**C. Import Compliance.** Both parties shall comply with all U.S. Customs laws and regulations (e.g., 19 CFR) and all other applicable U.S. Government regulations pertaining to importations of goods and materials into the United States.

1. For International Orders (Purchase Orders issued to entities addressed in foreign countries): Specifically, without excluding other regulations, Seller shall comply with and adhere to the

commercial invoice requirements detailed in 19 CFR 141 subpart F of the regulations, and provide additional information as requested by the Buyer. Seller shall immediately upon discovery, notify Buyer of any change to the shipment data related to product valuation, quantities shipped, country of origin, port of export and any additional information directed by the Buyer. Seller will timely provide pre-alert shipping information and documentation prior to shipment arrival to the U.S. Buyer will direct Seller where to send pre-alert shipping information and documentation. Pre-alert shipping documentation includes, but is not limited to, a commercial invoice, airway bill, bill of lading, and other required documentation as directed by U.S. regulations and Buyer.

2. For Domestic Orders (Purchase Orders issued to entities addressed in the United States): Seller shall assume all U.S. import responsibilities, to include designation as U.S. Importer of Record, Customs clearance, duty, taxes, and fees for goods entering into the United States. Unless otherwise agreed in writing, NGC will not assume any import liabilities for goods procured through a domestic purchase order.

D. Indemnification.

Seller shall indemnify and save harmless Buyer from and against any and all damages, liabilities, penalties, fines, costs, and expenses, including attorney's fees, arising out of claims, suit, allegations or charges of Seller's failure to comply with the provisions of this Clause and breach of the warranty set forth in paragraph A or B. Any failure of Seller to comply with the requirements or any breach of the warranty contained in this Clause shall be a material breach of this Order.

E. Subcontracts.

The substance of this Clause shall be incorporated into any lower-tier subcontract or purchase order entered into by the Seller for the performance of any part of the work under this Order.

F. Notification

Seller agrees to provide prompt notification to Buyer in the event of changes in circumstances such as ineligibility to contract with U.S. Government, debarment, assignment of consent agreement, and initiation or existence of a U.S. Government investigation, that could affect Seller's performance under this Order. Seller further agrees to provide prompt notification to Buyer should any offer, agreement or payment of political contributions, fees or commissions (as defined herein and pursuant to this Order) be made in contravention of the prohibition in Section B.

**CLAUSE NO. 11 – INDEMNIFICATION:** Seller shall take all necessary precautions to prevent the occurrence of any injury (including causing death) of any persons, or of any damage to any property, arising out of acts or omissions of such agents, employees, or Sellers; and, except to the extent that any such injury or damage is due directly and solely to Buyer's negligence, Seller shall indemnify, defend, and hold Buyer, its officers, employees, and agents, harmless from

any and all costs, losses, expense, damages, claims, suit, or any liability whatsoever, including attorney's fees, arising out of any act or omission of Seller, its agents, employees, or Sellers. See Clause No. 19 below with respect to certain insurance requirements.

**CLAUSE NO. 12 – BUYER'S PROPERTY:** Title to all property furnished to Seller by Buyer or paid for by Buyer shall remain with Buyer. Seller shall not alter or use such property for any purpose or for any other party other than that specified by Buyer, without the prior written consent of Buyer. Seller shall keep adequate records, which shall be made available to Buyer upon request, and shall store, protect, preserve, repair, and maintain such property in accordance with sound industrial practice, all at Seller's expense.

In the event that Buyer's property becomes lost or damaged to any extent for any cause while in Seller's possession, Seller agrees to replace or repair such property, at Seller's expense, in accordance with Buyer's request. At the completion or any termination of the work for the goods or services for which Buyer's property was required, Seller shall request disposition instructions for all such property, or the remainder thereof, whether in its original form or in semi-processed form. Seller shall make such property available to Buyer per Buyer's request, including preparation, packaging, and shipping as directed. Expense for preparation for shipment shall be for Seller's account and shipment shall be made FOB Seller's plant. Buyer may, at its sole discretion and by written notice, divest itself of title in favor of Seller.

**CLAUSE NO. 13 – COMPLIANCE WITH LAWS:** Seller shall, in the performance of work or services under this purchase order, fully comply with all applicable federal, state, or local laws, rules, regulations, or ordinances.

**CLAUSE NO. 14 – TAXES:** Seller's prices shall include all federal, state or local, or excise taxes levied upon, or measured by, the sale, the sales price, or use of goods required in the performance of this purchase order. Seller shall list separately on its invoice (or voucher) any such tax lawfully applicable to any such goods, and payable by Buyer, with respect to which Buyer does not furnish to Seller lawful evidence of exemption. Use or sales taxes for which Buyer has furnished a valid exemption certificate or a direct pay permit shall not be included. Seller shall comply with any reasonable request by Buyer regarding payments under protest, and regarding any refunds, claims, litigation, or proceedings with respect to any such taxes and shall make appropriate adjustments to afford Buyer the benefit of any refund or reduction in such taxes.

**CLAUSE NO. 15 – REMEDIES:** Each of the rights and remedies reserved by Buyer in this purchase order shall be cumulative and additional to any other or further remedies provided in law or equity or in this purchase order. A waiver of a breach of any provision hereof shall not constitute a waiver of any other breach.

**CLAUSE NO. 16 – ASSIGNMENT:** This purchase order or any interest therein, including any claims for monies due or to become due with respect thereto, may only be assigned upon the written consent of Buyer. Any payment to any assignee of any claim under this purchase order, in consequence of such consent, shall be subject to set-off,

recoupment, or other reduction for any claim that Buyer may have against Seller.

**CLAUSE NO. 17 – NOTICE OF LABOR DISPUTES:**

Whenever Seller has knowledge that any actual or potential labor dispute is delaying, or threatens to delay, the timely performance of this purchase order, Seller shall immediately give written notice thereof, including all relevant information with respect thereto, to Buyer. Seller shall insert the substance of this clause, including this sentence, in any subcontract hereunder.

**CLAUSE NO. 18 – GOVERNING LAW:** This purchase order, and the acceptance thereof, shall be a contract made in the state of Buyer's office address as shown on the face of this purchase order, and shall be governed by and construed according to the laws thereof if to be wholly performed within such state.

**CLAUSE NO. 19 – INSURANCE:** Seller shall maintain the following insurances: (1) Worker's or Workmen's Compensation Insurance within statutory limits as required by the laws of the state in which the work is performed and such insurance shall provide waiver of subrogation against Buyer, including All State and Voluntary Compensation endorsement; (2) Employer's Liability Insurance with a limit of \$1,000,000; (3) Comprehensive General Liability Insurance, including (i) Operations and Premises Liability (with elevator liability), (ii) Completed Operations and Product Liability (maintained in effect for a period of five years after the date of final payment), (iii) Personal Injury Liability, (iv) Contractual Liability, and (v) Broad Form Property Damage Liability (including for completed operations), on an occurrence basis in an amount of a combined single limit of not less than \$2,000,000 per occurrence; and (4) Comprehensive Automobile Liability Insurance, including (i) personal injury and (ii) property damage, to cover (a) owned automobiles, (b) automobiles under long-term lease, (c) hired automobiles, (d) employer's non-ownership liability, (e) medical payments, and uninsured motorists, in the amount of a combined single limit of not less than \$2,000,000 per occurrence.

Such insurance coverage as is required under this purchase order shall be in a form and with insurance carriers satisfactory to Buyer and without additional cost to Buyer as a price adjustment, unless otherwise expressly provided for elsewhere within this purchase order. Such insurance shall protect (i) Seller, (ii) Buyer, (iii) any other party expressly designated by Buyer elsewhere within this purchase order, from claims that arise out of or result from operations by (i) Seller under this purchase order, or (ii) any lower-tier Seller(s) of Seller, or (iii) anyone directly or indirectly employed by any of them, or (iv) anyone for whose acts any of them may be liable.

Seller shall have all liability insurance required under this purchase order amended or endorsed to name Buyer as an additional insured and to indicate that, with respect to the additional insured, there shall be severability of interest. As evidence of said coverage, Seller shall forward certificates of insurance, or copies of insurance policies, to Buyer, which instruments shall contain a provision requiring notification of Buyer in writing of any cancellation or non-renewal of said coverage not less than thirty days before its effectivity.

If Seller fails to purchase or maintain liability insurance required under this purchase order, Buyer may, but is not obligated to, purchase such insurance on Seller's behalf and shall be entitled to be repaid for any premiums paid therefore by Buyer.

**CLAUSE NO. 20 – EXCUSABLE DELAY – FORCE**

**MAJEURE:** Neither party shall be responsible to the other party for any delay in performing its obligations under this purchase order due to any events of *force majeure*, except as otherwise provided for within this clause. *Force majeure* means any act of God, war, act or failure to act of any government in its sovereign capacity, fire, flood, earthquake, strike, epidemic, quarantine, embargo, nuclear incident, or any other act beyond reasonable control and without the fault of either party or its subcontractors. The party whose performance of obligations hereunder has been affected by any events of force majeure shall notify the other party within five calendar days thereafter by sending a detailed statement and sufficient evidence with respect thereto, and shall likewise notify promptly of any subsequent change in the circumstances. The affected party shall exercise its best efforts under the circumstances to remove or remedy the events of force majeure and the effects thereof and resume full performance hereof as soon as possible.

**CLAUSE NO. 21 – TERMINATION FOR CONVENIENCE:**

Buyer may at any time terminate this purchase order in whole or in part for its convenience upon written notice to Seller, in which event Seller shall be entitled to reasonable termination charges consisting of a percentage of the purchase order price reflecting the percentage of the work performed prior to termination, plus any reasonably incurred settlement expenses.

**CLAUSE NO. 22 – INTELLECTUAL PROPERTY**

**RIGHTS:** Seller as part consideration for this purchase order and without further cost to Buyer hereby grants and agrees to grant to Buyer and its customers an irrevocable, non-exclusive, royalty-free right to license to use, sell, manufacture and cause to be manufactured products embodying any and all inventions and discoveries made, conceived or actually reduced to practice in connection with Seller's performance of this purchase order and Seller hereby grants to Buyer a license to repair, rebuild or relocate and to have repaired, rebuilt or relocated the Products purchased by Buyer under this purchase order.

**CLAUSE NO. 23 – CLAUSE MODIFICATION REQUIRED**

**BY BUYER'S CUSTOMER:** Seller agrees to incorporate into this purchase order any revised clause or additional clause as Buyer may reasonably deem necessary to enable Buyer to comply with the provisions of the higher-tier contract and any modifications thereto. If any such revised clause or additional clause causes any increase or decrease in the cost of or time required for performance of the purchase order work, an equitable adjustment shall be made in accordance with the procedures of the Changes clause hereof.

**CLAUSE NO. 24 – CHANGES:** Buyer may at any time, by a written order, make changes within the general scope of this purchase order for compliance by Seller, in any one or more of the following: (i) drawings, designs, or specifications, where the supplies or services to be furnished

are to be specifically manufactured or produced for Buyer in accordance therewith; (ii) method of shipment or packing; (iii) place of delivery; and (iv) delivery schedule and period of performance of work.

If any such change causes an increase or decrease in the cost of or the time required for the performance of any part of the work under this purchase order (whether or not changed by such written order), an equitable adjustment shall be made in the purchase order price or delivery schedule and period of performance, or both, and the purchase order shall be modified in writing accordingly. Any claim by Seller for equitable adjustment under this clause shall be asserted within 20 days from the date of receipt by Seller of the notification of change.

**CLAUSE NO. 25 – STOP-WORK ORDER:** The Buyer may, at any time, by written order to the Seller, require the Seller to stop all, or any part, of the work called for by this purchase order for a period of 90 days after the written order is delivered to the Seller, and for any further period to which the parties may agree. The order shall be specifically identified as a stop-work order issued under this clause. Upon receipt of the stop-work order, the Seller shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 90 days after a stop-work order is delivered to the Seller, or within any extension of that period to which the parties shall have agreed, the Buyer shall either (1) cancel the stop-work order; or (2) terminate the work covered by the stop-work order as provided for in Clause No. 21 and Clause No. 29 of this purchase order.

If a stop-work order issued under this clause is canceled or the period of that order or any extension thereof expires, the Seller shall resume work. The Buyer shall make an equitable adjustment in the delivery schedule or contract price, or both, and the purchase order shall be modified in writing accordingly, if (1) the stop-work order results in an increase in the time required for, or in the Seller's cost properly allocable to, the performance of any part of this purchase order; and (2) the Seller asserts its rights to the adjustment within 20 days after the end of the period of work stoppage.

If a stop-work order is not canceled and the work covered by the stop-work order is terminated for the convenience of the Buyer, the Buyer shall allow reasonable costs resulting from the stop-work order in arriving at the termination settlement. If a stop-work order is not canceled and the work covered by the order is terminated for default, the Buyer shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-work order.

**CLAUSE NO. 26 – ENTIRE AGREEMENT:** Except when issued to carry out a written contract between the parties, this purchase order constitutes the entire agreement of sale and purchase of the goods and services identified herein, and is expressly limited to and made conditional upon the acceptance of all the terms and conditions. Any additional or different terms and conditions contained in any prior quotation or that may be contained in any acknowledgement of this purchase order shall be deemed objected to by Buyer without further notice of objection and shall be of no effect nor under any circumstances be binding

upon Buyer. Seller shall be deemed to have assented to all terms and conditions of this purchase order if any of the goods are shipped or services provided to Buyer.

**CLAUSE NO. 27 – LIMITATION OF BUYER'S LIABILITY/STATUTE OF LIMITATIONS:** In no event shall Buyer be liable for anticipated profits or for incidental or consequential damages. Buyer's liability on any claim of any kind for any loss or damage arising out of or connected with or resulting from this purchase order or from the performance or breach thereof shall, in no case, exceed the price allocable to the goods or services or unit thereof which gives rise to the claim. Buyer shall not be liable for penalties of any description. Any action resulting from any breach on the part of Buyer as to the goods or services delivered hereunder must be commenced within one year after the cause of action has accrued.

**CLAUSE NO. 28 – REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA:** Cost proposals are to be submitted in accordance with the Requirements for Certified Cost or Pricing Data and Other Than Certified Cost or Pricing Data clause at FAR 52.215-20; unless otherwise expressly stated elsewhere within this purchase order.

**CLAUSE NO. 29 – TERMINATION FOR DEFAULT:** Buyer may forthwith terminate this purchase order in whole or in part for default in the event of the occurrence of any of the following: (1)(i) Insolvency of the Seller—Seller shall be deemed to be insolvent if it has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, whether it has committed an act of bankruptcy or not and whether insolvent within the meaning of the Federal Bankruptcy Act or not; (ii) the filing of a voluntary petition to have Seller declared bankrupt; (iii) the appointment of a receiver or trustee for Seller, or (iv) the execution by Seller of an assignment for the benefit of creditors. (2) Failure of Seller per the terms of this purchase order to – (i) deliver the supplies or perform the services within the time specified in this purchase order or any authorized extension, (ii) make progress so as to endanger the performance of this purchase order, or (iii) perform to any other substantive provisions of this purchase order. The Seller shall diligently proceed with performance of any purchase order work not terminated.

**CLAUSE NO. 30 – VALIDITY OF INDIVIDUAL PROVISION:** The invalidity, in whole or in part, of any provision of this purchase order shall not void or otherwise affect the validity of any other provision.

**CLAUSE NO. 31 – SUBCONTRACTING:** (Clause is not applicable if this is a firm-fixed-price or fixed-price with economic price adjustment purchase order.) Seller shall obtain Buyer's prior written consent before issuing any next-tier purchase order under this purchase order (i) if such next-tier purchase order exceeds the greater of \$250,000 or five percent of the amount of this purchase order, or (ii) if such prior written consent is otherwise required by any other express provision of this purchase order.

**CLAUSE NO. 32 – SUPERSEDING OR SUPPLEMENTARY SPECIFICATIONS:** All references in any Buyer document or Government specification (excluding those incorporated in Seller's model specification) incorporated herein, to any other Buyer or U.S.



Government specifications shall be deemed to include any and all specifications superseding or supplementary to the specifications so referred to, to the extent that such superseding or supplementary specifications are in effect on the effective date of this purchase order or on the effective date of any incorporating change notice, if Seller was furnished or otherwise had been notified of the existence of such superseding or supplementary specifications by that effective date.

**CLAUSE NO. 33 – SET-OFF:** Buyer shall be entitled at all times to set off any amount owing at any time from Seller or any of its affiliated companies to Buyer, against any amount payable at any time by Buyer or any of its affiliated companies to Seller.

**CLAUSE NO. 34 – DATA – WITHHOLDING OF PAYMENT:** If data or other deliverable information (hereinafter called "data"), or any part thereof, is not delivered within the time specified by this purchase order, or is deficient upon delivery (including having restrictive markings not specifically authorized by this purchase order), Buyer may, until such data is delivered or deficiencies are corrected, withhold payment to Seller of ten percent (10%) of the total purchase order price, unless a lesser withholding is specified elsewhere herein. Payments shall not be withheld nor any other action taken pursuant to this clause where Seller's failure to make timely delivery, or to deliver data without deficiencies, arises out of causes beyond the control and without the fault or negligence of Seller within the meaning of Clause No. 20 hereof. The withholding of any amount or subsequent payment thereof to Seller shall not be construed as a waiver of any rights accruing to the Buyer or U.S. Government under this purchase order.

**CLAUSE NO. 35 – DISPUTES:**

- a. Any dispute that may arise under or in connection with this purchase order with respect to the rights, duties, or obligations of the Parties shall be submitted in writing for resolution to ascending levels of management of the respective Parties up to the Senior Executive of the Materiel or Procurement organization placing the purchase order, and Seller's equivalent executive level.
- b. If a dispute cannot be resolved to both Parties' mutual satisfaction, after good faith negotiations, within ninety (90) calendar days from the date the written claim is received by the other Party, or such additional time as the Parties agree upon, in writing, either Party may only bring suit in federal or state court in the state from which this purchase order is issued. Seller consents to personal jurisdiction for this purpose in the forum state from which this purchase order is issued.
- c. Pending any prosecution, appeal, or final decision referred to in this clause, or the settlement of any dispute arising under this purchase order, Seller shall proceed diligently, as directed by Buyer, with performance of the purchase order.
- d. To the maximum extent permitted by law, the parties waive any right to a jury trial and agree that such dispute shall be decided by a judge only.

**CLAUSE NO. 36 – PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA/NON-COMPLIANCE WITH CAS:** The Buyer's prime contract or subcontract with its customer under which this purchase order is issued

contains a clause that entitles the customer, the U.S. Government ("the Government") or a Government prime contractor or subcontractor, to reduce Buyer's contract price, or any costs reimbursable thereunder, where the Government determines that such price or cost was increased by any significant sum because Seller or any of its subcontractors furnished defective cost or pricing data to Buyer in connection with the award of this purchase order. Seller hereby agrees to indemnify and hold Buyer harmless from any loss Buyer may suffer resulting from such determination and action taken by the customer pursuant to the foregoing sentence to the extent that such action is taken on the basis that Buyer's contract, or any cost reimbursable thereunder, was increased by any significant amount because the Seller or any of his subcontractors furnished defective cost or pricing data to Buyer in connection with the award of this purchase order; provided, however, that Seller's liability to Buyer hereunder shall be limited to the amount the Government determines Seller's price to have been increased because of such defective cost or pricing data and shall not include any profit, costs, or charges added thereto by Buyer and included in Buyer's price or costs to its customer.

As Seller's exclusive remedy for relief from such a determination by the Government, Seller shall have the right to assert in Buyer's name at Seller's expense, Buyer's right to appeal from such determination under the Disputes clause, if any, of Buyer's contract with its customer. The determination of the Government Contracting Officer or, if such an appeal is taken, the decision on appeal shall be final and conclusive between Buyer and Seller, to the extent provided in such Disputes clause. If Seller desires to assert in Buyer's name and at Seller's expense Buyer's rights described in such Disputes clause, if any, in Buyer's contract with its customer, to have questions decided by the courts, any final judgment by the courts, is binding upon Seller insofar as it relates to this purchase order. In the event the Buyer does not have the right of appeal to a Government contract appeals board and is therefore unable to make such right available to Seller, the determination of the Government Contracting Officer, if binding upon Buyer, shall in turn be binding upon Seller insofar as it relates to this purchase order; provided, however, if Buyer elects not to bring suit against its customer with respect to any such determination, Buyer shall notify Seller with reasonable promptness and Seller shall have the right to bring suit against the customer in a court of competent jurisdiction in Buyer's name, but at Seller's expense. If Buyer or Seller brings suit against the customer, a final judgment of any such suit shall be binding upon Seller and Buyer under this purchase order.

The rights and obligations described herein shall survive completion of and final payment under, or termination of, this purchase order.

The provisions hereinabove shall also be applicable to any adjustments in the price of this purchase order required by the Cost Accounting Standards clause or the Disclosure and Consistency of Cost Accounting Practices clause of Section D of this form, if such clause applies.

**CLAUSE NO. 37. – PURCHASE ORDER DELIVERABLES:** Seller agrees and acknowledges that all deliverables, or portions thereof, under this purchase



order ("Deliverable Materials") may be incorporated into deliverables under the next higher tier or prime contract. Seller hereby grants Buyer the right to deliver the Deliverable Materials or any portion thereof under the next higher tier or prime contract. Seller further hereby agrees to deliver the Deliverable Materials under this purchase order with the appropriate markings required by the government regulations incorporated into this purchase order.

**CLAUSE NO. 38. – CITIZENSHIP OR AUTHORIZED FOREIGN NATIONAL REQUIREMENT:** (Clause may be invoked in writing by Buyer (i) at any time/s within performance of this purchase order, and (ii) without adjustment of any terms and condition of this purchase order.) Persons assigned under this purchase order to work in any of Buyer's facilities need to have original documents sufficient to establish identity, and citizenship or authorized immigration status, and to present them upon initially reporting to work and when requested thereafter. For those individuals who are not U.S. citizens, one of the following must be provided:

(1) Alien Registration Receipt Card (INS Form I-151) with photograph; (2) Resident Alien Card (INS Form I-551) with photograph; (3) Temporary Resident Card (INS Form I-688); (4) Employment Authorization Card (INS Form I-688-A); (5) Declaration of Intent to Become a Citizen (INS Form I-772); Unexpired Foreign Passport with either – (a) An unexpired stamp reading "Processed for I-551, Temporary Evidence of Lawful Admission for permanent residence. Valid until (with date inserted). Employment authorized" or (b) An attached Form I-94, bearing the same name as the passport, which contains a current employment authorization stamp, so long as the proposed employment authorization stamp, so long as the proposed employment does not conflict with any restrictions/limitations on the I-94; (7) Employment Authorization Document (INS Form I-688-B); or (8) Employment Authorization Document (INS Form I-766).

**CLAUSE NO. 39 – CERTIFIED SCREENING FOR ALCOHOL AND DRUG ABUSE:** (Clause may be invoked in writing by Buyer (i) at any time(s) within performance of this purchase order, and (ii) without adjustment of any terms and conditions of this purchase order.) Seller agrees, and shall certify in writing, that each of its employees and consultants to perform work under this purchase order on the property of the Buyer or its customer shall have passed a generally recognized alcohol and drug abuse test within sixty days (or any other period of time agreed to in writing by the Buyer) preceding the commencement of such work thereby (unless excused in writing by the Buyer).

**CLAUSE NO. 40 – COMPLIANCE WITH WIRING CODES:** Seller warrants that any electrical powered equipment, machinery and appliances to be delivered to Buyer in performance of this order shall comply with the following: (1) applicable electrical wiring codes of the city, county, and state; and (2) nationally recognized consensus standards, including, but not limited to, National Electrical Codes (NEC), Underwriters Laboratories (UL), National Fire Protection Association (NFPA), and American National Standards Institute (ANSI). Seller also warrants that the work to be performed under this order will be accomplished by qualified workers.

**CLAUSE NO. 41 – COMPLIANCE WITH PROCUREMENT INTEGRITY ACT:** Seller shall fully comply with any and all applicable federal, state and local laws, rules, regulations and ordinances, including, without limitation, section 27 of the Office of Federal Procurement Policy Act (the Procurement Integrity Act), (41 U.S.C. 423) and its implementing regulations. In addition, seller agrees to promptly provide Northrop Grumman any and all information and certifications requested by Northrop Grumman in this regard. Seller agrees to defend, hold harmless and indemnify Northrop Grumman, its officers, employees and agents from and against any and all liability, charges, damages, costs, expenses, investigations, suits and attorney's fees arising out of or in any way relating to Seller's failure to comply with this provision.

**CLAUSE NO. 42 – CUSTOMS-TRADE PARTNERSHIP AGAINST TERRORISM (C-TPAT):** (Clause is applicable only to non-domestic suppliers.) Buyer supports the U.S. Customs and Border Protection (CBP) Customs-Trade Partnership Against Terrorism (C-TPAT) program. The C-TPAT program is a joint effort between CBP and the trade community to reduce the threat of terrorism by means of protecting the integrity of cargo imported into the United States. As a seller to Buyer, your support of C-TPAT is critical to the realization of Buyer's objectives and to the cooperative endeavor between U.S. importers and CBP. Buyer requires foreign suppliers of imported goods to scrutinize and, where necessary, develop sufficient security measures within their own supply chain. To the extent that Seller is a foreign supplier of imported goods, it agrees to scrutinize, based on risk, appropriate security measures to be implemented and maintained throughout the supply chain, including out-sourced or contracted elements of the supply chain, such as transportation, conveyance, warehouse, broker, consolidator or other elements. The Seller agrees to work with these business partners to ensure that pertinent security measures are in place and adhered to and, where necessary, develop sufficient security measures within its own supply chain. More information about C-TPAT can be found at [www.cbp.gov](http://www.cbp.gov). In particular, Seller agrees to implement the C-TPAT Security Guidelines for Manufacturers found at the CBP website.

**CLAUSE NO. 43 – SUSPECT/COUNTERFEIT PARTS**

(Applies to Orders that do not invoke DFARS 252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System; see Section C, 2-A DFARS Contract Clauses, for DFARS applicability)

If suspect/counterfeit parts are furnished under this Order and are found in any of the goods delivered hereunder, such items will be impounded by Buyer. Seller shall promptly replace such suspect/counterfeit parts with parts acceptable to the Buyer and the Seller shall be liable for all costs relating to the removal and replacement of said parts, including without limitation Buyer's external and internal costs of removing such counterfeit parts, of reinserting replacement parts and of any testing necessitated by the reinstallation of Seller's goods after counterfeit parts have been exchanged. Buyer's remedies described herein shall not be limited by any other clause which is agreed upon between Buyer and Seller in this

Order. At Buyer's request, Seller shall return any removed counterfeit parts to Buyer in order that Buyer may turn such parts over to its Government customer for further investigation. Seller agrees that any Government or quasi-Government directive, such as a GIDEP alert indicating that such parts are counterfeit, shall be deemed definitive evidence that Seller's parts contain counterfeit parts.

**CLAUSE NO. 44 – LANGUAGE:** Buyer and Seller agree that the authorized language for any and all documentation that is to be exchanged between the parties in furtherance of the performance of this purchase order shall be the English language.

**CLAUSE NO. 45 – RESTRICTIONS ON THE USE OF MANDATORY ARBITRATION AGREEMENTS (DFARS 252.222-7006):** (Applicable to all subcontracts, task orders and Purchase Orders at every tier that utilize funds appropriated or otherwise made available by the Fiscal Year 2010 Defense Appropriations Act or subsequent DoD appropriations acts for any contract (including task or delivery orders and bilateral modifications adding new work) in excess of \$1 million except for commercial items and commercially available off-the-shelf items.)

a. Seller agrees not to –

1. Enter into any agreement with any of its employees or independent contractors that requires, as a condition of employment, that the employee or independent contractor agree to resolve through arbitration any claim under title VII of the Civil Rights Act of 1964 or any tort related to or arising out of sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention; or
2. Take any action to enforce any provision of an existing agreement with an employee or independent contractor that mandates that the employee or independent contractor resolve through arbitration any claim under title VII of the Civil Rights Act of 1964 or any tort related to or arising out of sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention.

b. Seller agrees to flow down, this provision in all subcontracts, task orders and purchase orders at every tier that will be funded with in excess of \$1 million of Fiscal Year 2010 funds, except for those for commercial items, including commercially available off-the-shelf items.

c. Failure to comply with this provision will be considered a material breach and, at the sole discretion of the Buyer, may result in termination for default or cause.

## **SECTION C – FAR AND FAR SUPPLEMENT CONTRACT CLAUSES**

(Section C excludes Patent Rights and Data Rights contract clauses [except FAR 52.227-1, -2, and -10, subject to scoping provision], which, if any, are separately provided for within this purchase order.)

**General Preamble.** The Federal Acquisition Regulation (FAR), Department of Defense FAR Supplement (DFARS), and National Aeronautics and Space Administration FAR Supplement (NFS) clauses identified herein-below are hereby incorporated into this purchase order by reference with full force and effect. The applicability and interpretation of each such clause is subject to any specific parenthetical statement that follows its title and sets forth conditions, requirements, and instructions for using the clause (hereinafter called its scoping provision). The additional DFARS and NFS clauses, as applicable, implement and supplement the FAR clauses, and take precedence over the FAR clauses to the extent that the FAR clauses are inconsistent therewith.

In the event that the Buyer shall have entered into a definitive prime contract or higher-tier subcontract with its customer prior to the effective date of this supporting purchase order, the date of each undated clause identified herein-below (i) shall be the same date as any equivalent clause, of such definitive prime contract or subcontract; or (ii) if there is no equivalent clause, shall be the regulatory date in effect therefore as of the effective date of this supporting purchase. In the event that the Buyer shall not have entered into a definitive prime contract or higher-tier subcontract with its customer prior to the effective date of this supporting purchase order, the date of each undated clause identified herein-below shall be the regulatory date in effect therefore as of the effective date of this supporting purchase order.

All such clauses shall, with respect to the rights, duties, and obligations of the Buyer and Seller thereunder, be interpreted and construed in such manner as to recognize and give effect to: (i) the contractual relationship between the Buyer and the Seller under this purchase order, (ii) the rights of any higher-tier subcontractor with respect thereto under the higher-tier subcontract, and (iii) the rights of the Government or other customer with respect thereto under the prime contract from which such clauses are derived.

Where rights, duties, and obligations are expressed herein as applying to the Government, they shall generally apply by reason of the flow-down to the Buyer; and where expressed herein as applying to the Contractor, they shall generally apply by reason of the flow-down to the Seller. As an exception to such generalization, some scoping provisions may particularize such definitions, which particularizations are to be accorded precedence.

All Seller contact with the prime contractor and/or any higher-tier subcontractor relating to performance of this purchase order shall be through or coordinated with the Buyer, except as may be otherwise expressly provided for within this purchase order.

Where (i) claims or reports from the Seller need to be sent by the Buyer to its customer for review, approval, or preservation of rights; and (ii) time constraints have been flowed down in this purchase order; and (iii) associated Buyer processing time has not been expressly provided for herein; each such time constraint shall be deemed to be cut back by a number of days reasonable to allow for Buyer processing under the particular circumstances.

### **1. FAR CONTRACT CLAUSES**

**To implement the increase in the simplified acquisition threshold from \$100,000 to \$150,000 for orders under**

prime contracts issued on or after October 1, 2010, all references to the “simplified acquisition threshold” or the amount of \$100,000, shall mean the new threshold of \$150,000, except in FAR 52.222-35 and FAR 52.222-37. Seller shall be responsible for confirming with Buyer whether new orders are under prime contracts issued on or after October 1, 2010.

**A. FAR Contract Clauses applicable to this Purchase Order irrespective of amount thereof (except as may be noted herein-below)**

52.202-1	Definitions
52.203-3	Gratuities (Clause is not applicable to any extent this purchase order is for personal services.)
52.204-2	Security Requirements (In paragraph (c), "Changes clause" shall be deemed to be that of this purchase order.)
52.211-5	Material Requirements
52.211-15	Defense Priority and Allocation Requirements (Clause is applicable unless this purchase order provides no DPAS rating.)
52.215-15	Pension Adjustments and Asset Reversions (Clause is applicable only (i) if this purchase order requires certified cost or pricing data, or (ii) if any pre-award or post-award cost determinations under this purchase order are subject to FAR Subpart 31.2.)
52.215-16	Facilities Capital Cost of Money (Clause is applicable only if FCCM was included as cost in pricing this purchase order.)
52.215-17	Waiver of Facilities Capital Cost of Money (Clause is applicable [in place of Facilities Capital Cost of Money clause of FAR 52.215-16] only if FCCM was not included as cost in pricing this purchase order.)
52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions (Clause is applicable only (i) if this purchase order requires certified cost or pricing data, or (ii) if any pre-award or post-award cost determinations under this purchase order are subject to FAR Subpart 31.2.)
52.215-19	Notification of Ownership Changes (Clause is applicable only if (i) this purchase order required certified cost or pricing data, or (ii) any pre-award or post-award cost determinations under this purchase order are subject to FAR Subpart 31.2.)
52.215-20	Requirements for Certified Cost or Pricing Data and Data Other than Certified Cost or Pricing Data

52.215-23

**Limitations on Pass-Through Charges**

NOTE: Applicable to any Order when the total estimated Order value exceeds the threshold for obtaining cost or pricing data in FAR 15.403-4 and the contemplated contract type is expected to be any contract type except those contract types listed in FAR 15.408(n)(2)(i)(B)(2). Seller shall notify Buyer in writing if:

(1) Seller changes the amount of subcontract effort after award such that it exceeds 70 percent of the total cost of work to be performed under this Order. The notification shall identify the revised cost of the subcontract effort and shall include verification that Seller will provide added value; or;

(2) Any subcontractor changes the amount of lower-tier subcontractor effort such that it exceeds 70 percent of the total cost of the work to be performed under its subcontract. The notification shall identify the revised cost of the subcontract effort and shall include verification that the subcontractor will provide added value as related to the work to be performed by the lower-tier subcontractor(s).

52.219-28

Post-Award Small Business Program Representation (Clause is applicable if this order (i) exceeds the micro-purchase threshold, and (ii) will be performed in the U.S. or outlying areas.)

52.222-3

Convict Labor (Clause is inapplicable if this purchase order is determined to be subject to clause at FAR 52.222-20.)

52.222-21

Prohibition of Segregated Facilities (Clause is applicable if Equal Opportunity clause has been determined to apply to this purchase order.)

52.222-22

Previous Contracts and Compliance Reports (Clause is applicable if Equal Opportunity clause has been determined to apply to this purchase order.)

52.222-25

Affirmative Action Compliance (Clause is applicable if Equal Opportunity clause has been determined to be applicable to this purchase order.)

52.222-41

Service Contract Labor Standards (Clause is applicable only to the extent that such clause is in Buyer's contract with its customer and the subcontract involves services subject to such statute.)

52.222-50

Combating Trafficking in Persons

52.223-3

Hazardous Material Identification and Material Safety Data (Entry is considered to be “none” unless Seller explicitly states otherwise within its quotation or proposal. Alternate I applies if procurement is for other than the Department of Defense.)

52.223-5	Pollution Prevention and Right-to-Know Information (Clause is applicable only to services to be performed on a Government facility.)	52.246-23	Limitation of Liability (Clause is applicable only (i) if and to the extent such clause is contained in Buyer's prime contract or subcontract with its customer, and (ii) to other than high value items per FAR 46.802 expressly so identified within this purchase order.)
52.223-7	Notice of Radioactive Materials		
52.223-18	Encouraging Contractor Policies to Ban Text Messaging While Driving	52.246-24	Limitation of Liability – High-Value Items (Clause is applicable only (i) if and to the extent such clause is contained in Buyer's prime contract or subcontract with its customer; and (ii) then shall apply [in place of the Limitation of Liability clause of FAR 52.246-23] only to items [if any] identified in this purchase order as being subject to such clause [i.e., as being high value items per FAR 46.802, approved in writing for such coverage by U.S. Government Contracting Officer].)
52.225-8	Duty-Free Entry (Clause is applicable only if such clause is contained in Buyer's prime contract or subcontract with its customer – under which any reduced duty-free entry thresholds shall apply. Under paragraph (c)(1), change "20 days" to "30 days." Under paragraph (c)(2), change "10 days" to "20 days.")		
52.225-13	Restrictions on Certain Foreign Purchases (Clause is applicable if purchased item is other than commercial item or component per clause at FAR 52.244-6.)	52.249-2	Termination for Convenience of the Government (Fixed-Price) (In paragraph (e), change "1 year" to "6 months." In paragraph (l), change "90 days" to "45 days.")
52.227-1	Authorization and Consent (Clause is applicable only if and to extent such clause is contained in Buyer's prime contract or subcontract with its customer.)	52.251-1	Government Supply Sources (For purposes of this clause, "Government" means U.S. Government [not Buyer]. Any Buyer authorization for Seller use of U.S. Government supply sources necessitates and is contingent upon Buyer obtaining prior U.S. Government approval. Referenced provisions of Government Property clause of FAR 52.245-1 apply [even if such clause has not been expressly made a part of this purchase order].)
52.227-10	Filing of Patent Applications — Classified Subject Matter		
52.232-9	Limitation on Withholding of Payments	52.253-1	Computer Generated Forms
52.234-1	Industrial Resources Developed Under Defense Production Act Title III (Clause is applicable only if this purchase order is identified elsewhere herein as stemming from a major system prime contract.)	<b>B. FAR Contract Clauses applicable if this purchase order is to exceed \$10,000 (except as may be noted herein-below)</b>	
52.237-2	Protection of Government Buildings, Equipment, and Vegetation (Applicable to any work performed on a Government installation. "Government" thereunder means Buyer, prime contractor [if not Buyer], and any upper tier subcontractor.)	52.222-20	Contracts for Materials, Supplies, Articles and Equipment Exceeding \$15,000–NOTE: Applicable to any Order greater than \$15,000 or lower threshold if effective under older higher-tier contract.
52.237-3	Continuity of Services (Clause is applicable only to any services being provided under this purchase order.)	52.222-26	Equal Opportunity (Clause is applicable only (i) if this Subcontract is not exempted by Secretary of Labor under Executive Order 11246 as amended, and (ii) then only with respect to provisions of subparagraphs (c) (1) through (c)(11) [binding Seller thereto].)
52.242-17	Government Delay of Work	52.222-36	Equal Opportunity for Workers with Disabilities NOTE: Applicable to any Order greater than \$15,000 or lower threshold if effective under older higher-tier contract.
52.244-6	Subcontracts for Commercial Items		
52.245-9	Use and Charges (Clause is applicable only if clause 52.245-1 is applicable.)	52.222-40	Notification of Employee Rights Under The National Labor Relations Act (DEVIATION Dec 2010) (Clause is applicable if this purchase order exceeds \$10,000.)
52.246-2	Inspection of Supplies – Fixed Price (Alternate I applies if this purchase order is fixed price incentive type.)		
52.246-4	Inspection of Services – Fixed Price		
52.246-6	Inspection – Time-and-Material and Labor-Hour (Clause is applicable only to any T&M or L-H work under this purchase order.)		
52.246-7	Inspection of Research and Development – Fixed Price (Clause is applicable only to any R&D work under this purchase order.)		

52.222-54 Employment Eligibility Verification  
NOTE: Applicable to any Order greater than \$3,000 with a period of performance of 120 days or greater.

**C. FAR Contract Clauses applicable if this purchase order is to exceed \$30,000 (except as may be noted herein-below)**

52.209-6 Protecting the Governments Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Clause is applicable only if this purchase order is first tier from the prime contract. Seller shall comply with paragraph (b) of such clause.)

**D. FAR Contract Clauses applicable if this purchase order is to exceed \$100,000 (except as may be noted herein-below)**

52.203-5 Covenant Against Contingent Fees (Clause is inapplicable for commercial item, per Definitions clause at 52.202-1. "This contract" thereunder includes the prime contract, any higher tier subcontract, and this purchase order.)

52.203-6 Restrictions on Subcontractor Sales to the Government

52.203-7 Anti-Kickback Procedures (Subparagraph (c)(1) of clause is inapplicable.)

52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions

52.203-12 Limitation on Payments to Influence Certain Federal Transactions

52.209-5 Certification Regarding Responsibility Matters (Clause is applicable only if this purchase order is first-tier from the prime contract.)

52.215-2 Audit and Records – Negotiation ("Contracting Officer" thereunder means U.S. Government Contracting Officer.)

52.215-14 Integrity of Unit Prices (Paragraph (b) of clause is inapplicable. Clause contains applicability exceptions.)

52.219-8 Utilization of Small Business Concerns (Clause is applicable unless (i) contract is for personal services, or (ii) the contract, together with all of its subcontracts, will be performed entirely outside the United States and its outlying areas).

52.222-35 Equal Opportunity for Veterans (Clause is applicable if purchase order is \$100,000 or more.)

52.222-37 Employment Reports on Veterans (Clause is applicable if purchase order is \$100,000 or more.)

52.223-13 Acquisition of EPEAT® - Registered Imaging Equipment (Clause is applicable only if (i) this purchase order is for other than a commercial item or component as defined in FAR Part 2, or (ii) Seller is not exempt per criteria of this clause.

52.223-14 Acquisition of EPEAT® - Registered Televisions (Clause is applicable only if (i) this purchase order is for other than a commercial item or component as defined in FAR Part 2, or (ii) Seller is not exempt per criteria of clause at FAR 52.223-13.)

52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement

NOTE: Applicable to any Order of \$150,000 or more except when both complete performance and delivery are outside the United States.

52.242-13 Bankruptcy (Any such notification shall be to Buyer. After "for all Government contracts," insert "with Seller.")

52.243-6 Change Order Accounting (Any requirement for such change order accounting shall be expressly established within the specific Buyer change order.) (Clause is applicable whenever estimated cost of a change or series of related changes exceeds \$100,000.)

52.244-5 Competition in Subcontracting

52.245-1 Government Property (Clause is applicable only if U.S. Government property is furnished to Seller through Buyer.)

52.246-25 Limitation of Liability — Services (Clause is applicable (i) only if and to the extent such clause is contained in Buyer's prime contract or subcontract with its customer, and (ii) other than for (a) automatic data processing, (b) telecommunications, (c) construction, (d) architect engineering services, and/or (e) maintenance and rehabilitation of real property, and (iii) for items not priced at or based on catalog or market prices.)

52.247-63 Preference for U.S.-Flag Air Carriers (Clause is inapplicable for commercial item.)

52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels (Clause is inapplicable for commercial item.)

52.248-1 Value Engineering (Clause is applicable only if (i) this or similar clause is contained in Buyer's prime contract or subcontract with its customer; and (ii) this purchase order is not for (a) research and development other than full scale development, (b) engineering services from not-for-profit or nonprofit organization, (c) personal services, (d) product or component improvement, or (e) commercial product that does not involve packaging specifications or other special requirements or specifications. In paragraph (j), "Contracting Officer" means the U.S. Government Contracting Officer, and, in the legend of paragraph (m), "Government" means both the U.S. Government and the Buyer. DoD deviation applies if this purchase order stems from higher-tier contract with DoD.)

**E. FAR Contract Clauses applicable if this Purchase Order is to exceed \$500,000 (except as may be noted herein-below)**

52.215-12 Subcontractor Certified Cost or Pricing Data (Seller shall submit and certify cost or pricing data per criteria of clause [in addition to complying with all other requirements of clause].) The current threshold is \$700,000.

52.219-9 Small Business Subcontracting Plan (Clause is applicable only if this purchase order (i) is with other than small business concern; (ii) offers subcontracting possibilities, (iii) is expected to exceed \$650,000, or lower threshold if effective under older higher-tier contract, [\$1,500,000 if for construction of any public facility]; and (iv) is required to include the clause at 52.219-8, Utilization of Small Business Concerns, unless the acquisition is set aside or is to be accomplished under the 8(a) program.)

52.222-4 Contract Work Hours and Safety Standards – Overtime Compensation (Clause is applicable if purchase order exceeds \$150,000.

52.230-2 Cost Accounting Standards (Clause is applicable [except paragraph (b) thereof] only if (i) such clause is included in Buyer's prime contract or subcontract with its customer, (ii) Seller is other than small business concern, and (iii) Seller is not otherwise exempt under corresponding provisions of FAR Part 30, and (iv) such clause is expressly stated to be applicable in the body of this purchase order [with the date thereof indicated]. If clause is so applicable, Seller shall include substance of clause [except paragraph (b) thereof] in lower tier purchase orders, per provisions of paragraph (d) of clause.) The current threshold is \$700,000.

52.230-3 Disclosure and Consistency of Cost Accounting Practices (Clause is applicable [except paragraph (b) thereof] only if (i) such clause is included in Buyer's prime contract or subcontract with its customer, (ii) Seller is other than small business concern, (iii) this purchase order is for less than \$50,000,000, (iv) Seller is eligible for and elects modified CAS coverage per FAR Part 30, and (v) *such clause is expressly stated to be applicable in the body of this purchase order [with the date thereof indicated].* If clause is so applicable, Seller shall include substance of clause [except paragraph (b) thereof] in lower tier purchase orders, per provisions of paragraph (d) of clause.) The current threshold is \$700,000.

52.230-6 Administration of Cost Accounting Standards (Clause is applicable only if Cost Accounting Standards clause of FAR 52.230-2 or Disclosure and Consistency of Cost Accounting Practices clause of FAR 52.230-3 applies to this purchase order.) The current threshold is \$700,000.

**2. DFARS CONTRACT CLAUSES** (The Department of Defense FAR supplement [DFARS] contract clauses identified herein-below: (i) are applicable only if this purchase order results from any prime contract or subcontract with Buyer's customer falling under DFARS–1991 Edition, (ii) supersede any FAR contract clauses of same subject matter to any extent inconsistent therewith, and (iii) are subject to any specific scoping provision per individual clause [see General Preamble hereinabove].)

**A. DFARS Contract Clauses – Applicable to this Purchase Order irrespective of amount thereof (except as may be noted herein-below)**

252.204-7000 Disclosure of Information

252.204-7002 Payment for Subline Items Not Separately Priced

252.215-7000 Pricing Adjustments

252.223-7001 Hazard Warning Labels

252.223-7002 Safety Precautions for Ammunition and Explosives (Clause is applicable only if this purchase order involves ammunition or explosives. Government safety representatives may evaluate Seller compliance.)

252.223-7003 Change in Place of Performance – Ammunition and Explosives

252.223-7008 Prohibition of Hexavalent Chromium  
NOTE: Applicable to any Order for supplies, maintenance and repair services, or construction unless the exceptions listed in DFARS 223.7304 apply.

252.225-7014	Preference for Domestic Specialty Metals (Alternate I applies if this purchase order requires delivery of product containing specialty metals under program for (i) aircraft, (ii) missile and space systems, (iii) ships, (iv) tank automotive, and (v) weapons or ammunition.) NOTE: Applicable to Orders issued under prime contracts awarded before January 28, 2008	252.251-7000	Ordering from Government Supply Sources (Clause is applicable only if this purchase order contains Government Supply Sources clause of FAR 52.251-1. Any Buyer authorization for Seller use of U.S. Government supply sources necessitates and is contingent upon Buyer obtaining prior U.S. Government approval.)
252.225-7014	Preference for Domestic Specialty Metals (DEVIATION No. 2008-O0002) and Alternate 1 (DEVIATION No. 2008-O0002) NOTE: Applicable to Orders issued under prime contracts awarded on or after January 28, 2008 and before July 29, 2009.	252.251-7001	Use of Interagency Fleet Management System (IFMS) Vehicles and Related Services (Clause is applicable only if this purchase order contains Interagency Fleet Management System (IFMS) Vehicles and Related Services clause of FAR 52.251-2. Any Buyer authorization for Seller use of IFMS vehicles and related services necessitates and is contingent upon Buyer obtaining prior U.S. Government approval.)
252.225-7016	Restriction on Acquisition of Ball and Roller Bearings	<b>B. DFARS Contract Clauses – Applicable if this Purchase Order is to exceed \$100,000 (except as may be noted herein-below)</b>	
252.225-7018	Photovoltaic Devices—Certificate (Clause is applicable only if this purchase order stems from competitively negotiated RDT&E prime contract under BMD program.	252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies (Clause is applicable only if this purchase order is first tier from the prime contract.)
252.225-7025	Restriction on Acquisition of Forgings	252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals. NOTE: Applicable to Orders issued under prime contracts awarded on or after July 29, 2009. NOTE: Exclude paragraph (d).
252.225-7048	Export-Controlled Items	252.225-7012	Preference for Certain Domestic Commodities
252.228-7005	Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles	252.225-7015	Restriction on Acquisition of Hand or Measuring Tools
252.231-7000	Supplemental Cost Principles	252.247-7024	Notification of Transportation of Supplies by Sea
252.235-7003	Frequency Authorization – Alternate I (Authorization shall be through or coordinated with Buyer.)	<b>C. DFARS Contract Clauses – Applicable if this Purchase Order is to exceed \$550,000 (except as may be noted herein-below)</b>	
252.239-7000	Protection Against Compromising Emanations (Clause is applicable only if this purchase order calls for computer equipment or systems to process classified information.)	252.211-7000	Acquisition Streamlining (Clause is applicable only if this purchase order (i) exceeds \$1,500,000, and (ii) stems from a prime contract under a systems acquisition program.)
252.243-7001	Pricing of Contract Modifications		
252.246-7003	Notification of Potential Safety Issues		
252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System NOTE: Applicable if Standard Note X1066 or X1067 (or equivalent text) is included in the Order.		
252.247-7023	Transportation of Supplies by Sea		
252.249-7002	Notification of Anticipated Contract Termination or Reduction		



252.219-7003	Small Business Subcontracting Plan (DoD Contracts) (Clause is applicable only if Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan clause of FAR 52.219-9 is applicable to this purchase order. Note requirement that majority of earnings must directly accrue to such socially and economically disadvantaged individuals.)	1852.244-70	Geographic Participation in the Aerospace Program (Clause is applicable only (i) if and to extent clause is contained in Buyer's prime contract or subcontract with its customer, and (ii) if this purchase order exceeds \$100,000.)
252.222-7006	Restrictions on the Use of Mandatory Arbitration Agreements (Applicable to all subcontracts, task orders and Purchase Orders at every tier in excess of \$1 million that utilize FY10 funds except for commercial items and commercially available off-the-shelf items.)	1852.245-70	Contractor Requests for Government-Provided Equipment (Clause is applicable only if and to extent clause is contained in Buyer's prime contract or subcontract with its customer.)
<b>3. NASA FAR SUPPLEMENT CONTRACT CLAUSES</b> (The NASA contract clauses identified herein-below: (i) are applicable only if this purchase order results from any prime contract or subcontract with the Buyer's customer falling under the NASA FAR Supplement (NFS), (ii) supersede any FAR contract clauses of same subject matter to any extent inconsistent therewith, and (iii) are subject to any specific scoping provision per individual clause [see General Preamble hereinabove].)		1852.245-73	Financial Reporting of NASA Property in the Custody of Contractors (Clause is applicable only if this purchase order is first tier from the prime contract. Seller shall submit reports to Buyer in sufficient time to consolidate and meet reporting date of paragraph (c) of clause.)
		1852.246-73	Human Space Flight Item (If this purchase order is identified within as relating to a human space flight item, Seller shall comply with the following statement and shall require its inclusion in each lower-tier purchase order [without exception]: For use in manned space flight; materials, manufacturing, and workmanship of highest quality standards are essential to astronaut safety. If you are able to supply the desired item with a higher quality than that of the items specified or proposed, you are requested to bring this fact to the immediate attention of the purchaser.)
1852.219-74	Use of Rural Area Small Businesses (Clause is applicable only if such clause is contained in Buyer's prime contract or subcontract with its customer. Then, if this purchase order offers subcontracting possibilities, Seller is encouraged to use its best efforts to award lower tier purchase orders to small business concerns located in rural areas.)		
1852.219-75	Small Business Subcontracting Reporting		
1852.223-70	Safety and Health (Clause is applicable only if this purchase order (i) exceeds \$150,000, or (ii) involves use of hazardous materials or operations.)		
1852.223-71	Frequency Authorization (Clause is applicable only if this purchase order calls for developing, producing, testing, or operating device for which radio frequency authorization is required. Processing shall be through Buyer.)		
1852.235-70	Center for Aerospace Information – Final Scientific and Technical Reports (Clause is applicable only (i) if and to extent clause is contained in Buyer's prime contract or subcontract with its customer, and (ii) if this purchase order involves research and development work.)		