

**PSS/T-75**  
**NORTHROP GRUMMAN SYSTEMS CORPORATION**  
**PURCHASE ORDER TERMS AND CONDITIONS**  
**AGREEMENT FOR COMPUTER HARDWARE MAINTENANCE**

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**1. DEFINITIONS AND ACCEPTANCE OF ORDER.**

- A. "Customer," "Buyer," "Licensee" or "Lessee" means the entity name on the Purchase Order/Subcontract. "Licensor," "Seller," "Vendor" or "Lessor" means the party with whom the Customer is contracting. The term "Purchase Order" means the name or title of the instrument of contracting, including all documents, exhibits and attachments referenced thereon.
- B. This Order constitutes Customer's offer. Acceptance is expressly limited to the terms of Order and Customer hereby objects to any additional or different terms in the acceptance. This Order is accepted as written by executing the Acknowledgement or Acceptance copy of the Order, or by beginning performance.
- C. No modification of this Order (including any additional terms or different terms contained in the acceptance) shall be binding on Customer unless agreed to in writing and signed by Customer's duly authorized Purchase Representative.
- D. PERSONNEL, for the purposes of the Privacy, Confidentiality and Security clause of this contract, means employees, agents, consultants or contractors of Seller or Northrop Grumman, as applicable

- E. PERSONAL INFORMATION, is any information relating to an identified or identifiable natural person (such as name, postal address, email address, telephone number, date of birth, Social Security number (or its equivalent), driver's license number, account number, credit or debit card number, personal identification number, health or medical information, or any other unique identifier or one or more factors specific to the individual's physical, physiological, mental, economic or social identity), whether such data is in individual or aggregate form and regardless of the media in which it is contained, that may be (i) disclosed at any time to Seller or its Personnel by Northrop Grumman or its Personnel in anticipation of, in connection with or incidental to the performance of services for or on behalf of Northrop Grumman; (ii) Processed at any time by Seller or its Personnel in connection with or incidental to the performance of services for or on behalf of Northrop Grumman; or (iii) derived by Seller or its Personnel from the information described in (i) or (ii) above.
- F. PROCESS or PROCESSING means any operation or set of operations performed upon Personal Information, whether or not by automatic means, such as creating, collecting, procuring, obtaining, accessing, recording, organizing, storing, adapting, altering, retrieving, consulting, using, disclosing or destroying the data.

**2. RESERVED**

**3. SERVICES TO BE PERFORMED BY VENDOR.**

- A. Scope. For the charges stated herein Vendor shall furnish on-call maintenance Service during the Call Window specified in the Purchase Order hereto and as defined in this section. In fulfillment thereof, Vendor shall:
- (1) Provide scheduled preventive maintenance (PM), based on the specific needs of the equipment in the minimum number of hours and at the frequency set forth herein. PM shall include adjustments, lubrication, cleaning, replacement of defective parts, and retrofitting for engineering changes.
  - (2) Provide unscheduled on-call remedial maintenance as required in response to calls placed during the Call Window.
  - (3) Provide maintenance materials, tools, documentation, site management guide, diagnostic and test equipment necessary for the maintenance Services described herein; such items at all times to remain the exclusive property of Vendor.
- B. Service Calls. The "Call Window" is defined as the time within which the Customer may notify Vendor that the equipment covered under this Agreement is inoperative and remedial maintenance is required. All equipment shall have the Call Window specified herein covering such equipment, which Call Window excludes customer holidays unless otherwise stated. The basic coverage is 8:00 a.m. to 5:00 p.m. (Pacific Time) Monday through Friday (hereafter, "basic coverage"). Extensions beyond the basic coverage may result in twelve (12), sixteen (16) or twenty-four (24) hours of coverage per day, Monday through Friday; and include eight (8), twelve (12), sixteen (16) or twenty-four (24) hours per day Saturday, and/or Sunday, and/or holidays. The Call Window on Monday through Friday shall be the same each day, and the Call Window on Saturday and Sunday shall be the same on all Saturdays and/or Sundays. The Call Window for basic coverage shall begin at 8:00 a.m. daily and shall consist of consecutive hours selected.
- C. Parts and Labor. In response to calls placed during the Call Window, Vendor will provide and bear the cost of parts and labor required to maintain the equipment in accordance with the warranty and services provisions hereof, provided that such labor and parts are needed because of normal wear-and-tear. Maintenance will include replacement of parts as necessary in order to conform with the warranty provisions hereof. All parts will be furnished on an exchange basis and will be new standard parts; exchanged parts removed from the system become the property of Customer.
- D. Change Orders. Vendor will install all change orders on the vendor-supplied equipment covered by this Agreement subject to Customer's right of refusal of any order. The installation shall be at no charge if done concurrently with preventive

maintenance, at another time in response to a call placed within the Call Window, or as mutually agreed upon.

- E. Reconditioning. At the end of twelve (12) months of maintenance service or any time thereafter, if individual item(s) cannot, in Vendor's opinion, be properly or economically repaired on site due to excessive wear or deterioration, Vendor shall supply the Customer with a quote for reconditioning at Vendor's product repair center or other factory repair location. However, failure to accept Vendor's offer to recondition shall not relieve Vendor of its maintenance obligations under and during the term of this Agreement.
- F. Response Time.
- (1) Within Call Window. Vendor will respond to telephone remedial maintenance requests received during the Call Window within a response time of fifteen (15) minutes. This response will consist of telephone-initiated diagnostic assistance and advice for all service requests in which this service will aid in problem resolution. If the equipment cannot be promptly restored to good working order without maintenance assistance on site, Vendor will supply repair personnel on site within the response time (from the time of the return telephone call by Customer so notifying him) provided in the Purchase Order. Such Vendor personnel will then commence and diligently prosecute efforts to correct the noticed problems and to restore the equipment to good working order, and will continue such efforts until the equipment is satisfactorily repaired.
  - (2) Outside of Call Window. Vendor will respond to telephone remedial maintenance requests outside of the Call Window in the same response time and manner as if inside the Call Window and will, outside the Call Window, supply repair personnel on site for noticed problems not solved by telephone remedial assistance within the time period and for the additional charges set forth in the Purchase Order.
  - (3) Vendor Reimbursement. In the event that the problems leading to Vendor's on-site assistance, whether inside or outside the Call Window, are caused by Customer's gross misuse of the equipment, Customer shall be liable to Vendor for reimbursement at Vendor's then prevailing time and materials charges.
- G. Maintenance Log. The Vendor shall maintain, at the Customer's site (with a copy thereof furnished to Customer at Customer's request) a written maintenance and repair log and record therein each incident of equipment defect or malfunction, the date, time, and duration of all maintenance work performed on the equipment, and a description of the cause for the work, either by description of the defect or malfunction or as regular maintenance and diagnostic reports of correction, adjustments,

or updates. The information in the log shall be aggregated into a management report which shall be provided on a monthly basis or as otherwise indicated to the Customer.

**4. SERVICE LIMITATIONS.**

- A. This Agreement covers all causes of equipment malfunction resulting in downtime, except for those malfunctions caused by negligent acts of persons other than Vendor or Vendor's subcontractors.
- B. The Services do not include operating supplies or accessories, cleaning supplies necessary for Customer preventive maintenance, paint, or refinishing the equipment or furnishing materials for this purpose; or electrical work external to the machines or maintenance of accessories, alterations, attachments or other devices not furnished by Vendor unless specifically noted herein.

**5. RIGHT TO PURCHASE SPARES.**

Vendor agrees, for as long as the equipment shall remain in use by Customer and spare parts for such equipment shall be available, to sell to Customer, at prevailing delivery and payment terms, all necessary spare parts required for the maintenance of the equipment. Vendor further guarantees the availability of all spare parts for five years following the sale date of the equipment. Such sales shall be made at prices then in effect, but in the case of spare parts manufactured by Vendor, prices shall not be increased by more than ten percent (10%) per year for each year between any order for such portion of the cost of such spare parts in excess of such ten percent (10%) increase per year as Vendor shall demonstrate (by presentation of supplier's invoice) shall have been charged to Vendor by Vendor's suppliers.

**6. RESPONSIBILITIES OF CUSTOMER.**

The Customer shall promptly notify Vendor of equipment failure and thereafter allow Vendor full and free access to the equipment at a time mutually agreeable to Vendor and Customer. Also, the Customer will allow Vendor to use such machines, communications facilities, features and other equipment (except as normally supplied by Vendor), consistent with Customer's normal business practices, at no charge, as in the reasonable opinions of Customer and Vendor are necessary in order to enable Vendor to perform the Services hereunder. Customer's representative shall be on the premises during Vendor's performance of the Services. To facilitate Vendor's performance of the Services, the Customer agrees to provide reasonable facilities with adequate heat and light, and access to a telephone line in accordance with Customer's business practices. These facilities are to be provided upon request and at no charge to Vendor. Throughout the term of this Agreement, Customer shall control site environmental conditions as specified herein or, in the absence of specification, according to standards of the industry.

**7. CHARGES AND ADJUSTMENTS.**

- A. Monthly charges will be invoiced one (1) month in advance pursuant to the schedule of charges in the

Purchase Order. Charges for a partial month's service will be prorated on a thirty (30) day month.

- B. Charges for any of the Services resulting from Vendor performance, the Customer request for which shall have been made outside the applicable Call Window, or for reasons other than normal wear-and-tear, will be invoiced after completion of the call at the rates stated in the Purchase Order and are payable upon receipt of correct invoice.
- C. Vendor may increase monthly charges as specified herein by no more than ten percent (10%) on the yearly anniversary date of any such Purchase Order by giving ninety (90) days prior written notice. The increased monthly charges shall not exceed Vendor's published charges for maintenance service on the effective date of the adjustment. The charges for equipment added to this Agreement will not exceed the current published rate at the time the equipment is added.
- D. Failure of Vendor to meet his response time obligations, either for telephone diagnostic assistance or on-site, shall result, at Customer's option, in either (i) a percentage credit against subsequent monthly maintenance charges, as provided in the Purchase Order, (ii) Customer's retention of a third party maintain or to conduct such repair work on-site where Vendor is more than six hours late, in which event Vendor shall be obligated to reimburse Customer for the reasonable charges therefore, or (iii) Customer's termination of this Agreement, for failure to meet response time obligations on three successive occasions or two or more times in any month, in which case Customer shall have all remedies at law and equity for material breach.
- E. Failure of Vendor to meet its obligations to satisfactorily complete its repair work within the time period provided in the Purchase Order shall result, at Customer's option, in either (i) a percentage credit against subsequent monthly maintenance charges, as provided in the Purchase Order or (ii) Customer's retention of a third party maintain or to conduct such repair work on-site, in which event Vendor shall be obligated to reimburse Customer for the reasonable charges therefore, or (iii) Customer's termination of this Agreement without further liability by Vendor.
- F. Invoices. One each month (or more frequently if approved by Customer), Vendor shall submit to Customer, an invoice for each payment provided for in the Agreement. Payment of invoices shall not constitute approval or acceptance of Services rendered. At any time prior to final payment under this Agreement, Customer may have the invoices audited as to validity. Payment of Vendor's invoices shall be subject to adjustment for any amounts subsequently found upon audit or otherwise to have been improperly invoiced.
- G. Unless otherwise specified in the Purchase Order. Buyer's Invoice Instructions are incorporated herein and available on Buyer's On-line Automated Supplier Information System (OASIS):

H.

**8. RIGHT TO RESCHEDULE MAINTENANCE.**

If Customer, because of operational or other needs, shall desire to reschedule preventive maintenance, engineering changes, or remedial maintenance, either in single instances or in patterns, the Vendor shall use its best efforts to accommodate such changes. In any event, Customer shall have the right to require Vendor to adjourn such maintenance from any scheduled time, to a date and time not later than ten (10) days thereafter, by offering to Vendor at least three (3) adjourned times within the adjournment period, out of which Vendor may select any one most convenient time to him. In the event the Customer decides that equipment performance warrants an increase or reduction in the preventive maintenance hours, Vendor shall so increase or decrease such maintenance, provided such requested increase or decrease is reasonable.

**9. SPARE PARTS AVAILABILITY.**

Vendor shall maintain a supply of spare parts to make emergency repairs. Vendor shall maintain all spare parts necessary to repair the equipment (so as to restore it to its proper operating condition).

**10. WARRANTIES.**

A. In addition to any other warranties of Vendor applicable to the equipment, Vendor warrants that it will maintain the equipment, both during the warranty period and thereafter for the duration of this Agreement, in such a manner so that the equipment shall be ninety-five percent (95%) operationally available. For purpose of this section, "operational availability" is defined as "the time the system/subsystem, for which the equipment specified in any Purchase Order hereto was purchased, is available to the users to do useful work." Percentage of operational availability ("OA") as so defined shall be determined by application of the formula

$$OA = \frac{A - (B + C)}{A - C} \text{ where}$$

A = the hours of the Call Window during the given month.

B = the hours in that month during which the system/subsystem is unavailable to the user to do useful work, due to a Vendor-supplied hardware malfunction (measured from the time Vendor is notified of the problem until the time repair is completed, provided such notification is received during the hours of contract coverage).

C = scheduled Preventive Maintenance for that month. If PM is scheduled by mutual agreement of Vendor and Customer but the system/subsystem is not released by the Customer, than any downtime prior to the next scheduled PM shall be excluded from the availability calculation.

B. In the event that the Vendor is the manufacturer of the equipment, Vendor warrants that all

engineering changes generally adopted hereafter by Vendor on similar equipment shall be made to the equipment to be maintained hereunder at no cost to the Customer, provided however, that if such an engineering change is an enhancement which Vendor generally markets at extra cost or which by its addition increases the price of later-marketed equipment, then Customer shall be charged the lowest price for such enhancement which Vendor charges any of its other customers or purchasers of its equipment.

C. The Services will be performed in a timely and workmanlike manner, using only qualified maintenance technicians, totally familiar with the equipment and its operation.

D. Vendor warrants that the performance of the Services by Vendor will not in any way constitute an infringement or other violation of any copyright, trade secret, trademark, patent, invention, proprietary information or non-disclosure rights of any third party.

**11. RESERVED**

**12. MOVEMENT OF EQUIPMENT EXTERNAL TO THE PLANT.**

A. To permit continuity of provision of the Services under this Agreement, the Customer shall give Vendor prior written notice of its intent to move the equipment from the site of installation to a location outside the plant. Equipment moved outside the continental United States shall be eligible for continued service under Vendor's local terms and conditions then in effect for like equipment in the territory or country of reinstallation.

B. Vendor's personnel shall supervise the dismantling and packing/unpacking of the equipment and shall inspect and reinstall the equipment at the new location, and charge the Customer for all such labor and materials provided at its then current rates and terms. Said charges shall be authorized by separate purchase order. The monthly charges shall be suspended when the system is dismantled and reinstated on the day following equipment reinstallation and acceptance by Vendor at the new location.

**13. DISPUTES.**

Either party may litigate any dispute arising under or relating to this order. Such litigation shall be brought and jurisdiction and venue shall be proper only in a state or federal district court in Los Angeles County. Pending resolution of any such dispute by settlement or by final judgment, the parties shall proceed diligently with performance.

**14. TERMINATION/CANCELLATION.**

A. Termination-Convenience. The performance of Services under this Agreement may be terminated, in whole or in part, by Customer for Customer's convenience at any time and for any reason on Customer giving written termination notice to Vendor and shall pay to Vendor termination charges computed in the following manner; (1) a sum computed and substantiated in accordance with standard accounting practices for those

reasonable costs incurred by Vendor prior to the date of termination for completed Services, Services in process, materials directly related to the Agreement, for orderly phase out of performance as requested by Customer in order to minimize the costs of the termination and for preparation and settlement of Vendor's termination claim and (2) a reasonable profit on such Services performed; provided, however, that Customer shall not be liable to Vendor for any costs which would not have been charged had the Agreement not been terminated nor for any sum in excess of the total price stated in the Agreement for the terminated products.

- B. Cancellation Default. Except in the case of delay or failure resulting from circumstances beyond the control and without the fault or negligence of Vendor or of its suppliers or subcontractors, Customer shall be entitled by written cancellation notice to Vendor to cancel the whole or any part of this Agreement for default, without granting an extension of time, and to have all other rights against Vendor by reason of Vendor's default as provided by law. If it be found that Vendor was not in default, the rights and obligations of the parties shall be the same as if a Notice of Cancellation had been issued pursuant to Clause 15.A above, Termination-Convenience.
- C. Other. By written notice to Vendor, Customer may cancel the whole or part of this Agreement in the event of suspension of Vendor's business, insolvency of Vendor, institution of bankruptcy, reorganization, arrangement, liquidation proceedings by or against Vendor or proceedings for the benefit of creditors or for any failure by Vendor to provide adequate assurances (as provided for in Uniform Commercial Code, section 2-609) of its ability or willingness to perform its obligations under this Agreement. Such cancellation shall be deemed "for default" in accordance with paragraph B. of this Termination/Cancellation clause and the rights and obligations of the parties shall be determined as therein provided.
- D. Vendor shall also be deemed in default if the hardware continues to exhibit defects causing serious disruption of use and/or repeated periods of downtime, notwithstanding Vendor's remedial or maintenance efforts, over a continuous period of three months or more.
- E. Maintenance Termination. Customer may immediately terminate this Agreement upon termination or breach of any maintenance agreement between Vendor and Customer.
- F. Rights and Obligations of the Parties on Termination. In the event that this Agreement is terminated, each party shall forthwith return to the other all papers, materials, and other properties of the other party then in its possession or certify to the destruction of same.

#### **15. TERM.**

This Agreement is effective from the date of execution until the scheduled termination date as set forth in the

Purchase Order hereto unless earlier terminated by either party for any of the causes set forth herein, subject to the notice and other requirements herein set forth. Vendor shall, if requested in writing, continue to provide maintenance Services for the duration of the equipment lease if the same has been leased from Vendor.

#### **16. RESERVED**

#### **17. CONSEQUENTIAL DAMAGES.**

The parties shall not be liable to the other party for consequential damages, including lost profits, arising from default in the performance of this Agreement.

#### **18. RESERVED**

#### **19. TRAINING OF CUSTOMER'S PERSONNEL.**

Vendor agrees that any training provided by Vendor shall be usable by any person(s) designated by Customer, irrespective of whether such person(s) are employed at the site where such equipment is, or is to be, located.

#### **20. TAXES.**

All prices herein, unless otherwise provided, include all applicable Federal, state and local taxes as may be assessed against Vendor except those sales or use taxes required by law to be paid by Customer.

#### **21. DELEGATION AND ASSIGNMENT.**

No delegation of any duties under this Agreement shall be binding upon Customer until its written consent thereto has been obtained. Vendor is requested to inform Customer in writing prior to any assignments of rights to monies due or to become due under this Agreement.

#### **22. SUBCONTRACTING.**

- A. Seller shall not subcontract without the prior written authorization of Buyer for the performance of any service to be provided hereunder, and Seller shall require a like agreement from any immediate and lower-tier suppliers. This is not a restriction on authorized distributors, dealers, jobbers or industrial suppliers.
- B. No subcontract placed under this Order shall provide for payment on a cost- plus-percentage-of cost basis, and any fee payable under cost-reimbursement subcontract shall not exceed the fee limitations in subsection 15.404-4(c) of the Federal Acquisition Regulation (FAR)
- C. Any subcontract awarded to a foreign person, as defined in the International Traffic in Arms Regulations or the Export Administration Regulations, must comply with the Export and Import Compliance clause herein.

#### **23. CUSTOMER'S INSTRUCTIONS.**

During the course of the Services the Vendor will be responsible for ensuring that its employees, servants and agents will, whenever on the Customer's premises, obey all reasonable instructions and directions issued by the Customer. Continued failure of Vendor's personnel to follow reasonable instructions by Customer will entitle Customer to terminate this Agreement

#### **24. CUMULATION OF REMEDIES.**

All remedies available to either party for breach of this Agreement are cumulative and may be exercised concurrently or separately, and the exercise of any one

remedy shall not be deemed an election of such remedy to the inclusion of other remedies.

**25. RESERVED**

**26. INSURANCE.**

During the entire Order period Seller and its subcontractors shall, at their sole cost and expense, procure and maintain Worker's Compensation insurance coverage as required by the laws of the state in which the work is performed and such insurance shall provide waiver of subrogation in favor of Northrop Grumman. Seller shall also maintain, at their sole cost and expense, Employer Liability insurance in the amount of \$1,000,000.

- A. Whenever performance requires work on a Government installation, Buyer's premises, or premises under the care, custody or control of Buyer or Buyer's customer, Seller and its subcontractors shall, at their sole cost and expense, procure and maintain the following insurance coverage in the minimum limits indicated:
  1. General Liability (Professional Liability, as applicable)– Combined Single Limit \$2,000,000 bodily injury and property damage. Coverage shall include but not necessarily be limited to, premises and operations, products and completed operations and contracts.
  2. Automobile Liability – Combined Single Limit \$2,000,000 bodily injury and property damage covering all owned, hired and non-owned vehicles.
- B. All insurance required as a part of this Order shall be placed with insurance companies that are authorized to do business under the laws of the state or states in which the work is being performed and shall be in a form reasonably acceptable to Buyer.
- C. General Liability and Automobile Liability insurance coverage shall provide that Buyer is named as an additional insured and if requested by Buyer, Seller shall provide evidence that the required insurance is in place in the form of insurance certificates.
- D. Insurance coverage described herein must be in place and effective prior to commencement of any activity that is the subject of this Order. Renewal insurance certificates, if applicable, shall be provided to Buyer at least 15 days prior to the expiration date of the insurance under each required coverage.
- E. Buyer and Seller agree to defend, indemnify, and save harmless the other from all damages and liabilities arising out of or in connection with presence on the other's premises pursuant to this Order; provided, however, that such damage and liability shall not have been caused by the negligence of the agents, subcontractors or employees of the indemnified parties

**27. RESERVED**

**28. COMPLIANCE WITH LAWS.**

Seller warrants that it shall comply with all applicable federal, state, or local laws, rules, and regulations in the performance of this Agreement. Seller shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin and warrants compliance with Section 508 of the Rehabilitation Act. Where applicable, the Supplier agrees to provide products and services which are Section 508 compliant and agrees to provide a Voluntary Product Accessibility Template® (VPAT®) to Customer Representatives, if requested.

**29. CHOICE OF LAW.**

This Order and any dispute arising hereunder shall be governed by the substantive and procedural laws of the State of California, except, however, that California's Choice of Law provisions shall not apply.

**30.-31. RESERVED**

**32. EXPORT AND IMPORT**

This provision may not be modified or amended by any addendum, exhibit, attachment, or any other agreement without prior written approval from Northrop Grumman Law Department (Export/Import).

**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.

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:

- 1) 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
- 2) 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.

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:

- (1) To or at the direction of any person, irrespective of nationality, whether or not employed by or affiliated with the Seller; and
- (2) 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.

For International Purchase 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. For Domestic Purchase 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 attorneys 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 US Government, debarment, assignment of consent agreement, and initiation or existence of a US Government investigation, that could affect Seller's performance under this contract. 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

**33. RESERVED**

**34. CLEARANCE OF MATERIALS INTENDED FOR PUBLIC RELEASE.**

No news release, including photographs and films, advertisement, public announcement, denial or confirmation of same, or any part of the subject matter of this Agreement or any phase of any program hereunder shall be made without prior written approval of both parties.

**35.-38. RESERVED**

**39. WAIVER.**

No term or provision hereof shall be deemed waived and no breach excused unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented.

**40. ENTIRE AGREEMENT.**

This Agreement, together with the Purchase Order and all attachments or documents referenced herein, constitutes the entire agreement between Vendor and Customer on the subject matter of services to be performed as described herein ("Services").

**41.-42. RESERVED**

**43. PATENT, TRADEMARK, AND COPYRIGHT INDEMNITY.**

Seller shall defend, indemnify, and hold Buyer, Buyer's officers, agents, employees, and customers harmless

against all claims and liabilities, including costs, for infringement of any United States patent, trademark, or copyright by any Products delivered under this Order or, at Seller's option and expense, Seller shall obtain such licenses as are necessary to remove such infringement, provided that Seller is reasonably notified of such claims and liabilities. Seller's obligation shall not apply to Products manufactured by Seller pursuant to detailed designs developed by Buyer and furnished to Seller under an Order which does not require research, development, or design work by Seller. Seller's obligation shall also not apply to any infringement arising from the use or sale of Products in combination with items not delivered by Seller if such infringement would not have occurred from the use or sale of such Products solely for the purpose for which they were designed or sold to Buyer. Seller's obligation shall extend to the U.S. Government only if and to the extent Buyer has agreed to indemnify the U.S. Government.

**44.64. RESERVED**

**66. NOTICES.**

Any notice or other communication hereunder shall be in writing.

**65.-79. RESERVED**

**80. RESPONSE TO AUDIT.**

Buyer shall not be prohibited from providing copies of the purchase order to federal and state taxing agencies as requested by either Buyer's or government auditors to comply with auditing procedures.

**81. DIVESTITURES - IT PRODUCTS & SERVICES.**

- A. Upon Buyer's divestiture of any affiliate, division, business unit, line of business or sector ("divested entity"), Buyer may assign in whole or in part the software and/or maintenance services that are the subject of this order to that divested entity. Upon execution of an assignment, Buyer shall have no further rights or obligations with respect to the assigned licenses and/or services (with the exception of any unpaid license and/or maintenance service fees which remain due on the effective date of such assignment) and the divested entity shall become the "customer" of record for those assigned licenses and/or services. Any such assignment or other transfer of licenses to the software and/or maintenance services made to a third party will be subject to the prior written consent of Seller/licensor which consent will not be unreasonably withheld or delayed.
- B. Divested entities will have the right, for a period of twelve (12) months post-divestiture, to continue to purchase the software products and/or maintenance services covered under this order, or Buyer may purchase such licenses under this order on behalf of the divested entities. If a divested entity wishes to order from Seller directly, Seller reserves the right to require such divested entity to provide financial information sufficient to determine creditworthiness before accepting any orders.
- C. For software. In the event of a divestiture, Buyer shall be permitted to use the software products to provide managed services for the divested entity during a period of transition, provided that Buyer's use in such case is only for the divested entity. Once the transition period ceases, Buyer shall assign the licenses to the divested entity as

provided in the "divestiture" provision in this purchase order.

- D. Buyer shall have the unrestricted right to transfer the software license(s) to its parent and/or any subsidiary or affiliate of Buyer upon written notification to Seller/licensor of such transfer without payment of additional costs or fees provided that the number of licenses transferred does not exceed the Buyers total licensed count. In each such instance, Buyer shall inform Seller/licensor of the transfer, and shall provide details on the name and address of assignee, including which products (and how many licenses of each) are being transferred.

**82. MERGERS AND ACQUISITIONS - IT PRODUCTS/SERVICES.**

- A. If Buyer merges with or acquires entities that have existing licensed software, the merged, or acquired entity's licenses will terminate upon completion of the acquisition or merger and the merger/acquired entity's licenses will be combined with Buyer's existing licenses of the same license type under the terms of this purchase order, provided that Buyer and the merged/acquired entity are both current on maintenance and there are no outstanding receivables against either account. There shall be no transfer fee for combining the licenses, provided; however, that Buyer will true up the merged or acquired licenses to match Buyer's software configuration and license type(s). Maintenance will continue on the combined number of users. Buyer may, at its option, permit an acquired entity to continue to operate its existing software as a standalone operation, but subject to the terms of this purchase order at no additional cost other than continued maintenance fees.
- A. If Buyer merges with or acquires an entity or entities that have a need for Seller's products and services, Buyer and the acquired entity will be permitted to make purchases using this purchase order and price discounts in support of the acquired entity. If under any existing purchase order with an acquired entity or entities Seller currently provides or agrees to provide maintenance services, Buyer and Seller will negotiate a combined maintenance agreement sufficient to cover the combined companies so as to avoid any disruption in service.

**83. RESERVED**

**84. CONFIDENTIALITY OF LICENSOR'S INFORMATION.**

Notwithstanding any other provisions of this Agreement to the contrary, Customer hereby agrees that it shall use reasonable efforts to avoid disclosure of Vendor's proprietary/confidential information to any third party other than Customer's consultants, agents and representatives having access to Customer proprietary data. Further, Vendor agrees that all such proprietary/confidential information shall be marked with a stamp or legend indicating its confidential/proprietary nature. For the purposes of the Agreement, the term "reasonable efforts" shall mean that Customer shall treat such proprietary/ confidential information in accordance with Customer's procedures regarding vendor/ customer proprietary information.



Further, Customer shall have the right to copy the software products for backup and archival purposes. Customer shall not be liable for use or disclosure of any such proprietary information if the same is:

- A. In the public domain at the time it was disclosed;
- B. Known to the party receiving it at the time of disclosure;
- C. Used or disclosed inadvertently provided the appropriate degree of care is exercised;
- D. Used or disclosed with the prior written approval of the other party;
- E. Independently developed by the receiving party;
- F. Becomes known to the receiving party without similar restrictions from a source other than the disclosing party having the right to disclose.

**85. SOFTWARE CHAIN OF CUSTODY.**

Seller represents and warrants that it has policies and procedures in place to ensure that software code used to develop product(s) has been within Seller's configuration management and control during the entire development process. Should Buyer determine that Seller has supplied product(s) that have failed or do not properly function (i.e. harmful/malicious code embedded into software) due to lapses in the chain of custody, Buyer shall promptly notify Seller and Seller shall at its own expense immediately replace the defective product(s) with product(s) that conform to the software documentation specifications.

**86. REPORTING - IT SOFTWARE.**

For software. Upon request, Seller will submit within 48 hours a copy of the testing procedures and test results used for the product(s) being procured.

**87. PRIVACY, CONFIDENTIALITY AND SECURITY**

Seller will ensure that it provides the services under this agreement in accordance with the following requirements:

- (a) Seller will hold in strict confidence any and all Personal Information.
- (b) Seller will provide at least the same level of privacy protection for Personal Information as is required by the relevant U.S.-EU Safe Harbor Framework ("Safe Harbor") Principles.
- (c) Seller will Process Personal Information only on behalf of Northrop Grumman and in accordance with Northrop Grumman's written instructions, and only in connection with the services it provides for Northrop Grumman and to fulfill its obligations to Northrop Grumman.
- (d) Seller will comply with all applicable laws and regulations relating to the privacy, confidentiality or security of Personal Information and applicable provisions of Northrop Grumman's privacy policies, statements or notices that are attached hereto (collectively, "Privacy Requirements").
- (e) In the event a Privacy Requirement, enforcement action, investigation, litigation or claim, or any other circumstance, is reasonably likely to adversely affect Seller's ability to fulfill its obligations under this agreement, Seller will promptly notify Northrop Grumman in writing and Northrop Grumman may, in its sole discretion and without penalty of any kind to Northrop Grumman, suspend the transfer or disclosure of Personal Information to Seller or access to Personal Information by Seller, terminate any further Processing of Personal Information by Seller, and terminate Seller's agreement to provide services to Northrop

Grumman, if doing so is necessary to comply with applicable Privacy Requirements.

- (f) Subject to applicable law, in the event Seller is required by law or legal process to disclose Personal Information, it will give prior written notice of the disclosure to Northrop Grumman, so that Northrop Grumman may, in its discretion, seek to block the disclosure. Northrop Grumman will have the right to defend such action in lieu of and on behalf of Seller. Northrop Grumman may, if it so chooses, seek a protective order. Seller will reasonably cooperate with Northrop Grumman in such defense at Northrop Grumman's reasonable cost.
- (g) Seller may disclose Personal Information to a third party if, and only if, it obtains the written consent of Northrop Grumman and (1) the disclosure is made to a party that performs services on behalf of Northrop Grumman and the disclosure is made in order to perform the Seller's services to Northrop Grumman; or (2) the disclosure is made to a third party performing clerical, administrative, technical, or security-related services for Seller, and such disclosure is incidental to the performance of such services. In either case, Seller will enter into a written agreement with such third party under which the third party agrees it will (i) maintain the confidentiality of the disclosed Personal Information; (ii) provide at least the same level of privacy protection as is required by the relevant Safe Harbor Principles (unless such third party has certified to the Safe Harbor, or is subject to the European Union Directive on Data Protection (Directive 95/46/EC) or another adequacy finding by the European Commission, in which case the third party is not required to make the representation contained in (ii)); (iii) not disclose the Personal Information to other third parties without the prior written agreement of Northrop Grumman; (iv) use the Personal Information only in connection with performing its obligations under its agreement with Seller; (v) disclose the Personal Information only to its own personnel who need the information to perform the obligations under the agreement with Seller, and who have been fully advised as to the confidentiality requirements set forth herein; (vi) promptly notify Seller of any Information Security Incident (as defined below); and (vii) return to Seller all copies of Personal Information Processed in connection with the relevant services for which the third party was retained or, upon Seller's written request (provided that Seller receives Northrop Grumman's prior written approval), securely destroy or, at the option of Northrop Grumman, render unreadable or undecipherable, all such Personal Information, including all hard-copy and electronic versions.
- (h) Seller will develop, implement and maintain a comprehensive written information security program that complies with applicable Privacy Requirements. Seller's information security program will include appropriate administrative, technical, physical, organizational and operational measures designed to (i) ensure the security and confidentiality of Personal Information; (ii) protect against any anticipated threats or hazards to the security and integrity of Personal Information; and (iii) protect against accidental or unlawful destruction, loss or alteration, unauthorized disclosure or access, and any other unlawful forms of Processing (hereinafter "Information Security Incident"). Seller's information security program will

contain standards that are at least as stringent as those set forth in the Form C-137 relating to this Agreement. If the Processing involves the transmission of Personal Information over a network, Seller will implement appropriate measures to protect Personal Information against the specific risks presented by the Processing. Seller will immediately, but in no event later than 72 hours after Seller's discovery of the Information Security Incident, notify Northrop Grumman in writing of any Information Security Incident. Such notice will summarize in reasonable detail the effect on Northrop Grumman, if known, of the Information Security Incident and the corrective action taken or to be taken by Seller. Seller will promptly take all necessary and advisable corrective actions, and will cooperate fully with Northrop Grumman in all reasonable and lawful efforts to prevent, mitigate or rectify such Information Security Incident. The content of any filings, communications, notices, press releases or reports related to any Information Security Incident must be approved by Northrop Grumman prior to any publication or communication thereof.

- (i) Seller will exercise the necessary and appropriate supervision over its relevant Personnel to maintain appropriate privacy, confidentiality and security of Personal Information. Seller will restrict access to Personal Information to those Personnel who need the information to perform obligations under Seller's agreement with Northrop Grumman and who have explicitly agreed to legally enforceable and sound confidentiality obligations. Seller will ensure that Personnel with access to Personal Information are periodically trained regarding privacy and security and the limitations on Processing of Personal Information as provided in this agreement.
- (j) Seller will engage an independent third-party to conduct a security evaluation/certification of Seller's systems that host Personal Information. Seller will provide Northrop Grumman copies of the audit report(s). Northrop Grumman reserves the right to conduct site surveys of Seller's hosting site and review its physical and information security policies, practices, and procedures on an annual or biennial basis, in Northrop Grumman's reasonable discretion.
- (k) Seller agrees that any Processing of Personal Information in violation of this agreement, Northrop Grumman's instructions or any applicable Privacy Requirement, or any Information Security Incident, may cause immediate and irreparable harm to Northrop Grumman for which money damages may not constitute an adequate remedy. Therefore, Seller agrees that Northrop Grumman may obtain specific performance and injunctive or other equitable relief for any such violation or incident, in addition to its remedies at law, without proof of actual damages.
- (l) Seller will not transfer Personal Information outside the country to which it originally was delivered to Seller for Processing (or, if it was originally delivered to a location inside the European Union, outside the European Union) without the explicit written consent of Northrop Grumman.
- (m) Seller will cooperate with Northrop Grumman if a data subject wants to access or amend Personal Information pertaining to him or her.
- (n) Seller will immediately inform Northrop Grumman in writing of any requests, complaints or investigations regarding Seller's Processing of Personal Information.

Seller will respond to such requests, complaints or investigations in accordance with Northrop Grumman's instructions and Seller will fully cooperate with Northrop Grumman in responding to any such request, complaint or investigation.

- (o) Seller will enter into any further privacy or information security agreement requested by Northrop Grumman for purposes of compliance with applicable Privacy Requirements. In case of any conflict between this agreement and any such further privacy or information security agreement, such further agreement will prevail with regard to the Processing of Personal Information covered by it.
- (p) Seller agrees, within 30 days of termination, cancellation, expiration, or other conclusion of this agreement, Seller shall return to Northrop Grumman all copies of Personal Information Processed in connection with this agreement, or, upon Northrop Grumman's written request or receipt of Northrop Grumman's written approval in response to Seller's request, to securely destroy or, at the option of Northrop Grumman, render unreadable or undecipherable, all such Personal Information, including all hard-copy and electronic versions. Seller will provide an appropriate Certificate of Return/Destruction at Northrop Grumman's request.
- (q) Seller agrees to indemnify and hold harmless Northrop Grumman and its officers, employees, directors and agents from, and at Northrop Grumman's option defend against, any and all claims, losses, liabilities, costs and expenses, including without limitation third-party claims, reasonable attorneys' fees, consultants' fees and court costs (collectively, "Claims"), to the extent that such Claims arise from, or may be in any way attributable to (i) any violation of this agreement; (ii) the negligence, gross negligence, bad faith, or intentional or willful misconduct of Seller or its Personnel in connection with the obligations set forth in this agreement; (iii) Seller's use of any contractor providing services in connection with or relating to Seller's performance under this agreement; or (iv) any Information Security Incident involving Personal Information in Seller's possession, custody or control, or for which Seller is otherwise responsible.
- (r) Seller's obligations under this agreement will survive the termination of Seller's agreement to provide services to Northrop Grumman and the completion of all services subject thereto.

#### **88. DATA BREACH NOTIFICATION.**

Seller will promptly notify Buyer of any actual or potential exposure or misappropriation of Buyer data ("breach") that comes to Seller's attention. Seller will cooperate with Buyer and in investigating any such breach, at Seller's expense. Seller will likewise cooperate with Buyer and, as applicable, with law enforcement agencies in any effort to notify injured or potentially injured parties, and such cooperation will be at Seller's expense, except to the extent that the breach was caused by Buyer. The remedies and obligations set forth in this subsection are in addition to any others Buyer may have, including, but not limited to, any requirements in the "Privacy, Confidentiality, and Security" provisions of this Agreement.

#### **89. DATA CONTROL.**

Seller will have policies and procedures in place to protect any data that Buyer provides, including destruction methods employed and how audit and

system log information is protected. Buyer may upon request, review Seller's applicable policies and procedures.

**90. WAIVER OF RIGHT TO JURY TRIAL.**

Buyer and Seller hereby waive their respective right to trial by jury of any cause of action, claim, counterclaim or cross-complaint in any action, proceeding or hearing brought by either Seller against Buyer or Buyer against Seller on any matter whatsoever arising under, relating to, or in any way connected with this Order, the relationship of Seller and Buyer or any claim of injury or damage, or the enforcement of any remedy under any law, statute or regulation now or hereafter in effect.

**91. INTERNET PROTOCOL VERSION 6 (IPV6)**

When requested, Seller shall provide a "Supplier's Declaration of Conformity" (SDOC) in compliance with ISO/IEC 17050:2004 to indicate that delivered devices have been tested and approved in an accredited laboratory.

**92. – 96. RESERVED**

**97. PRODUCT VULNERABILITIES.**

Within 24 hours of confirming vulnerability in their product line, Seller shall notify Buyer and provide a corrective action plan to address the issue. This plan should include, but not be limited to: identification of the specific vulnerability; steps to isolate and prevent further occurrences; replacement of the defective product(s); enhanced quality control procedures.