

**TERMS AND CONDITIONS – Fixed Price Under U.S. Government Contract**

**PART I - GENERAL CONDITIONS**

1. **GENERAL/ACCEPTANCE** - The purchase order (which term shall be deemed to include plans, specifications, regulations and other documents to the extent that any of the same are incorporated by reference therein) becomes the exclusive agreement between the parties for the supplies/services subject to the terms and conditions herein. Any of the following shall constitute Seller's unqualified acceptance of this purchase order and these terms and conditions: (a) acknowledgment of this purchase order; (b) furnishing of any part of the supplies/services under this purchase order; (c) acceptance of any payment for the supplies/services; or (d) commencement of performance under this purchase order. Unless otherwise stated in Buyer's specifications, the latest revision of applicable standards, specifications, or similar documents as of the date of this purchase order shall apply. Any additional or different terms proposed by the Seller are objected to and are hereby rejected unless the same shall be accepted in writing by the Buyer.
2. **ASSIGNMENT AND SUBCONTRACTING** - (a) Neither this purchase order nor any payments hereunder are assignable or transferable, in whole or in part, without Northrop Grumman's written approval, which approval will not be unreasonably withheld. Northrop Grumman shall be entitled to the right of set-off against any amounts payable under this Purchase Order. (b) Neither the entirety nor any part of this Purchase Order may be further subcontracted without the prior written consent of Northrop Grumman. (c) This provision shall not apply to purchases of standard commercial articles or raw materials including casting, forgings, and rough welded structures on which Seller will perform further work.

Seller further agrees that no subcontract placed under this purchase order shall provide for payment on a cost-plus-a-percentage-of-cost-basis. Seller further agrees to select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of this purchase order.
3. **CHANGES** - Northrop Grumman's Purchasing Representative may at any time, by written order, without notice to any surety, make changes or additions within the general scope of this purchase order in any one or more of the following: (a) drawings, designs, statement of work or specifications, or other technical documents; (b) method of shipment or packing; (c) time and place of inspection, delivery or acceptance; (d) quantities, where reasonable; (e) delivery schedules, where reasonable; and (f) the amount of Buyer/Government-furnished property.

If any such change causes an increase or decrease in the cost of, or the time required for, performance of any work under this purchase order, whether changed or not changed by any such written order, Seller shall notify Northrop Grumman in writing immediately and an appropriate equitable adjustment will be made in the price or time of performance, or both, by written modification of this purchase order. Any claim by Seller for such adjustment must be asserted within 15 days, or such other period as may be agreed on in writing by the parties, after Seller's receipt of the notice of the change. Seller will make available its books and records for Northrop Grumman's examination to allow Northrop Grumman, its authorized representatives, and its customer, including the U.S. Government, to verify any claim for adjustment by Seller. If Northrop Grumman and Seller are unable to agree upon an equitable adjustment in the event of any change directed by Northrop Grumman, the matter will be resolved in accordance with the "Disputes" provision set forth in Paragraph 13 of these terms and conditions. Pending resolution of any such adjustment, Seller will diligently pursue the performance of the order as changed.

Nothing contained in this paragraph shall excuse Seller from proceeding with the contract as changed.

4. **CHOICE OF LAW** - Irrespective of the place of performance, this purchase order will be construed and interpreted according to the federal common law of Government contracts as enunciated and applied to federal judicial bodies and boards of contract appeals of the federal Government. To the extent that the federal common law of Government contracts is not dispositive, the laws of the state from which the Buyer's purchase order is issued shall apply, not including its rules with respect to choice of laws.
5. **COMPLIANCE WITH LAWS AND REGULATIONS** - (a) Seller shall comply with any applicable laws, Executive Orders, or regulations. (b) Seller agrees to indemnify Northrop Grumman against any loss, cost, liability or damage by reason of Seller's violation of any applicable laws, Executive Order, or regulation. (c) If a Government Contract number is indicated, Seller agrees that performance under this purchase order is subject to applicable regulations and directives of the U.S. Government, including but not limited to those identified in these terms and conditions.
6. **DEFAULT OF SELLER** - The provisions of FAR 52.249-8, "Default (Fixed-Price Supply and Service)," in effect on the date of this order are incorporated in this paragraph by reference as follows: Subparagraphs (a), (b), (e), and (f), except for the third sentence thereof, (g) and (h). Where necessary to make this FAR provision applicable to this purchase order, "Contractor" shall mean "Seller," "Contracting Officer" shall mean "Northrop Grumman" and "Government" shall mean "Northrop Grumman" or "Government." If bankruptcy, insolvency, dissolution, receivership or equivalent proceedings shall be instituted by or against Seller, or upon Seller's making any assignment for the benefit of creditors or entering into any such arrangement or upon Seller's suspension of its business or becoming insolvent, Northrop Grumman shall have the right to terminate this purchase order in accordance with FAR 52.249-8.
7. **INSPECTION** - Northrop Grumman and its customer may inspect and test material, work in progress and supplies at all times and places, during manufacture and otherwise. Northrop Grumman's inspection may, in its sole discretion, include physical, visual and/or mechanical review, as well as any documentation necessary to substantiate the meeting of quality requirements or specific requirements set forth in the purchase order. If inspection and test are made on Seller's premises, Seller, without additional charge, shall provide reasonable facilities and assistance for the safety and convenience of the inspectors in performing their duties. Inspections and tests by Northrop Grumman shall be performed in such manner as not to delay the work unduly. Northrop Grumman may charge to Seller any additional cost of inspection and test when material, work or supplies are not ready at the time such inspection and test is requested by Northrop Grumman. In case of rejection, neither Northrop Grumman, nor its customer, shall be liable for any reduction in value of samples used in connection with such inspection or test.

The inspection, review or approval by Northrop Grumman of any work, or of any drawing, design, or other document, will not be deemed to relieve Seller of any of its obligations under any purchase order, or to constitute a waiver of any defects or nonconformities. The acceptance by Northrop Grumman of any goods or services under any purchase order will not be deemed to limit or affect any warranty or right of indemnity granted by Seller under such purchase order, these terms and conditions or otherwise.

Except as otherwise agreed in writing, all shipments and supplies furnished under this purchase order shall be subject to final inspection and acceptance by Northrop Grumman after receipt by Northrop Grumman at destination notwithstanding any previous source inspection or acceptance, the earlier passing of title to Northrop Grumman, or any prior payment by Northrop Grumman, or any prior inspection of any type. Seller shall maintain an inspection and quality control system acceptable to Northrop Grumman and its customer.

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8. **RESPONSIBILITY FOR SUPPLIES** - Except as specifically otherwise provided in this purchase order, Seller shall be responsible for supplies meeting the requirements of this purchase order until final inspection and acceptance thereof by Northrop Grumman, and shall bear all risks as to rejected supplies or supplies requiring correction after notice of rejection notwithstanding any prior acceptance.
9. **SUBSTITUTIONS** - Seller shall not substitute materials or accessories without written consent of Northrop Grumman.
10. **DEFECTIVE WORK** - Notwithstanding any prior acceptance, Northrop Grumman, at its option, may reject or require prompt correction (in place or elsewhere), of any supplies or services which are, in Northrop Grumman's judgment, defective in material or workmanship or otherwise fail to meet the drawings, designs, statement of work, specifications or other technical documents, or other requirements of this purchase order. All supplies furnished under this purchase order shall be subject to inspection at destination notwithstanding any previous source inspection, and Seller shall be given notice of any defects, other than latent defects, within a reasonable time after receipt of the supplies and all records (such as affidavits, test reports, drawings, etc.) required to be furnished therewith. Northrop Grumman may, in addition to any rights it may have by law, prepare for shipment and ship the supplies to Seller, require Seller to remove them, direct their correction in place or, with authorization by Seller, correct them and the expense of any such action, including transportation both ways, if any, shall be borne by Seller. Northrop Grumman may recover by offset or otherwise any and all costs, expenses and damages paid, incurred or suffered as a result of or relating to holding, returning, replacing, correcting or rejecting defective or nonconforming goods or services. If Seller fails promptly to remove such supplies and to proceed promptly to replace or correct them, Buyer may replace or correct such supplies at the expense of Seller, including any excess cost. Seller shall not again tender rejected or corrected supplies unless Seller discloses the former tender and rejection or requirement of correction.
11. **DELIVERY** - Time is of the essence of this purchase order. Seller will deliver acceptable supplies and services in strict conformity with any delivery schedule and shipping instructions set forth in the purchase order issued to Seller by Northrop Grumman. Unless otherwise provided in this purchase order, delivery in whole or in part shall not be made more than 10 days prior to required delivery dates. Northrop Grumman may return earlier deliveries at Seller's risk and expense. Seller shall comply with the delivery schedule but shall not make material or production commitments in advance of such time as the Seller reasonably believes necessary to meet the schedule without prior written approval by Buyer. Representatives of Northrop Grumman, the Government or both shall at all reasonable times have access to Seller's plant for the purpose of assuring delivery in accordance with the schedule.
- Northrop Grumman may delay delivery or acceptance where such delay is due to causes beyond its control. Seller will hold any goods so delayed subject to the direction of Northrop Grumman. In such case, Northrop Grumman will be responsible only for Seller's additional direct costs in holding the goods or delaying performance at Northrop Grumman's request. Causes beyond Northrop Grumman's control include, but are not limited to, Government action or failure of the Government to act, strike or other labor trouble, fire or unusually severe weather.
12. **QUANTITY** - Northrop Grumman need not accept any variation in quantity except as specified in this purchase order. Overshipments may be returned to Seller at Seller's expense, which shall include a reasonable cost for Northrop Grumman's handling, or be retained by Northrop Grumman at no increase in price. To the extent that supplies covered by this purchase order are produced in accordance with drawings or specifications that are proprietary to Northrop Grumman or to

Northrop Grumman's customer, Seller shall not manufacture or retain for the purpose of display, or otherwise, any more such supplies, or parts thereof, than are required to be delivered under this purchase order. Any such excess supplies, or parts thereof, shall be delivered free of charge to Northrop Grumman at the designated delivery point at Seller's risk and expense or destroyed and the destruction certified by Seller.

13. **DISPUTES** - Any dispute arising under this purchase order which is not settled by agreement of the parties will be litigated in the state or federal courts of the state from which Northrop Grumman's purchase order is issued. Pending any decision, appeal or judgment in such proceedings, or the settlement of any dispute arising under this purchase order, Seller shall proceed diligently with the performance of this purchase order in accordance with the decision of the Buyer.
14. **FEDERAL, STATE AND LOCAL TAXES** - Except as may be otherwise provided in this purchase order, the price includes all applicable Federal, State and local taxes and duties.
15. **GOVERNMENT OR BUYER FURNISHED PROPERTY** - If, in connection with the performance of this purchase order, any property is furnished to Seller by Northrop Grumman or by the Government, Seller shall assume the risk of, and be responsible for, any loss, destruction of or damage to the property while in Seller's possession or control except to the extent that this purchase order, with the prior approval of the Buyer and/or Government, provides for the relief of Seller from such liability. In the absence of such approval, Seller shall return all such property in a condition as good as when received except for reasonable wear and tear for the utilization of such property in accordance with the provisions of the prime contract. Seller shall establish and maintain a system in accordance with the provisions of FAR Subpart 45.5 for the control of Government or Northrop Grumman-owned property. Seller shall also notify Northrop Grumman if approval of its property system has been withdrawn by the Government.
16. **INDEMNITY** - (a) Seller will defend, indemnify and hold harmless Northrop Grumman and its affiliates, and their officers, agents, employees, successors and assigns, against any claims, loss, damage or expense, including, without limitation, payment of direct, special, incidental and consequential damage, and expenses of defending claims, including attorneys' fees. This duty to defend, indemnify and hold harmless extends to any suit, claim, judgment or demand that may arise out of or in connection with Seller's performance or nonperformance of this purchase order issued by Northrop Grumman, out of Seller's breach of warranty, out of any defect in the supplies or materials, out of any patent infringement or misappropriation of trade secrets, or failure of Seller to pay royalties, or any other breach of Seller's obligations hereunder, whether such claim or suit is based upon contract, warranty, strict liability in tort, negligence, or other legal theory, and also extends not only to "third party claims" but also to any direct loss suffered by Northrop Grumman. Northrop Grumman will inform Seller of any claim, demand or suit asserted or instituted against it and, to the extent of Northrop Grumman's ability to do so, permit Seller to defend the same or make settlement in respect thereof.
- (b) Northrop Grumman, at its option, may require Seller to furnish evidence of insurance reasonably satisfactory to Northrop Grumman covering the liabilities and indemnification provided above but no acceptance of such evidence by Northrop Grumman shall be deemed a waiver or release of such liabilities or duty to indemnify. Seller will at all times maintain with reputable insurance companies comprehensive general liability insurance (including coverage for any liability under any Northrop Grumman purchase order and these terms and conditions) in the minimum amount of \$2.0 million, or such other minimum amount specified in the relevant purchase order. At Northrop Grumman's request, Seller will name Northrop Grumman as an additional insured under such policy, and will provide to Northrop Grumman a certificate of such

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insurance providing for 10 days' prior written notice to Northrop Grumman of cancellation or material change. Seller will maintain workers' compensation insurance sufficient to cover all of its general and special employees engaged in work pursuant to any Northrop Grumman purchase order and insurance against liability for personal injury or death or destruction to property arising out of work in fulfillment of any Northrop Grumman purchase order, and will provide prompt evidence to Northrop Grumman of such coverage upon Northrop Grumman's request.

(c) Seller shall comply with the provisions of FAR 52.215-10, 52.215-11, 52.215-12, and 52.215-13 which are incorporated herein by reference (Paragraph 32) to the extent that such clauses are or become applicable to this purchase order. Seller shall indemnify and hold harmless Northrop Grumman from any amount, loss and expense, including interest assessed by the Government under 10 U.S.C. § 2306a, by which this purchase order is determined by the Government to have been defectively priced because of Seller's or Seller's subcontractor's failure to comply with such provisions. The rights of the parties hereunder shall survive completion or termination of this purchase order.

**17. INTELLECTUAL PROPERTY INDEMNITY** - Seller shall indemnify Northrop Grumman, Northrop Grumman's customer and/or the Government and their respective officers, agents and employees against liability and losses, including costs, for infringement of any United States or foreign patent, copyright, trademark, or other intellectual property arising out of the manufacture or delivery of supplies or performance of services under this purchase order or out of the use or disposal by, or for the account of, Northrop Grumman, Northrop Grumman's customer and/or the Government of such supplies or services. The foregoing indemnity shall not apply unless Seller shall have been informed as soon as practicable by Northrop Grumman, Northrop Grumman's customer and/or the Government of the suit or action or other proceedings alleging such infringement and shall have been given such opportunity as is afforded by applicable laws, rules or regulations to participate in the defense thereof.

**18. INVOICING AND PAYMENT** - When invoices are otherwise required, a separate invoice shall be issued for each shipment, and should include the relevant Northrop Grumman purchase order number. Unless otherwise specified in this purchase order, no invoice shall be issued prior to shipment of goods and no payment will be made prior to receipt of goods and correct invoice. Payment due dates, including Northrop Grumman's entitlement to take a discount, will be computed from the date of receipt of acceptable goods or the date of receipt of a correct invoice (whichever is later). Unless freight and other charges are itemized, any discount taken will be taken on the full amount of the invoice. All costs included in the invoice must be computed in accordance with the latest revision of Section 31 of FAR and allowable in accordance with the principles specified therein. No payment shall be made for costs included in the invoice that are unallowable by Section 31. Northrop Grumman may offset against any amounts due under Seller's invoices: (a) any damages resulting from Seller's default under or breach of any contract (including any purchase order and these terms and conditions); (b) any amount owing from Seller to Northrop Grumman; or (c) any adjustment for shortage or rejection and any costs occasioned thereby.

**19. LIENS** - Seller warrants that it has title to the goods to be delivered under this purchase order and shall deliver same free of all liens, claims and encumbrances.

**20. MILITARY SECURITY REQUIREMENTS** - (a) Seller shall be responsible for safeguarding all classified information in accordance with the provisions of the Seller's Security Agreement with the Department of Defense and with all applicable Government requirements including, without limitation, FAR 52.204-2, "Security Requirements," which is incorporated herein by reference. (b) Seller agrees to insert in

all subcontracts under this purchase order that involve access to classified information, provisions which shall conform substantially to the language of Subparagraph (a) above and to this Subparagraph (b).

**21. NEWS OR ADVERTISING RELEASES** - No news release in any way relating to Northrop Grumman or Seller concerning the purchase order shall be made by either party to any news media or to the general public without the prior approval of the other party. Seller will not, and will require its suppliers and subcontractors to not, advertise or publish the fact that Northrop Grumman has ordered supplies or services from Seller, or the terms or nature of such order. Seller will not, and will cause its employees and other representatives to not, disclose such information in company periodicals, press releases, public lectures, sales or other promotional literature, or otherwise. The parties agree that in the event a news release is so approved and made, such news will recognize Northrop Grumman and Seller.

**22. NOTICE TO THE BUYER OF POTENTIAL DELAYS** - (a) Whenever Seller has knowledge that any occurrence is delaying or threatens to delay the timely performance of this purchase order, Seller shall immediately give notice thereof, including all relevant information with respect thereto, to Northrop Grumman. Such occurrences shall include, but not be limited to: (1) actual or potential labor disputes or strikes; (2) fires, floods, or unusually severe weather; (3) acts of nature; (4) acts of the Government in either its sovereign or contractual capacity, and any other cause for delay. Neither receipt of such notice by Northrop Grumman nor any provision of these terms and conditions will be deemed to be a waiver by Northrop Grumman of any of its rights under any purchase order, these terms and conditions, at law or otherwise. (b) Seller agrees to insert this clause, including this Subparagraph (b), in any purchase order or subcontract hereunder.

**23. OFFSET NOTIFICATION** - Definition: For purposes of this Order, "Offset Agreement" or "Offset Commitment" means an agreement, arrangement, or understanding between Northrop Grumman and a foreign country or other corporation under which Northrop Grumman has agreed to purchase or acquire, or to promote the purchase or acquisition by other entities of, goods or services produced, manufactured, grown, or extracted, in whole or in part, in that foreign country in consideration for the purchase by the foreign country of defense articles or defense services from Northrop Grumman.

Regardless of whether this Order is in direct support of a foreign sale, to the extent allowed by applicable law, Seller agrees that it will assist Northrop Grumman to satisfy its Offset Agreements. During the term of this Order in support of Northrop Grumman's offset obligations, Seller agrees to inform Northrop Grumman when it is considering procurement of products and services from non-United States sources in connection to the supply of products subject to this Order. Should Seller consider procurements, strategic alliances and/or partnerships, or the transfer of technology unrelated to the supply of products subject to this Order, where non-United States sources are involved, Northrop Grumman would appreciate notification of same.

Offset credits arising out of or resulting from, directly or indirectly, this Order are for the exclusive use of Northrop Grumman and may be used by Northrop Grumman and any of its affiliates and subsidiaries to fulfill all past, present and future Offset Agreements. In addition, Seller agrees to identify and retain for Northrop Grumman's use any rights to offset credits generated by its suppliers and subcontractor's arising out of or resulting from this Order. Northrop Grumman reserves the right to assign offset credits generated though Seller's efforts under this Order to third parties.

When requested, Seller shall provide a copy of each order or subcontract placed with a foreign source under this Order in support of Northrop Grumman's rights to offset credits.

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When requested, Seller shall assist in the execution of all necessary documents to evidence Northrop Grumman's right to use or assign any offset credits.

Notwithstanding anything contained in this Order to the contrary, each party agrees that, in the performance of its respective obligations under this section, and otherwise in cooperating with the other party in respect of satisfying any of Northrop Grumman's Offset Agreements, (i) it will comply with all applicable law (including, without limitation, 22 USC 2779) and (ii) it will refrain from making any incentive payment prohibited by 22 USC 2779.

- 24. ORDER OF PRECEDENCE** - The various documents constituting this purchase shall, insofar as is possible, be interpreted so as to be consistent with one another. In the event that a conflict or ambiguity arises in the interpretation of this purchase order, said conflict or ambiguity shall be resolved in accordance with the following order of precedence, with the first listed item having a higher precedence than later listed items: (a) provisions required by statute, regulation or Government contract; (b) typed Purchase Order form; (c) Statement of Work; (d) this Terms and Conditions document; (e) Specifications; and (f) Drawing(s).

- 25. PROPERTY RIGHTS** - Any invention, discovery, proprietary information, maskwork, software, system, data or report resulting from the work performed under this purchase order shall be the sole property of Northrop Grumman. All patents, copyrights, trade secrets, trademarks, maskworks or other intellectual property resulting from work under this purchase order shall be the sole property of Northrop Grumman. Northrop Grumman shall have the full right to use such property in any manner without any claim on the part of the Seller and without any duty to account to the Seller for such use. Seller agrees to assign to Northrop Grumman any patent or patent application resulting from work performed under this purchase order, and to provide reasonable support for Northrop Grumman's prosecution of such patent application. The parties agree that any original work of authorship created under this purchase order is a work made for hire for purposes of copyright ownership. To whatever extent the Seller has any interest in any original work of authorship created under this purchase order, Seller agrees to assign and hereby assigns its entire in such work to Northrop Grumman, including all rights to derivative works.

This purchase order does not confer or grant, in any manner whatsoever, any license or right under any patent, trademark, trade secret, maskwork, copyright or other intellectual property right held by Northrop Grumman, unless specifically set forth in the body of the purchase order.

Government rights to technical data will be interpreted pursuant to DFARS 252.227-7013(b)(1), "Rights in Technical Data – Noncommercial Items."

- 26. PROTECTION OF INFORMATION** - Trade secrets and proprietary information of Northrop Grumman (hereinafter collectively referred to as "Information") shall mean information disclosed to Seller by Northrop Grumman in connection with this purchase order, which is either identified to Seller as being proprietary or which is information that a reasonable person would understand to be such information. Examples of Information include, but are not limited to, customer lists, pricing policies, market analyses, business plans or programs, software, specifications, manuals, print-outs, notes and annotations, performance data, designs, processes, data, reports, photographs, and engineering, manufacturing or technical information related to Northrop Grumman's products and services, as well as duplicates or copies thereof. Information shall not mean any information previously known to Seller without obligation of confidence, or which becomes publicly disclosed, or which is rightfully received by Seller from a third party without obligation of confidence.

Information furnished to Seller shall remain Northrop Grumman's proprietary property, shall be duplicated only as

authorized in writing by Northrop Grumman, and shall be returned to Northrop Grumman upon request or when no longer required for the performance of this purchase order. Seller shall not disclose Information to any third party, and shall take all reasonable precautions to prevent the disclosure of Information to third parties, including any foreign national, firm or country, and foreign nationals employed by or associated with Seller's company except as specifically authorized by Northrop Grumman.

Data and information provided by Seller shall be considered proprietary only when marked as proprietary. Seller's proprietary data and information will be used by Northrop Grumman only upon approval by Seller. Northrop Grumman may use unmarked Seller's data and information for any purpose.

Seller agrees not to use Information to develop any product, service or system, or to support any third party in the development of any product, service or system. In recognition of the inherent difficulty of differentiating the use of trade secret information from the independent development of similar information by one who has access to the trade secret information, and for the convenience of both parties in avoiding disputes, Seller further agrees, for a period of three years from the completion or termination of this purchase order, to refrain from providing any product, service or system of the same nature as that contemplated under this purchase order to any competitor of Northrop Grumman.

Northrop Grumman or its representatives may at any time audit all pertinent books, records and files of Seller in order to verify compliance with this Paragraph. Seller will, in all of its contracts with its suppliers relating to any Northrop Grumman purchase order, include provisions which secure for Northrop Grumman all of the rights and protections provided for by this Paragraph.

This Paragraph is not intended to conflict with FAR 52.203-6, "Restrictions on Subcontractor Sales to the Government."

- 27. SPECIAL TOOLING (ST), SPECIAL TEST EQUIPMENT (STE) AND FACILITIES (FAC)** - Unless specifically provided to the contrary in this purchase order, Seller warrants that the price set forth in this purchase order does not include: (a) any amount representing rent for the use of Government-owned ST, STE or FAC; or (b) as a direct charge to this purchase order, the cost of any ST, STE or FAC as the same are defined in part 45 of the Federal Acquisition Regulation. Any such ST, STE or FAC to be charged to Northrop Grumman will be covered by a separate purchase order.

- 28. SUSPENSION OF WORK** - Northrop Grumman may, at any time, by written order to Seller, require Seller to stop all, or any part, of the work called for by any purchase order for a period of 90 days after the order is delivered to Seller, and for any further period to which the parties may agree. Upon receipt of such an order, Seller will immediately 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 the indicated 90 day period, Northrop Grumman will (i) cancel the stop work order; (ii) let such order expire; or (iii) terminate the work covered by the order either for default or for convenience in accordance with these terms and conditions and the relevant purchase order. If a stop work order is cancelled or allowed to expire, and the suspension effected thereby has a material effect on Seller's cost or ability to meet the purchase order's delivery schedule, Northrop Grumman will make an adjustment in the delivery schedule or purchase price (but with no increase in profit allowed), or both, and the purchase order will be modified accordingly, but only if requested by Seller in writing within 20 days after the suspension ends.

- 29. TERMINATION** - Without limiting Northrop Grumman's right to cancel this order for default of Seller as provided below, Northrop Grumman may terminate all or any part of the work under this purchase order and process Seller's claims therefore

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in accordance with the provisions of the "Termination for the Convenience of the Government (Fixed-Price)" clause set forth in FAR 52.249-2 in effect on the date of this order. Where necessary to make FAR 52.249-2 applicable to this purchase order, "Contractor" shall mean "Seller", "Contracting Officer" shall mean "Northrop Grumman" and "Government" shall mean "Northrop Grumman" or the "Government." In paragraph (d) of FAR 52.249-2, change "1 year" to "6 months or any extension thereto."

- 30. TOXIC SUBSTANCES CONTROL ACT** - Seller warrants that each and every chemical substance delivered under this purchase order shall, at the time of sale, transfer, or delivery, be on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Agency pursuant to Section 8 of the Toxic Substances Control Act (15 U.S.C. § 2601).
- 31. WARRANTY** - Seller warrants at the time of delivery to Northrop Grumman that the supplies covered by this purchase order will conform to the design, specifications, drawings, samples or other descriptions referred to in this purchase order; will be free from defects in material and workmanship; will be free from all liens and encumbrances; and, to the extent that the Seller knows or has reason to know of the purpose for which the supplies are intended, will be fit and sufficient for such purpose. All warranties will survive acceptance of, and payment for, the relevant supplies and services. The warranties contained in this paragraph shall run to Northrop Grumman and to its customers.

Seller further warrants that supplies and services provided under this purchase order shall not infringe upon the rights of any third party, and that Seller is subject to no agreement which would interfere in any manner with Northrop Grumman's property rights as described above in Paragraph 25, Protection of Information.

- 32. INTEGRATION AND MERGER** - This contract, together with any purchase orders issued pursuant to this contract, including attachments and documents incorporated herein by reference, constitutes the entire agreement between Northrop Grumman and Seller, and supersedes all prior representations, agreements, understandings, and communications between Northrop Grumman and Seller. No amendment or modification of this contract or a purchase order shall be binding upon either party unless it is set forth in a written instrument signed by authorized representatives of both Northrop Grumman and Seller. The rights and remedies afforded to either party pursuant to any part or provision of this contract or purchase order are in addition to any other rights and remedies afforded by another other parts or provisions of this contract or a purchase order, by law, or otherwise.

**PART II – FEDERAL ACQUISITION REGULATION (FAR), DOD FAR SUPPLEMENT (DFARS).**

The following clauses set forth in the FAR and DFARS as in effect on the date of this purchase order are incorporated herein by reference. Where necessary to make the clauses applicable to this purchase order, "Contractor" shall mean "Seller," "Contracting Officer" shall mean "Buyer," and the "Government" shall mean "Buyer" or the "Government" whenever appearing in the clauses. If any of the following FAR or DFARS clauses do not apply to a particular purchase order, Seller must advise Buyer which clauses do not apply and Buyer must acknowledge in writing its agreement with the Seller, at which time such clauses are automatically deleted from this purchase order.

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<u>All Orders</u>		*252.227-7016	Rights in Bid or Proposal Information
52.203-10	Price of Fee Adjustment for Illegal or Improper Activity	*252.227-7019	Validation of Asserted Restrictions - Computer Software
52.204-2	Security Requirements		
52.211-5	Material Requirements	*252.227-7025	Limitations of the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends
52.211-15	Defense Priority and Allocation Requirements		
52.214-27	Price Reduction for Defective Cost or Pricing Data – Modification – Sealed Bidding	*252.227-7030	Technical Data - Withholding of Payment
52.215-10	Price Reduction for Defective Cost or Pricing Data	*252.227-7037	Validation of Restrictive Markings of Technical Data
52.215-11	Price Reduction for Defective Cost or Pricing Data – Modification	*252.228-7001	Ground and Flight Risk
		*252.228-7005	Accident Reporting and Investigation Involving Aircraft, Missiles and Space Launch Vehicles
52.215-15	Pension Adjustment and Asset Reversions		
52.215-18	Reversions or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions	*252.246-7001	Warranty of Data – Alternate I
52.215-19	Notification of Ownership Changes	<u>c. All Orders of \$10,000 or Above</u>	
52.215-20	Requirements for Cost or Pricing Data Other Than Cost or Pricing Data	52.222-20	Walsh-Healey Public Contracts Act
		52.222-35	Affirmative Action for Disabled and Vietnam Era Veterans
52.219-8	Utilization of Small Business Concerns	52.222-36	Affirmative Action for Workers With Disabilities
52.222-21	Prohibition of Segregated Facilities	52.222-37	Employment Reports on Disabled Veterans and Veterans of the Vietnam Era
52.222-26	Equal Opportunity	<u>d. All Orders of \$25,000 or Above</u>	
52.222-41	Service Contract Act of 1965, As Amended	52.209-6	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment
52.223-7	Notice of Radioactive Materials	<u>e. All Orders of \$100,000 or Above</u>	
52.225-1	Buy American Act – Balance of Payments Program – Supplies	52.203-6	Restrictions On Subcontractor Sales to the Government
52.225-3	Buy American Act – North American Free Trade Agreements – Israeli Trade Act – Balance of Payments Program	52.203-7	Anti-Kickback Procedures
52.225-5	Trade Agreements	52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
52.225-8	Duty-free Entry	52.215-2	Audit and Records – Negotiation
52.225-13	Restrictions on Certain Foreign Purchases	52.215-14	Integrity of Unit Prices
52.225-15	Sanctioned European Union Country End Products	52.222-4	Contract Work Hours and Safety Standards Act Overtime Compensation
52.227-1	Authorization and Consent	52.223-13	Certification of Toxic Chemical Release Reporting
52.227-9	Refund of Royalties	52.223-14	Toxic Chemical Release Reporting
52.227-10	Filing of Patent Applications - Classified Subject Matter	52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement
52.227-11	Patent Rights – Retention by the Contractor (Short Form)	52.248-1	Value Engineering
52.227-12	Patent Rights – Retention by the Contractor (Long Form)	*252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies
52.227-14	Rights in Data - General	*252.247-7023	Transportation of Supplies by Sea
52.229-3	Federal, State, and Local Taxes	*252.247-7024	Notification of Transportation of Supplies by Sea
52.233-3	Protest After Award	*252.249-7002	Notification of Anticipated Contract Termination or Reduction
52.244-6	Subcontracts for Commercial Items	<u>f. All Orders of \$500,000 or Above</u>	
52.245-2	Government Property (Fixed Price Contracts)	52.219-9	Small Business Subcontracting Plan
52.245-17	Special Tooling	52.230-2	Cost Accounting Practices
52.245-18	Special Test Equipment	52.230-3	Disclosure and Consistency of Cost Accounting Practices
52.246-2	Inspection of Supplies – Fixed Price	52.230-5	Cost Accounting Standards – Educational Institution
52.246-16	Responsibility For Supplies	52.230-6	Administration of Cost Accounting Practices
52.247-63	Preference for U.S. Flag Air Carriers	*252.219-7003	Small, Small Disadvantaged, and Women-Owned Small Business Subcontracting Plan (DOD Contracts)
52.247-64	Preference for Privately Owned U.S. Flag Commercial Vessels	*252.225-7026	Reporting of Contract Performance Outside the United States
*252.204-7000	Disclosure of Information	<u>g. All Orders of \$550,000 or Above</u>	
*252.222-7000	Restrictions On Employment of Personnel	52.214-26	Audit and Records – Sealed Bidding
*252.223-7006	Prohibition on Storage and Disposal of Toxic and Hazardous Materials	52.214-28	Subcontract Cost or Pricing Data – Modifications – Sealed Bidding
*252.225-7001	Buy American Act and Balance of Payments Program	52.215-12	Subcontract Cost or Pricing Data
*252.225-7009	Duty-Free Entry Qualifying Country End Products and Supplies	52.215-13	Subcontract Cost or Pricing Data
*252.225-7010	Duty-Free Entry-Additional Provisions	<u>h. All Orders of Above \$1 Million</u>	
*252.225-7025	Restrictions on Acquisition of Forgings	*252.211-7000	Acquisition Streamlining
*252.225-7028	Exclusionary Policies and Practices of Foreign Governments		
*252.225-7030	Restriction on Acquisition of Carbon Alloy and Armor Steel Plate		
*252.225-7036	Buy American Act – North American Free Trade Agreement Implementation Act – Balance of Payments Program		
*252.225-7037	Duty-Free Entry – Eligible End Products		
*252.227-7013	Rights in Technical Data - Noncommercial Items		
*252.227-7014	Rights in Noncommercial Computer Software and Documentation		
*252.227-7015	Technical Data - Commercial Items		

\* Denotes DFARS