

## **TERMS AND CONDITIONS – Contract Labor**

**1. GENERAL/ACCEPTANCE** - Acceptance of this purchase order is expressly limited to the terms and conditions set forth herein, and Buyer expressly objects to any different or additional terms or conditions which may be included in Contractor's acceptance of this purchase order, which additional or different terms and conditions, if any, shall be construed as proposals for additions to or modifications of this purchase order and are hereby rejected, unless independently and expressly approved by Northrop Grumman in writing. any of the following shall constitute Contractor's unqualified acceptance of this Order (a) acknowledgment of this Order without exceptions; (b) furnishing of any part of the services required by this Order; c) acceptance by the Contractor of any payment for any services provided under this Order; or (d) other commencement of performance under this Order.

**2. INDEPENDENCE** - In the performance of the work and services hereunder, the Contractor shall act solely as an independent contractor, and nothing herein contained or implied shall at any time be so construed as to create the relationship of employer and employee, partnership, principal and agent, or joint-venturer as between Northrop Grumman and Contractor.

**3. WAIVER OF RIGHTS** - Failure of Northrop Grumman to enforce any of its rights hereunder shall not constitute a waiver of such rights, or of any other rights hereunder.

**4. SCOPE AND PERIOD OF PERFORMANCE** - The Contractor agrees to promptly provide the services of qualified personnel to the Buyer as specified in such detailed requests for applicant resumes as may be issued from time to time by the Buyer's authorized Purchasing Representative. Services shall be provided by the Contractor on the need dates specified in the Buyer's written request. The types or classes of contract labor to be provided under this Purchase Order are as set forth in the face sheet hereof. Other types of services may be added to this Order by mutual agreement of the parties, as reflected in a written, bilateral amendment thereto. Nothing in this Order shall be construed as requiring the Buyer to obtain services solely from this Contractor; Buyer may also obtain services from other contractors. Services may be ordered by the buyer under this Purchase Order during the period of performance indicated on the face sheet hereof.

**5. QUALIFICATIONS** - Contractor shall ensure that all services performed under this Order meet the performance criteria of the assigned tasks. If any service supplied by an employee of Contractor fails to meet the performance criteria of the assigned task, or if the individual Contractor employee is determined to be unqualified to perform the task in any way, as evidenced by good and sufficient reasons on the part of the Buyer, the Buyer may, at its option and discretion, require the Contractor to have such services re-performed or corrected, or may adjust any invoices received from Contractor to reflect a proportionate reduction in the value of the services actually received. Further more, Buyer requires that the Contractor maintain valid, accurate and updated resumes of all contract labor personnel, showing all relevant work experiences up to and including current Northrop Grumman assignments, continuing education and other training and certifications. Resumes must be provided at the request of Buyer.

Contractor warrants that all contract labor personnel supplied under this Order shall be highly qualified and have the experience necessary to perform the tasks to which they are assigned, and that the Contractor has verified that their educational and experience qualifications, and background are as represented in their resumes. The Contractor shall indemnify and hold the Buyer harmless against any claims, losses, liabilities or damages of any kind whatsoever sustained by the Buyer as a result of Contractor's breach of the foregoing warranty.

**6. CHANGES** - Northrop Grumman may at any time by written order, without notice to any surety, make changes or additions within the scope of this Purchase Order. If any such change causes an increase or decrease in the cost, or the time required for performance of this Purchase Order, whether changed or not changed by any such written order, Contractor 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. After Contractor's receipt of notice of the change, any claim by Contractor for such adjustment must be asserted within fifteen (15) days, or such other period as may be agreed upon in writing by the parties. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the Disputes clause of this Purchase Order. Nothing contained in this paragraph shall excuse Contractor from proceeding with this Purchase Order as changed.

**7. REQUIREMENTS/QUANTITY** - Unless otherwise specified on the face sheet of this Purchase Order, the parties agree that the Contractor has received no guarantee, whether express or implied, that any particular amount of services will be purchased under this Purchase Order. Contractor, however, shall furnish all required services at the agreed upon rates at time of order placement. In no event will Contractor or Contractor's personnel furnish any services in excess of the maximum number of hours specified on the face sheet, unless this Order has first been amended in writing by the Buyer's authorized Purchasing Representative.

**8. COMPENSATION** - The Contractor shall receive the following as full compensation for all work and services, including necessary travel time where travel has been authorized by Northrop Grumman, performed hereunder and as full reimbursement for travel and living expenses connected with the performance of such work and services:

**8.1** The rates set forth in the Purchase Order, computed on such periodic basis as is indicated on the face sheet hereof (hourly, weekly, etc.). For purposes of computation of compensation based on a daily rate, a day shall be considered as eight (8) hours; for fractions of days worked or spent in necessary travel, said fee will be prorated on a quarterly basis, fractional parts of any quarter of a day to be considered as a full quarter. For time spent in necessary travel hereunder away from the Contractor's base said fee will be paid only for such time as would normally be spent in the Contractor's regular occupation. In no event shall normal hours of rest be considered as time spent in travel and in no case shall more than one day's fee be paid for any one calendar day except said fee for hours applied in excess of the normal work day at the request of Northrop Grumman shall be reimbursed on the quarterly basis stated above.

**8.2** Cost of airline coach fare or rail first class fare, and reimbursement for the use of Contractor's conveyance at the rate reflected on the face of this order, while in travel status only.

**8.3** Subject to Clause 9, Payments, cost of reasonable hotel accommodations and subsistence while in travel status, which travel shall have been previously authorized by Northrop Grumman, not to exceed the latest published U.S. Government maximum per diem rates.

**8.4** Reimbursement of any local travel must be pre-approved by the Buyer in accordance with Northrop Grumman expense Procedures.

**8.5** The overtime rates set forth in the Order shall apply only if overtime is approved in advance and in writing by Northrop Grumman's authorized Purchasing Representative. The overtime rates will apply for approved hours worked in excess of eight (8) hours per day or forty (40) hours per work week. The work week is defined as Monday through Sunday.

**8.6** Contract labor personnel shall work any of three (3) shifts, in accordance with Buyer's request, with no change in rate.

**8.7** No payment shall be made by the Buyer when the contract labor personnel are absent due to sickness or vacations, or for holidays, shutdowns due to strikes, or any plant closings necessitated by a catastrophe, unless work during these periods is authorized in advance by Buyer. If work is authorized during the above period, then payment will be made on the basis of standard rates as agreed upon by Buyer and Contractor. Compensation for any holiday, vacations, sick days or absences of contract labor personnel for any cause whatsoever shall be the sole responsibility of Contractor and shall be made in accordance with Contractor's then-applicable policies in regard thereto.

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### **9.0 PAYMENTS -**

**9.1** Amounts due the Contractor hereunder will be paid upon the submission to the Northrop Grumman Accounts Payable Department of invoices in triplicate listing the number of hours, days and/or fractions thereof during which work and services have been performed for Northrop Grumman. Invoices shall also contain the following information and certification:

- a Place at which work and services were performed
- b Purchase order number authorizing such work and services
- c The following signed Certification:

"On behalf of [Name of Company], and as a duly authorized representative thereof, I do hereby certify the foregoing to be a true and accurate statement of amounts due or time spent by the employees of said company in performance of the order indicated. [Name of Company] recognizes this invoice may form the basis for a claim for payment against the Government by Northrop Grumman."

**9.2** Supplier's employees shall record the hours worked supporting the contracted effort in the Northrop Grumman Enterprise Resource Planning (ERP) System. It is each Supplier's employee responsibility to ensure that his/her labor is recorded accurately and timely. Failure of the Supplier's employee to enter and save hours worked may delay payment to the Supplier.

Northrop Grumman manager must approve the time recorded and saved by the Supplier's employee. The Supplier will be paid based on the hourly labor rates as stated in the purchase order. Therefore, invoices are not required from the supplier in order to effect payment for labor hours worked when hours are recorded in Northrop Grumman's ERP System.

**9.3** Once each month Buyer will make payments of amounts due to Supplier that are not already paid. If requested Supplier's employee may provide a copy of the Supplier's employee's ERP record. Buyer may audit Supplier's employees hours recorded in the ERP System periodically and any discrepancies will be reported to Supplier. Supplier shall, within seven (7) working days of receipt of audit material, report any discrepancies to Buyer's representative and negotiate in good faith to resolve such discrepancies.

**9.4** Travel expenses, if authorized by the designated Northrop Grumman contact, must be submitted by invoice. Detailed listing of expenses, supported by original receipts when appropriate shall be submitted. All costs included in the invoice must be computed in accordance with the latest revision of Section 31 of the Federal Acquisition Regulation (FAR) and allowable in accordance with the principles therein. No payment shall be made for costs included in the invoice that are unallowable by Section 31 of FAR.

**9.5** Northrop Grumman may withhold final payment hereunder until the requirements of Clause 20, Rights in Data etc., and Clause 15, Termination for Convenience, have been fulfilled and until patent clearance covering the Contractor under this Agreement has been granted.

The Contractor is responsible for notifying Buyer in writing when the dollar value of the services provided is equal to 80% of the maximum value of this Order as indicated on the face sheet hereof. The Buyer shall not be liable for any services provided, where the compensation for such services would exceed the maximum value of this Order, and Contractor is not obligated to provide such services, unless this Order has first been amended to increase its value.

**10. TAXES -** All taxes, including but not limited to , sales, use, value added tax applicable to the proceeds received by the Contractor hereunder as well as any requirements to pay unemployment compensation, worker's compensation, disability and other legally mandated payments arising from the supply of services by Contractor

to Buyer shall be the liability of Contractor, and Northrop Grumman shall not withhold nor pay any amounts for federal, state or municipal income tax, social security, unemployment, disability payment or workman's compensation. Seller warrants it will pay, where applicable, all required income and social security tax withholding related to or arising in connection with services provided to the Buyer, and shall indemnify and hold Buyer harmless from any claim or cause of action and all costs relating thereto (including reasonable attorney's fees and costs) arising from Contractor's actual or alleged failure to pay all or part of such taxes, or to make such withholdings, as the case may be.

**11. REPORTS -** As a part of the work and services to be performed, the Contractor may be required to furnish (Quarterly/Monthly) reports to the designated Northrop Grumman contact in such format and number as may be required by Northrop Grumman, and may be required to make a final report or furnish information as may be requested by the Northrop Grumman designated coordinator concerning the work and services performed under this Agreement. Compensation for such reports is deemed to be included in Contractor's rates as an indirect costs, and the Contractor shall not be entitled to any additional compensation for compliance with this requirement.

**12. ASSIGNMENT -** Neither this purchase order, nor any interest therein, or claim thereunder shall be assigned or transferred by the Contractor to any party or parties without the prior written consent of Northrop Grumman. However, Northrop Grumman reserves the right to assign its rights and/or obligations under this purchase order to any of its wholly-owned subsidiaries or affiliates.

**13. COMPLIANCE WITH LAWS -** In the performance of this purchase order, the Contractor shall comply, and shall be responsible for ensuring that its employees comply, with all applicable laws, regulations, rules, etc., of the United States, (including but not limited to, the FAIR LABOR STANDARDS ACT, OCCUPATIONAL SAFETY AND HEALTH ACT of 1970, TITLE VII of the CIVIL RIGHTS ACT, the IMMIGRATION REFORM AND CONTROL ACT of 1986 (IRCA), the FOREIGN CORRUPT PRACTICES ACT, the ITAR, the FAR, and Environmental, Health, Safety, and Fire Protection regulations), and of any affected foreign government and all political subdivisions. Contractor agrees to indemnify Northrop Grumman against any loss, cost, liability or damage by reason of Contractor's or Contractor's employee's violation of any applicable law, executive order or regulation. Any illegal or prohibited activity on the part of Contractor or its employees in conflict with this article may, subject to the discretion of Northrop Grumman, result in termination of this Purchase Order for default in accordance with Clause 16. Such termination shall be in addition to any and all other remedies available to the Buyer under the terms of this Order, at law or in equity.

**14. GOVERNMENT CONTRACTS -** In the event that services to be performed by the Contractor involve contracts in which Northrop Grumman is a Government prime contractor or subcontractor, any obligations placed on Northrop Grumman to satisfy any law, rule, regulation or requirement of the Government by reason thereof shall, insofar as the Contractor's services may be involved, shall be binding upon the Contractor.

**15. TERMINATION FOR CONVENIENCE -** Northrop Grumman shall have the right to terminate this purchase order at any time by a written notice to the Contractor, whenever such termination is determined to be in the best interests of Northrop Grumman. In the event Northrop Grumman terminates this Order for reasons other than default by the Contractor, the total liability of Northrop Grumman to the Contractor shall not exceed the amount of payments then due to the Contractor for services already performed hereunder. In no event will cancellation charges be invoiced by the Contractor or paid by the Buyer as a result of such termination pursuant to this clause.

**16. TERMINATION FOR DEFAULT -**

**16.1** Buyer may, by written Notice of Default to Contractor, terminate this purchase order and any resulting Purchase Order if Contractor commits any material breach of this Purchase Order.

**16.2** In the event Buyer terminates this purchase order and any resulting Purchase Order as provided in subparagraph (1) of this clause, Buyer may procure, in a commercially reasonable

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manner, services or supplies so terminated, and Contractor shall be liable to Buyer for any excess costs for such services.

**16.3** If Contractor is delayed in his performance, for any reason whatsoever, he shall promptly notify Buyer of the anticipated duration and causes of the delay. Such notification shall not relieve the Contractor of his obligations hereunder unless specific relief is granted in writing by the Buyer.

**16.4** In the event this purchase order is terminated by Northrop Grumman under Clause 10 or Clause 12, such termination shall be considered a default of this purchase order by the Contractor and all payments to the Contractor in accordance herewith shall be refunded to Northrop Grumman by the Contractor. The refund of all payments to Northrop Grumman by the Contractor as set forth above shall not limit Northrop Grumman's right to obtain any other relief or remedy which may otherwise be available in the event of such termination.

**17. CLASSIFIED MATERIAL** - It is understood that disclosure of classified information relating to the work and services contracted for hereunder to any person not entitled to receive it, or failure to safeguard all classified matter that may come to the Contractor or any person under his control in connection with the work under this purchase order, may subject the Contractor, his agents and employees to criminal liability under the laws of the United States.

The Contractor agrees to comply with all applicable Federal Laws, Executive Orders and requirements. Except as authorized, the Contractor agrees not to permit any individual to have access to classified data until the proper Government agency shall have made an investigation and favorable report on the character, associations, and loyalty of such individual and shall have determined that permitting such person to have access to classified data will not endanger the common defense or security. Buyer's security requirements stipulate that contract labor personnel wear an appropriate badge, as determined by the Buyer's Security Department contract labor personnel have the responsibility to familiarize themselves with security policies applicable to their badge type and to comply with the requirements of Buyer's Security Department at all times.

**18. ETHICS** - Contractor agrees and warrants to Northrop Grumman that Contractor will conduct itself in keeping with the highest moral and ethical standards and will carryout the terms and spirit of this purchase order in the utmost good faith. The Contractor further agrees that in its activities it will comply with the standards contained in the Northrop Grumman Standards of Business Conduct, a copy of which has been provided. By accepting this purchase order, the Contractor stipulates that all secretarial, clerical and administrative employees of Contractor and all contract labor personnel who will perform services hereunder have received, read, understand and will comply with the contents thereof. Failure by Contractor or any of Contractor's employees to comply with the above mentioned code shall, at the Buyer's discretion, be grounds for immediate termination for default in accordance with Clause 16.

**19. FURNISHED INFORMATION** - All drawings, designs, specifications, notebooks, tracings, photographs, negatives, reports, findings, recommendations, data and memoranda of every description furnished by Northrop Grumman to the Contractor shall remain the property of Northrop Grumman or its assigns and shall be duplicated only as authorized in writing by Northrop Grumman and shall be returned upon request or when no longer needed for performance of the resulting purchase order concerned. Except as may be necessary for performance of the purchase order, and to the extent not generally known or available to the industry, the Contractor shall not use or disclose information concerning Northrop Grumman products without the prior consent of Northrop Grumman.

**20. RIGHTS IN DATA/ TANGIBLE PROPERTY AND INTELLECTUAL 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 the Buyer. All patents, copyright, trade secrets, trademarks, maskwork or other intellectual property resulting from work under this Purchase Order shall be the sole property of the Buyer. Buyer 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 Buyer any patent or patent application resulting from work performed under this Purchase Order, and to provide reasonable support for the Buyer'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 interest in such work to Buyer, 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 Buyer, unless specifically set forth in the body of the Purchase Order. Notwithstanding anything contained herein to the contrary, if the services to be performed by Contractor's employees under this Order are being performed pursuant to a Government prime contract, the FAR and DFAR clauses dealing with ownership of, and rights in technical data referenced herein shall take precedence over any inconsistent provision of this clause. Government rights to technical data will be interpreted pursuant to DFARS 252.227-7013(b)(1) and DFARS 252.227-7014.

Seller shall require each of its personnel who will perform Work pursuant to this Order to execute Buyer's form number C-100C, entitled "Contractor Intellectual Property Agreement" and provide to the Buyer. The signed "Contractor Intellectual Property Agreement" must be provided to Buyer for each of Seller's personnel prior to their beginning Work. Seller shall have no right to use any of the tangible information or software, and the intangible intellectual property rights therefore generated under this Order for any purpose except as may be necessary to fulfill the requirements of this Order.

**21. PROTECTION OF PROPRIETARY INFORMATION** - Trade secrets and proprietary information of Buyer (hereinafter collectively referred to as "Information") shall mean information disclosed to Seller by Buyer in connection with this Purchase Order which is either identified to Seller as being proprietary to Buyer 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, drawings, photographs, and engineering, manufacturing or technical information related to Buyer'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 Buyer's proprietary property, shall be duplicated only as authorized in writing by Buyer, and shall be returned to Buyer 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 the Buyer. Contractor shall indemnify and hold the Buyer harmless from any loss (including loss of profits, loss of market share, and attorneys fees and costs), liability and expense sustained by the Buyer as a result of any unauthorized disclosure, communication or use of such information by Contractor, its officers, directors, employees, former employees, or agents.

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 Buyer only upon approval of Seller. Buyer 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

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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 Buyer.

This clause is not intended to conflict with Federal Acquisition Regulation 52.203-6 entitled "Restriction on Subcontractor Sales to the Government."

**22. INTELLECTUAL PROPERTY INDEMNITY** - Seller shall indemnify Buyer, Buyer's customer and/or the Government and their respective officers, agents and employees against liability, including costs, for infringement of any patent, copyright, trademark, or other intellectual property arising out of the performance of services under this purchase order or out of the use or disposal by, or for the account of, Buyer, Buyer's customer and/or the Government of such services. The foregoing indemnity shall not apply unless Seller shall have been informed as soon as practicable by Buyer, Buyer's customer and/or the Government of the suit or action 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. Such indemnity shall not apply if: (a) the infringement results from compliance with specific written instructions of Buyer directing a change in the services to be delivered, or directing a manner of performance of this purchase order not normally used by Seller, or (b) the infringement results from an addition to, or change in, the services furnished made subsequent to delivery or performance by Seller, or (c) the claimed infringement is settled without the consent of Seller, unless required by final decree of a court of competent jurisdiction.

**23. Reserved**

**24. INDEMNIFICATION AND INSURANCE -**

a. Supplier will defend, indemnify, and hold harmless Northrop Grumman and its directors, officers, agents, employees, affiliates, subsidiaries, and successors in interest, from and against any and all damages, liabilities, costs and expenses (including all attorney's fees) incurred by Northrop Grumman as a result of any claim, judgment or proceeding against Northrop Grumman: (i) arising out of or connected in any manner with the performance of the Services by Supplier, its employees and/or Contract Labor personnel, or the acquiring, making and delivery of any Works by Supplier, its employees and/or Contract Labor personnel hereunder, including but not limited to claims for property loss and/or damage and personal injury and/or death, which may be sustained by third parties and/or the Buyer, its agents, employees or subcontractors; or (ii) by reason of any breach or alleged breach by Supplier of any of its warranties, representations, covenants or obligations under this agreement; or (iii) or as a result of any claim, judgment or proceeding against Northrop Grumman brought by a Contract Labor personnel for wages, employment benefits of whatever nature, overtime, damages, penalties or any other claims based on an assertion of employment or joint employment by Northrop Grumman. Northrop Grumman will promptly notify Supplier in writing of any such claim, judgment or proceeding and tender to Supplier the opportunity to settle such claim, judgment or proceeding at Supplier's expense, and cooperate in all reasonable respects with Supplier in settling such claim, judgment or proceeding. Notwithstanding anything to the contrary contained in this Agreement, Supplier will have no obligation to defend, indemnify or hold harmless Northrop Grumman and its directors, officers, agents, employees, affiliates, subsidiaries, and successors in interest from and against any and all damages, liabilities, cost and expenses (including all attorneys' fees) arising solely from an act or omission of Northrop Grumman and its directors, officers, agents, employees, affiliates, subsidiaries, and successors in interest.

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 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.

**25. GOVERNING LAW** - The interpretation of this purchase order shall be governed by the laws of the state of Maryland.

**26. DRUG FREE WORK FORCE POLICY** - Contractor personnel who are to perform professional or clerical services primarily on Northrop Grumman premises shall have a urine test conducted by a certified laboratory of Contractor's choice to determine the presence or absence of illegal drugs or abuse of other controlled substances. Such testing, along with a negative test result, are preconditions of the performance of services for Northrop Grumman hereunder. If requested by Northrop Grumman, Contractor shall furnish evidence of compliance with this provision.

Further, by acceptance of this purchase order and resulting Purchase Order, Contractor agrees to adhere to the Northrop Grumman Drug-Free Work Force Policy for Suppliers (P486-13), attached hereto and made a part hereof.

**27. DISPUTES** - Any dispute arising under this purchase order which is not settled by agreement of the parties may 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, Contractor shall proceed diligently with the performance of this contract in accordance with the decision of Northrop Grumman.

**28. AUTHORIZED REPRESENTATIVE AND NOTICE -**

**28.1** The Buyer's authorized Purchasing Representative for the purposes of this Order is the buyer designated on the face of this order. Contractor shall accept direction regarding this Purchase Order from no other individual. Contractor shall submit in writing all required notices and certifications by registered mail to the buyer at the following address:

Northrop Grumman Corporation  
Purchasing Department  
P.O. Box 1637  
Linthicum, MD 21203

Either party may change its authorized representative upon written notice to the other.

**28.2** Any notices required to be given by one party to the other by the terms of this Order shall be delivered to the party's respective authorized representative above, at the above named address. Facsimile messages will be deemed effective notice if confirmation of receipt at the above listed number is received and a confirming letter is sent to the above referenced address within 5 working days after the facsimile is sent.

**29. SEVERABILITY** - If any term or provision of this Agreement should be declared invalid or unenforceable by a court of competent jurisdiction or by operation of law, the remaining terms and provisions of this Agreement shall remain in force, unless the invalid term or provision is fundamental and material to this Agreement and its unenforceability renders this Agreement commercially senseless.

**30. SURVIVAL** - The following clauses of this Order, 5, 13, 15, 17, 20, 21, 22 and all other articles providing for indemnification or protection against liability of the Buyer, shall take precedence over any other provision of the Contract to the contrary, and shall survive termination, cancellation or expiration of the contract.

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### **31. TERMINATION /REMOVAL/SUBSTITUTION OF CONTRACTOR PERSONNEL -**

**31.1** From time to time, for often unforeseeable reasons, the contractual requirements of the Buyer may require termination of one or more contract labor personnel. In such event, Buyer will give a five (5) day prior written notice for each individual affected to the contractor.

**31.2** Prior to the placement of any contract labor personnel pursuant to this Order, Buyer reserves the right to interview and approve any personnel that the Contractor intends to utilize to fulfill the Buyer's requirements under this Order. Contractor shall not assign contract labor personnel to any effort called for by this Order if the Buyer disapproves such personnel following its interview. Buyer reserves the right to request the immediate removal of any contract labor personnel who, in the opinion of Northrop Grumman's designated representative are not considered to be suitable for the effort in question, or who lack the qualifications to perform in accordance with the Order requirements. In such event, the Contractor shall promptly replace the individual whose removal has been requested with an appropriately qualified individual acceptable to the Buyer.

**31.3** From time to time, for sometimes unforeseeable reasons, contract labor personnel may have to be replaced by the contractor for the convenience of the contractor or its employee. In such event, substituted personnel shall be of equal or superior qualifications to the individual replaced, and such substitute personnel shall, if feasible, overlap the person they will replace in order to effect a smooth transition of job responsibilities. Any substitution(s) of personnel by the contractor which interrupt the flow of operations at Northrop Grumman or which are not of equal or superior qualifications to the person replaced shall, in the sole discretion of the Buyer, be justifiable cause for termination of this Order for default.

### **32. Reserved**

### **33. Contract Labor Personnel Status/Briefing Requirements -**

a. During the entire contract period and irrespective of the place of performance, Seller and its subcontractors shall at their sole cost and expense, procure and maintain the following insurance coverage in the minimum limits indicated:

i. Commercial General Liability- \$1,000,000 per person/\$2,000,000 per occurrence bodily injury and/or property damage (alternative: \$2,000,000 combined single limit [CSL]). Coverages shall include but not necessarily be limited to, premises and operations, products and completed operations and contracts.

b. Whenever performance requires work on Buyer's customer, or Buyer's installation, Seller and its subcontractors shall, at their sole cost and expense, procure and maintain the additional following insurance coverage in the minimum limits indicate:

ii. Automobile Liability- \$1,000,000 per person/\$2,000,000 per occurrence bodily injury and/or property damage (alternative: \$2,000,000 combined single limit [CSL]) covering all owned, hired and non-owned vehicles.

iii. Worker's Compensation and Employer's Liability- The workers' compensation insurance coverage shall be as required by the laws of the state in which the work is performed regarding such insurance. The employer's liability insurance limit shall be \$1,000,000.

c. All insurance required as part of this Order shall be placed with insurance companies which are authorized to do business under the laws of the state or states in which the installation is located and shall be in a form reasonably acceptable to Buyer. All insurance shall contain a provision prohibiting cancellation or material revision except upon at least thirty (30) days prior written notice to Buyer.

Upon request, Seller shall provide evidence that the required insurance is in place in the form of insurance certificates. Insurance coverage shall provide that Buyer is named as an additional insured for Commercial Liability and Automobile Liability. Insurance coverage shall provide a waiver of subrogation against Buyer and its subsidiaries with respect to

operations of insured for Worker's Compensation. 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 fifteen (15) days prior to the expiration date of the insurance under each required coverage.

d. Buyer and Seller agree to defend, hold harmless, and indemnify 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.

**34. RELEASE OF SELLER'S EMPLOYEES** - Seller agrees that any Seller restrictions regarding Buyer's employment of personnel furnished to Buyer during the term of this Order will be waived upon Buyer's request and Seller will release, effective as of the date of Buyer's request, such personnel from any covenants in their individual employment agreements which prohibit for any specified period of time their subsequent employment in any manner by Buyer. No employment fee shall be assessed for release of employees.

### **35. EXPORT RELATED REQUIREMENTS**

a. Export Compliance. Performance of this Purchase 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 2751-2796 (Arms Export Control Act) and 22 Code of Federal Regulations 120-130 (International Traffic in Arms Regulations) or 50 United States Code 2401-2420 (Export Administration Act) 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 that it is a U.S. Person as that term is defined in the Export Laws and Regulations. Seller shall comply with any and all Export Laws and Regulations, and any license(s) issued thereunder.

b. Foreign Personnel. Seller shall not give any Foreign Person access to Technical Data or software as those terms are defined in the applicable Export Laws and Regulations without the prior written consent of Buyer. Any request for such consent must state the intended recipient's citizenship(s), and status under 8 U.S.C. 1101 and 8 U.S.C. 1324 (the "Immigration and Naturalization Act"), and such other information as Buyer may reasonably request. No consent granted by Buyer in response to Seller's request under this paragraph b shall relieve it if its obligations to comply with the provisions of paragraph a or the Export Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of paragraph a, nor constitute consent for Seller to violate any provision of the Export Laws and Regulations.

c. 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 the Export Laws and Regulations and breach of the warranty in paragraph a. Any failure of Seller to comply with the requirements or any breach of the warranty contained in paragraph a shall be a material breach of this agreement.

**36. SUPPLIER CERTIFICATION** - The contract Service Company (Seller) certifies that the personnel supplied under this purchase order is an employee of the Seller and that the Seller will properly file all reports and will meet all employment obligations respecting them, including, but not limited to withholding and paying applicable income and employment taxes, unemployment compensation, workers compensation, and the payment of overtime premiums, as well as all other applicable labor and employment laws. During the performance period under this purchase order, Seller shall indemnify and hold Buyer harmless against any and all liability imposed or claimed, including attorney's fee and other legal expenses, arising directly or indirectly from any failure of Seller to file reports and/or to meet Seller's obligations as set forth herein.

**TERMS AND CONDITIONS – Contract Labor**

**37. Reserved**

**38. BACKGROUND INVESTIGATIONS** - Prior to and as a condition for providing services for Buyer pursuant to a Purchase Order, Seller shall certify, by executing Buyer Contract Labor/service Personnel Background Investigation form, or equivalent, that the contract labor personnel have successfully passed a background investigation which includes, the criteria contained in Buyer Contract Labor/service Personnel Background Investigation requirements.

**39. PATENTS AND INVENTIONS -**

a. Seller agrees to assign and hereby does assign to Buyer the entire and exclusive right, title, and interest to all designs, models, photographs, drawings, ideas, inventions (whether or not patentable), and improvements whatsoever, conceived, discovered, or developed by Seller, or Seller's employees, specifically related to or in connection with performance of this Order, shall be and remain the sole and exclusive property of Buyer. Seller agrees to promptly disclose to Buyer all such ideas, inventions, and improvements, and, on demand and at Buyers' expenses, assist and require and bind Seller's employees to assist, in preparation, execution, and delivery of any disclosures, patent applications or other papers required by Buyer to obtain and enforce patents in the United States and foreign countries, and to execute and deliver to Buyer any assignment or other document which Buyer deems necessary to perfect Buyer's right, title and interest in and to said ideas, inventions, and improvements.

b. Seller shall require each of its personnel who will perform Work pursuant to this Order to execute Buyer's form number C-100, entitled "Seller Intellectual Property Agreement" attached hereto as Addendum C. The signed "Seller Intellectual Property Agreement" must be provided to Buyer for each of Seller's personnel prior to their beginning Work.

**40. FEDERAL ACQUISITION REGULATION (FAR)/DOD FAR SUPPLEMENT (DFARS)** - In the event that services to be performed by the Contractor involve contracts on which Northrop Grumman is a Government prime contractor or subcontracts awarded to Northrop Grumman pursuant to a Government prime contract, as indicated on the face sheet hereof, the following clauses set forth in the (FAR) and the (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/DFARS clauses do not apply to a particular purchase order, such clauses are considered to be self-deleting.

<b>a.</b>	<b>All Orders</b>	<b>*252.227-7025</b>	Limitations On the Use or Disclosure of Government Furnished Information Marked With Restrictive Legends
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity		Technical Data - Withholding of Payment
52.204-2	Security Requirements	<b>*252.227-7030</b>	Validation of Restrictive Markings on Technical Data
52.211-5	Material Requirements	<b>*252.227-7037</b>	Ground and Flight Risk
52.211-15	Defense Priority and Allocation Requirements	<b>*252.228-7001</b>	Accident Reporting and Investigation Involving Aircraft, Missiles and Space Launch Vehicles
52.214-27	Price Reduction for Defective Cost or Pricing Data – Modifications – Sealed Bidding	<b>*252.228-7005</b>	Supplemental Cost Principles
52.215-10	Price Reduction for Defective Cost or Pricing Data	<b>*252.231-7000</b>	Pricing of Contract Modifications
52.215-11	Price Reduction for Defective Cost or Pricing Data – Modifications	<b>*252.243-7001</b>	Warranty of Data – Alternate I
52.215-15	Pension Adjustment and Asset Reversions		
52.215-18	Reversions or Adjustment of Plans for Postretirement Benefits (PRB) Other than Pensions	<b>b.</b>	<b>All Orders of \$10,000 or Above</b>
52.215-19	Notification of Ownership Changes	52.222-20	Walsh-Healey Public Contracts Act
52.215-20	Requirements for Cost or Pricing Data Other Than Cost or Pricing Data	52.222-35	Affirmative Action for Special 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 Special Disabled Veterans and Veterans of the Vietnam Era
52.222-26	Equal Opportunity	<b>c.</b>	<b>All Orders of \$25,000 or Above</b>
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	Notification of Radioactive Materials		
52.225-1	Buy American Act – Balance of Payments Program - Supplies	<b>d.</b>	<b>All Orders of \$100,000 or Above</b>
52.225-3	Buy American Act – North American Free Trade Agreements – Israeli Trade Act – Balance of Payments Program	52.203-7	Anti-Kickback Procedures
52.225-8	Duty Free Entry	52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
52.225-13	Restrictions on Certain Foreign Purchases	52.215-2	Audit and Records – Negotiation
52.225-15	Sanctioned European Union Country End Products	52.215-14	Integrity of Unit Prices
52.227-1	Authorization and Consent	52.222-4	Contract Work Hours and Safety Standards Act – Overtime Compensation
52.227-10	Filing of Patent Applications - Classified Subject Matter	52.223-13	Certification of Toxic Chemical Release Reporting
52.227-11	Patent Rights – Retention by the Contractor (Short Form)	52.223-14	Toxic Chemical Release Reporting
52.227-12	Patent Rights – Retention by the Contractor (Long Form)	52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement
52.227-14	Rights in Data – General	52.248-1	Value Engineering
52.229-3	Federal, State, and Local Taxes	<b>*252.203-7001</b>	Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies
52.233-3	Protest After Award	<b>*252.249-7002</b>	Notification of Anticipated Contract Termination or Reduction
52.244-6	Subcontracts for Commercial Items		
52.245-17	Special Tooling	<b>e.</b>	<b>All Orders of \$500,000 or Above</b>
52.247-63	Preference for U.S. Flag Air Carriers	52.219-9	Small Business and Small Disadvantaged Business Subcontracting Plan
52.247-64	Preference for Privately Owned U.S. Flag Commercial Vessels	52.230-2	Cost Accounting Practices
<b>*252.204-7000</b>	Disclosure of Information	52.230-3	Disclosure and Consistency of Cost Accounting Practices
<b>*252.222-7000</b>	Restrictions On Employment of Personnel	52.230-5	Cost Accounting Standards – Educational Institution
<b>*252.223-7006</b>	Prohibition On Storage and Disposal of Toxic and Hazardous Materials	52.230-6	Administration of Cost Accounting Practices
<b>*252.225-7001</b>	Buy American Act and Balance of Payments Program	<b>*252.219-7003</b>	Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan
<b>*252.225-7009</b>	Duty Free Entry – Qualifying Country Supplies (End Products and Components)	<b>* 252.225-7004</b>	Reporting of Contract Performance Outside the United States
<b>*252.225-7010</b>	Duty Free Entry – Additional Provisions		
<b>*252.225-7028</b>	Exclusionary Policies and Practices of Foreign Governments	<b>f.</b>	<b>All Orders of \$550,000 or Above</b>
<b>*252.225-7030</b>	Restriction on Acquisition of Carbon, Alloy and Armor Steel Plate	52.214-26	Audit and Records – Sealed Bidding
<b>*252.225-7036</b>	Buy American Act – North American Free Trade Agreement Implementation Act – Balance of Payments Program	52.214-28	Subcontractor Cost or Pricing Data – Modifications- Sealed Bidding
<b>*252.227-7013</b>	Rights in Technical Data - Noncommercial Items	52.215-12	Subcontractor Cost or Pricing Data
<b>*252.227-7014</b>	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation	52.215-13	Subcontractor Cost or Pricing Data – Modifications
<b>*252.227-7016</b>	Rights In Bid or Proposal Information		
<b>*252.227-7019</b>	Validation of Asserted Restrictions – Computer Software	<b>* Denotes DFARS</b>	