

## **TERMS AND CONDITIONS – Foreign Supplier Under United States Postal Services (USPS)**

### **Contract**

1. **GENERAL/ACCEPTANCE** - This 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) becomes the exclusive agreement between Northrop Grumman Systems Corporation (Buyer) and Seller to whom this purchase order is issued 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. Any additional or different terms proposed by Seller are objected to and are hereby rejected unless the same shall be accepted in writing by Buyer. Failure of any party to enforce its rights under this purchase order shall not constitute a waiver of such rights or of any other rights under this purchase order or otherwise.
2. **ASSIGNMENT, SUBCONTRACTING AND PLACE OF PERFORMANCE** - (a) Neither this purchase order nor any payments hereunder are assignable or transferable, in whole or in part, without Buyer's written approval, which approval will not be unreasonably withheld. Buyer 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 Buyer.  
(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.  
(d) 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.  
(e) Seller shall notify Buyer of any change in the place of performance, including but not limited to change in design, manufacturing, assembly, integration, or testing location of components or lower subassemblies, with regard to the requirements of this purchase order. Such notification shall be made to the Buyer's Authorized Purchasing Representative not less than thirty (30) days prior to the change to the place of performance.  
(f) Buyer may charge to Seller any additional cost of inspection or requalification in connection with any change in the place of performance of this purchase order.
3. **BUYER'S AUTHORIZED REPRESENTATIVE** - (a) Buyer's Authorized Purchasing Representative is the individual authorized by Buyer's cognizant procurement organization to administer and/or execute this purchase order. Buyer's Authorized Purchasing Representative has sole authority to make contractual commitments on behalf of Buyer, to provide contractual direction, and to change contractual requirements as defined in the purchase order.  
(b) Buyer's engineering, technical personnel and other representatives may from time to time render assistance or give technical advice or discuss or effect an exchange of information with Seller's personnel concerning the supplies or services being provided under this purchase order. No such action shall be deemed to be a change under the "Changes" clause of this purchase order and shall not be the basis for an equitable adjustment.
4. **CHOICE OF LAW** - The performance and interpretation of this purchase order shall be governed by the law of the State of New York, U.S.A., except its rules in regard to conflict of laws.
5. **COMPLIANCE WITH LAWS AND REGULATIONS** - (a) Seller shall comply with any applicable laws, Executive Orders, or regulations (including export administration). (b) Seller agrees to indemnify Buyer against any loss, cost, liability, or damage by reason of Seller's violation of any applicable law, executive order or regulation.
- (c) Seller agrees that performance under this purchase order is subject to applicable regulations and directives of the United States Government. Any knowing willful act to falsify, conceal, or alter a material fact, or any false, fraudulent, or fictitious statement or representation, in connection with the performance of work under this order may be punishable in accordance with applicable Federal statutes. (d) Buyer supports the U.S. Customs and Border Protection (CBP) Customs-Trade Partnership Against Terrorism (C-TPAT) program. This program is designed to protect the supply chain from the introduction of hazardous or prohibited contents in shipments to the United States or to any NGC facility, sub-tier supplier, or customer, wherever located. Shipments through U.S. importers, from manufacturers in foreign countries, and through U.S. brokers, freight forwarders, and/or carriers should be with certified and validated C-TPAT transportation companies unless otherwise approved by Buyer. Information about C-TPAT can be found at [www.cbp.gov](http://www.cbp.gov).
6. **DEFECTIVE WORK** - Buyer, notwithstanding any prior acceptance, at its option, may reject, or require prompt correction (in place or elsewhere), of any supplies which are defective in material or workmanship or otherwise fail to meet the 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. Buyer 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. Buyer 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.
7. **DELIVERY** - The parties expressly agree that time is and shall remain a material element of this purchase order and no acts of Buyer, including without limitation, modifications to this purchase order or acceptance of late deliveries, shall constitute a waiver of this clause. 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. Buyer 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 Buyer, the USPS, or both shall at all reasonable times have access to Seller's plant for the purpose of assuring delivery in accordance with the schedule.  
If Seller is unable to meet the required delivery schedules for any reason, other than a change directed by Buyer, Buyer shall have the option to: (1) terminate this purchase order, or; (2) fill such purchase order or any portion thereof, from sources other than Seller and to reduce Seller's purchase order quantities accordingly at no increase in unit price, without any penalty to Buyer. Alternatively, Buyer may require Seller to provide consideration for the late delivery. This condition shall not limit Buyer's rights or remedies under the terms contained herein.
8. **ARBITRATION** - All disputes, claims or controversies arising under or in connection with this purchase order and its interpretation or performance, including the validity, scope and enforceability of this clause, and which are not otherwise settled by the parties, shall be

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settled by arbitration. The arbitration shall be held in New York, New York, and shall be conducted in accordance with the "Rules of Conciliation and Arbitration of the International Chamber of Commerce" in effect at the time the proceedings begin. In the event of conflict between such rules and the provisions of this Article, such rules shall apply. The arbitration proceedings and all communications relating thereto shall be in English. The arbitration shall be conducted by a panel of three (3) arbitrators, one of whom shall be named by each party. The third arbitrator who shall act as Chairman shall be determined in accordance with the applicable "Rules of Conciliation and Arbitration of the International Chamber of Commerce". The arbitrators shall decide each issue presented to them in writing and by a majority vote.

All information relating to or disclosed by either party in connection with the arbitration of any dispute relating to this purchase order shall be treated by the parties, the representatives of the parties, and the arbitration panel as confidential business information.

Such information shall not be disclosed by either party without the prior written authorization of the party furnishing such information in connection with the arbitration proceedings. Such information shall not be disclosed by the arbitrators without the prior written authorization of both parties. The arbitrators shall divide all costs incurred in conducting the arbitration in the final award in accordance with what they deem just and equitable under the circumstances.

Each party shall bear the burden of its own counsel fees incurred in connection with the arbitration proceedings under this purchase order. The decision of the arbitrators shall be final and binding. Any award made by the arbitrators shall be the sole and exclusive remedy of the parties. The parties hereto hereby waive any and all rights to a judicial review of the arbitrators' decision and any award included therein. Judgment upon the award returned by the arbitrators may be entered in the United States District Court for the Southern District of New York or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be. Any legal action arising out of this Contract, including the enforcement of any decision and award of the arbitrators shall be brought in the United States District Court for the Southern District of New York. Both parties hereby agree to exclusive jurisdiction of such court and submit to same. Unless otherwise directed by Buyer pending the final disposition of any dispute hereunder, Seller shall proceed diligently with the performance of this purchase order or any change hereto in accordance with the decision and instructions of Buyer, provided that Buyer shall pay Seller the amount due in accordance with this purchase order, subject to final disposition of the dispute.

9. **EQUAL OPPORTUNITY** - The information set forth in Postal Service Supplying Principles and Practices Clause 9-7 as applicable, as in effect on the date of this purchase order are incorporated herein by reference unless this purchase order is exempt under a regulation issued by the Secretary of Labor. Where necessary to make the Postal Service Supplying Principles and Practices regulations applicable to this purchase order, the word "Contractor" shall mean "Seller."

10. **TAXES AND DUTIES** - All taxes, including but not limited to, levies, surcharges, import taxes, export taxes, duties, tariffs, surcharges and social benefit fees imposed on Buyer and/or its employees by any authority of any country arising out of or related to the work or services performed by Seller hereunder, including transportation associated therewith shall be solely for the account of and shall be paid by Seller. Seller shall indemnify and hold Buyer harmless from the payment of such taxes, and Buyer may deduct the amount of any such taxes paid by Buyer from any amounts due Seller.

This purchase order price shall include all applicable taxes and duties. Such taxes and duties, if any, shall be separately itemized on the invoice.

11. **USPS OR BUYER FURNISHED PROPERTY** - If, in connection with the performance of this purchase order, any property is furnished to

Seller by Buyer or by the USPS, 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 Buyer and/or USPS, provides for the relief of Seller from such liability. In the absence of such approval, Seller shall return all such property in as good a condition 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 for the control of USPS or Buyer-owned property. Seller shall also notify Buyer if approval of its property system has been withdrawn by the USPS.

12. **INDEMNITY** - (a) Seller will defend, indemnify and hold harmless Buyer 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, for property loss and/or damage, and personal injury and/or death, which may be sustained by third parties and/or by Buyer, its agents, employees or subcontractors, at any tier, which results from Seller's performance or nonperformance of this purchase order except for claims resulting from the sole negligence of Buyer. Buyer will inform Seller of any claim, demand or suit asserted or instituted against it and, to the extent of Buyer's ability to do so, permit Seller to defend the same or make settlement in respect thereof.

(b) Buyer, at its option, may require Seller to furnish evidence of insurance reasonably satisfactory to Buyer covering the liabilities and indemnification provided above but no acceptance of such evidence by Buyer 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 Buyer 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 Buyer's request, Seller will name Buyer as an additional insured under such policy, and will provide to Buyer a certificate of such insurance providing for ten (10) days' prior written notice to Buyer 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 Buyer purchase order and insurance against liability for personal injury or death or destruction to property arising out of work in fulfillment of any Buyer purchase order, and will provide prompt evidence to Buyer of such coverage upon Buyer's request.

(c) Seller shall comply with the provisions of Postal Service Supplying Principles and Practices Clauses 5-1 and 5-2 which are incorporated herein by reference (see Paragraph 33) to the extent such clauses are or become applicable to this purchase order. Seller shall indemnify and hold harmless the Buyer from any amount, loss and expense by which this purchase order is determined by the USPS 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.

13. **INSPECTION** - (a) Buyer and its customer may inspect and test material, work in progress and supplies at all times and places, during manufacture and otherwise. 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 Buyer shall be performed in such manner as not to delay the work unduly. Buyer 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 Seller. In case of rejection, neither Buyer, nor its customer, shall be liable for any reduction in value of samples used in connection with such inspection or test. Except as otherwise agreed in writing, all shipments and supplies

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furnished under this purchase order shall be subject to final inspection and acceptance by Buyer after receipt by Buyer at destination notwithstanding any previous source or acceptance. Seller shall maintain an inspection and quality control system acceptable to Buyer and its customer.

(b) The inspection, review or approval by Buyer 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 non conformities. The acceptance by Buyer 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.

- 14. INTELLECTUAL PROPERTY INDEMNITY** - Seller shall indemnify Buyer, Buyer's customer and/or the USPS 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 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, Buyer, Buyer's customer and/or the USPS of such supplies. The foregoing indemnity shall not apply unless Seller shall have been informed as soon as practicable by Buyer, Buyer's customer and/or the USPS 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 supplies or services to be delivered or in the materials or equipment to be used, 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 supplies or 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.
- 15. INVOICE AND PAYMENT** - A separate invoice shall be issued for each shipment, and should include the relevant Buyer 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 a correct invoice. Payment due dates, including discount periods, will be computed from the date of receipt of acceptable goods or the date of receipt of a correct invoice (whichever is later) to the date Buyer's check is issued. Unless freight and other charges are itemized, any discount taken will be taken on full amount of invoice. All costs included in the invoice must be computed in accordance with the latest revision of Section 2, Chap. 5 Postal Service Supplying Principles and Practices and allowable in accordance with the principles therein. No payment shall be made for costs included in the invoice that are unallowable by Chapter 5. Buyer shall pay Seller within forty-five (45) days after receipt of an acceptable invoice which has been submitted in accordance with the schedule and terms herein. In the event Seller has submitted an acceptable invoice for payment, has sufficiently performed all of its contractual obligations in accordance with the purchase order and within schedule requirements, and has not received on-time payment from Buyer, Seller shall notify Buyer in writing. After receipt of such notice Buyer shall have fourteen (14) days to issue payment to Seller. Buyer 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 Buyer; or (c) any adjustment for shortage or rejection and any costs occasioned thereby.
- 16. LANGUAGE** - Unless otherwise agreed to in this purchase order, all documentation, handbooks, labels, identification markers, drawings, letters, and communications of any kind will be presented in the English language in accordance with United States American custom and usage.

- 17. 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.
- 18. NEWS OR ADVERTISING RELEASE** - No news release in any way relating to Buyer or Seller concerning the purchase order shall be made by either party to any news media or the general public without prior approval of the other party. Seller will not, and will require its suppliers and subcontractors to not, advertise or publish the fact that Buyer 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 release will recognize Buyer and Seller.
- 19. 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 (e.g., the difficulties, the reasons for them, and the estimated period of delay), to the Buyer. Such occurrences shall include (1) actual or potential labor disputes; (2) fires, floods, unusually severe weather, (3) acts of Nature, (4) acts of the USPS in either its sovereign or contractual capacity and any other cause for delay. Neither receipt of such notice by Buyer nor any provision of these terms and conditions will be deemed to be a waiver by Buyer 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.
- 20. ORDER OF PRECEDENCE** - The various documents constituting this purchase order shall, insofar as is possible, be so interpreted 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 latter 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).
- 21. INTELLECTUAL PROPERTY RIGHTS** - (a) The rights of the U.S. Postal Service in technical data, computer software and inventions pertaining to the supplies and/or services delivered under this purchase order are set forth in the applicable clauses incorporated by reference in the U.S. Postal Service Regulations section below. Buyer shall have the right to utilize the supplies and/or services in performance of Buyer's contractual obligations to its customer, including the right to copy and modify any technical data and computer software delivered under this purchase order and the right to deliver such technical data and computer software to Buyer's customer if it is required as a deliverable under Buyer's contract with its customer.  
(b) This purchase order does not confer or grant to Seller, in any manner whatsoever, any license or right under any patent, trademark, trade secret, mask-work, copyright or other intellectual property right held by Buyer, except as needed to perform the work ordered by Buyer under this purchase order.
- 22. PROTECTION OF 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

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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.

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 disputes, Seller further agrees, for a period of three (3) 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.

Seller's obligations with respect to Information disclosed hereunder prior to the performance in full, termination or cancellation of this purchase order shall not, except as expressly set forth herein, be affected by such performance in full, termination, or cancellation.

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

- 23. QUANTITY** - Buyer need not accept any variation in quantity except as specified in this purchase order. Over-shipments may be returned to Seller at Seller's expense, which shall include a reasonable cost for the Buyer's handling, or be retained by Buyer at no increase in price. To the extent that supplies covered by this purchase order are produced in accordance with drawings or specifications which are proprietary to Buyer or to Buyer'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 therefore, shall be delivered free of charge to Buyer at the designated delivery point at Seller's risk and expense or destroyed and the destruction certified by Seller.
- 24. 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 Buyer and shall bear all risks as to rejected supplies or supplies requiring correction after notice of rejection notwithstanding any prior acceptance.
- 25. SUBSTITUTIONS** - Seller shall not substitute materials or accessories without written consent of Buyer.
- 26. 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 the Toxic Substances Control Act (Title 15 USC § 2601 et seq.), and Seller agrees to certify as such upon request by Buyer. Seller shall not

include any chemical substance (including mixtures or articles containing a chemical substance or mixture) in any shipment to the United States pursuant to this purchase order without prior notice to and written consent of Buyer. Pursuant to the indemnity provisions of this purchase order, Seller shall indemnify and hold harmless Buyer from any loss, cost, liability, damage, or penalty to Buyer by reason of Seller's nonperformance under this section. The rights of the parties hereunder shall survive completion or termination of this purchase order.

- 27. WARRANTY** - Seller warrants 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 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 Buyer and its customers.

Seller warrants that supplies/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 in any manner would interfere with Buyer's property rights as described in the Intellectual Property Rights and Protection of Information sections of these terms.

- 28. CHANGES** - (a) Buyer's Authorized 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: (1) drawings, designs, statement of work or specifications, or other technical documents; (2) method of shipment or packing; (3) time and place of inspection, delivery or acceptance; (4) quantities, where reasonable; (5) delivery schedules, where reasonable; and (6) the amount of Buyer/Government-furnished property.

(b) 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 to not changed by any such written order, Seller shall notify Buyer 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 Buyer's examination to allow Buyer, its authorized representatives, and its customer, including the U.S. Government, to verify any claim for adjustment by Seller. If Buyer and Seller are unable to agree upon an equitable adjustment in the event of any change directed by Buyer, the matter will be resolved in accordance with the Arbitration provision contained in these terms and conditions. Pending resolution of any such adjustment, Seller will diligently pursue the performance of the order as changed. Seller hereby acknowledges any such direction provided by anyone other than Buyer's Authorized Representative is of no force and effect and Seller accepts all risks of accepting and/or otherwise proceeding with such unauthorized direction.

- 29. EXPORT RELATED REQUIREMENTS** - (a) Export Compliance. Seller is advised that its 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; or 2) that it has disclosed to Buyer's Representative in writing the country in which it

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is incorporated or otherwise organized to do business, or if a natural person, all citizenships and U.S. immigration status. 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 (including Seller's own non-U.S. employees or affiliates) access to Technical Data, software or Defense Articles, or provide an unauthorized Defense Service 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 this clause shall be a material breach of this purchase order.

(d) Subcontracts. The substance of this clause shall be incorporated into any subcontract or purchase order entered into by Seller for the performance of any part of the work under this purchase order.

**30. STANDARD OFFSET/COUNTERTRADE CLAUSE** - The total value of this purchase order is to be applied as offset credit in support of any present or future offset obligations, in Seller's country, of the Buyer, its subsidiaries and affiliates. Buyer shall have the right to assign, sell, or otherwise transfer such credits to third parties of its choice to be used in meeting the offset obligations of said third parties.

**31. FREE TRADE AGREEMENTS AND TARIFF PREFERENCE PROGRAMS** - Seller must provide to Buyer, upon Buyer's request, product country of origin information under North American Free Trade Agreement (NAFTA), Caribbean Basin Initiative (CBI), General System of Preferences (GSP) or other relevant, existing or future trade agreements or tariff preference programs. If required by Buyer based on the origin of the product under the relevant rules of origin, Seller will complete and deliver to Buyer a certificate of origin appropriate to the relevant trade agreement or tariff preference program, or sufficient information to enable Buyer to satisfy Buyer's obligations in utilizing such trade agreements or tariff preference programs. Seller must continuously monitor Seller's materials sourcing, bills of material, and/or formulations for changes that might affect the validity of any origin determination or certificate of origin provided to Buyer. If any such change affects origin information or a certificate of origin provided to Buyer, Seller must immediately notify Buyer in writing.

**32. RESEARCH INVOLVING HUMAN SUBJECTS** - No research involving human subjects, as defined in 45 CFR Part 46, may be performed by Seller on this purchase order without prior written approval of Buyer's Human Research Protection Administrator (HRPA). Any Buyer approved research involving human subjects must, at all times, (a) conform to any conditions or restrictions provided in the HRPA's written approval, (b) be guided by "Ethical Principles and Guidelines for the Protection of Human Subjects," The National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, April 18, 1979 ("The Belmont Report"), and (c) remain in full compliance with the applicable regulations of the Government agency or instrumentality funding the research (e.g., 32 CFR Part 219 for the Department of Defense).

**33. U.S. POSTAL SERVICE REGULATIONS** - The following clauses set forth in the Postal Service Supplying Principles and Practices as in effect on the date of this purchaser 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 "USPS" shall mean "Buyer" or the "USPS" whenever appearing in the clauses.

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| B-5  | Certificate of Conformance   |
| B-7  | Responsibility for Supplies  |
| B-10 | Pricing of Adjustments   |
| B-12 | Termination for Convenience or Default   |
| B-16 | Suspensions and Delays   |
| B-18 | Subcontracts   |
| B-19 | Excusable Delays   |
| B-21 | Change-Order Accounting, Delete the last sentence.   |
| B-26 | Protection of Postal Service Buildings, Equipment, and Vegetation                                  |
| B-27 | Performance at Occupied Postal Premises  |
| B-28 | Safety and Health Standards  |
| B-38 | Accident Prevention  |
| B-52 | Debris and Cleanup   |
| B-81 | Information or Access by Third Parties   |
| 1-1  | Privacy Protection   |
| 1-2  | Advance Payments (When requested by Seller and if included in the Northrop Grumman prime contract) |
| 1-3  | Progress Payments (When requested by Seller and if included in Buyer's prime contract)             |
| 1-5  | Gratuities or Gifts  |
| 1-6  | Contingent Fees  |
| 1-7  | Organizational Conflicts of Interest   |
| 1-9  | Preference for Domestic Supplies   |
| 2-2  | Quality Management System  |
| 2-5  | First Article Test   |
| 2-9  | Definition of Delivery Terms and Supplier's Responsibilities                                       |
| 2-11 | Postal Service Property-Fixed-Price  |
| 2-15 | Special Tooling  |
| 2-16 | Special Test Equipment   |
| 2-21 | Component Parts  |
| 2-22 | Value Engineering Incentive  |
| 3-1  | Small, Minority and Woman-owned Business Subcontracting Requirements                               |
| 3-2  | Participation of Small, Minority and Women-owned Business  |
| 4-13 | Software License Warranty and Indemnification  |
| 4-14 | Software Development Warranty  |
| 4-16 | Substitution of Information Technology   |
| 4-17 | Technology Enhancement   |
| 4-18 | Information Technology Accessibility Standards   |
| 5-1  | Price Reduction for Defective Cost or Pricing Data   |
| 5-2  | Subcontractor Cost or Pricing Data   |
| 8-1  | Patent Rights  |
| 8-2  | Authorization and Consent  |

**TERMS AND CONDITIONS – Foreign Supplier Under United States Postal Services (USPS)**  
**Contract**

- 8-3 Notice and Assistance Regarding Patent and  
Copyright Infringement
- 8-4 Patent Indemnity
- 8-6 Rights in Technical Data
- 8-7 Withholding Payment (Technical Data and Computer  
Software)
- 8-9 Rights in Computer Software
- 8-12 Refund of Royalties
- 8-17 Delivery of Limited Rights and Restricted Computer  
Software
- 8-18 Manufacture of Repair Parts