

**T-11**  
**NORTHROP GRUMMAN SYSTEMS CORPORATION**

**INTERNATIONAL PURCHASE ORDER**  
**TERMS AND CONDITIONS**  
**(U. S. GOVERNMENT FIXED PRICE — SUPPLY)**

1. DEFINITIONS.
  - A. BUYER means Northrop Grumman Systems Corporation including its subsidiaries, sectors, and business areas as identified on the face of the Purchase Order.
  - B. CLASSIFIED INFORMATION means any information or material, regardless of physical form or characteristics, that is owned by, produced or for, or under the control of the United States Government, and determined pursuant to Executive Order 12356, April 2, 1982 (47 Federal Register 14874, April 6, 1982) or prior orders to require protection against unauthorized disclosure, and is so designated as "Confidential," "Secret," or "Top Secret." See FAR 52.204-2, Security Requirements.
  - C. INCOTERMS means the set of international rules for the interpretation of terms used in foreign trade contracts as prepared and published by the International Chamber of Commerce, Paris, France. When a term covered by such Incoterms is specified in this Order, such term shall be governed by the Incoterms 2000. In case of a conflict between the provisions of the Incoterms and the provisions of this Order, the provisions of this Order shall govern.
  - D. ORDER means the instrument of contracting including this Purchase Order and all referenced documents, including any subsequent changes or modifications.
  - E. PARTIES means Buyer and Seller collectively.
  - F. PRIME CONTRACT means the contracting instrument issued to Buyer or Buyer's higher tier customer by its customer for the acquisition of Products.
  - G. PRODUCTS means those goods, supplies, reports, computer software, data, materials, articles, items, parts, components or assemblies, and any related services described in the Order.
  - H. PROPRIETARY INFORMATION means all Technical Data and all financial or business information that is identified in writing at the time of disclosure as proprietary and marked with an appropriate legend, marking or stamp identifying the data as Proprietary to the party disclosing the information.
  - I. SELLER means the party with whom Buyer is contracting.
  - J. TECHNICAL DATA means all designs, dimensions, specifications, drawings, patterns, know how, or other information concerning, methods, manufacturing processes, equipment, gauges and tools used in the design, manufacture, assembly, operation, repair, testing, maintenance, or modification of Products. This includes information in the form of blueprints, drawings, photographs, plans, instructions and documentation. Technical Data may be recorded in a written, or printed document, computer or electronic file, electromagnetic tape or disc, software, or any other tangible form of expression. Technical Data also includes unclassified and classified information that is required for defense articles, in accordance with International Traffic in Arms Regulations (ITAR) 22 CFR § 120.10. Also includes technical information in support of defense services, any information covered by an invention secrecy order and software directly related to defense articles as defined in (ITAR) § 121.8(f).
  - K. PROPRIETARY INFORMATION EXCHANGE AGREEMENT means an Agreement executed by the Parties that outlines the terms for the exchange of company proprietary data and information between the Parties.
2. ACCEPTANCE. This Order is Buyer's offer to Seller. Seller's acceptance is expressly limited to the written terms of this Order. No additional or different term shall be binding. Buyer hereby objects to any additional or different terms contained in Seller's acceptance. Any of the following acts by Seller shall constitute acceptance:
  - A. Signing and returning a copy of this Order;
  - B. Commencing performance of any effort required to complete this Order;
  - C. Informing Buyer of commencement of any effort required to complete this Order;
  - D. Shipping of any Products in performance of this Order; or
  - E. Acceptance by any written means or form of electronic communication (e.g.: letter, facsimile, electronic mail or Electronic Data Interchange- EDI).
3. ORDER OF PRECEDENCE. In the event of any inconsistency between any parts of this Order, the

inconsistency shall be resolved by giving precedence in the following order:

- A. Typed Purchase Order
- B. Special Provisions
- C. Purchase Order Terms and Conditions
- D. Statement of Work
- E. Procurement Specification
- F. Engineering Drawing(s)
- G. Process Specification(s)
- H. Material Specification(s)
- I. Supplier Quality Assurance Requirements (SQAR)
- J. Subcontract Data Requirements List (SDRL)
- K. Data Item Description(s) (DID)
- L. Other Documents Referenced In The Purchase Order (In The Order Referenced).

4. DELIVERY.

- A. All deliveries shall be strictly in accordance with the applicable quantities and schedules set forth in this Order. Unauthorized overshipments and early shipments shall be returned at Seller's expense. Seller shall be liable for all storage/handling charges incurred as a result of overshipments and early shipments.
- B. Whenever it appears Seller will not meet the delivery schedule, Seller shall immediately notify Buyer of the reason and estimated length of the delay. Seller shall make every effort to avoid or minimize the delay to the maximum extent possible including the expenditure of premium time and most expeditious transportation. Any additional cost caused by these requirements shall be borne by Seller.
- C. 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) cancel this Order, or (2) fill such Order or any portion thereof, from sources other than Seller and to reduce Seller's Order quantities accordingly at no increase in unit price, without any penalty to Buyer. THIS CONDITION SHALL NOT LIMIT BUYER'S RIGHTS UNDER THE DEFAULT CLAUSE CONTAINED HEREIN.
- D. All Parties expressly agree that time is of the essence in the performance of this Order.

5. INVOICE AND FREIGHT BILL. Seller shall send a separate invoice for each shipment. The invoice shall include the following information taken from Buyer's Purchase Order: Purchase Order number, item number, part serial number (if serialized), part number, unit of measure, and unit price. Seller's invoice shall also include: Seller's phone number and address, invoice number, date prepared, item quantity, extended item price, and total invoice value. Seller will also include other information on the invoice as directed by Buyer, which may include, but not be limited to, reference to export licenses or Assist Value data. If Seller's "remit to" address is different than the

address indicated on the Purchase Order, clearly identify the "remit to" address on the invoice. No invoice shall be issued prior to shipment of Products. For each shipment made at Buyer's expense (e.g., FOB Origin), Seller shall include a copy of the freight bill (which shall include the weight of items shipped) with each invoice. Seller shall submit invoices and required copies to the addresses as instructed by Buyer.

6. PAYMENT. Payment shall be in U.S. Dollars unless otherwise noted in the Purchase Order. Payment due dates, including discount periods, will be calculated from the date of acceptance of Products or correct invoice, whichever is later. Unless freight and other charges are itemized, any discount will be taken on the full amount invoiced. Buyer has the right, without loss of discount privileges, to pay invoices covering Products shipped in advance of schedule on the normal maturity after the date specified for delivery. Payment shall not constitute acceptance of Products. Buyer's payment to Seller shall be drawn on a U.S. commercial bank in U.S. Dollars and made by Buyer's check in favor of Seller air mailed to such address as Seller shall designate in writing. Nothing in this clause shall preclude Buyer and Seller from agreeing to have payment made by electronic funds transfer or other such means.
7. SET-OFFS. Any amounts owing to Buyer by Seller may be set off against amounts otherwise due to Seller under this or any other Buyer Order.
8. PACKING AND SHIPPING.

- A. Unless otherwise specified in this order, all shipments are to be made in accordance with "Incoterms" 2000, Cost, Insurance and Freight (CIF) if by sea or waterway vessel and Carriage and Insurance Paid To (CIP) if by other mode of transportation with the Seller bearing all costs and risk of loss until the Products are unloaded in accordance with the freight terms and at the place as specified on the face of the Order.
- B. Prior to exportation, one copy of the required customs invoice shall be enclosed in a waterproof envelope or wrapper, clearly marked "Customs Invoice," and securely attached to the outside of the No. 1 shipping container in each shipment. For shipment to the U.S., Seller's invoice may be used as the customs invoice if it meets U.S. Customs Service requirements, but it must be marked "Invoice for Customs Purposes Only". At the time of shipment of the Products ordered herein, Seller shall forward via FAX, or other electronic means, copies of commercial invoices and bills of lading covering each shipment marked to the attention of the Buyer.
- C. All goods shall be prepared (cleaned, preserved, etc.) and packed per best commercial practice for export shipment in a manner to comply with carrier regulations and

- prevent damage or deterioration during handling, shipment and indoor storage for up to ninety (90) days at destination. If requested, Seller shall submit two copies of its proposed packaging procedure and packing design to Buyer for review not less than sixty (60) days prior to first shipment, and shall prepare and package in accordance with said procedure and design.
- D. Each unit container (individual part box or other innermost package), each intermediate container, and each shipping container (shipping box, crate or other outermost package) in each shipment shall be marked clearly in English.
  - E. Number and mark each container with a consecutively assigned number and applicable Order number. The No. 1 shipping container in each shipment shall contain one copy in English of the packing list.
  - F. The packing list shall include the following information: container number, Order number, item, serial number (as applicable), part number and any applicable test reports.
  - G. Unless otherwise specified on the face of this Order, the price stated includes the cost of preparing and packing for shipment, boxing, crating, container marking, furnishing packing lists and test reports.
  - H. Shipping documents shall include bar coding or other specialized marking as required by Buyer.
9. **INSPECTION & ACCEPTANCE.** Unless otherwise specified in Supplier Quality Assurance Requirements ("SQAR") incorporated in this Order, Buyer's final inspection and acceptance shall be at destination. Failure to inspect and accept or reject Products shall not relieve the Seller from responsibility for compliance with Order requirements nor impose liability on Buyer.
10. **NON-CONFORMING GOODS.** Buyer and Seller agree that the Products ordered pursuant to the Order are unique goods. If Seller fails to deliver or delivers defective or non-conforming Products, Buyer may:
- A. Accept all or part of the defective or non-conforming Products at an equitable price reduction;
  - B. Reject all or any part of a delivery of defective or non-conforming Products, and demand delivery of conforming Products. All rejected Products shall be shipped to Seller at Seller's cost;
  - C. Make, or have a third party make, all repairs, modifications, or replacements (the "Corrections") necessary to enable such Product to comply in all respects with Order requirements and charge the cost incurred to Seller; or
  - D. Rescind this Order.
11. **WARRANTY.**
- A. Seller warrants, to Buyer and purchasers of Buyer's Products, that all Products delivered under this Order will: (1) be free from defects in materials, workmanship, and manufacturing processes; (2) be suitable for the purposes intended whether expressed or reasonably implied; (3) conform to the requirements of this Order, including, but not limited to, the applicable descriptions, specifications, and drawings, if any; (4) be free from defects in design for any Products or any portions thereof which are manufactured, in whole or in part, in accordance with designs not furnished by Buyer; and (5) be free of all liens and encumbrances. The warranty set forth above shall remain in effect for twenty-four (24) months after delivery to Buyer's customer. Buyer may give notice to Seller of any breach of the warranties of this clause no later than six (6) months after expiration of the warranty period set forth above, and notice must be given within said time period except for latent defects, gross negligence, fraud, or such gross mistakes as amount to fraud.
  - B. If any Product fails to comply in any respect to the warranty set forth above and Seller has been given notice of such noncompliance within the period of time set forth above, Buyer shall have the option, in its sole discretion, at Seller's expense, to (1) require Seller to promptly make all repairs, modifications, or replacements (the "Corrections") necessary to enable such Product to comply in all respects with said warranty; or (2) make, or have a third party make, all Corrections necessary to enable such Product to comply in all respects with said warranty.
  - C. In addition to the actual cost of any Correction, Seller shall also be responsible for (1) all direct labor costs incurred in the actual removal and reinstallation of the defective Product, provided that the number of manhours used to establish such removal and reinstallation costs shall not exceed Buyer's reasonable estimate of the direct manhours required for the performance of such work; (2) all administrative costs incurred by Buyer in identifying, determining the disposition of, and processing required documentation for the nonconforming Product, provided that this cost shall be based upon Buyer's best estimate of the historical costs for such effort; (3) transportation and insurance costs for Product corrected pursuant to the provisions of this clause; and (4) all delay and disruption costs incurred by Buyer, provided that such cost shall not exceed Buyer's reasonable estimate of the cost based on labor hours at a dollar per rate which represents manufacturing expense directly attributable to lack of a conforming Product from Seller.

- D. Any Product to which a Correction has been made by Seller, Buyer, or a third party under this warranty shall be warranted by Seller for twelve (12) months after the date of such Correction or the unexpired remainder of the warranty period as specified herein, whichever period is greater. However, Seller shall not be held liable for defects or failures attributable to misuse or negligent Correction by Buyer or any third party.
  - E. If Buyer requires Seller to repair, modify or replace a noncompliant Product, Seller shall complete any Corrections to such Product at its facilities within a period of ten (10) working days or less from receipt of Product, unless a longer period is approved by Buyer in writing. Seller shall process and reimburse Buyer for each claim by Buyer asserted under this warranty within ten (10) days from receipt of Buyer's claim. In the event Buyer's claim is disallowed by Seller, Seller shall provide detailed explanation in writing of the reasons for such disallowance. Seller's obligation to meet the delivery schedule established in this Order shall not be affected by any Corrections required by this clause.
  - F. Buyer's rights under this clause shall, at Buyer's option, be assignable to and enforceable by its customers and users of customer's Product.
  - G. The rights of Buyer set forth in this clause shall be in addition to, and not in lieu of, any other right Buyer may have under this Order, or in law or equity.
12. CHANGES.
- A. Buyer's authorized purchasing representative may at any time, by written order, and without notice to sureties or assignees, if any, make changes within the general scope of this Order in (1) drawings, designs, specifications, planning, and/or other technical documents; (2) method of shipment, packaging, or packing; (3) place of delivery; (4) quantity of Product (increase or decrease); (5) delivery schedule(s); (6) place of inspection; and (7) place of acceptance.
  - B. If the change causes an increase or decrease in the cost or time required to perform this Order, whether or not changed by the change order or Purchase Order Change Notice, an equitable adjustment shall be made in the purchase price and/or delivery schedule and the Order shall be modified in writing accordingly.
  - C. Any claim shall be unconditionally waived unless asserted in writing and delivered to Buyer within 15 days of the date of the written change order.
  - D. If Seller claims the cost of any Property made obsolete or excess, Buyer shall have the right to prescribe the manner of disposition of the property to include the right to acquire that property for the cost claimed.
  - E. Buyer has the right to examine any of Seller's pertinent books and records for the purpose of verifying Seller's claim.
  - F. Failure to agree to any adjustment shall be a dispute within the meaning of the "Disputes" clause hereof. However, Seller shall not be excused from proceeding with the Order as changed.
  - G. Oral statements and understandings are not valid or binding.
13. BUYER AUTHORIZATION.
- A. The Buyer's authorized purchasing representative has sole authority to make contractual commitments on behalf of the Buyer, to provide contractual direction, and to change contractual requirements as defined in the Order.
  - B. Buyer's representatives other than Buyer's authorized purchasing representative may release to Seller information applicable to this Order. If information so provided to the Seller changes the contractual requirements and/or performance of the Order, Seller shall not act on that information and it shall not be contractually effective until Seller receives written contractual direction to act from the Buyer's authorized purchasing representative.
14. TERMINATION FOR CONVENIENCE. Buyer may at any time terminate all or any part of this Order in accordance with the contract clause entitled "Termination for Convenience of the Government (Fixed-Price)" set forth at 52.249-2 of the Federal Acquisition Regulations (FAR), which clause is hereby incorporated herein and made a part hereof by this reference, except that the term "contract" therein shall mean this Order, the term "Contracting Officer" therein shall mean "Buyer", the term "Government" therein shall mean "Buyer" except that in subparagraph (b) (8) and at the first occurrence thereof in paragraph (h) it shall mean "Buyer or the Government" and in paragraph (n) it shall mean "Buyer and the Government", the term "Contractor" therein shall mean "Seller", paragraphs (d) and (j) thereof are deleted, the period "120 days" in paragraph (c) is changed to "60 days", the period "1 year" in paragraph (e) is changed to "3 months" and the period "90 days" in paragraph (l) is changed to "45 days"; provided, however, that if this Order is a first-tier subcontract under a U.S. Government prime contract, the period "1 year" in paragraph (e) is changed to "180 days".
15. TERMINATION FOR DEFAULT. The FAR 52.249-8 "Default (Fixed Price Supply and Service)" clause is by this reference incorporated herein and made a part hereof except that the term "contract" therein shall mean this Order, the term "Contractor" therein shall mean "Seller", the term "Contracting Officer" therein shall mean "Buyer", the term "Government" in all paragraphs thereof except paragraph (c) shall mean "Buyer" and all reference therein to "Disputes" shall mean the Disputes clause of this Order. Buyer may

terminate this Order in whole, or in part, for Seller's default in accordance with this clause. In addition, Buyer may terminate this Order in whole, or in part, in the event one of the following occurs, is threatened, or is imminent with respect to Seller: insolvency; bankruptcy; reorganization; suspension of business; sale of a substantial part of Seller's assets; filing for dissolution; liquidation proceedings; appointment of a trustee or receiver for Seller's property or business; or assignment.

16. DISPUTES; GOVERNING LAW.

- A. This Order and any dispute arising under or in connection with it shall be governed by and interpreted in accordance with the substantive laws of the State from which the Order is placed, United States of America (USA), except for that State's laws on conflicts of law. The Parties agree the provisions of the United Nations Convention on Contracts for the International Sale of Goods shall not govern this Order.
- B. Any dispute that may arise under or in connection with this Order with respect to the rights, duties, or obligations of the Parties shall be reduced to writing and submitted for resolution to ascending levels of management of the respective Parties up to the Senior Executive of the Materiel or Procurement organization placing the Order, and Seller's equivalent executive level.
- C. If a dispute cannot be resolved to both Parties' mutual satisfaction, after good faith negotiations, within ninety (90) calendar days from the date the written claim is received by the other Party, or such additional time as the Parties agree upon, in writing, either Party may bring suit in federal or state court.
- D. Unless otherwise agreed to in writing by the Parties, venue and jurisdiction for all legal proceedings of any kind or nature brought to enforce any provisions of this Order shall lie within the State from which the Order was issued.
- E. Pending any prosecution, appeal, or final decision referred to in this clause, or the settlement of any dispute arising under this Order, Seller shall proceed diligently, as directed by Buyer, with performance of the Order.
- F. WAIVER OF RIGHT TO A JURY TRIAL. TO THE MAXIMUM EXTENT PERMITTED BY LAW, SELLER HEREBY WAIVES ITS RIGHT TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, COUNTERCLAIM OR CROSS-COMPLAINT IN ANY ACTION, PROCEEDING OR HEARING BROUGHT BY EITHER SELLER AGAINST BUYER OR BUYER AGAINST SELLER ON ANY MATTER WHATSOEVER ARISING UNDER, RELATING TO, OR IN ANY WAY CONNECTED WITH THIS ORDER, THE RELATIONSHIP OF SELLER AND

BUYER OR ANY CLAIM OF INJURY OR DAMAGE, OR THE ENFORCEMENT OF ANY REMEDY UNDER ANY LAW, STATUTE OR REGULATION NOW OR HEREAFTER IN EFFECT.

17. RESPONSIBILITY FOR CLAIMS/ INDEMNITY.

Seller shall, at its own expense, defend, indemnify and hold harmless Buyer from any claims or suits brought and liabilities and losses sustained by any third party for injury to persons or damage to property, arising in whole or in part out of the acts or omissions of Seller, its subcontractors, agents, or employees in the performance of this Order. If Seller fails to defend, hold harmless, and indemnify Buyer as provided in this clause, then Seller shall pay for any damages, attorney's fees, and any other fees, costs, and expenses that may be incurred by Buyer in the defense of any action related to this Order and/or in the prosecution of any action to enforce the provisions of this clause.

18. NOTIFICATION OF DEBARMENT/ SUSPENSION.

Seller shall provide prompt written notice to Buyer if, at any time during the performance of this Order, Seller is suspended, debarred or declared ineligible for contract award, or has received notice that any U.S. Government department or agency is considering suspension or debarment of the Seller.

19. BUYER'S PROPERTY.

- A. Buyer shall retain title to all Buyer property furnished to Seller (i.e., dies, molds, jigs, tools, materials, etc.). Seller shall label, maintain and dispose of Buyer's property, including scrap, according to Buyer's direction and Seller shall be responsible for all loss or damage. Seller shall provide, upon Buyer's request, an inventory accounting of such property.
- B. During the entire contract period, Seller shall, at its sole cost and expense, maintain a policy or policies of insurance covering the loss or destruction of or damage to all Buyer materials, tools and equipment, special or otherwise, in which Buyer has an interest, in the amount of the full replacement value thereof providing protection against all perils normally covered in an "all-risk" policy, including but not limited to, fire, windstorm, explosion, riot, civil commotion, aircraft, earthquake, flood or other acts of nature during such time as they remain in Seller's possession.

20. GOVERNMENT PROPERTY.

- A. The clause contained in FAR 52.245-2, Government Property (Fixed Price Contracts), applies.
- B. Seller shall maintain and administer a program for the maintenance, repair, protection and preservation of U. S. Government Property in accordance with FAR Subpart 45.5 and accepted industry practices. Upon Buyer's request or

- completion of this Order, Seller shall submit inventory schedules in acceptable form covering all U. S. Government Property pertaining to this Order. To the extent that such use will not interfere with Seller's performance of this Order, this clause shall not limit Seller's use of U. S. Government property in producing end items on orders received directly from the U. S. Government; however, nothing herein will be deemed to contravene the rights of the U. S. Government under FAR 52.245-2, paragraph (b).
21. DISPOSAL OF PRODUCTS. Seller shall not sell, or otherwise dispose of as scrap or otherwise, any completed or partially completed or defective Products without defacing or rendering such Products unsuitable for use. Upon completion or termination of this Order, Seller shall, at Seller's expense, dispose of all Products, including partially completed Products, as required or directed by Buyer.
  22. NOTIFICATION OF STATUS CHANGES. By accepting this Order, Seller certifies that all representations and certifications applicable to this Order included in the "Subcontractor Annual Compliance Certification" and the "Supplier Capability Questionnaire", or such other form as Buyer may use to obtain such information, remain valid. If Seller's status under any of the applicable representations and certifications has changed, Seller must complete and submit to Buyer a new "Subcontractor Annual Compliance Certification" or "Supplier Capability Questionnaire" prior to taking any action indicating acceptance of this Order.
  23. TAXES. Seller's prices include all applicable taxes and duties.
  24. ASSIGNMENT.
    - A. Seller shall not assign any of its rights under this Order without Buyer's prior, written consent, except as specifically stated in this clause. Seller may assign to a bank, trust company, or other financing institution including any Federal lending agency, claims for money due or to become due to Seller from Buyer under this Order, provided:
      - (1) The assignment is limited to one party, covers all amounts payable under the order and not already paid, is not subject to further assignment, and is made specifically subject to reduction and setoff or recoupment for any present or future claim or claims or indebtedness which Buyer may have against Seller;
      - (2) Seller furnishes to Buyer written notice of assignment and a true copy of the instrument of assignment.
    - B. Buyer may make direct settlements or adjustments in price, or both, with Seller under the terms of this Order notwithstanding any assignment of claims for money due or to become due under this Order and without notice to the assignee.
  - C. Seller shall not furnish or disclose to any assignee under this Order or any other person not entitled to receive the same, any classified document (including this Order) until and unless authorized to do so by Buyer's authorized representative.
  25. SUCCESSORS OF PARTIES. This Order is binding on the parties and their respective legal representatives, trustees, successors and assigns.
  26. SUBCONTRACTING. Seller shall not subcontract without the prior written authorization of Buyer for the design or procurement of the whole or any major component of any Product ordered hereunder, and Seller shall require a like agreement from immediate and lower-tier suppliers. This is not a restriction on authorized distributors, dealers, jobbers or industrial suppliers.
  27. EXPORT AND IMPORT COMPLIANCE.
    - A. All exports of Technical Data from the United States and any subsequent re-export from a non-U.S. country shall comply with the laws and regulations of the United States relating to exports and foreign transactions, including, but not limited to, the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR). Except as specifically authorized in writing by the U.S. Government, Seller shall not transfer Technical Data to a person in a third country or to a national of a third country.
    - B. The complete content of this clause must be included in all agreements or orders issued to all affected subcontractors at any tier.
  28. TECHNICAL, BUSINESS, AND PROPRIETARY INFORMATION.
    - A. Seller agrees to keep confidential and not to disclose to any other person any Technical, Business or Proprietary Information (Northrop Grumman Systems Corporation Provided Information") received from Buyer in connection with this Order. Seller further agrees to use any Northrop Grumman Systems Corporation Provided Information related to this order and received from Buyer only for purposes necessary for performing this Order.
    - B. Seller may disclose Northrop Grumman Systems Corporation Provided Information to its subcontractors, in accordance with the "Export and Import Compliance" clause herein and the Proprietary Information Exchange Agreement as required for the performance of this Order, provided that each such subcontractor first assumes by written agreement the same obligations imposed on Seller under this Order relating to such Technical Information.
    - C. All documents and other tangible media (excluding Products) containing or conveying Northrop Grumman Systems Corporation Provided Information and transferred in connection with this Order, together with any

copies thereof, are and remain the property of the Buyer.

- D. Neither the existence of this Order nor the disclosure of Northrop Grumman Systems Corporation Provided Information or any other information hereunder shall be construed as granting expressly by implication, by estoppel or otherwise, a license under any invention or patent now or hereafter owned or controlled by the Buyer or Buyer's customer, except as specifically set forth herein.
- E. Seller's obligations with respect to Northrop Grumman Systems Corporation Provided Information disclosed hereunder prior to the performance in full, termination or cancellation of this Order shall not, except as expressly set forth herein, be affected by such performance in full, termination, or cancellation.
- F. If the performance of this Order requires the exchange of Proprietary Information between the Parties, a separate Proprietary Information Exchange Agreement may be executed by the Parties. All proprietary information exchanged between the Parties shall be governed by the terms of the separate proprietary Information Exchange Agreement, if one exists.

#### 29. TECHNICAL DATA RESTRICTIONS.

- A. In addition to and without limiting the clause "TECHNICAL, BUSINESS AND PROPRIETARY INFORMATION" herein, the following restrictions shall apply to all designs, drawings, and other technical documents and technical information furnished or disclosed to Seller by Buyer (herein called "Technical Data") and to any Products manufactured by use of Technical Data. Seller shall comply with any restrictions imposed, in connection with the disclosure, delivery or export of Technical Data by Buyer to Seller, by any governmental agency of the United States of America under the laws and regulations of the United States relating to exports and foreign transactions, including, but not limited to the Export Administration Act or the International Traffic in Arms Regulations (ITAR).
- B. In addition and without limitation, the following offshore procurement procedures shall apply:
  - (1) Seller shall not deliver the Products to any party other than Buyer or to an agency of the U.S. Government;
  - (2) The use of the Technical Data is limited to the manufacture of the Products described in the Order;
  - (3) The disclosure of the Technical Data may not be made to any other person except duly qualified subcontractors within the Seller's country;

- (4) No rights in Technical Data shall be acquired by any foreign person, including Seller;
- (5) Seller, including subcontractors, must destroy or return to Buyer all of the Technical Data exported pursuant to the Order upon fulfillment of the terms of the Order; and
- (6) All of Seller's subcontracts must contain all the provisions stated in this Technical, Business and Proprietary Information clause, including this paragraph.

#### 30. CONTROL OF TECHNICAL DATA AND NON-DISCLOSURE AGREEMENTS.

- A. For the purposes of this clause, Technical Data is defined in ITAR 22 CFR 120-130, including paragraph 120.6, 120.9, and 120.10 and includes, but it not limited to: a) drawings, b) specifications, c) process specifications, d) process information, e) know-how information, f) technical assistance, g) detailed process information, or h) manufacturing know-how.
  - B. Seller shall comply with all provision of 22 CFR 120-130, and shall not disclose any technical data for any purpose not contemplated under the terms of this Order.
  - C. Prior to any disclosure of technical data, Seller shall execute Non-Disclosure Agreements (NDA) with its subcontractors, or potential subcontractors, whenever sub-licensing activity (if specifically authorized in writing by Buyer) involves the disclosure of technical data between Seller and non United States subcontractors, or with any subcontractor, U.S. or Foreign, located outside of the U.S. The Non-Disclosure Agreements shall incorporate all the provisions of ITAR 22 CFR 120-130, and specifically address the provisions of paragraphs 22 CFR 124.8 and 124.9.
  - D. Copies of signed Non-Disclosure Agreements (which may consist of Acceptance copies of sub-tier Purchase Orders or separate agreements either of which contain the contents of this clause) must be maintained on file for a period of five (5) years after Purchase Order completion. Seller, upon execution of each NDA obtained pursuant to this clause, shall provide a copy to Buyer.
  - E. The complete content of this clause must be included in all agreements or orders issued to all affected subcontractors at any tier.
31. SELLER'S DATA. Any Data, which Seller discloses to Buyer while performing this Order, that Seller has not marked with a limited rights legend in accordance with the applicable rights in technical data and computer software clauses/provisions called out herein shall not be considered proprietary to Seller or in any way restrict Buyer's use of such Data.
32. PATENT, TRADEMARK, COPYRIGHT AND TRADE SECRET INDEMNITY. Seller hereby

agrees to protect, defend, indemnify, hold harmless and release the Buyer, Buyer's officers, agents, employees, and customers against and from any and all assertions, claims, actions, damages and liabilities, including costs for infringement and reasonable attorney's fees, of any United States or foreign patents, trademarks, copyrights, or trade secrets, including trade secrets or proprietary information rights of any third party, arising from or in connection with the Products delivered or to be delivered under this Order. Buyer shall, within a reasonable time, notify Seller of any such assertions, claims, actions, damages or liabilities to which Buyer has become aware. Seller may, as part of its defense of Buyer, at Seller's option and expense, obtain such licenses as may be deemed necessary to remove any such infringement. Buyer agrees to cooperate with Seller in any such defenses as may be undertaken by Seller. Buyer may, at its sole option, participate in the defense in any such assertion, claim or action arising as described herein.

Seller's obligation to protect, defend, indemnify, hold harmless and release shall:

- A. Survive the expiration or termination of this Order by either party for any reason.
- B. Extend to the U.S. Government only if and to the extent Buyer has agreed to indemnify the U.S. Government.
- C. Not apply to Products manufactured by Seller pursuant to detailed designs developed and furnished by Buyer to Seller.
- D. Not apply to any infringement arising from the use or sale of Products in combination with items not delivered by Seller if such infringement would not have occurred from the use or sale of such Products solely for the purpose for which they were designed or sold to Buyer.

### 33. INDEMNITY & INSURANCE.

- 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:
  - (1) 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. In accordance with FAR 52.228-5, Insurance - Work on a U. S. Government Installation, whenever performance requires work on a U. S. Government, 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 indicated:

- (1) 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.
- (2) Workers' 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 a part of this Order including that under the Government Property clause herein 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.
- D. Whenever performance requires work on a U. S. Government installation, Seller and its subcontractors shall provide evidence that the required insurance is in place in the form of insurance certificates. In all other instances, if requested by Buyer, Seller shall provide evidence that the required insurance is in place in the form of insurance certificates. Each insurance certificate, except for workers' compensation, shall provide that Buyer is named as an additional insured with waiver of subrogation for each required insurance coverage. Insurance coverage described herein must be in place and effective prior to commencement of any activity that is the subject of this Order. Renewal insurance certificates, if applicable, shall be provided to Buyer at least 15 days prior to the expiration date of the insurance under each required coverage.
- E. Buyer and Seller agree to defend, indemnify, and save harmless the other from all damages and liabilities arising out of or in connection with presence on the other's premises pursuant to this Order; provided, however, that such damage and liability shall not have been caused by the negligence of the agents, subcontractors or employees of the indemnified parties.

- 34. LABOR DISPUTES. Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay timely performance of this Order, Seller shall immediately give notice to Buyer including all relevant information including, but not limited to, nature of dispute, labor organizations involved, estimated impact on Seller's performance of



- Buyer's order and estimated duration. Seller shall also provide updated reports throughout the dispute duration. Seller agrees to insert the substance of this clause, including this sentence, in any lower-tier subcontract where a labor dispute might delay timely performance of this Order.
35. COMPLIANCE WITH LAWS. Seller warrants that it shall comply with all applicable Federal, State and local laws, rulings, and regulations of the United States of America, and all laws and regulations of Seller's country, during the performance of this Order.
36. HAZARDOUS MATERIAL.
- A. If this Order involves delivery of any hazardous material, packaging and shipment of such material must be made in accordance with the Hazardous Materials Regulations Title 49 CFR (Code of Federal Regulations), Occupational Safety and Health Administration Regulation, Title 29 CFR. A Materials Safety Data Sheet (MSDS) shall be provided to Buyer by Seller as a condition of this Order. Seller must submit the most current MSDS available. Unless there are changes affecting the characteristics and composition of the hazardous material previously reported, only one submission to Buyer is required. An MSDS from the manufacturer will satisfy these requirements for distributors, dealers, jobbers and industrial suppliers who must comply with this clause, however, in no event shall the MSDS bear an issue date earlier than 24 months before the date of submission.
- B. The warning label required on hazardous material by 29 CFR 1910.1200 shall not be obscured by other stamps or labels. When an MSDS is required, Seller shall mail it separately to the address on the face of this Order to the attention of the Safety Manager.
- C. By acceptance of this Order, Seller certifies: (1) Compliance with this clause; (2) an up to date MSDS will be submitted prior to delivery of any hazardous material; or (3) that no hazardous material will be delivered, as applicable.
37. ASBESTOS. Seller shall not provide any Product that contains asbestos and shall submit certification to Buyer on demand that the Products contain no asbestos.
38. OFFSET COMMITMENT. This clause shall only apply to Orders in excess of \$50,000.00.
- A. Definition: "Offset" means the obligations that Buyer undertakes, in order to market or sell its Products, to assist a customer country in reducing any trade imbalance caused by its purchase of Buyer's Products or to meet other customer country national objectives.
- B. Notwithstanding that this Order is or is not made in direct support of a foreign sale, Seller agrees that it is obligated to support Buyer's Offset commitments as a condition of this Order.
- C. The offset credits arising out of or resulting from, directly or indirectly, this Order are for the exclusive use of Buyer and may be used by Buyer and any of its affiliates and subsidiaries to fulfill all past, present and future Offset obligations. In addition, Seller agrees to identify and retain for Buyer's use any rights to offset credits generated by its suppliers and subcontractors arising out of or resulting from this Order.
- D. Seller shall provide a copy of each Order or Subcontract placed with a foreign source under this Order in support of Buyer's rights to offset credit.
- E. Seller shall execute all necessary documents to evidence Buyer's right to use or assign any offset credits.
- F. Buyer reserves the right to assign offset credits generated through Seller's efforts under this Order to third parties.
- G. Seller shall include the substance of this clause, in favor of Buyer, in its subcontracts issued at all tiers pursuant to this Order.
39. RELIANCE. Seller represents and warrants that Seller is an expert fully competent in all phases of the work involved in producing and supporting the Products purchased under this Order, and Seller agrees that Buyer is relying on such representation and warranty by Seller. Seller agrees that it will not deny any responsibility or obligation to Buyer on the ground that Buyer approved any documentation prepared by Seller, or participated in design reviews or first article approval processes or similar reviews, or that Buyer or Buyer's customer provided documentation, specifications, recommendations, or assistance in any phase of the work required to produce or support the Products. Seller acknowledges that, as a part of Seller's proposal effort, it had an opportunity to review relevant documentation. Seller further warrants that it did such a review, that it notified Buyer in writing of any missing documentation, deficiencies or concerns that Seller identified in any documents, and that the issues raised by Seller were adequately addressed in this Order at the time of acceptance.
40. INDEPENDENT CONTRACTOR. Seller is and shall be deemed to be an independent contractor at all times during its performance of the work specified in the Order. Under no circumstance shall Seller be deemed an agent for Buyer.
41. FAILURE TO OBTAIN GOVERNMENT APPROVALS.
- A. If Buyer or Seller is unable to obtain any required governmental approvals or licenses relating to import or export of Products, materials, or technical data relating to this Order, Buyer may terminate the Order, in whole or in part, without recourse against, penalty to, or liability of Buyer except as stated in the "Termination for Convenience" clause. In such event, Buyer shall also have, to the extent permitted by applicable

- provisions of any national, state, provincial or local law, the option, but not the obligation, to take delivery of the applicable portion of Products at such place in Seller's country as Buyer shall designate, with an appropriate adjustment in price.
- B. If performance under this Order extends beyond the period of validity of the export license(s), a new license(s) application must be submitted by the Buyer. In the event Buyer is unable to obtain a new license to cover the exported technical data, Buyer may terminate this Order in whole or in part, without recourse against, penalty to or liability of Buyer except as stated in the "Termination for Convenience" clause.
42. PRICES. The prices stated in this Order are firm fixed prices and are stated in United States Dollars and are not subject to exchange rate adjustments.
43. APPLICABLE LANGUAGE. This Order is made in the English language and all correspondence between the parties of a technical and non-technical nature shall in the English language and shall employ the units of measure customarily used by Buyer in the United States of America, unless otherwise specified. All notices and other binding communications may, unless otherwise specified, be sent by facsimile, electronic mail, air mail, or other customary means.
44. RELEASE OF INFORMATION AND ADVERTISING. Seller shall not, without prior written consent of Buyer, make any disclosure, news release or public announcement, denial or confirmation of same, of any part of the subject matter of this Order or in any manner advertise or publish the fact that Seller has supplied or contracted to supply to Buyer the items mentioned herein except as may be required to perform this Order. Additionally, Seller shall not use the name "Northrop Grumman" or in any other way identify Buyer in any advertisement, display, news release, or other public disclosure without Buyer's prior written consent. Disclosure to authorized U. S. Government sources is exempt from this restriction unless otherwise indicated herein.
45. CUSTOMER CONTACT. Buyer is responsible for all contact with Buyer's customer under this Purchase Order. Seller shall not make any contact with actual or potential customers without prior written consent of Buyer's customer, which is obtained through the buyer; and Seller shall respond to any inquiry from actual or potential customers by requesting that the inquiry be directed to Buyer. Seller shall, concurrently with such response, advise Buyer of such inquiry, in writing, with a copy of the customer's inquiry.
46. COMPLETE AGREEMENT. This Order is intended by the Parties as a final expression of their agreement and is the complete and exclusive statement of all terms and conditions of agreement. This Order supersedes and cancels all prior understandings, proposals, communications, and agreements between the Parties, whether written or oral, concerning the matters addressed in this Order. No course of prior dealings between the Parties, and no usage of trade, shall be relevant to supplement or explain any term used in this Order.
47. HEADINGS. The descriptive headings contained in this Order are for convenience of reference only and in no way define, limit or describe the scope or intent of this Order.
48. INSPECTION, ACCEPTANCE AND RIGHT OF ACCESS. Buyer, Buyer's authorized representatives, its customer, higher tier contractor, and representatives of the U.S. Government shall have the right to inspect and test all materiel and workmanship at all reasonable times and places including, when practical, during manufacture and before shipment. Seller shall provide all information, facilities and assistance necessary for a safe and convenient inspection and test without additional charge. Buyer's final inspection and acceptance shall be at destination in accordance with Buyer's procedures. A like provision giving Buyer the right to enter Seller's subcontractors and suppliers shall be included by Seller in its subcontracts under this Order.
49. PARTIAL INVALIDITY. If any provision of this Order is or becomes void or unenforceable by force or operation of law, all other provisions shall remain valid and enforceable.
50. NONWAIVER. A Party's failure at any time to enforce any provision of any Order shall not constitute a waiver of the provision or prejudice a Party's right to enforce that provision at any subsequent time.
51. ANTI-KICKBACKS.
- A. As used in this clause: "Kickback" means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to any prime Contractor, prime Contractor employee, subcontractor, or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract; "Person" means a corporation, partnership, business association of any kind, trust, joint-stock company, or individual; "Prime contract" means a contract or contractual action entered into by the United States for the purpose of obtaining supplies, materials, equipment, or services of any kind; "Prime Contractor" means a person who has entered into a prime contract with the United States; "Prime Contractor employee" means any officer, partner, employee, or agent of a prime Contractor; "Subcontract" means a contract or contractual action entered into by a prime Contractor or subcontractor for the purpose of obtaining supplies, materials, equipment, or services of any kind under a prime contract; "Subcontractor" means (1) any person, other

than the prime Contractor, who offers to furnish or furnishes any supplies, materials, equipment, or services of any kind under a prime contract or a subcontract entered into in connection with such prime contract, and (2) includes any person who offers to furnish or furnishes general supplies to the prime Contractor or a higher tier subcontractor; and "Subcontractor employee" means any officer, partner, employee, or agent of a subcontractor.

- B. Seller is prohibited from (1) Providing or attempting to provide or offering to provide any kickback; (2) Soliciting, accepting, or attempting to accept any kickback; or (3) Including, directly or indirectly, the amount of any kickback in the contract price charged by a prime Contractor to the United States or in the contract price charged by a subcontractor to a prime Contractor or higher tier subcontractor.
- C. When Seller has reasonable grounds to believe that a violation described in this clause may have occurred, Seller shall promptly notify, in writing, the Northrop Grumman Law Department of the possible violation. Seller shall cooperate fully with any agency investigating a possible violation described in this clause. Buyer may offset the amount of the kickback against any monies owed under this Order.
- D. Seller agrees to incorporate the substance of this clause in all subcontracts under this Order which exceed \$100,000.
52. CORRUPT FOREIGN PRACTICES ACT. Seller shall comply with the Foreign Corrupt Practices Act, 15 U.S.C. 78 et. seq.
53. FAR/DFARS PROVISIONS/CLAUSES.
- A. The FAR and DFARS clause cited in paragraph D. below, where applicable by their terms, are incorporated herein by reference as if set forth in full text. The effective version of each FAR or DFARS clause shall be the same version as that which appears in Buyer's Prime Contract, or higher-tier subcontract under which this Order is a subcontract. If any of the clauses are not applicable by their terms they shall be self-deleting. Whenever said clauses include a requirement for the resolution of disputes between the parties in accordance with the "Disputes" clause herein, the dispute shall be disposed of in accordance with the clause entitled "Disputes" herein.
- B. Except for references made to the Government's Disputes clause, any conflict or inconsistency between the provisions listed in the FAR/DFARS clause citations below and the clauses set forth elsewhere in these terms and conditions shall be resolved in favor of the former.
- C. Where necessary to derive proper meaning in a subcontract situation from these clauses,

"Contractor" means "Seller," "Contracting Officer" means "Buyer," "Contract" means this Order and "Government" means "Buyer or the Government." However, the words "Government" and "Contracting Officer" do not change: (1) when a right, act, authorization or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or duly authorized representative (2) when title to property is to be transferred directly to the Government, and (3) in FAR 52.227-1, 52.227-2, 52.246-23 and DFARS 252.227-7013 and 252.227-7014.

- D. FAR and Defense Federal Acquisition Regulations (DFARS) clauses:

Clause	FAR Reference
(1) Gratuities	52.203-3
NOTE: As used in this clause, "Government" means "Buyer" (except "Government" means "Buyer or Government" in the phrase "to any officer or employee of the Government"), "hearing" means opportunity to be heard, and "in any competent court", means "pursuant to the Disputes clause contained herein."	
(2) Covenant Against Contingent Fees	52.203-5
(3) Restrictions on Subcontractor Sales	52.203-6
(4) Anti-Kickback Procedures	52.203-7
The substance of this clause shall be incorporated in all subcontracts issued hereunder. Seller shall immediately notify Buyer of any alleged violations involving any of Buyer's or Seller's employees.	
(5) Price or Fee Adjustment for Illegal or Improper Activity	52.203-10
(6) Limitation on Payments to Influence Certain Federal Transactions	52.203-12
[Applicable to subcontracts of \$100,000 or more]	
(7) Security Requirements	52.204-2
NOTE: Delete paragraph (c)	
(8) Material Requirements	52.211-5
(9) Defense Priority and Allocation Requirements	52.211-15

Clause	FAR Reference
(10) Audit & Records – Negotiation	52.215-2
(11) Price Reduction for Defective Cost or Pricing Data NOTE: In addition, Seller shall indemnify and hold Buyer harmless from and against any loss, cost or damage incurred by Buyer under Buyer's contract with its customers as a result of Seller or Seller's Subcontractors providing certificates based on defective cost or pricing data in connection to this provision. [Applicable to any negotiated order valued at \$500,000 or more, when cost or pricing data are required.]	52.215-10
(12) Price Reduction for Defective Cost or Pricing Data - Modifications [Applicable if FAR 52.215-10 is not applicable to this order]	52.215-11
(13) Subcontractor Cost or Pricing Data NOTE: In addition, Seller shall indemnify and hold Buyer harmless from and against any loss, cost or damage incurred by Buyer under Buyer's contract with its customers as a result of Seller or Seller's Subcontractors providing certificates based on defective cost or pricing data in connection to this provision. [Applicable to any negotiated order valued at \$500,000 or more, when cost or pricing data are required.]	52.215-12
(14) Subcontractor Cost or Pricing Data - Modifications [Applicable if FAR 52.215-12 is not applicable to this Order]	52.215-13
(15) Integrity of Unit Prices & Alternate I NOTE: Delete paragraph (b)	52.215-14
(16) Pension Adjustments and Asset Reversions [Applicable to negotiated subcontracts of \$500,000 or more, when cost or pricing data are required for which any pre-award or post-award cost determinations will be subject to FAR Subpart 31.2]	52.215-15
(17) Facilities Capital Cost of Money	52.215-16

Clause	FAR Reference
(18) Waiver of Facilities Capital Cost of Money	52.215-17
(19) Reversion or Adjustment of Plans for Post Retirement Benefits Other to Pensions (PRB) [Applicable to subcontracts of \$500,000 or more]	52.215-18
(20) Notification of Ownership Changes	52.215-19
(21) Requirements for Cost or Pricing Data or Information Other to Cost or Pricing Data – Modifications	52.215-21
(22) Incentive Price Revision – Firm Target [Applicable to FPIF subcontracts or line items]	52.216-16
(23) Incentive Price Revision – Successive Targets [Applicable to FPIS subcontracts or line items]	52.216-17
(24) Utilization of Small Business Concerns	52.219-8
(25) Small Business Subcontracting Plan [Applicable to subcontracts of \$500,000 or more]	52.219-9
(26) Notice to the Government of Labor Disputes	52.222-1
(27) Contract Work Hours and Safety Standards Act—Overtime Compensation [Applicable to subcontracts of \$100,000 or more]	52.222-4
(28) Walsh-Healey Public Contracts Act	52.222-20
(29) Prohibition of Segregated Facilities	52.222-21
(30) Equal Opportunity	52.222-26

Clause	FAR Reference
(31) Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era [Applicable to subcontracts of \$10,000 or more]	52.222-35
(32) Affirmative Action for Workers with Disabilities [Applicable to subcontracts of \$10,000 or more]	52.222-36
(33) Employment Reports on Disabled Veterans and Veterans of the Vietnam Era [Applicable to subcontracts of \$10,000 or more]	52.222-37
(34) Clean Air and Water [Applicable to subcontracts of \$100,000 or more]	52.223-2
(35) Hazardous Material Identification and Material Safety Data	52.223-3
(36) Notice of Radioactive Materials	52.223-7
(37) Ozone-Depleting Substances	52.223-11
(38) Toxic Chemical Release Reporting	52.223-14
(39) Privacy Act	52.224-2
(40) Buy American Act – Balance of Payment Program—Supplies	52.225-1
(41) Duty-Free Entry	52.225-8
(42) Restrictions on Certain Foreign Purchases	52.225-13
(43) Utilization of Indian Organizations and Indian-Owned Economic Enterprises	52.226-1
(44) Authorization and Consent	52.227-1

Clause	FAR Reference
(45) Notice and Assistance Regarding Patent and Copyright Infringements [Applicable to subcontracts of \$100,000 or more except when both complete performance and delivery are outside the United States, its possessions and Puerto Rico, unless supplies are ultimately to be shipped into one of those areas]	52.227-2
(46) Refund of Royalties	52.227-9
(47) Filing of Patent Applications – Classified Subject Matter	52.227-10
(48) Patent Rights – Retention by the Contractor (Short Form) [Applicable to small business firms or nonprofit organizations]	52.227-11
(49) Patent Rights – Retention by the Contractor (Long Form) [Applicable to other than small business firms or nonprofit organizations]	52.227-12
(50) Insurance – Work on A Government Installation	52.228-5
(51) Insurance – Liability to Third Persons	52.228-7
(52) Federal, State, and Local Taxes (Noncompetitive Contract)	52.229-4
(53) Taxes – Contracts Performed in U.S. Possessions or Puerto Rico	52.229-5
(54) Interest	52.232-17
(55) Industrial Resources Developed Under Defense Production Act Title III	52.234-1
(56) Accident Prevention	52.236-13
(57) Protection of Government Buildings, Equipment, and Vegetation	52.237-2
(58) Notice of Intent to Disallow Costs	52.242-1

Clause	FAR Reference
(59) Certification of Final Indirect Costs	52.242-4
(60) Bankruptcy	52.242-13
(61) Stop Work Order NOTE: The 90 day period in the first and fourth sentences of paragraph (a) is changed to 120 days.	52.242-15
(62) Competition in Subcontracting [Applicable to subcontracts of \$100,000 or more which are non-competitive]	52.244-5
(63) Subcontracts for Commercial Items and Commercial Components	52.244-6
(64) Government Property (Fixed-Price Contracts)	52.245-2
(65) Government-Furnished Property (Short Form) [Applicable to subcontracts specifying government-furnished property with a value of \$100,000 or less only when specified in the subcontract]	52.245-4
(66) Special Tooling	52.245-17
(67) Special Test Equipment NOTE: The phrase “30 days” in paragraphs (b) and (c) shall be changed to “45 days.”	52.245-18
(68) Inspection of Supplies – Fixed Price	52.246-2
(69) Inspection of Services — Fixed Price	52.246-4
(70) Inspection – Time and Material and Labor Hour	52.246-6
(71) Inspection of Research and Development – Fixed Price	52.246-7
(72) Limitation of Liability [Applicable to subcontracts of \$100,000 or more]	52.246-23

Clause	FAR Reference
(73) Limitation of Liability – High Value Items [Applicable to subcontracts where unit price is \$100,000 or more except for items priced or based on catalog or market prices]	52.246-24
(74) Limitation of Liability – Services [Applicable to subcontracts over \$100,000 when the performance of services is required in addition to delivery of hardware]	52.246-25
(75) Preference for U.S. Flag Air Carriers	52.247-63
(76) Preference for Privately Owned U.S.-Flag Commercial Vessels	52.247-64
(77) Value Engineering [Applicable to subcontracts of \$100,000 or more except as specified in FAR 48.201(a)]	52.248-1

Clause	DFARS Reference
(1) Prohibition on Persons Convicted of Fraud or Other Defense Contract Related Felonies [Applicable to subcontracts of \$100,000 or more]	252.203-7001
(2) Acquisition Under INF Treaty [Applicable to subcontracts of \$100,000 or more]	252.209-7000
(3) Acquisition Streamlining [Applicable to subcontracts of \$1,000,000 or more]	252.211-7000
(4) Pricing Adjustments [Applicable when it is contemplated that cost or pricing data will be required]	252.215-7000
(5) Cost Estimating System Requirements	252.215-7002
(6) Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan [Applicable to any subcontract anticipated to be valued at \$500,000 or more]	252.219-7003

Clause	DFARS Reference
(7) Hazard Warning Labels	252.223-7001
(8) Safety Precautions for Ammunition and Explosives	252.223-7002
(9) Change in Place of Performance Ammunition and Explosives	252.223-7003
(10) Hazardous Waste Liability	252.223-7005
(11) Prohibition on Storage and Disposal of to XIC and Hazardous Materials	252.223-7006
(12) Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives	252.223-7007
(13) Buy American Act and Balance of Payments Program	252.225-7001
(14) Qualifying Country Sources – Subcontractors	252.225-7002
(15) Identification of Expenditures in the United States	252.225-7005
(16) Buy American Act/Trade Agreements/Balance of Payment	252.225-7007
(17) Supplies to be Accorded Duty-Free Entry	252.225-7008
(18) Duty Free Entry – Qualifying Country End Products and Supplies	252.225-7009
(19) Duty-Free Entry – Additional Provisions	252.225-7010
(20) Preference for Certain Domestic Commodities [Applicable to orders valued at \$100,000 or more]	252.225-7012
(21) Preference for Domestic Specialty Metals Alternate I [Applicable to any subcontract within six major classes of programs]	252.225-7014

Clause	DFARS Reference
(22) Preference for Domestic Hand or Measuring Tools	252.225-7015
(23) Restriction on Acquisition of Ball and Roller Bearings	252.225-7016
(24) Restriction on Acquisition of Polyacrylonitrile (PAN)	252.225-7022
(25) Restriction on Acquisition of Forgings	252.225-7025
(26) Reporting of Contract Performance Outside of the United States	252.225-7026
(27) Restriction on Acquisition of Carbon, Alloy, and Carbon Steel Plate	252.225-7030
(28) Duty-Free Entry—Eligible End Products	252.225-7037
(29) Rights in Technical Data – Noncommercial Items	252.227-7013
(30) Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation	252.227-7014
(31) Technical Data—Commercial Items	252.227-7015
(32) Rights in Bid or Proposal Information	252.227-7016
(33) Validation of Asserted Restriction – Computer Software	252.227-7019
(34) Rights in Special Works	252.227-7020
(35) Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends	252.227-7025
(36) Deferred Delivery of Technical Data or Computer Software	252.227-7026

Clause	DFARS Reference
(37) Deferred Ordering of Technical Data or Computer Software	252.227-7027
(38) Technical Data – Withholding of Payment	252.227-7030
(39) Declaration of Technical Data Conformity	252.227-7036
(40) Validation of Restrictive Markings on Technical Data	252.227-7037
(41) Patents – Reporting of Subject Inventions	252.227-7039
(42) Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles	252.228-7005
(43) Supplemental Cost Principles	252.231-7000
(44) Frequency Authorization & Alternate I	252.235-7003
(45) Protection Against Compromising Emanations	252.239-7000
(46) Telecommunication Security Equipment, Devices, Techniques and Services	252.239-7016
(47) Material Management and Accounting System [Applicable for any subcontract valued at \$100,000 or more and are either (a) cost-reimbursement or (b) fixed price with progress/other financing payments]	252.242-7004
(48) Pricing of Contract Modifications	252.243-7001
(49) Reports of Government Property	252.245-7001
(50) Warranty of Data	252.246-7001
(51) Price Adjustment	252.247-7001

Clause	DFARS Reference
(52) Transportation of Supplies by Sea NOTE: This clause is applicable to Orders in excess of \$100,000. Paragraph (c), first sentence has been modified as to read “The Seller and its subcontractors may request that the Buyer obtain Government authorization for shipment...” “45” is changed to “60” days in paragraph (d) and “30” to “25” in paragraph (e). In paragraph (e) “and the division of National Cargo, Office of Market Development, Maritime Administration, U.S. Department of Transportation, Washington, DC 20590,” is deleted. In paragraph (g) “for the purposes of the Prompt Payment clause of this contract” is deleted.	252.247-7023
(53) Notification of Transportation of Supplies by Sea	252.247-7024
(54) Notification of Anticipated Contract Termination or Reduction	252.249-7002

**APPLICABILITY OF ARTICLES AND CLAUSES.** The following articles and clauses are not applicable to suppliers (Sellers) not based in the United States of America. However, suppliers not based in the United States of America must include these articles and clauses in any subtier purchase order or contract issued to subtier suppliers based in the United States of America.

Clause	FAR Reference
(24) Utilization of Small Business Concerns	52.219-8
(25) Small Business Subcontracting Plan	52.219-9
(27) Contract Work Hours and Safety Standards Act—Overtime Compensation	52.222-4
(28) Walsh-Healey Public Contracts Act	52.222-20
(29) Prohibition of Segregated Facilities	52.222-21
(30) Equal Opportunity	52.222-26



Clause	FAR Reference
(31) Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era [Applicable to subcontracts of \$10,000 or more]	52.222-35
(32) Affirmative Action for Workers with Disabilities [Applicable to subcontracts of \$10,000 or more]	52.222-36
(33) Employment Reports on Disabled Veterans and Veterans of the Vietnam Era [Applicable to subcontracts of \$10,000 or more]	52.222-37
(34) Clean Air and Water	52.223-2
(40) Buy American Act— Balance of Payment Program - Supplies	52.225-1
(43) Utilization of Indian Organizations and Indian-owned Economic Enterprises	52.226-1
(50) Insurance—Work on a Government Installation	52.228-5
(52) Federal, State & Local Taxes (Noncompetitive Contract)	52.229-4
(53) Taxes – Contracts Performed in U.S. Possessions or Puerto Rico	52.229-5

Clause	DFARS Reference
(1) Special Prohibition on Employment [Applicable to subcontracts of \$100,000 or more]	252.203-7001
(6) Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan [Applicable to any subcontract anticipated to be valued at \$500,000 or more]	252.219-7003
(8) Safety Precaution for Ammunition and Explosives	252.223-7002

Clause	DFARS Reference
(13) Buy American Act and Balance of Payments Program	252.225-7001
(42) Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles	252.228-7005
(43) Supplemental Cost Principles	252.231-7000
(50) Warranty of Data	252.246-7001