

GSC/T-16
NORTHROP GRUMMAN SYSTEMS CORPORATION
PURCHASE ORDER TERMS AND CONDITIONS
GOVERNMENT COMMERCIAL COST REIMBURSABLE SUPPLY/SERVICES

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1. DEFINITIONS.

- A. BUYER means the Northrop Grumman Systems Corporation subsidiary, Sector, or business unit identified on the face of the Order.
- B. BUYER'S AUTHORIZED PURCHASING REPRESENTATIVE means the person authorized by Buyer's cognizant procurement organization to administer and/or execute the Order.
- C. DATA means all financial/business information, designs, dimensions, specifications, drawings, patterns, know how, or other information concerning methods, manufacturing processes, equipment, gauges and tools used in the design and manufacture of Products. Data may be recorded in a written or printed document, computer or electronically stored, software, or any other tangible form of expression.

- D. DFARS means the Defense Federal Acquisition Regulation Supplement
- E. FAR means the Federal Acquisition Regulation
- F. ORDER means the instrument of contracting including the Purchase Order and all referenced documents.
- G. PARTY/PARTIES mean Buyer and Seller collectively.
- H. PERSONNEL, for the purposes of the Privacy, Confidentiality and Security clause of this contract, means employees, agents, consultants or contractors of Seller or Northrop Grumman, as applicable.
- I. PERSONAL INFORMATION, is any information relating to an identified or identifiable natural person (such as name, postal address, email address, telephone number, date of birth, Social Security number (or its equivalent), driver's license number,

account number, credit or debit card number, personal identification number, health or medical information, or any other unique identifier or one or more factors specific to the individual's physical, physiological, mental, economic or social identity), whether such data is in individual or aggregate form and regardless of the media in which it is contained, that may be (i) disclosed at any time to Supplier or its Personnel by Northrop Grumman or its Personnel in anticipation of, in connection with or incidental to the performance of services for or on behalf of Northrop Grumman; (ii) Processed at any time by Supplier or its Personnel in connection with or incidental to the performance of services for or on behalf of Northrop Grumman; or (iii) derived by Supplier or its Personnel from the information described in (i) or (ii) above.

J. PRIME CONTRACT means the contracting instrument issued to Buyer or Buyer's higher tier customer.

K. PROCESS or PROCESSING means any operation or set of operations performed upon Personal Information, whether or not by automatic means, such as creating, collecting, procuring, obtaining, accessing, recording, organizing, storing, adapting, altering, retrieving, consulting, using, disclosing or destroying the data. PRODUCT means those goods, supplies, reports, computer software, data, materials, articles, items, parts, components or assemblies, and any related services described in the Order.

L. PROPRIETARY INFORMATION means all proprietary data furnished by Buyer to Seller, including, but not limited to all data 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, and includes any information marked with a restrictive legend as prescribed in DFARS 252.227-7013 or 252.227-7014 or in FAR 52.227-14.

M. SELLER means the party with whom Buyer is contracting.

N. SERVICES mean Seller's time and effort not incidental to sale and purchase of Products.

2. ACCEPTANCE.

This Order is Buyer's offer to Seller. Acceptance of this offer is strictly limited to the terms and conditions in this offer. Modifications hereto, to be binding, must be in writing and signed by Buyer's authorized purchasing representative. Seller's acknowledgement, acceptance of payment, or commencement of performance, shall conclusively evidence acceptance of this offer as written. Buyer hereby objects to any additional or different terms contained in Seller's acceptance.

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. Change Order Document
- B. Purchase Order Document
- C. Purchase Order Terms and Conditions.
- D. FAR/DFARS Clauses
- E. Statement of Work.
- F. Specification/Drawing
- G. Other Referenced Documents.

4. DELIVERY, TITLE.

- A. The FOB point shall be as designated in the Order. Title shall pass to Buyer upon acceptance (except as otherwise specified within this Order); however, passing of title shall not relieve Seller of any other obligations under this Order.
- B. All deliveries shall be strictly in accordance with the applicable quantities and schedules set forth in this Order. Buyer reserves the right to return over shipments and early shipments at Seller's expense. Seller shall be liable for all storage/handling charges incurred as a result of over shipments and early shipments.
- C. 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.
- D. 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 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.
- E. All Parties expressly agree that time is and shall remain of the essence in performing this Order and no acts of Buyer, including without limitation, modifications to this Order or acceptance of late deliveries, shall constitute a waiver of this provision.
- F. If Seller is permitted to use terms other than FCA Sellers Premises, Seller shall provide the name and contact information for all freight forwarders, carriers or cartage agents expected to handle Buyer's cargo. Seller shall provide this information to the Buyer not later than 10 days after order acceptance. Seller proposed freight forwarders, carriers or cartage agents must have a reputation for honesty and a company policy prohibiting bribes and facilitating payments intended to expedite or secure performance of a routine governmental action, such as, customs clearance. Buyer retains the right to deny Seller's use of Seller proposed freight forwarders, carriers or cartage agents within 30 days of Seller notification. Seller shall ensure that Buyer's purchase does not transit through one of the Proscribed Countries listed in the U.S. International Traffic in Arms Regulations, 22 CFR 126.1

5. RESERVED.

6. PAYMENT.

- A. Buyer shall pay Seller the price set forth in this Order for the Services and/or Products specified. Price includes all profit, wages, salaries, overhead, taxes, and other costs and expenses. No overtime, expedite charges, or other premium rates will be paid by Buyer unless authorized by Buyer, in writing.

- B. Seller shall send a separate invoice for each shipment according to the Buyer's Invoice Instructions which are incorporated herein and available on Buyer's On-line Automated Supplier Information System (OASIS): <http://www.northropgrumman.com/suppliers/OASISDocuments/InvoiceInstructions.pdf>
- C. No invoice shall be issued by Seller to Buyer prior to completion of Services or shipment of Products. Payment due dates, including discount periods, will be calculated from the date of acceptance of a properly prepared invoice consistent with the Invoice Instructions referenced herein. Payment of invoice shall not constitute approval or acceptance of Products or Services rendered. At any time prior to final payment under this Order, Buyer may have invoices audited to verify their accuracy, completeness and compliance with the terms of this Order. Payment of Seller's invoices shall be subject to adjustment for any amounts found upon audit or otherwise to have been improperly invoiced.
- Any amounts owing to Buyer by Seller may be set off against amounts otherwise due to Seller under this Order.

7. PACKING AND SHIPPING.

Seller shall be responsible for ensuring the proper packaging and shipping of Product hereunder in accordance with Buyer's Purchase Order Terms and Conditions and Buyer's Carrier Routing Instructions which is incorporated herein and available on Buyer's On-line Automated Supplier Information System (OASIS): <http://www.northropgrumman.com/suppliers/OASISDocuments/CarrierRoutingInstructions.pdf>. Damage resulting from improper Product packaging will be charged to Seller.

8. INSPECTION AND CORRECTION DEFECTS.

- A. All Products, Services and Data under this Order shall be subject to inspection and test by Buyer and the Government, to the extent practicable at all times and places including the period of performance and in any event prior to final acceptance. Except as otherwise specifically provided in this Order and notwithstanding the FOB point or any payment or prior inspection at source, final inspection and acceptance by Buyer shall be made at destination. Final inspection shall be made within a reasonable time, but in any event not more than sixty (60) days after receipt by Buyer at destination. Seller shall provide and maintain an inspection system acceptable to Buyer and to the Government, covering the work hereunder. Buyer and the Government, through any of its authorized representatives, may inspect the plant or plants of Seller or of any of its subcontractors engaged in the performance of this Order. If any inspection or test is made by Buyer or the Government on the premises of Seller or a subcontractor, Seller shall provide and shall require its subcontractors to provide all reasonable facilities and assistance for the safety and convenience of Buyer and the Government inspectors in the performance of their duties. All inspections and tests by Buyer and the Government shall be performed in such a manner as will not unduly delay performance.
- B. Seller shall furnish to Buyer if requested all that information and Data as may be reasonably required by Buyer in order to perform inspection and acceptance.
- C. Inspection and Acceptance of any Products or Services by Buyer or the Government shall not be deemed to alter or affect the obligations of Seller or the rights of Buyer

and its customers under the correction of defects requirements below or as may be provided by law.

- D. Buyer's failure to inspect any of the Products hereunder shall neither relieve Seller from responsibility for such Products as are not in accordance with the requirements of this Order nor impose liability on Buyer therefore.
- E. If this Order, including those documents forming a part hereof by reference or incorporation, provides for or requires the submission of any of the Products or Data to Buyer for "First Article inspection," testing or approval, any such inspecting, testing or approval given by Buyer, prior to final acceptance, shall not relieve Seller of its responsibility for complying with the specifications and other provisions of this Order. Any such inspection, testing or approval shall not be construed as an assumption by Buyer of the responsibility that such Product or Data complies or will comply with the specification or other provisions of this Order.
- F. At any time during performance of this Order or within the times set forth below or at such other time as may be provided in this Order after final acceptance of all of the Products, Services or Data to be delivered or performed under this Order, Buyer may require Seller to remedy by correction or replacement, as directed by Buyer, any failure by Seller to comply with the requirements of this Order, including defects in material or workmanship. Any time devoted to such correction or replacement shall not be included in the computation of the period of time specified below.
- G. Except as otherwise provided below, the allowability of the cost of any such replacement or correction shall be determined as provided in the clause of this Order entitled "Allowable Cost, Fee and Payment" but no additional fee shall be payable with respect thereto. Corrected Products shall not be tendered again for acceptance unless the former tender and the requirement of correction are disclosed.
- H. If Seller fails to proceed with reasonable promptness to perform such replacement or correction, Buyer (1) may by separate contract with third persons or otherwise perform such replacement or correction and charge to Seller any increased cost occasioned Buyer thereby, or may reduce any fee payable under this Order (or require repayment of any fee previously paid) in such amount as may be equitable under the circumstances, or (2) in the case of Products not delivered, may require the delivery of such Products and shall have the right to reduce any fee payable under this Order (or to require repayment of any fee previously paid) in such amount as may be equitable under the circumstances, or (3) may cancel this Order for default.
- I. Notwithstanding the provisions above, Buyer may at any time require Seller to remedy by correction or replacement, without cost to Buyer, any failure by Seller to comply with the requirements of this Order if such failure is due to fraud, lack of good faith or willful misconduct on the part of any Seller's directors or officers, or on the part of any of its managers, superintendents, or other equivalent

representatives, who have supervision or direction of (1) all or substantially all of Seller's business, or (2) all or substantially all of Seller's operations at any one plant or separate location in which this Order is being performed; or (3) a separate and complete major industrial operation in connection with the performance of this Order. Buyer may at any time also require Seller to remedy by correction or replacement, without cost to Buyer, any such failure or defective Products caused by one or more individual employees selected or retained by Seller after any such supervisory personnel has reasonable grounds to believe that any such employee is habitually careless or otherwise unqualified.

- J. The above provisions shall apply to any corrected or replacement Product or part or component thereof for a reasonable period of time after final inspection (depending on the requirements or specification and the type and durability of the ordered Product), but in any event, not less than six (6) months from the date of such final acceptance.
- K. Seller shall make its records of all inspection work available to Buyer and to the Government, during the performance of this Order and for such longer period as may be specified in this Order.
- L. Corrected or replaced Products shall be subject to the provisions of this clause in the same manner and to the same extent as Products originally delivered under this Order.
- M. The Seller shall have no obligation or liability under this Order to replace supplies that were nonconforming at the time of delivery, except as provided in this clause or as may be otherwise provided in the Order.
- N. Except as otherwise provided in this Order, Seller's obligation to correct or replace Buyer or Government furnished property shall be governed by the provisions of the Buyer "Property Control," terms and conditions which are attached to and made a part of this Order.

9. RESERVED.

10. WARRANTY.

- A. Seller warrants that all Products delivered under this Order will: be free from defects in materials, workmanship, and manufacturing processes; conform to all requirements of this Order; and be free of all liens and encumbrances. To the extent Products are not manufactured pursuant to detailed design and specifications furnished by Buyer, Seller warrants that the Product shall be free from design and specifications defects.
- B. If any Product fails to comply in any respect to the warranty set forth above, Seller, at Buyer's option, shall promptly repair or replace the Product. Transportation of replacement Product and return of nonconforming Product shall be at Seller's expense. If repair or replacement of Product is not timely, Buyer may elect to return, repair, replace, or re-procure the nonconforming Product at Seller's expense. All warranties shall run to Buyer and its customers.
- C. Buyer's approval of any documentation prepared by Seller or Buyer's participation in design reviews or first article approval process or similar reviews shall not relieve Seller of any obligation under this warranty.

- D. Buyer's rights under this clause shall, at Buyer's option, be assignable to and enforceable by its successors and customers.
- E. 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.

11. CHANGES.

- A. Buyer's authorized 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) reasonable adjustments in quantities or delivery schedules or both; (5) place of inspection; and (6) place of acceptance.
- B. If the change causes an increase or decrease in the estimated 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 (1) estimated or target cost of, and/or the time required for the performance of this Order, (2) amount of any fixed fee, and (3) other affected terms, shall be modified in writing accordingly.
- C. Any claim for adjustment shall be unconditionally waived unless: (i) asserted in writing and delivered to Buyer within 15 days of the date of the written change order; and (ii) a fully supported proposal is delivered to Buyer's authorized representative within 45 days after Seller's receipt of such direction.
- 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. Notwithstanding any other provisions of this clause, the estimated cost of this Order and, if this Order is incrementally funded, the funds allotted for the performance of this Order, shall not be increased or considered to be increased except by specific written modification of the Order indicating the new Order estimated or target cost and, if this Order is incrementally funded, the new amount allotted to this Order. Until this modification is made, Seller shall not be obligated to continue performance or incur costs beyond the point established in the "Limitation of Cost" or "Limitation of Funds" clauses in this Order.

12. 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 engineering, technical personnel and other representatives may from time to time render assistance or give technical advice or discuss or affect an exchange of information with Seller's

personnel concerning the Product hereunder. No such action shall be deemed to be a change under the "Changes" clause of this Order and shall not be the basis for an equitable adjustment.

13. DISPUTES.

- A. 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 submitted in writing 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.
- B. 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 only bring suit in federal or state court in the state from which this Order is issued.
- C. 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.
- D. To the maximum extent permitted by law, the parties waive any right to a jury trial.

14. TERMINATION.

Buyer may at any time terminate all or any part of this Order in accordance with the contract clause entitled "Termination (Cost-Reimbursement)" set forth at 52.249-6, as modified in 49.503(a)(4), 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 terms "Contracting Officer" and "Government" therein shall mean "Buyer", the term "Contractor" therein shall mean "Seller", paragraphs (e) and (j) thereof are deleted, the period "120 days" in paragraph (d) is changed to "60 days", the period "1 year" in paragraph (f) is changed to "3 months"; provided, however, that if this Order is a first tier subcontract under a U.S. Government Prime Contract, the period "1 year" in paragraph (f) is changed to "180 days."

15. RESERVED.

16. BUYER'S PROPERTY.

During the term of the Order, 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, hurricane, tornado, sandstorm, explosion, riot, civil commotion, aircraft, earthquake, flood, or other acts of nature during such time as they remain in Seller's possession.

17. GOVERNMENT OR BUYER PROPERTY.

- A. Title - (1) The Buyer or Government shall retain title to all Buyer or Government furnished property, as applicable. (2) Title to all property purchased by Seller for which Seller is entitled to be reimbursed as a direct item of cost under this Purchase Order shall pass to and vests in the Government/Buyer upon the vendor's delivery of such property. (3) Title to all other property, the cost of which is reimbursable to Seller, shall pass to and vest in the Government/Buyer upon

- (i) Issuance of the property for use in Purchase Order performance;
- (ii) Commencement of processing of the property or use in Purchase Order performance; or
- (iii) Reimbursement of the cost of the property by Buyer, whichever occurs first.

(4) All Government furnished property, all property acquired by Seller, title to which vests in the Government under this paragraph (collectively referred to as "Government or Buyer Property"), and all Buyer furnished property is subject to the provision of this clause. Title to Buyer-furnished property or Government property shall not be affected by its incorporation into or attachment to any property not owned by Buyer or the Government, nor shall Government or Buyer furnished property become a fixture or lose its identity as personal property by being attached to any real property.

- B. If, in connection with the performance of this purchase order, any property is furnished to Seller by Buyer or by the Government, Seller shall assume the risk of, and be responsible for, any loss, theft, destruction of or damage to the property while in Seller's possession or control except to the extent that this purchase order 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. As indicated, Seller shall establish and maintain a system in accordance with the property provisions listed below. Seller shall also notify Buyer if its property system deemed inadequate or the Risk of Loss provision has been withdrawn by the Government.
- C. The Buyer and/or a Buyer representative from the Property organization may request information periodically to satisfy inventory and/or financial requirements of the Customer. Buyer and/or the Northrop Grumman Systems Corporation (NGSC) Property organization will request Seller to appoint an individual as Point of Contact to enable communication regarding Property, as required. NGSC Property oversight will be dependent upon: Adequacy of Seller's documented property procedures, Seller/Buyer history, Seller's Property Management System reviews and Seller's ability to provide NGSC timely and accurate inventory and property reports.
- D. Unless specifically provided in this Purchase Order, Seller warrants that the estimated cost set forth in this Purchase Order does not include as a direct charge the cost of any special tooling, special test equipment, or equipment as are defined in FAR Part 2 and/or **52.245-1**. Any such special tooling, special test equipment or equipment to be acquired/fabricated in the performance of or charged to this order, will be brought to the Buyer's immediate attention and as required, will be covered by a separate purchase order.

- E. The Seller shall have a process to create and provide reports of Property: (1) Discrepancies incident to shipment and the receipt; (2) Loss, Damage or Destruction (LDD); (3) Periodic Physical Inventory Reports and related discrepancies to be submitted in accordance with FAR 52.245-1 (f)(iv) as required; (4) Government written notification of System Adequacy (Summary of Findings) or Inadequate System Rating and Corrective Actions, if applicable; (5) As property becomes excess a list of property and/or material will be provided to NGSC (NGSC will provide template when required); and (6) Any specific reports as required by the Buyer's Property Management organization. (7) If an LDD is required for Government or Buyer furnished property, the Buyer shall be notified in writing within a reasonable period of time with a preliminary report and/or as soon as the facts become known a formal LDD report will be submitted to the Buyer in accordance with FAR 52.245-1 (1)(vi)(B).
- F. The Buyer and/or a Buyer's representative from the Property organization shall have the right, at all reasonable times, to visit the Seller's plant or such parts thereof as may be engaged in work relating to this purchase order, for the purpose of verification and/or determining continued adequacy of the Seller's Property Management System. Seller shall receive prior notice of any visit made pursuant to this clause.

18. RESERVED.

19. NOTIFICATION OF STATUS CHANGES.

- A. By accepting this Order, Seller certifies that most recent representations and certifications provided by Seller continue to remain valid and unchanged. If Seller's status under any of the applicable representations and certifications has changed, Seller must complete and submit to Buyer revised representations and certifications prior to taking any action indicating acceptance as stated on the face of the Order.
- B. Sellers that provided anti-corruption compliance due diligence information (e.g., related to its ownership and personnel, subsidiaries and third parties, the due diligence questionnaire, and related certifications) to a Buyer representative or through the Global Trust website shall provide Buyer with prompt notification and details of any changes to its owners, officers, directors or other information contained in such due diligence materials, and agrees to promptly cooperate with Buyer and provide additional information reasonably requested related to such changed information. In the event of a material change to the owners, offices, directors or other information contained in the due diligence material supplied to Buyer, Buyer reserves the right to suspend performance under this agreement by providing written notice to Seller in order for Buyer to conduct anti-corruption due diligence upon such changed circumstances.

20. TAXES.

The price of this Order includes all applicable federal, state, and local taxes, duties, tariffs, and similar fees imposed by any government, all of which shall be listed separately on the invoice. Use or sales taxes for which Buyer has furnished a valid exemption certificate or other evidence of exemption shall not be included.

21. 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 set off 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 or any of Buyer's Proprietary information (including this Order) until and unless authorized to do so by Buyer's authorized representative.

22. SUBCONTRACTING.

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

23. PROPRIETARY INFORMATION.

- A. If a separate Proprietary Information Agreement exists between the Parties, which relates to the subject matter of this Order, then Proprietary Information furnished by one Party to the other Party shall be protected pursuant to such Proprietary Information Agreement.
- B. If no separate Proprietary Information Agreement exists between the Parties, Seller agrees to keep confidential and not to disclose to any other person any Proprietary Information received from Buyer in connection with this Order. Seller further agrees to use Proprietary Information only for purposes

necessary for performing this Order, without first obtaining Buyer's written authorization.

- C. Seller may disclose Proprietary Information to its subcontractors 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 Proprietary Information.
- D. All documents and other tangible media (excluding Products) containing or conveying Proprietary Information and transferred in connection with this Order, together with any copies thereof, are and remain the property of Buyer.
- E. Neither the existence of this Order nor the disclosure hereunder of Proprietary Information or any other information shall be construed as granting expressly by implication, by estoppels or otherwise, a license under any invention or patent now or hereafter owned or controlled by Buyer or Buyer's customer, except as specifically set forth herein.
- F. Seller's obligations with respect to Proprietary 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.
- G. Unless otherwise provided herein, or authorized by Buyer in writing, Seller shall use Proprietary Information and/or data only in the performance of this Order subject to the Government's rights under the Government Property clause.

24. SELLER'S DATA.

Excluding Data marked with an appropriate legend and protected in accordance with a separate Proprietary Information Agreement, 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.

25. INFRINGEMENT INDEMNIFICATION.

- A. In lieu of any other warranty by Seller to Buyer against intellectual property infringement, statutory or otherwise, express or implied, Seller will defend, indemnify, and hold harmless Buyer, Buyer's officers, agents, employees, and customers against all suits or actions, claims and liabilities, including costs, based on a claim that use or sale of any Products delivered under this Order infringes any patent, trade secret, copyright, or other intellectual property right of third parties.
- B. Buyer shall notify Seller in writing of such claim and Buyer shall provide Seller with reasonable information and assistance, at Seller's expense, for the defense thereof.
- C. If the use or sale of the Product is enjoined as a result of a suit, Seller, at no expense to Buyer, shall obtain for Buyer and its customer the right to use and sell the Product or shall substitute an equivalent Product acceptable to Buyer and extend this indemnification thereto.
- D. Seller's obligation shall not apply to Products manufactured by Seller pursuant to detailed designs

developed by Buyer and furnished to Seller under an Order, which does not require research, development, or design work by Seller. Seller's obligation shall also not apply to any infringement arising from the use or sale of Products in combination with Products not delivered by Seller if such infringement would not have occurred but for such combined use unless such combination was reasonably foreseeable.

- E. Notwithstanding the foregoing, when this Order is performed under the authorization and consent of the U.S. Government to infringe United States Patents, Seller's liability for Seller's patent infringement under this Order shall be coextensive with Buyer's liability.

26. INSURANCE.

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

- A. Whenever performance requires work on a Government installation, Buyer's premises, or premises under the care, custody or control of Buyer or Buyer's customer, Seller and its subcontractors shall, at their sole cost and expense, procure and maintain the following insurance coverage in the minimum limits indicated:

1. General Liability (Professional Liability, as applicable)
 - Combined Single Limit \$2,000,000 bodily injury and property damage. Coverage shall include but not necessarily be limited to, premises and operations, products and completed operations and contracts.
2. Automobile Liability – Combined Single Limit \$2,000,000 bodily injury and property damage covering all owned, hired and non-owned vehicles.

- B. All insurance required as a part of this Order shall be placed with insurance companies that are authorized to do business under the laws of the state or states in which the work is being performed and shall be in a form reasonably acceptable to Buyer.
- C. General Liability and Automobile Liability insurance coverage shall provide that Buyer is named as an additional insured and if requested by Buyer, Seller shall provide evidence that the required insurance is in place in the form of insurance certificates.
- D. Insurance coverage described herein must be in place and effective prior to commencement of any activity that is the subject of this Order. Renewal insurance certificates, if applicable, shall be provided to Buyer at least 15 days prior to the expiration date of the insurance under each required coverage.
- E. Buyer and Seller agree to defend, indemnify, and save harmless the other from all damages and liabilities arising out of or in connection with presence on the other's premises pursuant to this Order; provided, however, that such damage and liability shall not have been caused by the negligence of the agents, subcontractors or employees of the indemnified parties.

27. 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.

28. COMPLIANCE WITH LAWS.

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

29. GOVERNING LAW.

Both Parties agree that, irrespective of the place of performance of this Order, unless otherwise specifically provided herein, this Order will be construed and interpreted according to the law of the state from which this Order is issued, as identified in the Order, excepting that state's laws on conflict of law.

30. ASBESTOS.

Seller shall not provide any Product that contains asbestos and shall submit certification to Buyer on demand that the Products contain no asbestos.

31. 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.

32. EXPORT AND IMPORT COMPLIANCE.

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

A. Export Compliance.

General. Performance of this Order may involve the use of or access to articles, technical data or software that is subject to export controls under 22 United States Code 2751 – 2799 (Arms Export Control Act) and 22 Code of Federal Regulations 120-130 (International Traffic in Arms Regulations or "ITAR") or 50 United States Code 2401-2420 (Export Administration Act of 1979, as amended), 50 United States Code 1701-1706, (International Emergency Economic Powers Act, as amended), and 15 Code of Federal Regulations 768 – 799 (Export Administration Regulations) and their successor and supplemental laws and regulations (collectively hereinafter referred to as the "Export Laws and Regulations"). Seller represents and warrants that it is either 1) a U.S. Person as that term is defined in the Export Laws and Regulations, or 2) a Foreign Person as that term is defined in the Export Laws and Regulations and has disclosed to Buyer's Representative in writing the country in which it is incorporated/authorized/ organized to do business, and all nationalities of any dual or third-country national employees who will require access to the data, articles or services provided hereunder. Seller shall comply with any and all Export Laws and Regulations, and any license(s) issued there under.

- 1. Registration. If Seller is a U.S. entity and is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, Seller represents that it is registered with the U.S. Department of State's Directorate of Defense Trade Controls, as required by the ITAR, and it maintains an effective export and import compliance program in accordance with the ITAR.
- 2. Foreign Persons. Seller shall not re-transfer any export-controlled information (e.g. technical data or software) to any other non-US person or entity (including the Seller's dual and/or third-country national employees) without first complying with all the requirements of the applicable Export Laws and Regulations. Prior to any proposed re-transfer, Seller shall first obtain the written consent of the Buyer. No consent granted by Buyer in response to Seller's request shall relieve Seller of its obligations to comply with the provisions of paragraph A. of this Clause or the Export Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of paragraph A. hereinabove, nor constitute consent for Seller to violate any provision of the Export Laws and Regulations.

B. Political Contributions, Fees and Commissions.

If this Purchase Order is valued in an amount of \$500,000 or more, then in performance of this Purchase Order, Seller shall not directly or indirectly pay, offer or agree to pay any political contributions or any fees or commissions.

For purposes of this section and pursuant to 22 CFR 130.6, political contribution means any loan, gift, donation or other payment of \$1,000

or more made, or offered or agreed to be made, directly or indirectly, whether in cash or in kind, which is:

(1) To or for the benefit of, or at the direction of, any non-U.S. candidate, committee, political party, political faction, or government or governmental subdivision, or any individual elected, appointed or otherwise designated as an employee or officer thereof; and

(2) For the solicitation or promotion or otherwise to secure the conclusion of a sale of defense articles or defense services to or for the use of the armed forces of a non-U.S. country or international organization. Taxes, customs duties, license fees, and other charges required to be paid by applicable law or regulation are not regarded as political contributions.

For purposes of this section and pursuant to 22 CFR 130.5, fee or commission means any loan, gift, donation or other payment of \$1,000 or more made, or offered or agreed to be made directly or indirectly, whether in cash or in kind, and whether or not pursuant to a written contract, which is:

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

(2) For the solicitation or promotion or otherwise to secure the conclusion of a sale of defense articles or defense services to or for the use of the armed forces of a non-U.S. country or international organization.

- C. **Import Compliance.** Both parties shall comply with all U.S. Customs laws and regulations (*e.g.*, 19 CFR) and all other applicable U.S. government regulations pertaining to importations of goods and materials into the United States.

For International Purchase Orders (Purchase orders issued to entities addressed in foreign countries): Specifically, without excluding other regulations, Seller shall comply with and adhere to the commercial invoice requirements detailed in 19 CFR 141 subpart F of the regulations, and provide additional information as requested by the Buyer. Seller shall immediately upon discovery, notify Buyer of any change to the shipment data related to product valuation, quantities shipped, country of origin, port of export and any additional information directed by the Buyer. Seller will timely provide pre-alert shipping information and documentation prior to shipment arrival to the U.S. Buyer will direct Seller where to send pre-alert shipping information and documentation. Pre-alert shipping documentation includes, but is not limited to, a commercial invoice, airway bill, bill of lading, and other required documentation as directed by U.S. regulations and Buyer.

For Domestic Purchase Orders (Purchase orders issued to entities addressed in the United States): Seller shall assume all U.S. import responsibilities, to include designation as U.S. Importer of Record, Customs clearance, duty, taxes, and fees for goods entering into the United States. Unless otherwise agreed in writing, NGC will not assume any import liabilities for goods procured through a domestic purchase order.

- D. **Indemnification.**

Seller shall indemnify and save harmless Buyer from and against any and all damages, liabilities, penalties, fines, costs, and expenses, including attorneys fees, arising out of claims, suit, allegations or charges of Seller's failure to comply with the provisions of this Clause and breach of the warranty set forth in paragraph A or C. Any failure of Seller to comply with the requirements or any breach of the warranty contained in this Clause shall be a material breach of this Order.

- E. **Subcontracts.**

The substance of this Clause shall be incorporated into any lower-tier subcontract or purchase order entered into by the Seller for the performance of any part of the work under this Order.

- F. **Notification.**

Seller agrees to provide prompt notification to Buyer in the event of changes in circumstances such as ineligibility to contract with US Government, debarment, assignment of consent agreement, and initiation or existence of a US Government investigation, that could affect Seller's performance under this contract. Seller further agrees to provide prompt notification to Buyer should any offer, agreement or payment of political contributions, fees or commissions (as defined herein and pursuant to this Order) be made in contravention of the prohibition in Section B.

33. RELIANCE.

Seller represents and warrants that Seller is an expert fully competent in all phases of the work involved in producing and supporting all Products and performing all services purchased under this Order.

34. RELEASE OF INFORMATION AND ADVERTISING.

Except as required by law, no public release of any information, or confirmation or denial of same, with respect to this Order or the subject matter hereof, will be made by Seller without the prior written approval of Buyer. Additionally, Seller shall not use the Buyer's name or identify Buyer in any advertisement, display, news release, or other public disclosure without Buyer's prior written consent.

35. COMPLIANCE WITH AND APPLICABILITY OF THE OFFICE OF FEDERAL PROCUREMENT POLICY (OFPP) ACT OF 1988 (41 USC 423).

Seller represents that during the conduct of the procurement of which this Order forms a part, it has complied with and will continue to comply with the requirements of FAR 52.203-10 and Section 27 of the OFPP Act as implemented in FAR. Seller further agrees that it shall indemnify and hold harmless Buyer from and against any loss, cost or damage incurred by Buyer under Buyer's contract with its customers as a result of or in connection with Seller's violation of the OFPP Act.

36. INDEMNITY FOR DEFECTIVE COST OR PRICING DATA.

Seller hereby indemnifies and agrees to hold Buyer harmless from any and all price or cost reductions made pursuant to the FAR 52.215-10 "Price Reduction for Defective Cost or Pricing Data" clause or the FAR 52.215-11 "Price Reduction for Defective Cost or Pricing

Data – Modifications” clause, or any other provisions of the prime contractor higher tier subcontract under which this Order is issued, and from and against any and all cost disallowances or non-recognitions of costs under such prime contractor subcontract, if such price or cost reduction, cost disallowance or non-recognition of costs arises or results directly or indirectly because: costs arises or results.

- A. Seller, or any Seller subcontractor at any tier or prospective subcontractor hereunder, furnished cost or pricing data that were not complete, accurate and current as certified in Seller’s Certificate of Current Cost or Pricing Data; or
- B. Seller, or any Seller subcontractor or prospective subcontractor at any tier hereunder, furnished data of any description that were not accurate.

Accordingly, without limitation of the foregoing, the price of this Order shall be reduced and the Order shall be modified in writing as necessary to reflect the full amount of any and all such price or cost reductions and any and all such cost disallowances or non-recognitions of costs. The rights and remedies of Buyer under or pursuant to this indemnity shall be cumulative and additional to any other or further rights and remedies provided under this Order or at law or in equity.

37. 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.

38. PARTIAL INVALIDITY.

If any provision in this Order is or becomes void or unenforceable by force or operation of law, all other provisions shall remain valid and enforceable.

39. 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.

40. COMPLETE AGREEMENT.

This Order is the Parties’ 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, whether oral or written, and agreements between the Parties, whether such understandings, proposal, communications, and agreements were 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.

41. 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.

42. ANTI-CORRUPTION COMPLIANCE

Seller represents, warrants and covenants that:

A. It has not and will not, directly or indirectly, pay, promise, offer, or authorize the payment of any money or anything of value to:

- 1. an officer, employee, agent or representative of any government, including any department, agency, or instrumentality thereof or any person acting in an official capacity thereof;
- 2. a candidate for political office, any political party or any official of a political party; or
- 3. any other person or entity while knowing or having reason to know that all or any portion of such payment or thing of value will be offered, given or promised, directly or indirectly, to any person or entity for the purpose of assisting Buyer in obtaining or retaining business, or an improper business advantage.

Without limiting the generality of the foregoing, Seller shall not directly or indirectly, pay, promise, offer, or authorize the payment of any facilitating payment intended to expedite or secure performance of a routine governmental action, such as, customs clearance on behalf of Buyer.

B. No gift, travel expenses, business courtesies, hospitalities or entertainment of any nature has been or will be accepted or made in connection with this agreement where the intent of was, or is, to unlawfully influence the recipient of the gift, travel expense, business courtesy, hospitality or entertainment. Seller also represents that any gifts, travel expenses, business courtesies, hospitalities or entertainment offered or provided shall meet the following conditions:

- 1. be permitted under the U.S. FCPA and the laws and regulations of the country in which this agreement will be performed;
- 2. be consistent with applicable social and ethical standards and accepted business practices;
- 3. be of such limited value as not to be deemed a bribe, payoff or any other form of improper inducement or payment; and
- 4. be of such nature that its disclosure will not cause embarrassment for the Buyer.

C. Breach of any of the foregoing provisions of parts A and B of this clause by Seller shall be considered an irreparable material breach of this agreement and shall entitle the Buyer to terminate this agreement immediately without compensation to Seller.

43. PROHIBITED ACTIVITIES AND CONTACTS.

A. Activity Prohibitions For Sellers delivering goods or performing services outside of the United States, unless specifically authorized in writing by Buyer, Seller shall not engage in any of the following activities on behalf of the Buyer under this agreement: acting as an agent of the Buyer; marketing or sales promotion; lobbying; freight forwarding; consulting services; performing offset (industrial participation) consulting or brokering services; acting as a distributor or reseller; or activity as a joint venture party.

B. Contact Prohibitions For Sellers delivering goods or performing outside of the United States, unless specifically authorized in writing by Buyer, Seller shall not contact, either directly or indirectly, public officials of any country other than the United States, United Kingdom, Canada,

Australia, Germany, France, or Italy in furtherance of its performance on behalf of Buyer under this agreement.

44. ANTI-TRAFFICKING IN PERSONS

- A. Buyer prohibits its employees, agents, subcontractors, and contract labor from engaging in activities that support or promote trafficking in persons, including, but not limited to, any of the following:
- 1) Trafficking in persons, including, but not limited to the following:
 - a. sex trafficking, or
 - b. the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, debt bondage, or slavery.
 - 2) The procurement of a commercial sex act.
 - 3) The use of forced labor in the performance of company business.
 - 4) The use of misleading or fraudulent recruitment activities
 - 5) Charging employees recruitment fees
 - 6) Failing to pay for the return transportation at the end of employment for an employee who is not a national of the country in which the work is taking place and who was brought into that country for the purpose of working.
 - 7) Providing or arranging housing that fails to meet the host country housing and safety standards.
 - 8) If required, failing to provide an employment contract, recruitment agreement, or similar work document in writing, in the individual's native language and prior to the individual departing from his or her country of origin.
- B. Seller represents and warrants that it shall abide by and comply with the requirements of this clause. Further, Seller shall require its employees, agents, contract labor and subcontractors performing in connection with this Order to abide by and comply with the requirements of this clause.
- C. Buyer or its authorized representatives may, at any time, audit all pertinent books, records, work sites, offices, and documentation of Seller in order to verify compliance with this clause. Seller will, in all of its lower-tier subcontracts and contracts relating to any Buyer Order, include provisions which secure for Buyer all of the rights and protections provided for within this clause, including this audit paragraph.
- D. Seller acknowledges that if Seller or any of its employees, agents, or contract labor engages in any of the prohibited activities in this clause, this Order is subject to termination.
- E. Whenever Seller has knowledge, whether substantiated or not, that any actual or suspected violation of this clause has occurred, Seller shall immediately give written notice to Buyer and provide all relevant information including, but not limited to, the nature of the actual or suspected violation. Written notice shall be provided to the

Buyer's Authorized Representative, as described in the Order.

- F. Seller shall provide its full cooperation during any subsequent investigation of the actual or suspected violation by Buyer, Buyer's representative, or cognizant government agency. Seller's cooperation shall include, but not be limited to, permitting inspection of its work sites, offices, and documentation, as necessary to support any investigation.
- G. Seller shall, at its own expense, defend, indemnify and hold harmless Buyer and its affiliates, and all of their officers, agents, employees, successors and assigns, against any claims, loss, damage or expense, regardless of how arising and even if unforeseeable, including, without limitation, payment of direct, special, incidental and consequential damages and attorney's fees, arising out of, or relating to, Seller's or Seller's employees, agents, subcontractors or contract labor's failure to comply with the requirements of this clause.
- H. Seller agrees to insert the substance of this clause, including this sentence, in any lower-tier subcontract or labor contract.

45-47 RESERVED

47. RELATIONSHIP OF THE PARTIES.

The relationship of Seller to Buyer shall be that of an independent contractor and nothing herein contained shall be construed as creating any employer/employee, agency, or other relationship of any kind. Seller's employees, agents or representatives (hereinafter "Employees") performing Services under this Order shall at all times be under Seller's direction and control. Seller shall pay all wages, salaries, and other amounts due its Employees in connection with this Order and shall be responsible for all reports and obligations for its Employees, including, but not limited to, social security and income tax withholdings, unemployment compensation, worker's compensation, and equal employment opportunity reporting.

48. SELLER'S EMPLOYEES.

- A. All personnel assigned by Seller to perform the Services to be furnished hereunder shall be capable, skilled, qualified and competent to perform such Services.
- B. Buyer may require Seller to remove from its or customer's premises any employee, agent, or representative of Seller, or any of its subcontractors, Buyer deems incompetent, careless or otherwise objectionable. Seller shall remove such employee, agent or representative from the premises immediately.
- C. At all times Seller shall use suitable safety precautions, including, as a minimum, those safety precautions issued in instructions and directions by Buyer or Buyer's customer. Such safety precautions shall include, but not be limited to, the use of proper materials, tools, equipment and other safeguards, as appropriate.

- D. Seller and Seller's personnel shall also comply with all applicable rules, regulations and orders of the Occupational Safety and Health Act of 1970 (P.L. 91-596, 29 USC 651-678), as amended, and all applicable safety laws, rules, regulations and orders of the United States and the State wherein this Order is being performed. Seller agrees to defend, hold harmless, and indemnify Buyer from and against any noncompliance by Seller with any of the above laws, rules, regulations and orders as may be applicable.
- E. If this Order requires Seller's personnel to enter Buyer's or Buyer's customer's premises, Seller agrees to have its personnel, engaged in the performance of Services hereunder, report to Buyer's plant, at times to be specified by Buyer, at Seller's expense (unless otherwise herein specified), for attendance at a training session or sessions concerning Buyer's or its customer's standards and procedures relating to on-site rules of behavior, work schedule, security procedures and any other standards and procedures adhered to by Buyer's or customer's employees.

49. CITIZENSHIP ELIGIBILITY REQUIREMENTS.

- A. Employees of Seller who perform Services under this Order shall be citizens of the United States of America (U.S.), its possessions or territories, or lawful permanent residents as defined by 8 United States Code (U.S.C.) 1101(a)(20), or protected individuals as defined by 8 U.S.C. 1324b(a)(3).
- B. Upon the request of Buyer, Seller shall submit verification of citizenship, lawful permanent resident status, protected individual status, or employment eligibility status to Buyer for each employee who will perform Services under this Order. Examples of documents that may be considered satisfactory are state birth certificates, U.S. passports, U.S. naturalization papers, and "green" cards (I-551) issued by the U.S. Department of Immigration and Naturalization. Consistent with IRCA, the order of presentment of such documents shall be the sole prerogative of Seller's employees. If these documents are not available, a compilation of other evidence may suffice.
- C. Employees of Seller not listed on the Certification of Employees or providing individual proof of U.S. citizenship, or other status as described in subparagraph B. above, may be denied access to Buyer's premises.

50. RESERVED.

51. CONFLICT OF INTEREST.

Seller warrants that no conflict of interest exists between the Services and Products to be provided under this Order and Seller's other activities. Seller shall immediately advise Buyer of any such conflict of interest or potential conflict of interest which arises during performance of this Order.

52. - 74. RESERVED.

75. ALLOWABLE COST, FEE AND PAYMENT.

- A. For the performance of this Order, Buyer shall pay the following to Seller:
 - 1. The cost thereof determined by Buyer to be allowed in accordance with FAR 52.216-7 and the provisions of this Order (herein referred to as "Allowable Cost"), plus,
 - 2. Such fixed fee, if any, as may be provided in this Order or, if this is a cost-plus-incentive fee (CPIF) contract, a fee as determined in accordance with the provisions of the "Incentive Fee" clause herein.
- Fees paid to Seller's subcontractors and their lower-

tier subcontractors under CPFF, CPAF or CPIF type subcontracts which are in excess of the percentage authorized under the FAR for that type of contract, shall not be allowable hereunder. Supplemental to the foregoing and except as may be expressly provided to the contrary herein, it is agreed that such items of direct and indirect cost as are concurrently and customarily accepted by the Government as allowable direct and indirect costs under Seller's Government cost type prime and subcontracts, if any, at the plant or plants of Seller engaged in the performance of this Order for Products or Services similar to those called for by this Order, shall be allowable direct and indirect costs under this Order to the extent such costs are properly allocable to the Order.

- B. Seller shall maintain complete and accurate books, records, documents, statement of costs, and other evidence and accounting procedures and practices (hereinafter collectively called the "Records") sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for the performance of this Order. Seller agrees to make available at the office of Seller at all reasonable times prior to final payment and for a period of one year thereafter any of the Records for inspection, audit or reproduction by any authorized representative of Buyer. Each payment made shall be subject to reduction for amounts included in the related invoice which are found by Buyer upon such audit not to constitute Allowable Cost. Any payment may be reduced for overpayments, or increased for underpayments, on preceding invoices.
- C. Once each month Seller may submit to Buyer, in such form and reasonable detail as Buyer may require, an invoice supported by a statement of cost incurred by Seller in the performance of this Order and claimed to constitute Allowable Cost. For this purpose, except as provided herein with respect to pension, deferred profit sharing and employee stock ownership plan contributions, the term "costs" shall include only those recorded costs which result, at the time of the request for reimbursement, from payment by cash, check, interdivisional notices of payments, or other form of actual payment for Products or Services purchased directly for the Order, together with (when Seller is not delinquent in payment of costs of Order performance in the ordinary course of business) costs incurred, but not necessarily paid, for materials which have been issued from Seller's stores inventory and placed in the production process for use on the Order, for direct labor, for direct travel, for other direct in-house costs, and for properly allocated and Allowable indirect Costs, as is shown by Records, plus the amount of progress payments which have been paid to Seller's subcontractors under similar cost standards.

In addition, when the aforementioned contributions are paid by Seller to the pension, profit sharing, or employee stock ownership plan funds less frequently than quarterly, accrued costs therefore shall be

excluded from indirect costs for payment purposes until such costs are paid. If such contributions are paid on a quarterly or more frequent basis, accruals therefore may be included in indirect costs for payment purposes provided that they are paid to the fund within thirty (30) days after the close of the period covered. If payments are not made to the fund within such thirty day period, these contributions shall be excluded from indirect cost for payment purposes until payment has been made. The restriction on payment more frequently than monthly and the requirement of prior payment for Products or Services purchased directly for the Order shall not apply where Seller is a small business concern.

- D. Promptly after receipt of each invoice and statement of cost, Buyer shall, except as otherwise provided in this Order and subject to the provision of B. above, make payment thereon as approved by Buyer's purchasing representative. Normally, payment of fee shall be made to the Seller as specified in the Order; provided, however, after payment of eighty-five percent (85%) of the applicable fee as determined by Buyer to be appropriate, Buyer may withhold further payment of the fee until a reserve shall have been set aside in an amount which Buyer considers necessary to protect the interests of Buyer, but such reserve shall not exceed fifteen percent (15%) of the total applicable fee as determined by Buyer or One Hundred Thousand Dollars (\$100,000), whichever is less. If this is a cost-plus-incentive-fee contract (CPIF), and in the opinion of Buyer, Seller's performance or cost indicates that Seller will earn a fee less than the target fee, Buyer shall pay on the basis of such lesser fee as determined by Buyer to be appropriate; further, when Seller demonstrates that its performance and incurred costs clearly indicate that Seller will earn a fee significantly in excess of the target fee, Buyer may, in its sole discretion, pay on the basis of such higher fee as is determined by Buyer to be appropriate.
- E. On receipt and approval by Buyer of the invoice designated by Seller as the "Completion Invoice," and upon compliance by Seller with all the provisions of this Order (including, without limitation, the provisions relating to patents and the provisions of F. below), Buyer shall promptly pay to Seller any balance of Allowable Cost and any part of the fee which has been withheld pursuant to C. above or otherwise not paid to Seller. The Completion Invoice shall be submitted by Seller promptly following completion of the work under this Order but in no event later than six (6) months (or such period as Buyer may, in its discretion, approve in writing) from the date of such completion.
- F. Seller agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by Seller or any assignee under this Order shall be paid by Seller to Buyer, to the extent they are properly allocable to costs for which Seller has been reimbursed by Buyer under this Order. Reasonable expenses incurred by Seller for the purpose of securing such refunds, rebates, credits or other amounts shall be Allowable Costs hereunder when approved by Buyer. Prior to final payment under this Order, Seller and each assignee under this Order whose assignment is in effect at the time of final payment under this Order shall execute and deliver:

- 1. An assignment to Buyer, in form and substance satisfactory to Buyer, of refunds, rebates, credits, or other amounts (including any interest thereon) properly allocable to costs for which Seller has been reimbursed by Buyer under this Order; and
- 2. A release discharging Buyer (and the Government, if a Government Contract number appears on the face of this Order), its officers, agents and employees from all liabilities, obligations and claims arising out of or under this Order, subject only to the following exceptions:
- 3. Specified claims in stated amounts or in estimated amounts where the amounts are not susceptible to exact statement by Seller; provided such amounts are supportable by Seller's accounting records;
- 4. Claims, together with reasonable expenses incidental thereto, based upon liabilities of Seller to third parties arising out of performance of this Order; provided that such claims are not known to Seller on the date of the execution of the release, and provided further that Seller gives notice of such claims in writing to Buyer not more than three (3) years after the date of the release or the date of any notice to Seller that Buyer is prepared to make final payment, whichever is earlier; and
- 5. Claims for reimbursement of costs (other than expenses of Seller by reason of its indemnification of Buyer and the Government against patent liability), including reasonable expenses incidental thereto, incurred by Seller under the provisions of this Order relating to patents.

76. PLACE OF PERFORMANCE.

- A. Seller shall perform work called for herein at Seller's plants as set forth elsewhere in this Order except for work to be accomplished by subcontractors.
- B. Seller shall promptly notify Buyer of any contemplated change in location for the performance of work from the locations designated above. Prior approval of Buyer shall be obtained by Seller before making any change in location for the performance of work herein if the cost of performing such work is estimated to exceed \$100,000.

77. - 79. RESERVED.

80. RESPONSE TO AUDIT.

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

81. DIVESTITURES - COMMODITY PRODUCTS & SERVICES

- A. Upon Buyer's divestiture of any affiliate, division, business unit, line of business or sector ("divested entity"), Buyer may assign in whole or in part the services that are the subject of this order to that divested entity. Upon execution of an assignment, Buyer shall have no further rights or obligations with respect to the assigned services (with the exception of any unpaid service fees which remain due on the effective date of such assignment) and the divested entity shall become the "customer" of record for those assigned services. Any such assignment or other transfer of services made to a third party will be subject to the prior written consent of Seller which consent will not be unreasonably withheld or delayed.
- B. Divested entities will have the right, for a period of twelve (12) months post-divestiture, to continue to purchase the products and/or services covered under this order, or

Buyer may purchase such products under this order on behalf of the divested entities. If a divested entity wishes to order from Seller directly, Seller reserves the right to require such divested entity to provide financial information sufficient to determine creditworthiness before accepting any orders.

- C. Buyer may access and use the services under the agreement to provide transitional services to the divested entity, including transitional access and use of the services by the divested entity, during the transition period at no additional charge (i.e., no charge other than fees otherwise due to supplier under the agreement as if the divested entity were a part of Buyer) provided that Buyer is and remains current on the payment of all fees due to supplier under the agreement.

82. MERGERS AND ACQUISITIONS – COMMODITY PRODUCTS/SERVICES.

If Buyer merges with or acquires an entity or entities that have a need for Seller's products and services, Buyer and the acquired entity will be permitted to make purchases using this purchase order and price discounts in support of the acquired entity. If under any existing purchase order with an acquired entity or entities Seller currently provides or agrees to provide services, Buyer and Seller will negotiate a combined agreement sufficient to cover the combined companies so as to avoid any disruption in service.

83-85.

86. REPORTING - IT SOFTWARE.

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

87. PRIVACY, CONFIDENTIALITY AND SECURITY

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

- (a) Supplier will hold in strict confidence any and all Personal Information.
- (b) Supplier will Process Personal Information only on behalf of Northrop Grumman and in accordance with Northrop Grumman's written instructions, and only in connection with the services it provides for Northrop Grumman and to fulfill its obligations to Northrop Grumman.
- (c) Supplier will comply with all applicable laws and regulations relating to the privacy, confidentiality or security of Personal Information and applicable provisions of Northrop Grumman's privacy policies, statements or notices that are attached hereto (collectively, "Privacy Requirements").
- (d) In the event a Privacy Requirement, enforcement action, investigation, litigation or claim, or any other circumstance, is reasonably likely to adversely affect Supplier's ability to fulfill its obligations under this agreement, Supplier will promptly notify Northrop Grumman in writing and Northrop Grumman may, in its sole discretion and without penalty of any kind to Northrop Grumman, suspend the transfer or disclosure of Personal Information to Supplier or access to Personal Information by Supplier, terminate any further Processing of Personal Information by Supplier, and terminate Supplier's agreement to provide services to Northrop Grumman, if doing so is necessary to comply with applicable Privacy Requirements.
- (e) Subject to applicable law, in the event Supplier is required by law or legal process to disclose Personal Information, it will give prior written notice of the disclosure to Northrop Grumman, so that Northrop Grumman may, in its discretion, seek to block the disclosure. Northrop Grumman will have the right to defend such action in lieu of and on behalf of Supplier. Northrop Grumman may, if it so chooses, seek a protective order. Supplier will reasonably cooperate with Northrop Grumman in such defense.

- (f) Supplier may disclose Personal Information to a third party if, and only if, it obtains the written consent of Northrop Grumman and (1) the disclosure is made to a party that performs services on behalf of Northrop Grumman and the disclosure is made in order to perform the Supplier's services to Northrop Grumman; or (2) the disclosure is made to a third party performing clerical, administrative, technical, or security-related services for Supplier, and such disclosure is incidental to the performance of such services. In either case, Supplier will enter into a written agreement with such third party under which the third party agrees it will (i) maintain the confidentiality of the disclosed Personal Information; (ii) not disclose the Personal Information to other third parties without the prior written agreement of Northrop Grumman; (iii) use the Personal Information only in connection with performing its obligations under its agreement with Supplier; (iv) disclose the Personal Information only to its own personnel who need the information to perform the obligations under the agreement with Supplier, and who have been fully advised as to the confidentiality requirements set forth herein; (v) promptly notify Supplier of any Information Security Incident (as defined below); and (vi) return to Supplier all copies of Personal Information Processed in connection with the relevant services for which the third party was retained or, upon Supplier's written request (provided that Supplier receives Northrop Grumman's prior written approval), securely destroy or, at the option of Northrop Grumman, render unreadable or undecipherable, all such Personal Information, including all hard-copy and electronic versions.

- (g) Supplier will develop, implement and maintain a comprehensive written information security program that complies with applicable Privacy Requirements. Supplier's information security program will include appropriate administrative, technical, physical, organizational and operational measures designed to (i) ensure the security and confidentiality of Personal Information; (ii) protect against any anticipated threats or hazards to the security and integrity of Personal Information; and (iii) protect against accidental or unlawful destruction, loss or alteration, unauthorized disclosure or access, and any other unlawful forms of Processing (hereinafter "Information Security Incident"). Supplier's information security program will contain standards that are at least as stringent as those set forth in Supplier's attached "Information Security-Supplier Hosting Requirements". If the Processing involves the transmission of Personal Information over a network, Supplier will implement appropriate measures to protect Personal Information against the specific risks presented by the Processing. Supplier will immediately, but in no event later than 72 hours after Supplier's discovery of the Information Security Incident, notify Northrop Grumman in writing of any Information Security Incident. Such notice will summarize in reasonable detail the effect on Northrop Grumman, if known, of the Information Security Incident and the corrective action taken or to be taken by Supplier. Supplier will promptly take all necessary and advisable corrective actions, and will cooperate fully with Northrop Grumman in all reasonable and lawful efforts to prevent, mitigate or rectify such Information Security Incident. The content of any filings, communications, notices, press releases or reports related to any Information Security Incident must be approved by

- Northrop Grumman prior to any publication or communication thereof.
- (h) Supplier will exercise the necessary and appropriate supervision over its relevant Personnel to maintain appropriate privacy, confidentiality and security of Personal Information. Supplier will restrict access to Personal Information to those Personnel who need the information to perform obligations under Supplier's agreement with Northrop Grumman and who have explicitly agreed to legally enforceable and sound confidentiality obligations. Supplier will ensure that Personnel with access to Personal Information are periodically trained regarding privacy and security and the limitations on Processing of Personal Information as provided in this agreement.
 - (i) Supplier will engage an independent third-party to conduct a security evaluation/certification of Supplier's systems that host Personal Information. Supplier will provide Northrop Grumman copies of the audit report(s). Northrop Grumman reserves the right to conduct site surveys of Supplier's hosting site and review its physical and information security policies, practices, and procedures on an annual or biennial basis, in Northrop Grumman's reasonable discretion.
 - (j) Supplier agrees that any Processing of Personal Information in violation of this agreement, Northrop Grumman's instructions or any applicable Privacy Requirement, or any Information Security Incident, may cause immediate and irreparable harm to Northrop Grumman for which money damages may not constitute an adequate remedy. Therefore, Supplier agrees that Northrop Grumman may obtain specific performance and injunctive or other equitable relief for any such violation or incident, in addition to its remedies at law, without proof of actual damages.
 - (k) Supplier will not transfer Personal Information outside the country to which it originally was delivered to Supplier for Processing (or, if it was originally delivered to a location inside the European Union, outside the European Union) without the explicit written consent of Northrop Grumman.
 - (l) Supplier will cooperate with Northrop Grumman if a data subject wants to access or amend Personal Information pertaining to him or her.
 - (m) Supplier will immediately inform Northrop Grumman in writing of any requests, complaints or investigations regarding Supplier's Processing of Personal Information. Supplier will respond to such requests, complaints or investigations in accordance with Northrop Grumman's instructions and Supplier will fully cooperate with Northrop Grumman in responding to any such request, complaint or investigation.
 - (n) Supplier will enter into any further privacy or information security agreement requested by Northrop Grumman for purposes of compliance with applicable Privacy Requirements. In case of any conflict between this agreement and any such further privacy or information security agreement, such further agreement will prevail with regard to the Processing of Personal Information covered by it.
 - (o) Supplier agrees, within 30 days of termination, cancellation, expiration, or other conclusion of this agreement, Supplier shall return to Northrop Grumman all copies of Personal Information Processed in connection with this agreement, or, upon Northrop Grumman's written request or receipt of Northrop Grumman's written approval in response to Supplier's request, to securely destroy or, at the option of Northrop Grumman, render unreadable or undecipherable, all such Personal Information, including all hard-copy and electronic versions. Supplier will provide an appropriate Certificate of Return/Destruction at Northrop Grumman's request.
 - (p) Supplier agrees to indemnify and hold harmless Northrop Grumman and its officers, employees, directors and agents from, and at Northrop Grumman's option defend against, any and all claims, losses, liabilities, costs and expenses, including without limitation third-party claims, reasonable attorneys' fees, consultants' fees and court costs (collectively, "Claims"), to the extent that such Claims arise from, or may be in any way attributable to (i) any violation of this agreement; (ii) the negligence, gross negligence, bad faith, or intentional or willful misconduct of Supplier or its Personnel in connection with the obligations set forth in this agreement; (iii) Supplier's use of any contractor providing services in connection with or relating to Supplier's performance under this agreement; or (iv) any Information Security Incident involving Personal Information in Supplier's possession, custody or control, or for which Supplier is otherwise responsible.
 - (q) Supplier's obligations under this agreement will survive the termination of Supplier's agreement to provide services to Northrop Grumman and the completion of all services subject thereto.
- 88. DATA BREACH NOTIFICATION.**
 Seller will promptly notify Buyer of any actual or potential exposure or misappropriation of Buyer data ("breach") that comes to Seller's attention. Seller will cooperate with Buyer and in investigating any such breach, at Seller's expense. Seller will likewise cooperate with Buyer and, as applicable, with law enforcement agencies in any effort to notify injured or potentially injured parties, and such cooperation will be at Seller's expense, except to the extent that the breach was caused by Buyer. The remedies and obligations set forth in this subsection are in addition to any others Buyer may have including, but not limited to, any requirements in the "Privacy, Confidentiality, and Security" provisions of this Agreement.
- 89. DATA CONTROL.**
 Seller will have policies and procedures in place to protect any data that Buyer provides, including destruction methods employed and how audit and system log information is protected. Buyer may upon request, review Seller's applicable policies and procedures.
- 90. RESERVED**
- 91. INTERNET PROTOCOL VERSION 6 (IPV6)**
When requested, Seller shall provide a "Supplier's Declaration of Conformity" (SDOC) in compliance with ISO/IEC 17050:2004 to indicate that delivered devices have been tested and approved in an accredited laboratory.
- 92. BADGES AND PLANT SECURITY.**
 If this Order requires Seller's personnel to enter Buyer's or Buyer's customer's premises, Seller agrees to have its personnel, engaged in the performance of Services hereunder, report to Buyer's plant, at times to be specified by Buyer, so that Buyer may provide said personnel with identification badges, which will permit such personnel to enter and leave the premises where the work is to be performed. Seller further agrees that said badges shall be worn by said personnel, in a conspicuous place upon the person of each of its personnel, when such personnel are in, on, or about the premises. Seller further agrees to abide by and comply with, and require its Employees to abide by and comply with, such rules and regulations pertaining to plant security as may be prescribed by Buyer and/or the Buyer's Customer.
- 93. CUSTOMS TRADE PARTNERSHIP AGAINST TERRORISM (C-TPAT) PROGRAM.**

Buyer has joined with the U.S. Bureau of Customs and Border Protection in the Customs Trade Partnership Against Terrorism (C-TPAT) program. This program is designed to protect the supply chain from the introduction of terrorist contraband (weapons, explosives, biological, nuclear or chemical agents, etc.) in shipments originating from off-shore of the United States to Buyer, drop shipments to its sub-tier suppliers, or drop shipments to its customers originating from off-shore of the United States. Seller shipments through U.S. importers, from manufacturers in foreign countries, and brokers/freight forwarders/carriers must be with transportation companies that are C-TPAT validated by the U.S. Customs Service. In addition, Seller agrees to take such reasonable measures as may be required by Buyer to ensure the physical integrity and security of all shipments under this Order against the unauthorized introduction of harmful or dangerous materials, drugs, contraband, weapons or weapons of mass destruction or introduction of unauthorized personnel in transportation conveyances or containers. Such measures may include, but are not limited to, physical security of manufacturing, packing and shipping areas, restrictions on access of unauthorized personnel to such areas; personnel screening to the maximum limits of law or regulations in Seller's or manufacturer's country; and development, implementation and maintenance of procedures to protect the security and integrity of all shipments. Contact the authorized Purchasing Representative for assistance in identifying transportation companies that are validated under the C-TPAT program.

94. RESERVED.

95. FORCE MAJEURE.

Neither party shall be liable for delays in manufacturing or delivery resulting from any circumstances beyond its reasonable control not occasioned by its fault or negligence, including but not limited to compliance with any sovereign decrees, orders, acts, instructions or priority requests of any federal, state, or municipal government or any department or agency thereof, civil or military, acts of god, fires, floods, strikes, lockouts, embargoes or wars. Upon the happening of any circumstances or causes aforesaid, the affected party shall notify the other party without delay and any relief shall be limited to an extension of delivery dates or times of performance to the extent caused thereby

96. SUSPECT/COUNTERFEIT PARTS.

Seller represents and warrants that it has policies and procedures in place to ensure that none of the supplies furnished to Buyer under this Purchase Order are "suspect/counterfeit parts" and certifies, to the best of its knowledge and belief that no such parts have been or will be furnished to Buyer by Seller. "Suspect/counterfeit parts" are parts that may be of new manufacture, but are misleadingly labeled to provide the impression they are of a different class or quality or from a different source than is actually the case. "Suspect/counterfeit parts" also include refurbished parts, with or without false labeling, that are represented as new parts or any parts that are designated as suspect by the U. S. Government, including but not limited to parts listed in alerts published by the Defense Contract Management Agency under the Government-Industry Data Exchange Program (GIDEP). If Seller becomes aware or suspects that it has furnished suspect/counterfeit parts or if Buyer determines, including as a result of alerts from the U.S. Government, that Seller has supplied suspect/counterfeit parts to Buyer and so notifies

Seller, Seller shall immediately replace the suspect/counterfeit parts with parts acceptable to Buyer and conforming to the requirements of the Order issued. Notwithstanding any other provision of this Purchase Order, Seller shall be liable for all costs incurred by Buyer to remove and replace the suspect/counterfeit parts, including without limitation all costs incurred by Buyer relating to the removal of such suspect/counterfeit parts, the reinsertion of replacement parts and any testing necessitated by the reinstallation of Seller's goods after suspect/counterfeit parts have been exchanged. All such costs shall be deemed direct damages. This Seller's warranty against suspect/counterfeit parts shall survive any termination or expiration of this Purchase Order. Seller shall cooperate with Buyer in any investigation relating to the suspect/counterfeit parts, including the impound by Buyer or government agencies of the suspect/counterfeit parts for purposes of investigation. The remedies in this provision are in addition to any remedies Buyer may have at law, equity or under other provisions of this Purchase Order. This provision applies in addition to any quality provision, specification, and statement of work or other provision in this Purchase Order addressing the authenticity of the part in question. To the extent such provisions conflict with or are more limited than this provision, this provision prevails.

97. PRODUCT VULNERABILITIES.

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

98-198. RESERVED

199. FAR/DFARS PROVISIONS/CLAUSES.

- A. The FAR and DFARS clauses cited in paragraph C. below are incorporated herein by reference at the effective version found in Buyer's Prime Contract, or higher-tier subcontract under which this Order is a subcontract. The listed FAR and DFARS clauses are incorporated herein as if set forth in full text unless made inapplicable by its corresponding note, if any. 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" in these Terms and Conditions.
- B. 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, and DFARS 252.227-7013 and 252.227-7014.

- C. FAR and DFARS clauses:

Clause	FAR		
Gratuities 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.”	52.203-3	Price Reduction for Defective Cost or Pricing Data – Modifications Note: Applicable if FAR 52.215-10 is not applicable to this Order.	52.215-11
Covenant Against Contingent Fees. Note: All Orders above the Simplified Acquisition Threshold	52.203-5	Subcontractor Cost or Pricing Data Note: Applicable to any Order when cost or pricing data are required.	52.215-12
Restrictions on Subcontractor Sales to the Government Note: Applicable to all subcontracts under this contract which exceed the simplified acquisition threshold.	52.203-6	Subcontractor Cost or Pricing Data – Modifications Note: Applicable if FAR 52.215-12 is not applicable to this Order.	52.215-13
Anti-Kickback Procedures Note: The substance of this clause, except subparagraph (c) (1), is applicable to any Order and all lower-tier subcontracts which exceed \$150,000. Seller shall immediately notify Buyer of any alleged violations involving any of Buyer’s or Seller’s employees	52.203-7	Integrity of Unit Prices Note: Delete paragraph (b) Note: Applicable to all orders above the Simplified Acquisition Threshold	52.215-14
Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions	52.203-11	Pension Adjustments and Asset Reversions Note: Applicable to any Order when cost or pricing data are required or for which any pre-award or post-award cost determinations will be subject to FAR Part 31.	52.215-15
Limitation on Payments to Influence Certain Federal Transactions Note: Applicable to all orders \$150,000 or Above	52.203-12	Facilities Capital Cost of Money Note: Applicable only if this Order is subject to the Cost Principles at FAR Subpart 31.2 and the Seller proposed Facilities Capital Cost of Money in its offer.	52.215-16
Contractor Code of Business Ethics and Conduct Note: All Orders of \$5,500,000 or Above	52.203-13	Waiver of Facilities Capital Cost of Money Note: Applicable only if this Order is subject to the Cost Principles at FAR Subpart 31.2 and the Seller did not propose Facilities Capital Cost of Money in its offer.	52.215-17
Display of Hotline Poster(s) Note: All Orders of \$5,500,000 or Above	52.203-14	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other than Pensions Note: Applicable to any Order when cost or pricing data are required or for which any pre-award or post-award cost determinations will be subject to FAR Part 31.	52.215-18
Preventing Personal Conflicts of Interest. Note: All Orders of \$150,000 or Above	52.203-16	Notification of Ownership Changes Note: Applicable to any Order when cost or pricing data are required or for which any pre-award or post-award cost determinations will be subject to FAR Subpart 31.2.	52.215-19
Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights. Note: All Orders above the Simplified Acquisition Threshold	52.203-17	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data.	52.215-20
Security Requirements Note: Delete paragraph (c.) Note: Applicable if the Order involves access to classified information.	52.204-2	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data – Modifications	52.215-21
Personal Identity Verification of Contractor Personnel	52.204-9	Limitations on Pass-Through Charges— Identification of Subcontract Effort	52.215-22
Reporting Executive Compensation and First-Tier Subcontract Awards	52.204-10	Limitations on Pass-Through Charges	52.215-23
Material Requirements	52.211-5	Allowable Cost and Payment.	52.216-7
Defense Priority and Allocation Requirements	52.211-15	Incentive Price Revision – Firm Target Note: Applicable to any FPIF Order or line item.	52.216-16
Audit and Records—Sealed Bidding. Note: All Orders of \$750,000 or Above	52.214-26	Incentive Price Revision – Successive Targets Note: Applicable to any FPIS Order or line item.	52.216-17
Audit and Records – Negotiation NOTE: Applicable to any Order when cost or pricing data are required.	52.215-2	Utilization of Small Business Concerns	52.219-8
Price Reduction for Defective Cost and Pricing Data Note: Applicable to any Order when cost or pricing data are required	52.215-10	Small Business Subcontracting Plan Note: Applicable to all orders \$700,000 or Above	52.219-9
		Notice to the Government of Labor Disputes	52.222-1

Contract Work Hours and Safety Standards Act – Overtime Compensation Note: Applicable to all subcontracts at any tier	52.222-4	Patent Rights – Retention by the Contractor (Long Form) Note: Applicable to Small Business firms or nonprofit organizations.	52.227-12
Walsh-Healey Public Contracts Act Note: Applicable to all orders \$15,000 or above.	52.222-20	Insurance – Work on a Government Installation Note: Applicable on any Order that requires work on a Government installation.	52.228-5
Prohibition of Segregated Facilities	52.222-21	Disclosure and Consistency of Cost Accounting Practices—Foreign Concerns. Note: All Orders of \$750,000 or above	52.230-4
Equal Opportunity	52.222-26	Payments under Time-and-Materials and Labor-Hour Contracts.	52.232-7
Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans Note: Applicable to all orders \$150,000 or above.	52.222-35	Interest	52.232-17
Affirmative Action for Workers With Disabilities Note: Applicable to all orders \$15,000 or above.	52.222-36	Unenforceability of Unauthorized Obligations	52.232-39
Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans Note: Applicable to all orders \$150,000 or above.	52.222-37	Industrial Resources Developed Under Defense Production Act Title III	52.234-1
Notification of Employee Rights Under the National Labor Relations Act.	52.222-40	Accident Prevention	52.236-13
Combating Trafficking in Persons	52.222-50	Protection of Government Buildings, Equipment, and Vegetation	52.237-2
Employment Eligibility Verification NOTE: Applicable to any Order greater than \$3,500 with a period of performance of 120 days or greater	52.222-54	Bankruptcy	52.242-13
Certification Regarding Trafficking in Persons Compliance Plan	52.222-56	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
Hazardous Material Identification and Material Safety Data	52.223-3	Competition In Subcontracting	52.244-5
Notice of Radioactive Materials	52.223-7	Subcontracts for Commercial Items	52.244-6
Ozone-Depleting Substances	52.223-11	Government Property	52.245-1
Toxic Chemical Release Reporting	52.223-14	Government Property (Fixed-Price Contracts) Note: Applicable to any Order if Government property is furnished to Seller. Note: In the phrases "Government Property", "Government-furnished property", and in references to title to property, "Government" shall not mean "Buyer". The second time "Government" appears in paragraph (b) (ii) "Government" stays "Government". The following is added as paragraph (m): "Contractor shall provide Buyer immediate notice of any disapproval, withdrawal of approval, or non-acceptance by the Government of its property control system."	52.245-2
Encouraging Contractor Policies to Ban Text Messaging While Driving	52.223-18	Special Tooling Note: Applicable to any Order that involves special tooling. Note: In paragraph (j) change "180 days" to "240 days" and "90 days" to "150 days".	52.245-17
Privacy Act	52.224-2	Special Test Equipment Note: Applicable to any order which involves the acquisition / fabrication of Special Test Equipment Note: The phrase "30 days" in paragraphs (b) and (c) shall be changed to "45 days."	52.245-18
Buy American Act – Supplies	52.225-1	Inspection of Supplies – Fixed-Price	52.246-2
Duty-Free Entry	52.225-8	Inspection of Services - Fixed-Price	52.246-4
Restrictions on Certain Foreign Purchases	52.225-13	Preference for U.S. Flag Air Carriers Note: Applicable to any Order and lower-tier subcontracts that involve international air transportation.	52.247-63
Utilization of Indian Organizations and Indian-Owned Economic Enterprises	52.226-1	Preference for Privately Owned U.S.-Flag Commercial Vessels	52.247-64
Authorization and Consent Note: Applicable only if contained in the controlling prime contract.	52.227-1		
Notice and Assistance Regarding Patent and Copyright Infringement Note: Applicable to subcontracts that are expected to exceed the simplified acquisition threshold 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		
Refund of Royalties	52.227-9		
Filing of Patent Applications – Classified Subject Matter	52.227-10		
Patent Rights – Retention by the Contractor (Short Form) Note: Applicable to Small Business firms or nonprofit organizations.	52.227-11		

Value Engineering Note: Applicable to all Orders of \$100,000 or more except as specified in FAR 48.201(a). Note: Substitute “Buyer” for “Contracting Officer” and “Government” throughout, except where used in the term “Government costs” and in paragraph (m) where “Government” shall mean “Government and/or Buyer”.	52.248-1
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Clause	DFARS
Prohibition on Persons Convicted of Fraud or Other Defense Contract Related Felonies Note: Applicable to all orders exceeding the simplified acquisition threshold except those for commercial items or components.	252.203-7001
Display of Hotline Poster NOTE: Applicable to Orders greater than \$5,500,000, except for Orders for commercial items	252.203-7004
Requirements for Contracts Involving Export-Controlled Items	252.204-7008
Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information NOTE: When applicable.	252.204-7009
Safeguarding Covered Defense Information and Cyber Incident Reporting NOTE: When applicable.	252.204-7012
Intent to Furnish Precious Metals as Government-Furnished Material	252.208-7000
NOTE: Applicable to any Order and all lower-tier subcontracts unless it is known that the item being purchased contains no precious metals.	
Subcontracting with Firms That Are Owned or Controlled by the Government of a Terrorist Country.	252.209-7004
Acquisition Streamlining Note: Applicable to all orders \$1,500,000 or above	252.211-7000
Pricing Adjustments Note: Applicable when it is contemplated that Cost or Pricing Data will be required.	252.215-7000
Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (DoD Contracts) Note: Applicable to any Order anticipated being valued at \$700,000 or above.	252.219-7003
Restrictions on the Use of Mandatory Arbitration Agreements	252.222-7006
Representation Regarding Combating Trafficking in Persons	252.222-7007
Hazard Warning Labels Note: Applicable to any Order which requires delivery of hazardous materials.	252.223-7001

Clause	DFARS
Safety Precautions for Ammunition and Explosives Note: Applicable to any Order involving articles furnished containing ammunition or explosives.	252.223-7002
Change in Place of Performance - Ammunition and Explosives Note: Applicable if DFARS 252.223-7002 applies to the Order.	252.223-7003
Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives NOTE: Applicable to any Order and all lower-tier subcontracts involving arms, ammunition and explosives.	252.223-7007
Prohibition of Hexavalent Chromium NOTE: Applicable to any Order for supplies, maintenance and repair services, or construction materials.	252.223-7008
Buy American Act and Balance of Payments Program	252.225-7001
Qualifying Country Sources As Subcontractors	252.225-7002
Restriction on Acquisition of Certain Articles Containing Specialty Metals	252.225-7009
Preference for Certain Domestic Commodities Note: Applicable to all orders that exceed the simplified acquisition threshold	252.225-7012
Duty – Free Entry	252.225-7013
Preference for Domestic Specialty Metals Alternate I	252.225-7014
Restriction on Acquisition of Hand or Measuring Tools	252.225-7015
Restriction on Acquisition of Ball and Roller Bearings NOTE: Applicable to any Order and all lower-tier subcontracts if Product supplied contains ball or roller bearings.	252.225-7016
Trade Agreements	252.225-7021
Restriction on Acquisition of Polyacrylonitrile (PAN) Carbon Fiber	252.225-7022
Restriction on Acquisition of Forgings	252.225-7025
Exclusionary Policies and Practices of Foreign Governments	252.225-7028
Restriction on Acquisition of Carbon, Alloy, and Carbon Steel Plate	252.225-7030
Waiver of United Kingdom Levies	252.225-7033
Buy American Act – Free Trade Agreements – Balance of Payments Program	252.225-7036
Contractor Personnel Supporting a Force Deployed Outside the United States	252.225-7040
Antiterrorism/Force Protection for Defense Contractors Outside the United States	252.225-7043
Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns	252.226-7001
Rights in Technical Data – Noncommercial Items	252.227-7013

Clause	DFARS
Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation	252.227-7014
Technical Data—Commercial Items	252.227-7015
Rights in Bid or Proposal Information	252.227-7016
Validation of Asserted Restriction – Computer Software	252.227-7019
Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends	252.227-7025
Deferred Delivery of Technical Data or Computer Software	252.227-7026
Deferred Ordering of Technical Data or Computer Software	252.227-7027
Technical Data – Withholding of Payment	252.227-7030
Validation of Restrictive Markings on Technical Data	252.227-7037
Patents – Reporting of Subject Inventions	252.227-7039
Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles	252.228-7005
Supplemental Cost Principles	252.231-7000
Frequency Authorization and Alternate I	252.235-7003
Protection Against Compromising Emanations	252.239-7000
Cloud Computing Services NOTE: When applicable	252.239-7010
Telecommunication Security Equipment, Devices, Techniques and Services	252.239-7016
Earned Value Management System Note: Previous clause number 252.234-7000 & 7001	252.242-7001 & 7002
Pricing of Contract Modifications	252.243-7001
Subcontracts for Commercial Items and Commercial Components (DoD Contracts)	252.244-7000
Reports of Government Property NOTE: Applicable if Government Property is provided or acquired under this Order. Seller shall submit its required reports to Buyer. In paragraph (a) (3); change October 31 to October 10.	252.245-7001
Warranty of Data	252.246-7001

Clause	DFARS
Notification of Potential Safety Issues	252.246-7003
Contractor Counterfeit Electronic Part Detection and Avoidance System	252.246-7007
Transportation of Supplies by Sea	252.247-7023
NOTE: Applicable in any Order and all lower-tier subcontracts that exceed the simplified acquisition, for ocean transportation of supplies. Paragraphs (f) and (g) shall not apply if this Order or any lower-tier subcontract is at or below the simplified acquisition threshold. NOTE: 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 “20” in paragraph (e). In paragraph (e), delete “and the division of National Cargo, Office of Market Development, Maritime Administration, U.S. Department of Transportation, Washington, DC 20590.” In paragraph (g) “for the purposes of the Prompt Payment clause of this contract” is deleted.	
Notification of Transportation of Supplies by Sea	252.247-7024
Notification of Anticipated Contract Termination or Reduction	252.249-7002
NOTE: Applicable to all Orders of \$700,000 or more when Seller is first-tier subcontractor or \$150,000 or more when Seller is lower-tier subcontractor.	