

PSS/T-28
NORTHROP GRUMMAN SYSTEMS CORPORATION

PURCHASE ORDER TERMS AND CONDITIONS
INDEMNIFICATION AND RELEASE OF LIENS

Title and Clause Number	
Contractor Responsibility	5.
Compliance with Laws	28.
Divestitures	81.
Export and Import	32.
Indemnification	1.
Mergers and Acquisitions	82.
Patent, Trademark and Copyright Indemnity	2.

Title and Clause Number	
Product Vulnerabilities	97.
Release of Liens	4.
Response to Audit	80.
Subcontracting	22.
Waiver of Liens	3.

1. INDEMNIFICATION.

Contractor (A) shall indemnify and save harmless Northrop Grumman Systems Corporation (NGSC), its subsidiaries, affiliates, officers and employees from all claims, demands, causes of action or suits of whatever nature arising out of the services, labor and materials furnished by Contractor or its subcontractors and from all laborer's, material men's and mechanic's liens upon the real property upon which the work is located arising out of the services, labor and materials furnished by Contractor or any of its subcontractors under this contract, and (B) shall keep said property free and clear of all liens and claims and encumbrances arising from the performance of this contract by Contractor or its subcontractors.

2. PATENT, TRADEMARK, AND COPYRIGHT INDEMNITY.

Contractor shall defend, indemnify, and hold NGC, NGC's officers, agents, employees, and customers harmless against all claims and liabilities, including costs, for infringement of any United States patent, trademark, or copyright by any Products delivered under this Order or, at Contractor's option and expense, Contractor shall obtain such licenses as are necessary to remove such infringement, provided that Contractor is reasonably notified of such claims and liabilities. Contractor's obligation shall not apply to Products manufactured by Contractor pursuant to detailed designs developed by NGC and furnished to Contractor under an Order which does not require research, development, or design work by Contractor. Contractor's obligation shall also not apply to any infringement arising from the use or sale of Products in combination with items not delivered by Contractor if such infringement would not have occurred from the use or sale of such Products solely for the purpose for which they were designed or sold to NGC. Contractor's obligation shall extend to the U.S. Government only if and to the extent NGC has agreed to indemnify the U.S. Government.

3. WAIVER OF LIENS.

Contractor for its subcontractors, material men, laborers and for all other persons performing any labor or furnishing any services, labor or materials for any of the work, hereby waives, to the full extent permitted by law, all right to file or maintain any mechanical or other liens or claims for and on account of the services, labor or materials to be furnished hereunder.

4. RELEASE OF LIENS.

Contractor shall furnish for that portion of the work covered under each invoice submittal:

- A. A list of every subcontractor, material man, laborer and other person furnishing services, labor or materials in connection with the work, and
- B. Original, duly executed unconditional waiver and release upon progress payment, or, , unconditional waiver and release upon final payment, in a form specified by NGC for itself, every subcontractor, material man, laborer and other person furnishing services, labor, equipment, or materials in connection with the work, or
- C. Original, duly executed Form 31-567B, Condi-tonal Waiver and Release Upon Progress Payment, or, Form 31-567C, Conditional Waiver and Release Upon Final Payment, for itself, every subcontractor, material man, laborer and other person furnishing services, labor, equipment, or materials in connection with the work, or
- D. Except as covered by the release or receipt in full, Contractor may furnish a bond satisfactory to NGC against any claim or lien or otherwise.

5. CONTRACTOR RESPONSIBILITY.

Contractor shall be responsible for verifying that all subttler level contractors have provided duly executed lien releases to their customers, and/or the contractor, thus relieving NGC of the liability for those contracts.

6 - 21. RESERVED.

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 subcontract 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.

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.

32. EXPORT AND IMPORT

- A. Export Compliance. Seller is advised that its performance of this Order may involve the use of or access to articles, technical data or software this is subject to export controls under 22 United States Code 2751-2796(Arms Export Control Act) and 22 Code of Federal Regulations 120-130(International Traffic in Arms Regulations) or 50 United States Code 2401-2420(Export Administration Act) and 15 Code of Federal Regulations 768-799 (Export Administration Regulations) and their successor and supplemental laws and regulations(collectively hereinafter referred to as the "Export Laws and Regulations"). Seller represents and warrants that it is either 1) a U.S. Person as that term is defined in the Export Laws and Regulations, or 2) that it has disclosed to Buyer's Representative in writing the country in which it is incorporated or otherwise organized to do business, or if a natural person, all citizenships and US immigration status. Seller shall comply with any and all Export Laws and Regulations, and any license(s) issued there under.
- B. 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 Office of Defense Trade Controls, as required by the ITAR and it maintains an effective export and import compliance program in accordance with the ITAR.
- C. Foreign Personnel/Person. Seller shall not give any Foreign Person access to Technical Data, software or Defense Articles, or provide an unauthorized Defense Service as those terms are defined in the

applicable Export Laws and Regulations without the prior written consent of Contractor/Buyer. Any request for such consent must state the intended recipient's citizenship(s) and status under 8 U.S.C 1324(the "Immigration and Naturalization Act"), and such other information as Buyer may reasonably request. No consent granted by Buyer in response to Seller's request under this paragraph C. 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.

- D. Indemnification. Seller shall indemnify and save harmless Buyer from and against 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. 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 performance of any part of work under this order.

33 - 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.

further occurrences; replacement of the defective product(s); enhanced quality control procedures.

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. – 96 RESERVED.

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