

PSS/T-28
NORTHROP GRUMMAN SYSTEMS CORPORATION

PURCHASE ORDER TERMS AND CONDITIONS
INDEMNIFICATION AND RELEASE OF LIENS

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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. 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.

7. 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 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. 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.