



GENERAL TERMS AND CONDITIONS – For Northrop Grumman Corporation RELATED PARTIES INTERNATIONAL TRANSACTIONS Targeted Country Contracting Entity to U.S. Domestic Entities

CTM No. P409

Primary Process Owner: Director of Corporate Supply Chain

Functional Process Owner: Manager of Corporate Supply Chain Strategy, Performance, and Initiatives

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1. DEFINITIONS

A. BUYER means the Northrop Grumman Entity as specified on the face of this Order receiving benefit.

B. BUYER'S AUTHORIZED PURCHASING REPRESENTATIVE means the person authorized by Buyer's cognizant procurement organization to administer and/or execute the Order and who has sole authority to make contractual commitments on behalf of Buyer, to provide contractual direction, and to change contractual requirements as defined in the Order.

C. INCOTERMS means the set of international rules for the interpretation of terms used in foreign trade contracts as prepared and published by the International Chamber of Commerce, Paris, France. When a term covered by such Incoterms is specified in this Order, such term shall be governed by the Incoterms 2010 unless otherwise stated within this Order. In case of a conflict between the provisions of the Inco-terms and the provisions of this Order, the provisions of this Order shall govern.

D. PROPRIETARY INFORMATION means any information of a technical, commercial or business nature which should not be

disclosed to any party other than the BUYER and SELLER without authorization by the other.

E. ORDER means the instrument of contracting including this document and all referenced documents, including any subsequent changes or modifications.

F. PARTY/PARTIES means Buyer and Seller individually/collectively.

G. PRIME CONTRACT means the contracting instrument issued to Buyer or Buyer's higher tier customer by its customer for the acquisition of Products and/or Services.

H. PRODUCTS means those deliverable goods, supplies, reports, computer software, data, materials, articles, items, parts, components or assemblies, and any incidental to any related services described in or required by the Order.

I. SELLER means the performing Northrop Grumman entity with whom Buyer is contracting under this Order.

J. TECHNICAL DATA means all designs, dimensions, specifications, drawings, patterns, know how, or other information concerning, methods, manufacturing processes, equipment, gauges and tools used in the design, manufacture, assembly,

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operation, repair, testing, maintenance, or modification of Products. This includes information in the form of blueprints, drawings, photographs, plans, instructions and documentation, or used in the performance of Services. Technical Data may be recorded in a written or printed document, computer or electronic file, electro-magnetic tape or disc, software, or any other tangible form of expression. Technical Data also includes unclassified and classified information that is required for defense articles, in accordance with International Traffic in Arms Regulations (ITAR) 22 CFR § 120.10.; technical information in support of defense services; any information covered by an invention secrecy order; and software directly related to defense articles as defined in (ITAR) § 121.8(f).

K. SERVICES means Seller's, or its subcontractor's or supplier's, time and effort required to perform tasks or other labor requirements of the Order, including any goods, supplies, material, articles, items, parts components or assemblies (Products) incidental to the performance of the Service.

2. ORDER ACCEPTANCE

This Order, to be binding, must be signed by Buyer's Authorized Purchasing Representative and Seller's Authorized Contracting Representative. Modifications hereto, to be binding, must be in writing or acknowledged electronically by Buyer's Authorized Purchasing Representative and Seller's Authorized Contracting Representative.

3. CONTRACT AUTHORIZATION

A. Buyer's Authorized Purchasing Representative and Seller's Authorized Contracting Representative have sole authority to make contractual commitments on behalf of Buyer and Seller respectively, 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 products or services hereunder. Such communications shall not be contractually binding on either Party and 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.

4. DELIVERY

A. The Parties expressly agree that delivery in accordance with the schedule shall remain a material element of this Order.

B. Delivery is to be made both in quantities and at times specified herein. All deliveries will be in accordance with the applicable quantities and schedules set forth in this Order.

C. Whenever it appears Seller will not meet the delivery schedule, Seller will notify Buyer of the reason and estimated length of the delay. Seller will make reasonable efforts to avoid or minimize the delay to the maximum extent possible.

D. If Seller is unable to meet the required delivery schedules for any reason, Seller and Buyer shall work together to resolve the issue. This condition shall not limit Buyer's rights and remedies under the Termination clauses herein.

5. FREIGHT CHARGES

Freight charges shall be specified on this Order and in accordance with the mutually agreed Prime Contract.

6. INVOICE AND PAYMENT

Each payment event shall be broken out separately on the invoice, unless otherwise agreed, and should include the relevant Buyer Order number. Unless otherwise specified in this Order, no invoice shall be issued prior to payment event completion and no payment will be made prior to payment event completion and receipt of a correct invoice. Payments shall be made as soon as possible after receipt of Buyer's Payment from Customer.

7. PACKING AND SHIPPING

All shipments are to be made in accordance with the specifications provided under any Order placed pursuant to these terms.

8. INSPECTION

A. Buyer, and its customer, upon notice to Seller, may inspect and test material, work in progress and supplies at all reasonable times and places, during manufacturing and otherwise. Buyer's inspection may, include physical, visual and/or mechanical review, as well as any documentation necessary. If inspection and test are made on Seller's premises, Seller, without additional charge to Buyer, shall provide reasonable facilities and assistance for the safety and convenience of the inspectors in performing their duties. Inspections and tests by Buyer shall be performed in such manner as not to unduly delay the work.

B. The inspection or review by Buyer of any work will not be deemed to relieve Seller of any of its obligations under any Order, or to constitute a waiver of any defects or nonconformities.

C Except as otherwise agreed in writing, all shipments and supplies furnished under this Order shall be subject to final inspection and acceptance by Buyer as identified in this Order notwithstanding any inspection, of any type or the earlier passing of title to Buyer or any prior payment by Buyer. Seller shall maintain an acceptable quality control and inspection system per its ISO standards.

D. Except as specifically otherwise provided in this Order, Seller shall be responsible for supplies meeting the requirements of this Order until final inspection and acceptance and shall bear all risks as to rejected supplies or supplies requiring correction after notice of rejection notwithstanding any prior acceptance.

9. WARRANTIES

A. Seller warrants at the time of delivery, or other such time agreed between the Parties, that all supplies or services covered by this Order will conform to the design, specifications, drawings, samples and other descriptions referred to in this Order, will be free from defects in workmanship, and, will conform with any other warranties required under this Order. All warranties contained in this clause shall run to Buyer and its customers.

B. Seller warrants that the supplies and/or services provided under this Order shall not infringe upon the rights of any third party, and that Seller is subject to no agreement which in any manner would interfere with the Intellectual Property Rights and Protection of Information clauses of this Order.

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

10. CHANGES

A. Buyer's Authorized Purchasing Representative may at any time, by written order, and without notice to sureties or assignees, if any, make changes within the general scope of this Order including but not limited to, changes in (1) drawings, designs,

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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 – but only if said changes are made by Buyer's customer or as otherwise mutually agreed.

B. If the authorized change causes an increase or decrease in the cost or time required to perform this Order, Buyer and Seller shall negotiate an equitable adjustment in the price or schedule, or both, to reflect the increase or decrease.

C. Any claim for adjustment should be submitted in writing in accordance with the specifications provided under any Order placed pursuant to these terms.

D. Buyer has the right to examine any of Seller's pertinent books and records for the purpose of verifying Seller's claim.

E. Failure to agree to any adjustment shall be a dispute within the meaning of the "Disputes" clause of these terms and conditions.

11. ORDER OF PRECEDENCE

The various documents constituting this Order shall, insofar as is possible, be interpreted so as to be consistent with one another. In the event that a conflict or ambiguity arises in the interpretation of this Order, said conflict or ambiguity shall be resolved in accordance with the following order of precedence, with the first listed item having a higher precedence than later listed items

- A. Any US laws
- B. Any provisions required by statute or regulation
- C. Buyer's Prime Contract flow downs (attached herein)
- D. Any Change Order document(s)
- E. Original Order document
- F. This terms and conditions document
- G. Statement of work
- H. Specifications/drawings
- I. Other referenced documents

12. GOVERNING LAW

Irrespective of the place of performance, this Order and any dispute arising under or in connection with it shall be governed by and interpreted in accordance with the substantive laws of the State of New York, United States of America (USA), without regard to its conflicts of law principles. The Parties agree the provisions of the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Order.

13. DISPUTES

A. Amicable Negotiation. All disputes, differences, controversies, claims or questions arising in connection with, arising out of, occurring under, or related to, this Order and any subsequent amendments thereto, including, without limitation, the formation, validity, binding effect, interpretation, performance, breach or termination, as well as non-contractual claims (a "Dispute") shall be reduced to writing in a document to be sent to the other Party, requesting amicable negotiation (a "Negotiation Request"). A Negotiation Request may be sent by e-mail. The negotiation process hereunder shall be submitted to mutually compatible levels of management of the respective Parties to try and resolve the Dispute amicably and in good faith and the executives selected shall use their reasonable best efforts to meet and to find a mutually acceptable resolution to the Dispute.

B. Disputes that cannot be amicably negotiated within 60 days or within such further period of time as the Parties may have agreed in writing will be decided in accordance with the International Business Operating Model (IBOM.)

14. TERMINATION FOR CONVENIENCE

A. This Order and any and all rights granted and obligations assumed may be terminated in whole or in part by Buyer, only if Buyer's Order is terminated by its customer or as mutually agreed upon by Parties. Buyer shall deliver to Seller a written notice of termination specifying the extent of termination and the effective date.

B. In the event payment has been made by Buyer in excess of the amount determined as being the entitlement of Seller under the provisions of this article, Seller shall repay such excess costs in a timely manner.

C. In the event payments made by Buyer are less than the amount determined as being the entitlement of Seller under the provisions of this article, Buyer shall pay to Seller such difference between the amount so paid and the total amount determined to be due to Seller in accordance with this article and the payment terms of this agreement.

D. Notwithstanding the foregoing, the Parties hereto may mutually agree to a partial termination of the Order provided such agreement: (1) equitably revises the price for work remaining to be performed and/or delivery of supplies by Seller thereafter; (2) equitably revises all such other rights requirements, risks, obligations and/or responsibilities as may be affected by such partial termination; and (3) is evidenced by a formal modification to this Order signed by both Parties.

E. Buyer's total liability to Seller will not exceed the total Order price of the supplies or services to which such termination applies and as reduced by the amount of payments previously made and the Order price of work not terminated, nor shall Buyer be liable for incidental or consequential liabilities, unless otherwise mutually agreed to by the Parties. Further, Seller shall have no claim against Buyer for loss of anticipated profits or consequential damages suffered by reason of such termination. If the Parties are unable to reach agreement on an equitable settlement pursuant to this clause, any such dispute shall be handled in accordance with the Disputes clause of this Order.

F. Unless otherwise provided in this Order, Seller shall maintain all records and documents relating to the terminated portion of this Order for three (3) years after final settlement. This includes all books and other evidence bearing on Seller's costs and expenses under this Order. Seller shall make these records and documents available to Buyer, at Seller's office, at all reasonable times, at no charge.

15. TERMINATION FOR DEFAULT

A. Buyer may terminate this Order in whole or in part, by written notice of default to Seller if Buyer receives similar direction from Buyer's customer.

B. After receipt of notice of termination, and except as otherwise mutually agreed, Seller shall immediately proceed with the obligations as required by Buyer's contract with Buyer's customer.

16. BUYER'S PROPERTY

Supplies, materials, equipment, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment and other items furnished or delivered

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by Buyer to Seller to perform the Order, (collectively referred to as "Buyer's Property"), shall be and remain the property of Buyer unless otherwise agreed. Buyer's Property shall at all times be properly housed and maintained by Seller and shall be conspicuously marked PROPERTY OF [INSERT TCCC] by Seller, shall not be used by Seller for any purpose other than the performance of this Order, shall not be commingled with the property of Seller or with that of any third party, and shall not be moved from Seller's premises without Buyer's prior written approval. Upon the request of Buyer, Buyer's Property shall be immediately released to Buyer or delivered to Buyer by Seller, at Buyer's direction. Buyer shall have the right to enter onto Seller's premises to inspect Buyer's Property and Seller's records with respect thereto.

17. TAXES AND DUTIES

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

B. The Order price shall include all applicable taxes and duties. Such taxes and duties, if any, shall be separately itemized 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.

18. ASSIGNMENT

A. Neither this Order, nor any payments, rights, obligations, duties or claims hereunder, are assignable or transferable by subcontract or otherwise without other Party's prior written consent, which will not be unreasonably withheld.

19. SUBCONTRACTING

A. Any subcontract assignment, subcontract or other transfer of rights or obligations arising under this Order and made 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.

B. Subcontracting or delegation by Seller, with or without Buyer's consent, shall not relieve Seller of any of its obligations under this Order or prejudice any of Buyer's rights against Seller whether arising before or after the date of any subcontracting or delegation.

C. This provision shall not apply to purchases of standard commercial articles, including electronic components or raw materials such as casting, forgings, and rough welded structures on which Seller will perform further work

20. INTELLECTUAL PROPERTY RIGHTS AND INDEMNIFICATION

A. Seller and Buyer shall retain all rights in its intellectual property either existing at the execution of this Order or created under this Order. Intellectual property jointly generated by employees of Seller and Buyer shall be jointly owned by the Parties.

B. Unless agreed in writing otherwise, Seller hereby grants to Buyer a non-exclusive, worldwide, right and license to copy, modify, use and disclose to Customers any product, data, software and information delivered by Seller under this Order

("Deliverables") for the performance of this Order and any higher tier contract. Buyer agrees to maintain any restrictive markings placed on the Deliverables by Seller unless Seller provides written authorization otherwise.

C. Seller shall hold and save Buyer harmless from liability of any kind, including costs and expenses, for or on account of any alleged intellectual property made or used by Seller in the performance of the work under this Order; provided, however, that this indemnification shall not be applicable to infringement of intellectual property rights of third parties which results from acts of Seller complying with specific written instructions furnished by Buyer.

21. RESERVED

22. INSURANCE

A. Reserved

23. 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 and provide 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.

24. COMPLIANCE WITH LAWS

Seller warrants that it shall abide by and comply with all applicable laws, regulations and rules of any country, including any governmental subdivision thereof, where Seller has an office or facility or is otherwise doing business or properly subject to jurisdiction, as well as all applicable laws of the United States of America, including, but not limited to, the U.S. Foreign Corrupt Practices Act, Trading With The Enemy Act, Arms Export Control Act and regulations of the Office of Foreign Assets Control.

25. OFFSET COMMITMENT

A. Definition: "Offset Commitment" means the obligation that Buyer undertakes, resulting from Buyer's acceptance of its Prime Contract related to this Order, 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. Seller agrees that it is obligated to provide reasonable support to Buyer's Offset Commitment as a condition of this Order.

C. The offset credits, up to the amount required for Buyer to liquidate its Offset Commitment, 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 Buyer's Offset Commitment. In addition, Seller agrees to identify and retain for Buyer's use any rights to offset credits, up to the amount required for Buyer to liquidate its Offset Commitment, generated by Seller's suppliers and subcontractors arising out of or resulting from this Order. Seller shall retain any offset credits, beyond the amount required for Buyer to liquidate its Offset Commitment, for the exclusive use of Seller unless otherwise mutually agreed between Buyer and Seller.

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D. Buyer may assign offset credits generated through Seller's efforts under this Order to third parties as mutually agreed between Buyer and Seller.

26. EXPORT AND IMPORT COMPLIANCE

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-U.S. 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 Order is valued in an amount of U.S. \$500,000 or more, then in performance of this 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 U.S. \$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 U.S. \$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.

1. 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.
2. 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, Buyer will not assume any import

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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 B. 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. Notifications. Seller agrees to provide prompt notification to Buyer in the event of changes in circumstances such as ineligibility to contract with U.S. Government, debarment, assignment of consent agreement, and initiation or existence of a U.S. 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.

27. RELEASE OF INFORMATION OR ADVERTISING

A. Except as required by law, no news release in any way relating to Buyer or Seller concerning this Order shall be made by either Party to any news media or the general public without the prior written approval of the other Party. Seller will not, and will require its suppliers and subcontractors to not advertise or publish the fact that Buyer has ordered supplies or services from Seller, or the terms or nature of such order. Seller will not and will cause its employees and other representatives to not disclose such information in company periodicals, press releases, public lectures, sales or other promotional literature, websites or otherwise. The Parties agree that in the event a news release is so approved and made, such news release will recognize both Buyer and Seller. Additionally, Seller shall not use Buyer's name or identify Buyer in any advertisement, display, news release, or other public disclosure without Buyer's prior written consent.

28. 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.

29. 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.

30. NONWAIVER OF REMEDIES

A Party's failure at any time to enforce any provision of this Order shall not constitute a waiver of the provision or prejudice a Party's right to enforce that provision at any subsequent time.

31. RESERVED

32. RESERVED

33. RELATIONSHIP OF THE PARTIES

The relationship of Seller to Buyer shall be that of an independent contractor and nothing contained herein shall be construed as

creating any employer/employee, agency, or other relationship of any kind. Seller's employees, agents or representatives (hereinafter "Employees") performing 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. Under no circumstance shall Seller be deemed an agent or representative of Buyer or authorized to commit Buyer in any way.

34. STOP WORK

A. If Buyer's Order is stopped by its customer, then Buyer may, by written order to Seller, require Seller to stop this Order's work called for by the Buyers' customer for a period consistent with the work stoppage issued by Buyer's customer. Any work stoppage period inconsistent with the work stoppage issued by Buyer's customer, or any work stoppage request not related to a work stoppage from Buyer's customer, must be mutually agreed. Any such order shall be specifically identified as a Stop Work Order (SWO) issued pursuant to this clause. Upon receipt of a SWO, Seller shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the SWO during the period of work stoppage. Within the period of the work stoppage specified by the SWO, and any amendments to it, Buyer shall either (1) cancel the SWO or (2) terminate the work covered by the SWO as provided for in the applicable termination clause contained herein.

B. If a SWO issued under this clause is canceled, or the period of the Order or any extension thereof expires, Seller shall resume work. An equitable adjustment shall be made in the delivery schedule or Order price, or both, and the Order shall be modified in writing accordingly, if (1) the stop work results in an increase in the time required for, or in Seller's cost properly allocable to, the performance of any part of this Order, (2) Seller submits its proposal for such adjustment within a mutually agreed period after the end of the period of work stoppage and (3) if Buyer is successful negotiating Seller's portion of the equitable adjustment with Buyer's customer. Failure of the Parties to agree to any adjustment to be made under this clause shall not excuse Seller from proceeding with the performance of the Order.

35. CONFLICTS OF INTEREST

Seller warrants to the best of its knowledge and belief, that no conflict or potential 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.

36. PROTECTION OF INFORMATION

A. Unless expressly stated otherwise herein, the exchange of information under this Order shall be governed by this Order and, in particular this Clause 36, which supersedes any prior agreement between Buyer and Seller to protect information relating to the purpose of this Order.

B. Each Party agrees to keep confidential and not to disclose to any other person (unless permitted below or elsewhere in this Order) any Proprietary Information received from the other Party in connection with this Order. Proprietary Information shall be all information exchanged under this Order in written or other permanent form which is clearly and conspicuously marked as

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being proprietary using an appropriate legend. Proprietary Information shall also include information originally disclosed in some other form (e.g., orally or visually) to the extent that the disclosing Party: 1. Identifies the information as proprietary at the time of original disclosure; 2. Summarizes the Proprietary Information in writing; 3. Marks the writing clearly and conspicuously with an appropriate proprietary legend; and 4. Delivers the writing to the receiving party within thirty (30) days of the original disclosure. The foregoing limitation on disclosure and use shall not apply to data or information which (i) was in the rightful possession of a receiving Party without restriction, prior to the first receipt from the disclosing Party; or (ii) now or hereafter, through no act or failure to act on the part of a receiving Party, becomes generally known and available to the public without restriction; or (iii) is hereafter disclosed and made available to a receiving Party without restriction by others having the right to make such disclosure.

C. Seller agrees to use Buyer's Proprietary Information only for purposes necessary for performing this Order, without first obtaining Buyer's written authorization. Seller further hereby grants to Buyer a non-exclusive, irrevocable, worldwide, right and license to copy, modify, use and disclose to the U.S. Government, or other Customer, or any higher tier contractor, any information received from Seller, including Proprietary Information, for the performance of this Order and any higher tier contract from which this Subcontract is issued. Buyer shall maintain all proprietary markings on Seller's Proprietary Information.

D. 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 estoppel 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.

E Seller's obligations with respect to information or data 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.

37. PRICES

The prices stated in this Order are stated in United States Dollars and are not subject to exchange rate adjustments, unless otherwise mutually agreed.

38. APPLICABLE LANGUAGE

This Order is made in the English language and all correspondence between the Parties of a technical and non-technical nature shall be in the English language and shall employ the units of measure customarily used by Buyer in the United States of America, unless otherwise specified. All notices and other binding communications may, unless otherwise specified, be sent by facsimile, electronic mail, air mail, or other customary means.

39. PRIVACY, CONFIDENTIALITY AND DATA SECURITY

This clause sets forth the terms and conditions relating to the privacy, confidentiality and security of Personal Information (as defined below) associated with services [to be] rendered by Seller ("Seller") to Northrop Grumman or its affiliates (collectively, "Northrop Grumman") pursuant to [this agreement].

A. Definitions and Framework

It is acknowledged by all parties that the Personal Information (PI) data elements about individuals to adhere to Northrop Grumman's Policies and Procedures related to protecting, storing, maintaining, disseminating and disposal of aforementioned data. Privacy regulations and company policies require that PI is protected whether hard copy documents (paper) or computerized data.

B. Terms and Conditions

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

1. Seller will hold in strict confidence any and all Personal Information.
2. Seller will provide at least the same level of privacy protection for Personal Information as is required by the relevant U.S.-EU Safe Harbor Framework ("Safe Harbor") Principles.
3. Seller 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.
4. Seller will comply with all applicable laws and regulations relating to the privacy, confidentiality or security of Personal Information and applicable provisions of Buyer's privacy policies, statements or notices that are attached hereto (collectively, "Privacy Requirements").
5. In the event a Privacy Requirement, enforcement action, investigation, litigation or claim, or any other circumstance, is reasonably likely to adversely affect Seller's ability to fulfill its obligations under this agreement, Seller will promptly notify Northrop Grumman in writing – Buyer and Seller will then mutually agree on how to remedy the situation.
6. Subject to applicable law, in the event Seller is required by law or legal process to disclose Personal Information, it will give prior written notice of the disclosure to Buyer, so that Buyer may, in its discretion, seek to block the disclosure. Buyer will have the right to defend such action in lieu of and on behalf of Seller. Buyer may, if it so chooses, seek a protective order. Seller will reasonably cooperate with Buyer in such defense.
7. Seller may disclose Personal Information to a third party if, and only if, it obtains the written consent of Buyer and (1) the disclosure is made to a party that performs services on behalf of Buyer and the disclosure is made in order to perform the Seller's services to Buyer; or (2) the disclosure is made to a third party performing clerical, administrative, technical, or security-related services for Seller, and such disclosure is incidental to the performance of such services. In either case, Seller will enter into a written agreement with such third party under which the third party agrees it will:
 - (a) Maintain the confidentiality of the disclosed Personal Information
 - (b) Provide at least the same level of privacy protection as is required by the relevant Safe Harbor Principles (unless such third party has certified to the Safe Harbor, or is subject to the European Union Directive on Data Protection (Directive 95/46/EC) or another adequacy finding by the European Commission, in which case the third party is not required to make the representation contained in (ii)).

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- (c) Not disclose the Personal Information to other third parties without the prior written agreement of Buyer
 - (d) Use the Personal Information only in connection with performing its obligations under its agreement with Seller
 - (e) Disclose the Personal Information only to its own personnel who need the information to perform the obligations under the agreement with Seller, and who have been fully advised as to the confidentiality requirements set forth herein
 - (f) Promptly notify Seller of any Information Security Incident (as defined below)
 - (g) Return to Seller all copies of Personal Information Processed in connection with the relevant services for which the third party was retained or, upon Seller's written request (provided that Seller receives Buyer's prior written approval), securely destroy or, at the option of Buyer, render unreadable or undecipherable, all such Personal Information, including all hard-copy and electronic versions.
8. Seller will develop, implement and maintain a comprehensive written information security program that complies with applicable Privacy Requirements. Seller's information security program will include appropriate administrative, technical, physical, organizational and operational measures designed to:
- (a) Ensure the security and confidentiality of Personal Information
 - (b) Protect against any anticipated threats or hazards to the security and integrity of Personal Information
 - (c) Protect against accidental or unlawful destruction, loss or alteration, unauthorized disclosure or access, and any other unlawful forms of Processing (hereinafter "Information Security Incident"). Seller will exercise the necessary and appropriate supervision over its relevant Personnel to maintain appropriate privacy, confidentiality and security of Personal Information. Seller will restrict access to Personal Information to those Personnel who need the information to perform obligations under Seller's agreement with Buyer and who have explicitly agreed to legally enforceable and sound confidentiality obligations. Seller 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.
9. Seller agrees that any Processing of Personal Information in violation of this agreement, Buyer's instructions or any applicable Privacy Requirement, or any Information Security Incident, may cause immediate and irreparable harm to Buyer for which money damages may not constitute an adequate remedy. Therefore, Seller agrees that Buyer 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.
10. Seller will not transfer Personal Information outside the country to which it originally was delivered to Seller 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 Buyer.

- 11. Seller will cooperate with Buyer if a data subject wants to access or amend Personal Information pertaining to him or her.
- 12. Seller will immediately inform Buyer in writing of any requests, complaints or investigations regarding Seller's Processing of Personal Information. Seller will respond to such requests, complaints or investigations in accordance with Buyer's instructions and Seller will fully cooperate with Buyer in responding to any such request, complaint or investigation.
- 13. Seller will enter into any further privacy or information security agreement requested by Buyer 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.

C. Seller's obligations under this agreement will survive the termination of Seller's agreement to provide services to Buyer and the completion of all services subject thereto.

40. DATA BREACH NOTIFICATION

In the event the Receiving Party reasonably believes that unauthorized access to, disclosure of, or breach in the security of the disclosing Party's data may have occurred, the receiving Party, at its own cost and expense must:

- 1. In the most expeditious manner possible, without unreasonable delay, after such belief is formed notify the Disclosing Party of any potential data security breach involving the Disclosing Party's data;
- 2. Promptly provide the Disclosing Party full details of the potential breach of the data security of the Disclosing Party data;
- 3. Assist the Disclosing Party and any third parties authorized by the Disclosing Party, including law enforcement authorities, in investigating and remediating any potential breach of the data security of the Disclosing Party's data
- 4. Promptly use best efforts to prevent a recurrence of any potential breach of the data security of the Disclosing Party's data; and
- 5. Cooperate with the Disclosing Party in notifying individuals injured or potentially injured by the potential breach of the data security of the Disclosing Party's data.

41. CUSTOMS TRADE PARTNERSHIP AGAINST TERRORISM (C-TPAT) PROGRAM

Buyer supports the U.S. Customs and Border Protection (CBP) 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

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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 Buyer's Authorized Purchasing Representative for assistance in identifying transportation companies that are validated under the C-TPAT program. Information about C-TPAT can be found at www.cbp.gov.

42. SUSTAINABILITY

Buyer is committed to integrating environmental sustainability in its operations and value chain. Buyer's goal is to procure products and services that support the Buyer's commitment to reducing greenhouse gas emissions, water use and solid waste. To assist Buyer in its commitment to sustainability and sustainable practices, suppliers are strongly encouraged to demonstrate objective evidence of a commitment to sustainability, specifically related to: energy efficiency and conservation, reduction of water use and solid waste, pollution prevention and greenhouse gas emissions reduction and performance disclosure. Suppliers are encouraged to publicly report their greenhouse gas emissions and other environmental impacts in accordance with recognized protocols, such as the World Resources Institute's Greenhouse Gas Protocol and the Global Reporting Initiative (GRI).

43. FORCE MAJEURE

(a) Buyer or Seller shall not be liable for any failure to perform due to any cause beyond its reasonable control, as defined in this Order. In the event that performance of this Order is hindered, delayed, threatened to be delayed, or adversely affected by causes of the type described in this Order ("Force Majeure"), then the Party whose performance is so affected shall so immediately notify the other Party's authorized representative in writing, including all relevant information with respect thereof and, consistent with direction from Buyer's customer, this Order shall be completed with such adjustments to delivery schedule as are reasonably required by the existence of Force Majeure or this Order may be terminated for convenience.

(b) Neither receipt of such notice by Buyer, nor any provision of these terms and conditions will be deemed to be a waiver by Buyer of any of its rights under any Order, these terms, at law or otherwise.

(c) Seller shall include the substance of this clause, including this subparagraph (c), in all of its subcontracts or purchase orders issued at all tiers under this Order.

44. PLACE OF PERFORMANCE

Seller shall notify Buyer's Authorized Purchasing Representative in writing of any change in Seller's name, ownership or the place of performance. Buyer's Authorized Purchasing Representative will instruct the Seller on formal notification actions and specific forms to submit, as necessary.

45. EUROPEAN UNION REGISTRATION, EVALUATION, AUTHORIZATION AND RESTRICTION OF CHEMICALS (REACH)

A. Seller shall comply with any and all European Union (EU) Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation obligations with respect to any of the Products delivered by Seller to Buyer under the terms of this Order.

B. Seller must provide Buyer with a list of substances contained in any of the Products that were included on the Candidate List published by ECHA on October 28, 2008. Thereafter, if a substance is added to the Candidate List by ECHA, and that substance is also contained in any Products, Seller must notify Buyer within a reasonable time or as otherwise agreed.

C. By accepting this Order, Seller recognizes and agrees that Buyer will thereafter act in reliance on Seller's acceptance of this Order as a contractual commitment that it is in compliance with EU REACH regulations, subject to the further provisions below.

D. Should any Products contain substances listed on the Candidate List that are above 0.1% on a weight by weight basis within that Product, Seller shall provide Buyer with so-called Safe-Use information, pursuant to the provisions of REACH Article 33 and shall maintain the REACH database for the life of this Order.

E. As indicated, Buyer will act in reliance on the statements and commitments Seller makes regarding the Candidate List status of each of the substances contained in any of the Products.

46. FOREIGN CORRUPT PRACTICES ACT

Parties shall comply with the Foreign Corrupt Practices Act, 15 U.S.C. 78 et. seq.

47. SUCCESSORS OF PARTIES

This Order is binding on the Parties and their respective legal representatives, trustees, successors and assigns.

48. BADGES & PLANT SECURITY

If this Order requires Seller's personnel to enter Buyer's or Buyer's customer's premises, Seller agrees to abide by and comply with, and require its employees and subcontractors 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.

49. ASSIGNMENT OF RIGHTS TO DIVESTED ENTITIES

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 right to purchase any products or 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 products or services (with the exception of any unpaid fees for products and services previously properly furnished which remain due on the effective date of such assignment) and the divested entity shall become the "customer" of record for the assigned products and services.

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 and services 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, which shall not be unreasonably withheld, before accepting any orders.

C. Buyer may access and use products and services available under the agreement to provide transitional support to a divested

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entity during the transition period at no additional charge (i.e., no charge other than fees otherwise due to Seller 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 amounts due to Seller under the agreement.

D. 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 Order and price discounts in support of the acquired entity. If, under any existing Order with an acquired entity or entities, Seller currently provides or agrees to provide products or services, Buyer and Seller will negotiate a combined agreement sufficient to cover the combined companies so as to avoid any disruption.

50. ANTIDUMPING/COUNTERVAILING DUTIES

Seller must affirmatively determine whether Seller's product is subject to U.S. antidumping/countervailing duties (AD/CVD). Seller must notify Buyer in writing if Seller's product is subject to AD/CVD at the time of contracting or if Seller's product becomes subject to AD/CVD at any time during the term of this Order.

51. FREE TRADE AGREEMENT AND TARIFF PREFERENCE PROGRAMS

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

Upon request by Customs and Border Protection, seller will provide all applicable requested information in support of a FTA certificate of origin.

52. RESERVED

53. SUSPECT/COUNTERFEIT MATERIALS - Reserved

54. COMPLIANCE WITH ENVIRONMENTAL LAW

Seller shall comply with all applicable environmental laws.

55. 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, proposals, 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.

56. TRANSFER PRICING CLAUSE

Northrop Grumman as an importer is required to declare accurate and complete customs values when importing products pursuant to the World Trade Organization's (WTO) Customs Valuation Agreement. Northrop Grumman sets intercompany/intracompany prices to comply with applicable customs transfer pricing requirements. The laws and regulations of each respective country shall be consulted where deviations from the WTO standards exist. Customs transfer pricing shall consider not only the U.S. Customs and tax rules but also the non-US governing laws and regulations to ensure the price determination framework is in compliance with U.S. and local laws and regulations. The sector/business unit has the primary responsibility to collaborate with functional areas regarding the compliance requirements of local transfer price tax rules and customs laws when setting transfer prices. Reference: CTMX301 Customs Transfer Price Manual.