

**TERMS AND CONDITIONS – Fixed Price Under U.S. Government Contract**

1. **GENERAL/ACCEPTANCE** - The purchase order (which term shall be deemed to include plans, specifications, regulations and other documents to the extent that any of the same are incorporated by reference therein) becomes the exclusive agreement between the parties for the supplies/services subject to the terms and conditions herein. Any of the following shall constitute Seller's unqualified acceptance of this purchase order and these terms and conditions: (a) acknowledgment of this purchase order; (b) furnishing of any part of the supplies/services under this purchase order; (c) acceptance of any payment for the supplies/services; or (d) commencement of performance under this purchase order. Unless otherwise stated in Buyer's specifications, the latest revision of applicable standards, specifications, or similar documents as of the date of this purchase order shall apply. Any additional or different terms proposed by the Seller are objected to and are hereby rejected unless the same shall be accepted in writing by the Buyer.
2. **BUYER'S AUTHORIZED REPRESENTATIVE** - (a) The Buyer's Authorized Purchasing Representative is the individual authorized by Buyer's cognizant procurement organization to administer and/or execute the purchase order. 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 purchase order.  
(b) Buyer's engineering, technical personnel and other representatives may from time to time render assistance or give technical advice or discuss or effect an exchange of information with Seller's personnel concerning the supplies or services being provided under this purchase order. No such action shall be deemed to be a change under the "Changes" clause of this purchase order and shall not be the basis for an equitable adjustment.
3. **ASSIGNMENT, SUBCONTRACTING, AND PLACE OF PERFORMANCE** - (a) Neither this purchase order nor any payments hereunder are assignable or transferable, in whole or in part, without Northrop Grumman's written approval, which approval will not be unreasonably withheld. Northrop Grumman shall be entitled to the right of set-off against any amounts payable under this Purchase Order.  
(b) Neither the entirety nor any part of this Purchase Order may be further subcontracted without the prior written consent of Northrop Grumman.  
(c) This provision shall not apply to purchases of standard commercial articles or raw materials including casting, forgings, and rough welded structures on which Seller will perform further work.  
(d) Seller further agrees that no subcontract placed under this purchase order shall provide for payment on a cost-plus-a-percentage-of-cost-basis. Seller further agrees to select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of this purchase order.  
(e) Seller shall notify Buyer of any change in the place of performance with regard to the requirements of this purchase order. Such notification shall be made to the cognizant Northrop Grumman purchasing representative not less than 30 days prior to the change to the place of performance.
4. **CHANGES** - (a) Northrop Grumman's Purchasing Representative may at any time, by written order, without notice to any surety, make changes or additions within the general scope of this purchase order in any one or more of the following: (1) drawings, designs, statement of work or specifications, or other technical documents; (2) method of shipment or packing; (3) time and place of inspection, delivery or acceptance; (4) quantities, where reasonable; (5) delivery schedules, where reasonable; and (6) the amount of Buyer/Government-furnished property.  
(b) If any such change causes an increase or decrease in the cost of, or the time required for, performance of any work under this purchase order, whether changed or not changed by any such written order, Seller shall notify Northrop Grumman in writing immediately and an appropriate equitable adjustment will be made in the price or time of performance, or both, by written modification of this purchase order. Any claim by Seller for such adjustment must be asserted within 15 days, or such other period as may be agreed on in writing by the parties, after Seller's receipt of the notice of the change. Seller will make available its books and records for Northrop Grumman's examination to allow Northrop Grumman, its authorized representatives, and its customer, including the U.S. Government, to verify any claim for adjustment by Seller. If Northrop Grumman and Seller are unable to agree upon an equitable adjustment in the event of any change directed by Northrop Grumman, the matter will be resolved in accordance with the "Disputes" provision set forth in Paragraph 14 of these terms and conditions. Pending resolution of any such adjustment, Seller will diligently pursue the performance of the order as changed.
5. **CHOICE OF LAW** - Irrespective of the place of performance, this purchase order will be construed and interpreted according to the federal common law of Government contracts as enunciated and applied by federal judicial bodies and by the boards of contract appeals of the federal Government. To the extent that the federal common law of Government contracts is not dispositive, the laws of the state from which the Buyer's purchase order is issued shall apply, not including its rules with respect to choice of laws.
6. **COMPLIANCE WITH LAWS AND REGULATIONS** - (a) Seller shall comply with any applicable laws, Executive Orders, or regulations (including export administration regulations).  
(b) Seller agrees to indemnify Northrop Grumman against any loss, cost, liability or damage by reason of Seller's violation of any applicable laws, Executive Order, or regulation.  
(c) If a Government Contract number is indicated, Seller agrees that performance of this Purchase Order is subject to the laws and regulations of the Department of Defense, Department of Energy, or other Federal Government agency, including but not limited to those identified in these terms and conditions. Any knowing willful act to falsify, conceal, or alter a material fact, or any false, fraudulent, or fictitious statement or representation, in connection with the performance of work under this order may be punishable in accordance with applicable Federal statutes.
7. **DEFAULT OF SELLER** - The provisions of FAR 52.249-8, "Default (Fixed-Price Supply and Service)," in effect on the date of this order are incorporated in this paragraph by reference as follows: Subparagraphs (a), (b), (e), and (f), except for the third sentence thereof, (g) and (h). Where necessary to make this FAR provision applicable to this purchase order, "Contractor" shall mean "Seller," "Contracting Officer" shall mean "Northrop Grumman" and "Government" shall mean "Northrop Grumman" or "Government." If bankruptcy, insolvency, dissolution, receivership or equivalent proceedings shall be instituted by or against Seller, or upon Seller's making any assignment for the benefit of creditors or entering into any such arrangement or upon Seller's suspension of its business or becoming insolvent, Northrop Grumman shall have the right to terminate this purchase order in accordance with FAR 52.249-8.
8. **INSPECTION** - (a) Northrop Grumman and its customer may inspect and test material, work in progress and supplies at all times and places, during manufacture and otherwise. Northrop Grumman's inspection may, in its sole discretion, include physical, visual and/or mechanical review, as well as any documentation necessary to substantiate the meeting of quality requirements or specific requirements set forth in the purchase order. If inspection and test are made on Seller's premises, Seller, without additional charge, shall provide reasonable facilities and assistance for the safety and convenience of the inspectors in performing their duties. Inspections and tests by Northrop Grumman shall be performed in such manner as not to delay the work unduly. Northrop Grumman may charge to Seller any additional cost of inspection and test when material, work or supplies are not ready at the time such inspection

**TERMS AND CONDITIONS – Fixed Price Under U.S. Government Contract**

and test is requested by Northrop Grumman. In case of rejection, neither Northrop Grumman, nor its customer, shall be liable for any reduction in value of samples used in connection with such inspection or test.

(b) The inspection, review or approval by Northrop Grumman of any work, or of any drawing, design, or other document, will not be deemed to relieve Seller of any of its obligations under any purchase order, or to constitute a waiver of any defects or nonconformities. The acceptance by Northrop Grumman of any goods or services under any purchase order will not be deemed to limit or affect any warranty or right of indemnity granted by Seller under such purchase order, these terms and conditions or otherwise.

(c) Except as otherwise agreed in writing, all shipments and supplies furnished under this purchase order shall be subject to final inspection and acceptance by Northrop Grumman after receipt by Northrop Grumman at destination notwithstanding any previous source inspection or acceptance, the earlier passing of title to Northrop Grumman, or any prior payment by Northrop Grumman, or any prior inspection of any type. Seller shall maintain an inspection and quality control system acceptable to Northrop Grumman and its customer.

**9. RESPONSIBILITY FOR SUPPLIES** - Except as specifically otherwise provided in this purchase order, Seller shall be responsible for supplies meeting the requirements of this purchase order until final inspection and acceptance thereof by Northrop Grumman, and shall bear all risks as to rejected supplies or supplies requiring correction after notice of rejection notwithstanding any prior acceptance.

**10. SUBSTITUTIONS** - Seller shall not substitute materials or accessories without written consent of Northrop Grumman.

**11. DEFECTIVE WORK** - Notwithstanding any prior acceptance, Northrop Grumman, at its option, may reject or require prompt correction (in place or elsewhere), of any supplies or services which are, in Northrop Grumman's judgment, defective in material or workmanship or otherwise fail to meet the drawings, designs, statement of work, specifications or other technical documents, or other requirements of this purchase order. All supplies furnished under this purchase order shall be subject to inspection at destination notwithstanding any previous source inspection, and Seller shall be given notice of any defects, other than latent defects, within a reasonable time after receipt of the supplies and all records (such as affidavits, test reports, drawings, etc.) required to be furnished therewith. Northrop Grumman may, in addition to any rights it may have by law, prepare for shipment and ship the supplies to Seller, require Seller to remove them, direct their correction in place or, with authorization by Seller, correct them and the expense of any such action, including transportation both ways, if any, shall be borne by Seller. Northrop Grumman may recover by set off or otherwise any and all costs, expenses and damages paid, incurred or suffered as a result of or relating to holding, returning, replacing, correcting or rejecting defective or nonconforming goods or services. If Seller fails promptly to remove such supplies and to proceed promptly to replace or correct them, Buyer may replace or correct such supplies at the expense of Seller, including any excess cost. Seller shall not again tender rejected or corrected supplies unless Seller discloses the former tender and rejection or requirement of correction. Seller shall immediately notify Northrop Grumman upon discovery of actual or potential nonconformances affecting delivered product.

**12. DELIVERY** – (a) The Parties expressly agree that time is and shall remain a material element of this purchase order and no acts of Buyer, including without limitation, modifications to this purchase order or acceptance of late deliveries, shall constitute a waiver of this clause.

(b) Seller will deliver acceptable supplies and services in strict conformity with any delivery schedule and shipping instructions set

forth in the purchase order issued to Seller by Buyer. Unless otherwise provided in this purchase order, delivery in whole or in part shall not be made more than 10 days prior to required delivery dates. Buyer may return earlier deliveries at Seller's risk and expense. Seller shall comply with the delivery schedule but shall not make material or production commitments in advance of such time as the Seller reasonably believes necessary to meet the schedule without prior written approval by Buyer. Representatives of Buyer, the Government or both shall at all reasonable times have access to Seller's plant for the purpose of assuring delivery in accordance with the schedule.

(c) If Seller is unable to meet the required delivery schedules for any reason, other than a change directed by Buyer, Buyer shall have the option to (1) terminate this purchase order, or (2) fill such purchase order or any portion thereof, from sources other than Seller and to reduce Seller's purchase order quantities accordingly at no increase in unit price, without any penalty to Buyer. Alternatively, Buyer may require Seller to provide consideration for the late delivery. This condition shall not limit Buyer's rights or remedies under the Termination for Default clause contained herein.

**13. QUANTITY** - Northrop Grumman need not accept any variation in quantity except as specified in this purchase order. Overshipments may be returned to Seller at Seller's expense, which shall include a reasonable cost for Northrop Grumman's handling, or be retained by Northrop Grumman at no increase in price. To the extent that supplies covered by this purchase order are produced in accordance with drawings or specifications that are proprietary to Northrop Grumman or to Northrop Grumman's customer, Seller shall not manufacture or retain for the purpose of display, or otherwise, any more such supplies, or parts thereof, than are required to be delivered under this purchase order. Any such excess supplies, or parts thereof, shall be delivered free of charge to Northrop Grumman at the designated delivery point at Seller's risk and expense or destroyed and the destruction certified by Seller.

**14. DISPUTES** - Any dispute arising under this purchase order which is not settled by agreement of the parties will be litigated in the state or federal courts of the state from which Northrop Grumman's purchase order is issued. Pending any decision, appeal or judgment in such proceedings, or the settlement of any dispute arising under this purchase order, Seller shall proceed diligently with the performance of this purchase order unless otherwise agreed between Northrop Grumman and Seller.

**15. FEDERAL, STATE AND LOCAL TAXES** - Except as may be otherwise provided in this purchase order, the price includes all applicable Federal, State and local taxes and duties.

**16. GOVERNMENT OR BUYER FURNISHED PROPERTY** - If, in connection with the performance of this purchase order, any property is furnished to Seller by Northrop Grumman or by the Government, Seller shall assume the risk of, and be responsible for, any loss, destruction of or damage to the property while in Seller's possession or control except to the extent that this purchase order, with the prior approval of the Buyer and/or Government, provides for the relief of Seller from such liability. In the absence of such approval, Seller shall return all such property in a condition as good as when received except for reasonable wear and tear for the utilization of such property in accordance with the provisions of the prime contract. Seller shall establish and maintain a system in accordance with the provisions of FAR Subpart 45.5 for the control of Government or Northrop Grumman-owned property. Seller shall also notify Northrop Grumman if approval of its property system has been withdrawn by the Government.

**17. INDEMNITY AND INSURANCE** - (a) Seller will defend, indemnify and hold harmless Northrop Grumman and its affiliates, and their officers, agents, employees, successors and assigns, against any claims, loss, damage or expense, including, without limitation, payment of direct, special, incidental and consequential damage,

**TERMS AND CONDITIONS – Fixed Price Under U.S. Government Contract**

and expenses of defending claims, including attorneys' fees, for property loss and/or damage, and personal injury and/or death, which may be sustained by third parties and/or by Buyer, its agents, employees or subcontractors, at any tier, which results from Seller's performance or nonperformance of this purchase order except for claims resulting from the sole negligence of Northrop Grumman. Northrop Grumman will inform Seller of any claim, demand or suit asserted or instituted against it and, to the extent of Northrop Grumman's ability to do so, permit Seller to defend the same or make settlement in respect thereof.

(b) Northrop Grumman, at its option, may require Seller to furnish evidence of insurance reasonably satisfactory to Northrop Grumman covering the liabilities and indemnification provided above but no acceptance of such evidence by Northrop Grumman shall be deemed a waiver or release of such liabilities or duty to indemnify. Seller will at all times maintain with reputable insurance companies comprehensive general liability insurance (including coverage for any liability under any Northrop Grumman purchase order and these terms and conditions) in the minimum amount of \$2.0 million, or such other minimum amount specified in the relevant purchase order. At Northrop Grumman's request, Seller will name Northrop Grumman as an additional insured under such policy, and will provide to Northrop Grumman a certificate of such insurance providing for 10 days' prior written notice to Northrop Grumman of cancellation or material change. Seller will maintain workers' compensation insurance sufficient to cover all of its general and special employees engaged in work pursuant to any Northrop Grumman purchase order and insurance against liability for personal injury or death or destruction to property arising out of work in fulfillment of any Northrop Grumman purchase order, and will provide prompt evidence to Northrop Grumman of such coverage upon Northrop Grumman's request.

(c) Seller shall comply with the provisions of FAR 52.215-10, 52.215-11, 52.215-12, and 52.215-13 which are incorporated herein by reference to the extent that such clauses are or become applicable to this purchase order. Seller shall indemnify and hold harmless Northrop Grumman from any amount, loss and expense, including interest assessed by the Government under 10 U.S.C. § 2306a, by which this purchase order is determined by the Government to have been defectively priced because of Seller's or Seller's subcontractor's failure to comply with such provisions. The rights of the parties hereunder shall survive completion or termination of this purchase order.

**18. INTELLECTUAL PROPERTY INDEMNITY** (a) Seller shall indemnify Northrop Grumman, Northrop Grumman's customer and/or the Government and their respective officers, agents and employees against liability and losses, including costs, for infringement of any United States or foreign patent, copyright, trademark, or other intellectual property arising out of the manufacture or delivery of supplies or performance of services under this purchase order or out of the use or disposal by, or for the account of, Northrop Grumman, Northrop Grumman's customer and/or the Government of such supplies or services. The foregoing indemnity shall not apply unless Seller shall have been informed as soon as practicable by Northrop Grumman, Northrop Grumman's customer and/or the Government of the suit or action or other proceedings alleging such infringement and shall have been given such opportunity as is afforded by applicable laws, rules or regulations to participate in the defense thereof.

(b) Notwithstanding the foregoing, when this Order is performed under the authorization and consent of the Government to infringe United States patents, Seller's liability for Seller's patent infringement under this Order shall be coextensive with Buyer's liability.

**19. INVOICING AND PAYMENT** - When invoices are otherwise required, a separate invoice shall be issued for each shipment, and should include the relevant Northrop Grumman purchase order number. Unless otherwise specified in this purchase order, no

invoice shall be issued prior to shipment of goods and no payment will be made prior to receipt of goods and correct invoice. Payment due dates, including Northrop Grumman's entitlement to take a discount, will be computed from the date of receipt of acceptable goods or the date of receipt of a correct invoice (whichever is later). Unless freight and other charges are itemized, any discount taken will be taken on the full amount of the invoice. All costs included in the invoice must be computed in accordance with the latest revision of Section 31 of FAR and allowable in accordance with the principles specified therein. No payment shall be made for costs included in the invoice that are unallowable by Section 31. Northrop Grumman may set off against any amounts due under Seller's invoices: (a) any damages resulting from Seller's default under or breach of any contract (including any purchase order and these terms and conditions); (b) any amount owing from Seller to Northrop Grumman; or (c) any adjustment for shortage or rejection and any costs occasioned thereby.

**20. LIENS** - Seller warrants that it has title to the goods to be delivered under this purchase order and shall deliver same free of all liens, claims and encumbrances.

**21. MILITARY SECURITY REQUIREMENTS** - (a) Seller shall be responsible for safeguarding all classified information in accordance with the provisions of the Seller's Security Agreement with the Department of Defense and with all applicable Government requirements including, without limitation, FAR 52.204-2, "Security Requirements," which is incorporated herein by reference.

(b) Seller agrees to insert in all subcontracts under this purchase order that involve access to classified information, provisions which shall conform substantially to the language of Subparagraph (a) above and to this Subparagraph (b).

**22. NEWS OR ADVERTISING RELEASES** - No news release in any way relating to Northrop Grumman or Seller concerning the purchase order shall be made by either party to any news media or to the general public without the prior approval of the other party. Seller will not, and will require its suppliers and subcontractors to not, advertise or publish the fact that Northrop Grumman 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, or otherwise. The parties agree that in the event a news release is so approved and made, such news will recognize Northrop Grumman and Seller.

**23. NOTICE TO THE BUYER OF POTENTIAL DELAYS** - (a) Whenever Seller has knowledge that any occurrence is delaying or threatens to delay the timely performance of this purchase order, Seller shall immediately give notice thereof, including all relevant information with respect thereto, to Northrop Grumman. Such occurrences shall include, but not be limited to: (1) actual or potential labor disputes or strikes; (2) fires, floods, or unusually severe weather; (3) acts of nature; (4) acts of the Government in either its sovereign or contractual capacity, and any other cause for delay. Neither receipt of such notice by Northrop Grumman nor any provision of these terms and conditions will be deemed to be a waiver by Northrop Grumman of any of its rights under any purchase order, these terms and conditions, at law or otherwise.

(b) Seller agrees to insert this clause, including this Subparagraph (b), in any purchase order or subcontract hereunder.

**24. OFFSET NOTIFICATION** - This clause shall only apply to Orders in excess of \$50,000.00.

(a) Definition: "Offset" means the obligations that Northrop Grumman undertakes, in order to market or sell its products, to assist a customer country in reducing any trade imbalance caused by its purchase of Northrop Grumman's products or to meet other customer country national objectives.

**TERMS AND CONDITIONS – Fixed Price Under U.S. Government Contract**

(b) To the exclusion of all others, Northrop Grumman or its assignees shall be entitled to all benefits or Offset credits which might result from this purchase order. Seller shall provide documentation or information that Northrop Grumman or its assignees may reasonably request to substantiate claims for Offset credits.

(c) Seller agrees to use reasonable efforts to identify the foreign content of items that Seller either produces itself or procures from subcontractors for work under this purchase order. Promptly after selection of a non-U.S. subcontractor for work under this purchase order, Seller shall notify Northrop Grumman of the name, address, subcontractor point of contact (including telephone number) and dollar value of the subcontract.

(d) Seller shall include the substance of this clause, in favor of Northrop Grumman, in its subcontracts issued at all tiers pursuant to this purchase order.

**25. ORDER OF PRECEDENCE** - The various documents constituting this purchase 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 purchase 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) provisions required by statute, regulation or Government contract; (b) typed Purchase Order form; (c) this Terms and Conditions document; (d) Statement of Work; (e) Specifications; and (f) Drawing(s).

**26. PROPERTY RIGHTS** (a) The rights of the U.S. Government in technical data, computer software and inventions pertaining to the supplies and/or services delivered under this purchase order are set forth in the applicable FAR and DFARS clauses incorporated by reference. Buyer shall have the right to utilize the supplies and/or services in performance of Buyer's contractual obligations to its customer, including the right to copy and modify any technical data and computer software delivered under this purchase order and the right to deliver such technical data and computer software to Buyer's customer if it is required as a deliverable under Buyer's contract with its customer.

(b) This Purchase Order does not confer or grant to Seller, in any manner whatsoever, any license or right under any patent, trademark, trade secret, maskwork, copyright or other intellectual property right held by Buyer, except as needed to perform the work ordered by Buyer under this Purchase Order.

**27. PROTECTION OF INFORMATION** - (a) If a separate confidentiality, nondisclosure, or proprietary information agreement exists between Northrop Grumman and Seller which relates to the subject matter of this purchase order, then confidential or proprietary information furnished by one party to the other party shall be protected pursuant to such agreement, and paragraphs (b) through (g) of this clause shall not apply.

(b) If no separate confidentiality, nondisclosure, or proprietary information agreement exists between Northrop Grumman and Seller, paragraphs (c) through (g) of this clause apply.

(c) For purposes of this clause, "Information" shall mean information disclosed to Seller by Northrop Grumman in connection with this purchase order, which is either identified to Seller as being proprietary or which is information that a reasonable person would understand to be such information. Examples of Information include, but are not limited to, customer lists, pricing policies, market analyses, business plans or programs, software, specifications, manuals, print-outs, notes and annotations, performance data, designs, drawings, dimensions, processes, data, reports, photographs, and engineering, manufacturing or technical information related to Northrop Grumman's products, services, equipment or processes, as well as duplicates, copies or derivative works thereof. Information shall not mean any information previously known to Seller without obligation of confidence, or which

becomes publicly disclosed, or which is rightfully received by Seller from a third party without obligation of confidence.

(d) Information furnished to Seller shall remain Northrop Grumman's proprietary property, shall be duplicated only as authorized in writing by Northrop Grumman, and shall be returned to Northrop Grumman upon request or when no longer required for the performance of this purchase order. Seller shall not disclose Information to any third party, and shall take all reasonable precautions to prevent the disclosure of Information to third parties, including any foreign national, firm or country, and foreign nationals employed by or associated with Seller's company except as specifically authorized by Northrop Grumman. Seller agrees not to use Information to develop any product, service or system, or to support any third party in the development of any product, service or system.

(e) Data and information provided by Seller shall be considered proprietary only when marked as proprietary. Seller's proprietary data and information will be used by Northrop Grumman only upon approval by Seller.

(f) Seller's obligations with respect to Information disclosed hereunder prior to the performance in full, termination or cancellation of this purchase order shall not, except as expressly set forth herein, be affected by such performance in full, termination, or cancellation.

(g) Northrop Grumman or its representatives may at any time audit all pertinent books, records and files of Seller in order to verify compliance with this clause. Seller will, in all of its contracts with its suppliers relating to any Northrop Grumman purchase order, include provisions which secure for Northrop Grumman all of the rights and protections provided for by this Paragraph.

**28. SPECIAL TOOLING (ST), SPECIAL TEST EQUIPMENT (STE) AND FACILITIES (FAC)** - Unless specifically provided to the contrary in this purchase order, Seller warrants that the price set forth in this purchase order does not include: (a) any amount representing rent for the use of Government-owned ST, STE or FAC; or (b) as a direct charge to this purchase order, the cost of any ST, STE or FAC as the same are defined in part 45 of the Federal Acquisition Regulation. Any such ST, STE or FAC to be charged to Northrop Grumman will be covered by a separate purchase order.

**29. STOP-WORK ORDER** - In accordance with the provisions of the "Stop-Work Order" clause set forth in FAR 52.242-15 in effect on the date of this order, Northrop Grumman may, at any time, by written order to Seller, require Seller to stop all, or any part, of the work called for by any purchase order for a period of 90 days after the order is delivered to Seller, and for any further period to which the parties may agree. Upon receipt of such an order, Seller will immediately take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within the indicated 90-day period, Northrop Grumman will take the actions prescribed in FAR 52.242-15.

**30. TERMINATION** - Without limiting Northrop Grumman's right to cancel this order for default of Seller as provided above, Northrop Grumman may terminate all or any part of the work under this purchase order and process Seller's claims therefore in accordance with the provisions of the "Termination for the Convenience of the Government (Fixed-Price)" clause set forth in FAR 52.249-2 in effect on the date of this order. Where necessary to make FAR 52.249-2 applicable to this purchase order, "Contractor" shall mean "Seller", "Contracting Officer" shall mean "Northrop Grumman" and "Government" shall mean "Northrop Grumman" or the "Government." In paragraph (e) of FAR 52.249-2, change "1 year" to "6 months or any extension thereto."

**31. TOXIC SUBSTANCES CONTROL ACT** - Seller warrants that each and every chemical substance delivered under this purchase order shall, at the time of sale, transfer, or delivery, be on the list of chemical substances compiled and published by the Administrator

**TERMS AND CONDITIONS – Fixed Price Under U.S. Government Contract**

of the Environmental Protection Agency pursuant to Section 8 of the Toxic Substances Control Act (15 U.S.C. § 2601).

**32. WARRANTY** – (a) Seller warrants at the time of delivery to Northrop Grumman that the supplies covered by this purchase order will conform to the design, specifications, drawings, samples or other descriptions referred to in this purchase order; will be free from defects in material and workmanship; will be free from all liens and encumbrances; and, to the extent that the Seller knows or has reason to know of the purpose for which the supplies are intended, will be fit and sufficient for such purpose. All warranties will survive acceptance of, and payment for, the relevant supplies and services. The warranties contained in this paragraph shall run to Northrop Grumman and to its customers.

(b) Seller further warrants that supplies and services provided under this purchase order shall not infringe upon the rights of any third party, and that Seller is subject to no agreement which would interfere in any manner with Northrop Grumman's property rights as described above in Paragraph 25, Protection of Information.

**33. INTEGRATION AND MERGER** - This contract, together with any purchase orders issued pursuant to this contract, including attachments and documents incorporated herein by reference, constitutes the entire agreement between Northrop Grumman and Seller, and supersedes all prior representations, agreements, understandings, and communications between Northrop Grumman and Seller. No amendment or modification of this contract or a purchase order shall be binding upon either party unless it is set forth in a written instrument signed by authorized representatives of both Northrop Grumman and Seller. The rights and remedies afforded to either party pursuant to any part or provision of this contract or purchase order are in addition to any other rights and remedies afforded by another other parts or provisions of this contract or a purchase order, by law, or otherwise

**34. EXPORT RELATED REQUIREMENTS** – (a) Export Compliance. Seller is advised that its performance of this Purchase 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 – 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 a U.S. Person as that term is defined in the Export Laws and Regulations. Seller shall comply with any and all Export Laws and Regulations, and any license(s) issued thereunder.

(b) Foreign Personnel/Persons. 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 Buyer. Any request for such consent must state the intended recipient's citizenship(s), and status under 8 U.S.C. 1101 and 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 (b) shall relieve Seller of its obligations to comply with the provisions of paragraph (a) or the Export Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of paragraph (a), nor constitute consent for Seller to violate any provision of the Export Laws and Regulations.

(c) 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). 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 Purchase Order.

(d) Subcontracts. The substance of this Clause shall be incorporated into any subcontract entered into by the Seller for the performance of any part of the work under this Purchase Order.

**35. FEDERAL ACQUISITION REGULATION (FAR), DOD FAR SUPPLEMENT (DFARS).**

The following clauses set forth in the FAR and DFARS as in effect on the date of this purchase order are incorporated herein by reference. Where necessary to make the clauses applicable to this purchase order, "Contractor" shall mean "Seller," "Contracting Officer" shall mean "Buyer," and the "Government" shall mean "Buyer" or the "Government" whenever appearing in the clauses. If any of the following FAR or DFARS clauses do not apply to a particular purchase order, such clauses are considered to be self-deleting.

<u>a.</u>	<u>All Orders</u>
52.203-3	Gratuities
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity
52.204-2	Security Requirements
52.211-5	Material Requirements
52.215-15	Pension Adjustment and Asset Reversions
52.215-18	Reversions or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions
52.215-19	Notification of Ownership Changes
52.219-8	Utilization of Small Business Concerns
52.222-21	Prohibition of Segregated Facilities
52.222-26	Equal Opportunity
52.222-41	Service Contract Act of 1965, As Amended
52.222-50	Combating Trafficking in Persons
52.223-3	Hazardous Material Identification and Material Safety Data (Alt I applies if this order is for other than DoD)
52.223-7	Notice of Radioactive Materials
52.224-2	Privacy Act (Applicable only if the order requires the design, development, or operation of a system of records subject to the Privacy Act of 1974.)
52.225-1	Buy American Act – Supplies
52.225-3	Buy American Act – Free Trade Agreements – Israeli Trade Act
52.225-5	Trade Agreements
52.225-8	Duty-free Entry
52.225-13	Restrictions on Certain Foreign Purchases
52.227-1	Authorization and Consent
52.227-9	Refund of Royalties
52.227-10	Filing of Patent Applications - Classified Subject Matter
52.227-11	Patent Rights – Ownership by the Contractor
52.227-14	Rights in Data - General
52.229-3	Federal, State, and Local Taxes
52.233-3	Protest After Award
52.234-1	Industrial Resources Developed Under Defense Production Act Title III
52.236-13	Accident Prevention
52.244-6	Subcontracts for Commercial Items
52.245-1	Government Property (Applicable only if U. S. Government Property is furnished to Seller by Buyer under this order.)
52.246-2	Inspection of Supplies – Fixed Price
52.246-16	Responsibility for Supplies
52.247-63	Preference for U.S. Flag Air Carriers
52.247-64	Preference for Privately Owned U.S. Flag Commercial Vessels
252.204-7000	Disclosure of Information

**TERMS AND CONDITIONS – Fixed Price Under U.S. Government Contract**

252.222-7000	Restrictions On Employment of Personnel	52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement
252.223-7006	Prohibition on Storage and Disposal of Toxic and Hazardous Materials	52.248-1	Value Engineering
252.225-7001	Buy American Act and Balance of Payments Program	252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies
252.225-7013	Duty-Free Entry	252.247-7023	Transportation of Supplies by Sea
252.225-7014 - Alt I	Preference for Domestic Specialty Metals	252.249-7002	Notification of Anticipated Contract Termination or Reduction
252.225-7016	Restriction on Acquisition of Ball and Roller Bearings		
252.225-7025	Restrictions on Acquisition of Forgings	<b>g.</b>	<b>All Orders of \$500,000 or Greater</b>
252.225-7028	Exclusionary Policies and Practices of Foreign Governments	252.226-7001	Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns
252.225-7030	Restriction on Acquisition of Carbon Alloy and Armor Steel Plate	<b>h.</b>	<b>All Orders of \$500,000 or Greater (\$550,000 or Greater if Prime Contract dated on or after September 28, 2006)</b>
252.225-7036	Buy American Act – Free Trade Agreements – Balance of Payments Program	52.219-9	Small Business Subcontracting Plan
252.227-7013	Rights in Technical Data - Noncommercial Items	252.219-7003	Small Business Subcontracting Plan (DoD Contracts)
252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation	<b>i.</b>	<b>All Orders of \$500,000 or Greater (\$650,000 or Greater if Prime Contract dated on or after June 14, 2007)</b>
252.227-7015	Technical Data - Commercial Items	52.230-2	Cost Accounting Standards
252.227-7016	Rights in Bid or Proposal Information	52.230-3	Disclosure and Consistency of Cost Accounting Practices
252.227-7019	Validation of Asserted Restrictions - Computer Software	52.230-5	Cost Accounting Standards – Educational Institution
252.227-7025	Limitations on the Use or Disclosure of Government Furnished Information Marked with Restrictive Legends	52.230-6	Administration of Cost Accounting Standards
252.227-7030	Technical Data - Withholding of Payment	<b>j.</b>	<b>All Orders of \$550,000 or Greater (\$650,000 or Greater if Prime Contract dated on or after September 28, 2006)</b>
252.227-7037	Validation of Restrictive Markings of Technical Data	52.214-26	Audit and Records – Sealed Bidding
252.228-7001	Ground and Flight Risk	52.214-27	Price Reduction for Defective Cost or Pricing Data – Modification – Sealed Bidding
252.228-7005	Accident Reporting and Investigation Involving Aircraft, Missiles and Space Launch Vehicles	52.214-28	Subcontractor Cost or Pricing Data – Modifications – Sealed Bidding
252.246-7001, Alt I	Warranty of Data	52.215-10	Price Reduction for Defective Cost or Pricing Data
252.246-7003	Notification of Potential Safety Issues	52.215-11	Price Reduction for Defective Cost or Pricing Data – Modifications
252.247-7024	Notification of Transportation of Supplies by Sea	52.215-12	Subcontractor Cost or Pricing Data
<b>b.</b>	<b>All Orders of \$3,000 or Greater</b>	52.215-13	Subcontractor Cost or Pricing Data – Modifications
Reserved		52.215-20	Requirements for Cost or Pricing Data Other Than Cost or Pricing Data
<b>c.</b>	<b>All Orders of \$10,000 or Greater</b>	<b>k.</b>	<b>All Orders of \$1 Million or Greater</b>
52.222-20	Walsh-Healey Public Contracts Act	252.211-7000	Acquisition Streamlining
52.222-36	Affirmative Action for Workers With Disabilities	<b>l.</b>	<b>All Orders of \$5 Million or Greater</b>
<b>d.</b>	<b>All Orders of \$25,000 or Greater (\$30,000 or Greater if Prime Contract dated on or after September 28, 2006.)</b>	52.203-13	Contractor Code of Business Ethics and Conduct
52.209-6	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment	52.203-14	Display of Hotline Poster(s)
<b>e.</b>	<b>All Orders of \$50,000 or Greater</b>		
52.211-15	Defense Priority and Allocation Requirements		
<b>f.</b>	<b>All Orders of \$100,000 or Greater</b>		
52.203-6	Restrictions on Subcontractor Sales to the Government		
52.203-7	Anti-Kickback Procedures		
52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions		
52.203-12	Limitation on Payments to Influence Certain Federal Transactions		
52.215-2	Audit and Records – Negotiation		
52.215-14	Integrity of Unit Prices (less paragraph (b) of this clause)		
52.222-4	Contract Work Hours and Safety Standards Act – Overtime Compensation		
52.222-35	Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans		
52.222-37	Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans		
52.223-14	Toxic Chemical Release Reporting		