

**NORTHROP GRUMMAN SYSTEMS CORPORATION
ADDENDUM TO TERMS AND CONDITIONS FOR
SUBCONTRACTS IN SUPPORT OF
RQ-4 GLOBAL HAWK CONTRACTOR LOGISTICS SUPPORT AND SERVICES III
CONTRACT # FA8528-15-C-0003**

All of the additional terms and conditions set forth below are incorporated in and made part of this Order. Any conflict between any of the conditions contained in this addendum and those appearing on Northrop Grumman Systems Corporation Purchase Order Terms and Conditions shall be resolved in favor of the conditions in this addendum.

I. ADDITIONS

A. H002 PARTNERING WITH AIR LOGISTICS COMPLEX (ALCs)

1. **Purpose:** This clause is established to provide guidance and facilitate the implementation of Public-Private-Partnerships (PPPs) between the Government Buying Activity, hereinafter referred to as, "Government," the Contractor, and Air Force Air Logistics Centers, hereinafter referred to as, "ALC." Terms and conditions for PPPs are established through Partnering Agreements (PAs) between the Contractor and the ALC in order to place work through Implementation Agreements (IAs).
2. **Authority:** The Contractor is authorized to enter into PPPs with ALCs pursuant to appropriate statutory authority such as, a. 10 USC Section 2208 (j), Working Capital Funds, (competition for subcontract workload for a DoD production contract);
 - b. 10 USC Section 2563, Articles and services of industrial facilities; sale to persons outside the Department of Defense (Non-DoD sales);
 - c. 10 USC Section 2667, Leases: non-excess property of military departments (Leases);
 - d. 10 USC Section 2474, Centers of Industrial and Technical Excellence: designation; public-private partnerships (CITE partnerships);
 - e. 10 USC Section 2539b, Availability of samples, drawings, information, equipment, materials, and certain services (Commercial Test Agreements (CTAs));
 - f. 22 USC Section 2770, General Authority (Sale of defense articles/services to US companies for end item sales to friendly foreign countries); and
 - g. Federal Acquisition Regulation (FAR) Part 45.3, Authorizing the Use and Rental of Government Property (Government Furnished Property GFP)). In a PPP, which is negotiated under the authority of the foregoing statutes, the ALC performs as a seller of goods and services.
3. **Flow-down Requirement.** The Contractor shall insert the substance of this clause in its subcontracts where such subcontractors, at the appropriate tier, have a PA/IA with the ALC for this contract.
 - a. **TINA Non-Applicability.** The Truth in Negotiations Act, 10 USC Section 2306a, as amended, (hereinafter referred to as TINA) and its implementing regulations/clauses, do not apply to any ALC performing under this contract. Accordingly, the Government agrees:
 - i. The portion of the Contractor's contract price that consists of costs relating to work performed by an ALC need not be supported by the submission of certified cost or pricing data;
 - ii. Requirements for submission of "subcontractor cost or pricing data," and performance of a cost analysis on said data by the Contractor are inapplicable to cost or pricing data submitted by an ALC under PAs/IAs and,
 - iii. The absence of such certified data shall not form the basis, directly or indirectly, for a claim by the Government of defective pricing against the Contractor.
 - b. **Non-Applicability of Advanced Payments.** The Contracting Officer will not consider the cash advances required by the terms of the PA/IA to be "Advanced Payments" under FAR Part 32.4.
 - i. Pricing guidance for sales of goods/services by the ALCs provided to the Contractor under a PA/IA is set forth in the DoD 7000.14-R, Financial Management Regulation (DFMR), Vol 2B, Chapter 9, paragraph 090105, Public- Private Partnerships at Defense Working Capital Fund Depot Maintenance Activities.
 - ii. When appropriate to the scope of, and risk s associated with, the subject contract, the ALC may elect to accept incremental "advanced payments" pursuant to DFMR 7000.14-R, Vol 2B, 090105, Subparagraph E. FAR Part 32.4 will continue to apply with respect to any Advanced Payments by the Government (as the buyer) for the exclusive benefit of the Contractor under this contract.

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4. Release of Responsibility. Notwithstanding any clause or provision in this contract, including but not limited to the “Excusable Delays” and “Termination/Default” clauses, the Government agrees not to hold the Contractor responsible, directly or indirectly, for the delay, non-performance, or other non-compliance of any work required under this contract to the extent such delay, non-performance, or non-compliance is attributable in whole or in part to the action or inaction of an ALC performing an IA related to the Contractor’s performance obligations under this contract.

a. Equitable Adjustment. Such delay, non-performance, or other non-compliance attributable to the ALC in performing such PA/IA, shall be considered to be an excusable delay for the Contractor and/or a non-compliance by the ALC for which an equitable adjustment in the performance period and/or cost/price of this contract shall be provided by the Government to the Contractor if so requested by the Contractor, and where the Contractor can demonstrate such ALC fault (quantum and entitlement) as required by the Disputes or Changes clause in this contract. Further, such delay, nonperformance, or non-compliance shall not be used by the Government, in whole or in part, as the basis for termination for default, withholding of progress payments; the assessment of liquidated damages by the Government or for any other reason which has an adverse impact upon the Contractor under this contract. Any disagreement with the Contracting Officer’s final decision regarding an equitable adjustment is subject to the Disputes clause.

b. Other Contract Impacts. Such delay, non-performance, or non-compliance attributable to the ALC shall not be used, in whole or in part, by the Government as a basis for,

- i. An adverse rating of the Contractor under the Contractor Performance Assessment Review System (CPARS) for its performance under this contract;
- ii. An adverse rating of the Contractor under an award fee type contract if applicable;
- iii. Debarment or Suspension of the Contractor from business with the Government or proposing the Contractor for debarment or suspension;
- iv. Withdrawing Government approval of the Contractor’s Purchasing System;
- v. Application of any special risk transfer provision where a performance failure adversely impacts contract compliance, i.e., total system program/integration responsibility (TSP/IR), liquidated damages, warranty, if applicable; and
- vi. For any other reason which has an adverse impact upon the Contractor.

c. Continued “Good Faith/Duty to Mitigate.” This provision does not excuse the Contractor from its requirement to continuously exercise good faith to effectively manage the ALC and, if necessary, to perform the affected services itself or find a commercial subcontractor to perform the services. Such efforts include reasonable corrective actions to mitigate the effects of the ALC’s noncompliance on prime contract schedule and/or prices. Likewise, this provision does not excuse the ALC from continuously exercising its best and good faith efforts to perform its obligations under its PA/IA.

5. Risk of Damage/Loss. The Government assumes the risk of, and shall be responsible for, any loss or destruction of, or damage to any Government Furnished Property (GFP) or Contractor-acquired property delivered to the ALC under a PA/IA including but not limited to, any amounts the Contractor might otherwise be responsible for under Defense Federal Acquisition Regulation Supplement (DFARS) clauses 252.228-7001, Ground Flight Risk, and 252.228-7002, Aircraft Flight Risk, or other Government Property clause of this contract. In the event the Contractor provides the ALCs with Government property, or Contractor-acquired property accountable to this contract and such property is required for continued performance of this contract and is either lost, damaged or destroyed by the ALC, the Contractor shall be entitled to an equitable adjustment under the terms and conditions of this contract to the extent the Contractor actually suffers a loss attributable to the ALC.

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I. REVISIONS

A. The following changes are made to the clause entitled, "FAR and DFARS Provisions/Clauses":

1. Add the following FAR clauses:

- | | |
|-----------|--|
| 52.203-15 | WHISTLEBLOWER PROTECTIONS UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009. |
| 52.203-16 | PREVENTING PERSONAL CONFLICTS OF INTEREST.
Note: Applicable if Order exceeds \$150,000, and in which subcontractor employees will perform acquisition functions closely associated with inherently governmental functions (i.e., instead of performance only by a self-employed individual) |
| 52.203-17 | CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENTS TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS. |
| 52.209-06 | PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT |
| 52.229-08 | TAXES—FOREIGN COST-REIMBURSEMENT CONTRACTS
Note: Applies to cost-reimbursement Orders to be performed wholly or partly outside of the U.S. |
| 52.232-40 | PROVIDING ACCELERATED PAYMENTS TO SMALL BUSINESS SUBCONTRACTORS |
| 52.246-03 | INSPECTION OF SUPPLIES—COST REIMBURSEMENT
Note: Applies to cost-reimbursement Orders |

2. Add the following DFARS clauses:

- | | |
|--------------|--|
| 252.203-7004 | DISPLAY OF FRAUD HOTLINE POSTER(S)
Note: Applicable if Order exceeds \$5 million, except for commercial items or subcontracts performed entirely outside the U.S. |
| 252.211-7003 | ITEM IDENTIFICATION AND VALUATION. |
| 252.211-7007 | REPORTING OF GOVERNMENT-FURNISHED PROPERTY |
| 252.225-7048 | EXPORT- CONTROLLED ITEMS |
| 252.228-7001 | GROUND FLIGHT RISK |
| 252.229-7003 | TAX EXEMPTION (ITALY) |
| 252.234-7004 | COST AND SOFTWARE DATA REPORTING SYSTEMS |
| 252.237-7010 | PROHIBITION ON INTERROGATION OF DETAINEES BY CONTRACTOR PERSONNEL |

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3. Add the following DFARS clauses in full text:

252.203-7003 AGENCY OFFICE OF THE INSPECTOR GENERAL

The agency office of the Inspector General referenced in paragraphs (c) and (d) of FAR clause 52.203-13, Contractor Code of Business Ethics and Conduct, is the DoD Office of Inspector General at the following address:

Department of Defense Office of Inspector General
Investigative Policy and Oversight
Contractor Disclosure Program
4800 Mark Center Drive, Suite 11H25
Alexandria, VA 22350-1500

Toll Free Telephone: 866-429-8011

(End of clause)

252.225-7047 EXPORTS BY APPROVED COMMUNITY MEMBERS IN PERFORMANCE OF THE
CONTRACT (Applicable to delivery task)

(a) *Definitions.* As used in this clause—

"Approved Community" means the U.S. Government, U.S. entities that are registered and eligible exporters, and certain government and industry facilities in Australia or the United Kingdom that are approved and listed by the U.S. Government.

"Australia Community member" means an Australian government authority or nongovernmental entity or facility on the Australia Community list accessible at <http://pmdotc.state.gov/treaties/index.html>.

"Defense articles" means articles, services, and related technical data, including software, in tangible or intangible form, listed on the United States Munitions List of the International Traffic in Arms Regulations (ITAR), as modified or amended.

"Defense Trade Cooperation (DTC) Treaty" means—

(1) The Treaty Between the Government of the United States of America and the government of the United Kingdom of Great Britain and Northern Ireland concerning Defense Trade Cooperation, signed at Washington and London on June 21 and 26, 2007; or

(2) The Treaty Between the Government of the United States of America and the Government of Australia Concerning Defense Trade Cooperation, signed at Sydney on September 5, 2007.

"Export" means the initial movement of defense articles from the United States Community to the United Kingdom Community and the Australia community.

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"Implementing Arrangement" means –

(1) The Implementing Arrangement Pursuant to the Treaty between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland Concerning Defense Trade Cooperation, signed on February 14, 2008; or

(2) The Implementing Arrangement Pursuant to the Treaty between the Government of the United States of America and the Government of Australia Concerning Defense Trade Cooperation, signed on March 14, 2008.

"Qualifying defense articles" means defense articles that are not exempt from the scope of the DTC Treaties as defined in 22 CFR 126.16(g) and 22 CFR 126.17(g).

"Transfer" means the movement of previously exported defense articles within the Approved Community.

"United Kingdom Community member" means a United Kingdom government authority or nongovernmental entity or facility on the United Kingdom Community list accessible at <http://pmdrtc.state.gov>.

"United States Community" means—

(1) Departments and agencies of the U.S. Government, including their personnel, with, as appropriate, security accreditation and a need-to-know; and

(2) Nongovernmental U.S. entities registered with the Department of State and eligible to export defense articles under U.S. law and regulation, including their employees, with, as appropriate, security accreditation and a need-to-know.

"U.S. DoD Treaty-eligible requirements" means any defense article acquired by the DoD for use in a combined military or counterterrorism operation, cooperative research, development, production or support program, or DoD end use, as described in Article 3 of the U.S.-U.K. DTC Treaty and sections 2 and 3 of the associated Implementing Arrangement; and Article 3 of the U.S.-Australia DTC Treaty and sections 2 and 3 of the associated Implementing Arrangement.

(b) All contract line items in this contract, except any identified in this paragraph, are intended to satisfy U.S. DoD Treaty-eligible requirements. Specific defense articles that are not U.S. DoD Treaty-eligible will be identified as such in those contract line items that are otherwise U.S. DoD Treaty-eligible.

CONTRACT LINE ITEMS NOT INTENDED TO SATISFY

U.S. DoD TREATY-ELIGIBLE REQUIREMENTS:

[Enter Contract Line Item Number(s) or enter "None"]

(c) Subject to the other terms and conditions of this contract that affect the acceptability of foreign sources or foreign end products, components, parts, or materials, Approved Community members are permitted, but not required, to use the DTC Treaties for exports or transfers of qualifying defense articles in performance of the contract.

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(d) Any conduct by the Contractor that falls outside the scope of the DTC Treaties, the Implementing Arrangements, and 22 CFR 126.16(g) and 22 CFR 126.17(g) is subject to all applicable ITAR requirements, including any criminal, civil, and administrative penalties or sanctions, as well as all other United States statutory and regulatory requirements outside of ITAR, including, but not limited to, regulations issued by the Bureau of Alcohol, Tobacco, Firearms and Explosives found at 27 C.F.R. Parts 447, 478, and 479, which are unaffected by the DTC Treaties.

(e) If the Contractor is an Approved Community member, the Contractor agrees that—

(1) The Contractor shall comply with the requirements of the DTC Treaties, the Implementing Arrangements, the ITAR, and corresponding regulations of the U.S. Government and the government of Australia or the government of the United Kingdom, as applicable; and

(2) Prior to the export or transfer of a qualifying defense article the Contractor—

(i) Shall mark, identify, transmit, store, and handle any defense articles provided for the purpose of responding to such solicitations, as well as any defense articles provided with or developed pursuant to their responses to such solicitations, in accordance with the DTC Treaties, the Implementing Arrangements, and corresponding regulations of the United States Government and the government of Australia or the government of the United Kingdom, as applicable, including, but not limited to, the marking and classification requirements described in the applicable regulations;

(ii) Shall comply with the re-transfer or re-export provisions of the DTC Treaties, the Implementing Arrangements, and corresponding regulations of the United States Government and the government of Australia or the government of the United Kingdom, as applicable, including, but not limited to, the re-transfer and re-export requirements described in the applicable regulations; and

(iii) Shall acknowledge that any conduct that falls outside or in violation of the DTC Treaties, Implementing Arrangements, and implementing regulations of the applicable government including, but not limited to, unauthorized re-transfer or re-export in violation of the procedures established in the applicable Implementing Arrangement and implementing regulations, remains subject to applicable licensing requirements of the government of Australia, the government of the United Kingdom, and the United States Government, including any criminal, civil, and administrative penalties or sanctions contained therein.

(f) The contractor shall include the substance of this clause, including this paragraph (f), in all subcontracts that may require exports or transfers of qualifying defense articles in connection with deliveries under the contract.

(End of clause)

252.237-7019

TRAINING FOR CONTRACTOR PERSONNEL INTEGATING WITH DETAINEES

(a) *Definitions.* As used in this clause—

“Combatant Commander” means the commander of a unified or specified combatant command established in accordance with 10 U.S.C. 161.

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“Detainee” means a person in the custody or under the physical control of the Department of Defense on behalf of the United States Government as a result of armed conflict or other military operation by United States armed forces.

“Personnel interacting with detainees” means personnel who, in the course of their duties, are expected to interact with detainees.

(b) *Training requirement.* This clause implements Section 1092 of the National Defense Authorization Act for Fiscal Year 2005 (Pub. L. 108-375).

(1) The Combatant Commander responsible for the area where a detention or interrogation facility is located will arrange for training to be provided to contractor personnel interacting with detainees. The training will address the international obligations and laws of the United States applicable to the detention of personnel, including the Geneva Conventions. The Combatant Commander will arrange for a training receipt document to be provided to personnel who have completed the training.

(2)(i) The Contractor shall arrange for its personnel interacting with detainees to—

(A) Receive the training specified in paragraph (b)(1) of this clause—

(1) Prior to interacting with detainees, or as soon as possible if, for compelling reasons, the Contracting Officer authorizes interaction with detainees prior to receipt of such training; and

(2) Annually thereafter; and

(B) Provide a copy of the training receipt document specified in paragraph (b)(1) of this clause to the Contractor for retention.

(ii) To make these arrangements, the following points of contact apply:

[Contracting Officer to insert applicable point of contact information cited in PGI 237.171-3(b).]

(3) The Contractor shall retain a copy of the training receipt document(s) provided in accordance with paragraphs (b)(1) and (2) of this clause until the contract is closed, or 3 years after all work required by the contract has been completed and accepted by the Government, whichever is sooner.

(c) *Subcontracts.* The Contractor shall include the substance of this clause, including this paragraph (c), in all subcontracts, including subcontracts for commercial items, that may require subcontractor personnel to interact with detainees in the course of their duties.

(End of clause)

252.237-7023

CONTINUATION OF ESSENTIAL CONTRACTOR SERVICES

(a) *Definitions.* As used in this clause—

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(1) "Essential contractor service" means a service provided by a firm or individual under contract to DoD to support mission-essential functions, such as support of vital systems, including ships owned, leased, or operated in support of military missions or roles at sea; associated support activities, including installation, garrison, and base support services; and similar services provided to foreign military sales customers under the Security Assistance Program. Services are essential if the effectiveness of defense systems or operations has the potential to be seriously impaired by the interruption of these services, as determined by the appropriate functional commander or civilian equivalent.

(2) "Mission-essential functions" means those organizational activities that must be performed under all circumstances to achieve DoD component missions or responsibilities, as determined by the appropriate functional commander or civilian equivalent. Failure to perform or sustain these functions would significantly affect DoD's ability to provide vital services or exercise authority, direction, and control.

(b) The Government has identified all or a portion of the contractor services performed under this contract as essential contractor services in support of mission essential functions. These services are listed in attachment __, Mission-Essential Contractor Services, dated _____.

(c)(1) The Mission-Essential Contractor Services Plan submitted by the Contractor, is incorporated in this contract.

(2) The Contractor shall maintain and update its plan as necessary. The Contractor shall provide all plan updates to the Contracting Officer for approval.

(3) As directed by the Contracting Officer, the Contractor shall participate in training events, exercises, and drills associated with Government efforts to test the effectiveness of continuity of operations procedures and practices.

(d)(1) Notwithstanding any other clause of this contract, the contractor shall be responsible to perform those services identified as essential contractor services during crisis situations (as directed by the Contracting Officer), in accordance with its Mission-Essential Contractor Services Plan.

(2) In the event the Contractor anticipates not being able to perform any of the essential contractor services identified in accordance with paragraph (b) of this section during a crisis situation, the Contractor shall notify the Contracting Officer or other designated representative as expeditiously as possible and use its best efforts to cooperate with the Government in the Government's efforts to maintain the continuity of operations.

(e) The Government reserves the right in such crisis situations to use Federal employees, military personnel or contract support from other contractors, or to enter into new contracts for essential contractor services.

(f) Changes. The Contractor shall segregate and separately identify all costs incurred in continuing performance of essential services in a crisis situation. The Contractor shall notify the Contracting Officer of an increase or decrease in costs within ninety days after continued performance has been directed by the Contracting Officer, or within any additional period that the Contracting Officer approves in writing, but not later than the date of final payment under the contract. The Contractor's notice shall include the Contractor's proposal for an equitable adjustment and any data supporting the increase or decrease in the form prescribed by the Contracting Officer. The parties shall negotiate an equitable price adjustment to the contract price, delivery schedule, or both as soon as is practicable after receipt of the Contractor's proposal.

(g) The Contractor shall include the substance of this clause, including this paragraph (g), in subcontracts for the essential services.

(End of Clause)

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4. Add the following AFFARS clauses:

5352.223-9001 HEALTH AND SAFETY ON GOVERNMENT INSTALLATIONS