

Additional Terms and Conditions  
NATO Support Agency (NSPA)  
(Agreement No. LC-CC/4600002159)

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

The FAR and DFARS clauses cited below are incorporated herein at the effective version found in Buyer's Prime Contract, or higher-tier subcontract under which this Order is a subcontract.

Where necessary to derive proper meaning in a subcontract situation from these clauses, "Contractor" means "Subcontractor, Supplier or Seller" "Contracting Officer" means "Buyer", "Contract" means this "Order" and "Government" means "Buyer and/or the Buyer's Customer" as applicable. However, the words "Government" and "Contracting Officer" do not change: (1) when a right, act, authorization or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or duly authorized representative. (2) when title to property is to be transferred directly to the Government.

I. Changes to Terms and Conditions

A. Within the clause entitled, "Insurance," add the following subparagraphs to paragraph B.:

- (3) Aviation products/completed operations liability insurance for a limit of \$100,000,000
- (4) All insurance under 1-3 above is primary without right of contribution for any insurance carried by the Certificate Holder.

B. Add the following Federal Acquisition Regulation (FAR) clauses:

- 52.227-1 AUTHORIZATION AND CONSENT
- 52.245-1 GOVERNMENT PROPERTY, Alt. I, II

C. Add the following DoD FAR Supplement (DFARS) clauses:

- 252.211-7003 ITEM IDENTIFICATION AND VALUATION (items requiring Unique Item Identification shall be identified on the resultant Order)
- 252.228-7001 GROUND AND FLIGHT RISK

II. ADDITIONAL CONDITIONS

1. LIMITATION OF LIABILITY

In no event shall the Parties be liable for any indirect, special, incidental, punitive or consequential damages, including but not limited to loss of data, business interruption, loss of profits, arising out of the performance or non-performance (including delays in performance) under the Order.

## 2. REPRESENTATIVES AND VERIFICATION

- a. Subject to prior notification, Northrop Grumman and its customer will have reasonable access to the premises where the work required by this Order is being undertaken and to observe or inspect any work or test performed. Accordingly, the Seller undertakes to permit such access to his own premises and to ensure that similar rights are included in the terms and conditions of all subcontracts.
- b. Upon request, the seller shall make available all relevant drawings, specifications, procedures, tools, measuring instruments, test equipment and records.

## 3. EXCUSABLE DELAY

- a. A delay in the performance by the Seller of any obligation under the Order that arises from causes beyond the control and without the fault or negligence of the seller constitute and “Excusable Delay”, provided that the Seller provides notice. Examples of such causes include:
  - 1) acts of God or of the public enemy,
  - 2) acts of nations in their sovereign capacity (including but not limited to export approvals and policies,
  - 3) acts of Northrop Grumman and/or its customer
  - 4) fires,
  - 5) floods,
  - 6) epidemics,
  - 7) quarantine restrictions,
  - 8) strikes,
  - 9) freight embargoes, and
  - 10) unusually severe weather
- b. If any delay in the Seller’s performance of any obligation under the Order is caused by a delay of a Subcontractor, such a delay may constitute and Excusable Delay if the failure to perform has met the conditions of par. d below and has been accepted by the Buyer as an excusable delay falling under par. a above.
- c. Notwithstanding par. a , any delay caused by lack of financial resources of the Seller or an event that is a ground for termination provided for in the article “Termination”, shall not qualify and an Excusable Delay.
- d. The Seller shall not benefit from an excusable Delay unless the Seller has:
  - 1) used its best efforts to minimize the delay and recover lost time;
  - 2) advised the Buyer of the occurrence of the delay or of the likelihood of a delay occurring as soon as reasonably possible after the Seller has become aware of it;
  - 3) within 15 working days from the notice as per par. a above, the Seller shall have advised the Buyer of the full facts or matters giving rise to the delay, and provided to the Buyer for approval (which approval shall not be unreasonably withheld) a clear “work-around” plan indicating in detail the steps that the Seller proposes to take in order to minimize the impact of the event causing the delay; this plan shall include alternative sources of material and labor, if the event causing the delay involves the supply of them, and
  - 4) carried out the work-around plan approved by the Buyer

- e. In the event of an Excusable Delay, and delivery date or other date that is directly affected shall be postponed for a reasonable time not to exceed the duration of the impact of the Excusable Delay. The Buyer shall issue a Change Order, as appropriate, to reflect any such delays in delivery schedule caused by the excusable delay.
- f. Unless otherwise specified in this Order, the Buyer shall not be liable for any costs of any nature incurred by the Seller or any of its subcontractors or agents as a result of an Excusable Delay.

#### 4. SECURITY

If any plans, specifications or other similar documents relating to the Order or the performance of same are marked "Top Secret", "Secret", "Confidential", or "Restricted", the Seller shall safeguard the material by

- a. ensuring that no such document is accessible to any person not entitled to knowledge of such document
- b. complying with the national security regulations currently in force in its country
- c. complying with any special NATO or NAMSA security regulations

#### 5. SPECIAL AREAS

Except as otherwise provided in this Order, the Seller shall not acquire for use in the performance of this Order materials originating from sources in countries which are:

- subject to a formal trade embargo to be observed by NATO;
- known to disregard international trade conventions in respect of copyright;
- under communist control:
  - China (PRC)
  - Cuba
  - Laos
  - North Korea
  - Vietnam

Except as otherwise provided in this Order, the Seller agrees to insert the provisions of this clause in all lower-tier subcontracts hereunder.

#### 6. EXAMINATION OF RECORDS

- a. This clause is applicable to this Order only:
  - i. if the price, or any of the prices, to be paid for the materiel to be furnished hereunder is/are other than (a) firm fixed price(s); or
  - ii. if this Order is terminated by Northrop Grumman, in whole or in part, and the Seller submits a termination claim as a result thereof; or
  - iii. in the event a dispute arises between the parties and arbitration proceedings are instituted pursuant to the clause of this contract entitled "Disputes".
- b. The Seller agrees that Northrop Grumman, NAMSA or any of its duly authorized representatives shall, until the expiration of three (3) years after final payment under this Order, have access to and the right to examine any pertinent books, documents, papers, and records of the Seller involving transactions related to this Order.

- c. The Seller further agrees to include in all his subcontracts hereunder a provision substantially as set forth in this clause, including this paragraph. In addition a provision is to be added in such subcontracts to the effect that the auditing of the subcontractors' books, documents, papers and records involving transactions related to the subcontract may be performed by the subcontractors' national auditing services.
- d. The period of access and examination described in b. and c. above for records which relate to either appeals under the "Disputes" clause of this Order or litigation, or the settlement of claims arising out of the performance of this Order, shall continue until such appeals, litigation or claims have been disposed of.

7. SUSPECT/COUNTERFEIT PARTS

If suspect/counterfeit parts are furnished under this Order and are found in any of the goods delivered hereunder, such items will be impounded by Buyer. Seller shall promptly replace such suspect/counterfeit parts with parts acceptable to the Buyer and the Seller shall be liable for all costs relating to the removal and replacement of said parts, including without limitation Buyer's external and internal costs of removing such counterfeit parts, of reinserting replacement parts and of any testing necessitated by the reinstallation of Seller's goods after counterfeit parts have been exchanged. Seller shall be fully liable for all such costs, even if such cost might be considered indirect, special or consequential damages. Seller's liability for suspect/counterfeit parts shall not expire until intentional ignition of a launch vehicle if found in product for Space application and for 60 months after delivery if product for non-space application (e.g., ground or airborne). Buyer's remedies described herein shall not be limited by any other clause which is agreed upon between Buyer and Seller in this Order. At Buyer's request, Seller shall return any removed counterfeit parts to Buyer in order that Buyer may turn such parts over to its Government customer for further investigation. Seller agrees that any Government or quasi-Government directive, such as a GIDEP alert or a directive from The Aerospace Corporation indicating that such parts are counterfeit, shall be deemed definitive evidence that Seller's parts contain counterfeit parts.

8. TERMS AND CONDITIONS ARE SUBJECT TO CHANGE

Seller understands and agrees that the terms and conditions contained herein are subject to change as a result of definitization of the prime contract. Seller agrees to negotiate same with the Buyer promptly and in good faith.