

Additional Purchase Order Terms And Conditions
Basic Ordering Agreement, Aircraft Spare Parts, Mod. Kits, Assemblies,
Subassemblies, Special Tools, Ground Handling Equipment,
Special Support Equipment
(Prime Contract No. N00383-94-G-M114)

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 form and those appearing on Northrop Grumman Purchase Order Terms and Conditions shall be resolved in favor of the conditions in this form.

I. Changes To Purchase Order Terms and Conditions

- A. The October 1988 version of the DoD FAR Supplement 252.227-7013 clause applies to this purchase order.
- B. Delete the clause entitled, "Warranty" and substitute the following:

Supply Warranty

(1) Definitions

Supplies: The word "supplies" as used herein means the end items furnished by the Seller and any related services required under this purchase order. The word does not include technical data.

(2) Warranty

Seller warrants that at the time of acceptance all supplies furnished under this purchase order will be free from defects in material, workmanship and design, and will conform with the specifications and all other requirements of this purchase order. With respect to Government furnished property, however, Seller's warranty shall extend only to its proper installation, unless Seller performs some modification or other work on such property, in which case Seller's warranty shall extend to such modification or other work.

(3) Remedies

- (i) Right to corrective or replacement action. In the event of a breach of Seller's warranty in paragraph (2) above, Grumman may at no increase in purchase order price (a) require Seller to repair or replace defective or non-conforming supplies, or (b) require Seller to furnish such

materials or parts and installation instructions as may be required to successfully accomplish the required correction.

Seller shall also prepare and furnish to Grumman data and reports applicable to any correction required under this clause (including revision and updating of only directly affected data called for under this purchase order) at no increase in the purchase order price. When correction or replacement is required and transportation of supplies in connection with such correction or replacement is necessary, transportation charges and responsibility for such supplies while in transit from the original point of delivery to Seller's plant, shall be borne by Seller.

- (ii) Right to Equitable Adjustment. If Grumman does not require correction or replacement of defective or nonconforming supplies or Seller is not obligated to correct or replace by reason of paragraph (7) below, Grumman shall be entitled to an equitable reduction in the price of such supplies. The parties shall negotiate to reach agreement on an equitable adjustment. Failure to agree to such an equitable adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this purchase order entitled "Disputes."

(4) Notification

Except as the notification period may be extended by paragraph (5) below, Seller shall be notified in writing by Grumman of any breach of the warranty in paragraph (2) above within seven (7) months after acceptance of the nonconforming supplies by Grumman's customer. Within sixty (60) days thereafter, Seller shall submit to Grumman a written recommendation as to the corrective action required to remedy the breach. After the notice of breach, but no later than one hundred ten (110) days after receipt of Seller's recommendation for corrective action, Grumman may, in writing, direct correction or replacement as set forth in paragraph (3) above, and Seller shall, notwithstanding any disagreement regarding the existence of a breach of warranty, comply with such direction. In the event it is later determined that Seller did not breach the warranty in paragraph (2) above, the purchase order price will be equitably adjusted.

(5) Corrected or Replaced Supplies

- (i) Any supplies or parts thereof corrected or furnished in

replacement pursuant to this clause shall be subject to all the provisions of this clause to the same extent as supplies initially delivered.

- (ii) With respect to such supplies, the period for notification of a breach of Seller's warranty in paragraph (4) shall be seven (7) months from the furnishing or return by Grumman to Grumman's customer of the corrected or replaced supplies or parts thereof, or if correction or replacement is effected by Seller at a Government or other activity, for seven (7) months thereafter.

- (6) In lieu of the warranty marking labels contained in MIL-STD-129, the following warranty marking label shall be used:

"Warranted at time of acceptance. Notification of breach of warranty required within seven (7) months of acceptance by Grumman's customer. ACCEPTANCE DATE _____"

- (7) Inability to Correct. Seller shall not be obligated to correct or replace supplies if the facilities, tooling, drawings, or other equipment or supplies necessary to accomplish such correction or replacement have been made unavailable to Seller by action of Grumman or the Government. In the event that correction or replacement has been directed, Seller shall promptly notify Grumman in writing of such unavailability.
- (8) The rights and remedies of Grumman provided in this clause are in addition to and do not limit any rights afforded to Grumman by any other clause of the purchase order.

- C. Delete the clause titled "FARS/DFARS Provisions/Clauses" and replace with the following:

FAR/DFARS CLAUSES

(1) Federal Acquisition Regulation: 52.203-6 (Restrictions on Subcontractor Sales to the Government); 52.203-7 (Anti-Kickback Procedures); 52.203-10 (Price Or Fee Adjustment For Illegal Or Improper Activity); 52.204-2 (Security Requirements); 52.208-1 (Required Sources for Jewel Bearings and Related Items); 52.210-5 (New Material); 52.210-7 (Used or Reconditioned Material, Residual Inventory, and Former Government Surplus Property); 52.215-1 (Examination of Records by Comptroller General); 52.215-2 (Audit-Negotiation); 52.215-24 (Subcontract Cost or Pricing Data); 52.215-26 (Integrity of Unit Prices); 52.215-27 (Termination of Defined Benefit Pension Plans), 52.219-8

(Utilization of Small Business and Small Disadvantaged Business Concerns); 52.219-16 (Liquidated Damages - Small Business Subcontracting Plan); 52.220-3 (Utilization of Labor Surplus Area Concerns); 52.222-1 (Notice to the Government of Labor Disputes); 52.222-4 (Contract Work Hours and Safety Standards Act - Overtime Compensation); 52.222-20 (Walsh-Healey Public Contracts Act); 52.222-26 (Equal Opportunity); 52.222-35 (Affirmative Action for Special Disabled Veterans and Veterans of the Vietnam Era); 52.222-36 (Affirmative Action for Handicapped Workers); 52.222-37 (Employment Reports on Special Disabled Veterans & Veterans of the Vietnam Era); 52.223-2 (Clean Air and Water); 52.223-3 (Hazardous Material Identification and Material Safety Data); 52.225-10 (Duty-Free Entry); 52.225-11 (Restrictions on Certain Foreign Purchases); 52.227-1 (Authorization and Consent) if included in the controlling prime contract; 52.227-2 (Notice and Assistance Regarding Patent and Copyright Infringement); 52.227-6 (Royalty Information); 52.227-10 (Filing of Patent Applications-Classified Subject Matter); 52.242-12 (Report of Shipment); 52.243-7 (Notification of Changes); 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 and Alternate I); 52.248-1 (Value Engineering).

(2) DOD FAR Supplement: 252.203-7001 (Special Prohibition on Employment); 252.208-7000 (Intent to Furnish Precious Metals as Government- Furnished Material); 252.209-7000 (Acquisition from Subcontractors Subject to On-Site Inspection Under the Intermediate-Range Nuclear Forces (INF) Treaty); 252.215-7000 (Pricing Adjustments); 252.215-7003 (Industrial Modernization Incentive Program); 252.217-7026 (Identification of Sources of Supply) 252.219-7003 (Small Business and Small Disadvantaged Business Subcontracting Plan (DoD Contracts)); 252.223-7002 (Safety Precautions for Ammunition and Explosives); 252.225-7002 (Qualifying Country Sources as Subcontractors); 252.225-7005 (Identification of Expenditures in the United States); 252.225-7006 (Buy American Act -- Trade Agreements Act -- Balance of Payments Program Certificate); 252.225-7007 (Trade Agreements Act); 252.225-7009 (Duty-Free Entry--Qualifying Country End Products and Supplies); 252.225-7010 (Duty-Free Entry--Additional Provisions); 252.225-7012 (Preference for Certain Domestic Commodities); 252.225-7014 (Preference for Domestic Specialty Metals); 252.225-7015 (Preference for Domestic Hand or Measuring Tools); 252.225-7025 (Foreign Source Restrictions); 252.225-7027 (Limitation on Sales Commissions and Fees) (Insert the Governments of Australia, Taiwan, Egypt, Greece, Israel, Japan, Jordan, Republic of Korea, Kuwait, Pakistan, Philippines, Saudi Arabia, Turkey, Thailand and Venezuela in the three blanks); 252.225-7028 (Exclusionary Policies and Practices of Foreign Governments); 252.227-7013 (Rights in Technical Data and Computer Software) including Alternate I thereto; 252.227-7018 (Restrictive Markings on Technical Data); 252.227-7019 (Identification of Restricted Rights Computer Software) (applicable to RFQs for technical data); 252.227-7027 (Deferred Ordering of Technical Data

or Computer Software); 252.227-7029 (Identification of Technical Data); 252.227-7030 (Technical Data--Withholding of Payment); 252.227-7036 (Certification of Technical Data Conformity); 252.227-7037 (Validation of Restrictive Markings on Technical Data); 252.228-7005 (Accident Reporting and Investigation Involving Aircraft, Missiles and Space Launch Vehicles); 252.235-7003 (Frequency Authorization); 252.243-7000 (Engineering Change Proposals); 252.243-7001 (Pricing of Contract Modifications); 252.246-7000 (Material Inspection and Receiving Report); 252.247-7023 (Transportation of Supplies By Sea); 252.247-7024 (Notification of Transportation of Supplies By Sea).

(3) In addition, if this purchase order exceeds \$100,000: FAR 52.203-11 (Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions); 52.203-12 (Limitation on Payments to Influence Certain Federal Transactions); DOD FAR Supplement 252.225-7026 (Reporting of Overseas Subcontracts) and 252.233-7000 (Certification of Claims and Requests for Adjustment or Relief) apply; if this purchase order exceeds \$500,000: FAR 52.215-24 Subcontractor Cost or Pricing Data FAR 52.219-9 (Small Business and Small Disadvantaged Business Subcontracting Plan) and FAR 52.220-4 (Labor Surplus Area Subcontracting Program) apply; and if this purchase order exceeds \$1,000,000: DOD FAR Supplement 252.270-7000 (Recovery of Nonrecurring Costs and Royalty Fees on Commercial Sales) applies.

(4) If this purchase order is for experimental, developmental or research work, FAR 52.227-12 Patent Rights-Retention by the Contractor (Long Form) applies, unless Seller is a small business concern or nonprofit organization as defined in FAR 27.301, in which event FAR 52.227-11 Patent Rights-Retention by the Contractor (Short Form) applies.

II. ADDITIONAL CONDITIONS

1. GOVERNMENT-INDUSTRY DATA EXCHANGE PROGRAM (GIDEP)

- a. If the negotiated amount of a purchase order exceeds \$500,000, Seller shall provide and maintain procedures to enable its full participation in the appropriate interchange of the Government- Industry Data Exchange Program (GIDEP) in accordance with the issue of MIL-STD-1556 in effect on the date of the purchase order. Compliance with this clause shall not relieve Seller from complying with any other provision of the purchase order.
- b. When this clause is applicable to an order, Seller agrees to insert paragraph 1 immediately above in any subcontract thereunder exceeding \$500,000. When so inserted, the word "Seller" shall be changed to "Subcontractor."

2. ENVIRONMENTAL PROTECTION AGENCY (EPA) LABELING (NOTIFICATION/WARNING) OF PRODUCTS MANUFACTURED USING CLASS I OZONE-DEPLETING SUBSTANCES (ODS)

The deleting of the contractual requirement to use ozone-depleting substances does not preclude their use. Hardware end items will in some cases be manufactured using or containing ozone-depleting substances. Thus, in accordance with the Environmental Protection Agency Rule appearing in the Federal Register (FR 58 8136-8169, February 11, 1993) the following warning statement is applicable to the deliverables manufactured using ozone-depleting substances:

Warning: Manufactured with TCA and CFC-113, substances which harm public health and environment by destroying ozone in the upper atmosphere.