

Additional Purchase Order Terms And Conditions
Basic Ordering Agreement, Spares For The E-2C Aircraft Weapons Program
(Prime Contract No. N00383-00-G-027B)

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 November 1995 version of the DoD FAR Supplement 252.227-7013 clause applies to this Order.
- B. Delete the clause entitled, "Warranty" and substitute the following:

WARRANTY

(a) Warranty:

- (1) The Seller warrants that at the time of delivery all supplies furnished under this Order will be free from defects in material and workmanship, and will conform with the specifications and all other requirements of this 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.

(b) Remedies:

- (1) Right to corrective or replacement actions: In the event of a breach of the Warranty in paragraph (b) above, Buyer may, at no increase in Order price, (A) require the Seller, at the Seller's plant, to repair or replace at the Buyer's election, defective or nonconforming supplies, or (B) require the Seller to furnish at the Seller's plant such materials or parts and installation instructions as may be required to successfully accomplish the required correction. The Seller shall also prepare and furnish to the Buyer data and reports applicable to any correction required under this clause (including revision and updating of all affected data called for under this Order) at no increase in the 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 shall be borne by the Seller.

(2) Right to Equitable Adjustment:

If Buyer does not require correction or replacement of defective or nonconforming supplies or Seller is not obligated to correct or replace by reason of paragraph (g) below, Buyer shall be entitled to an equitable reduction in the price of such supplies. The parties shall negotiate to reach an 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 Order entitled "Disputes".

(c) Notification and Correction Procedures:

- (1) Except as the notification period may be extended by operation of paragraph (5) herein, Seller shall be notified in writing by Buyer of any breach of the warranty set forth in paragraph (a) above including a description of the breach within (7) months after acceptance of the nonconforming supplies by the Government, or within two (2) years of acceptance by Buyer, whichever is earlier.
- (2) Within sixty (60) days of such notification, Seller shall submit to Buyer a written plan with recommended actions and a proposed schedule to remedy the breach. After the notice of breach, but no later than 70 days after receipt of the Seller's recommendation for corrective action, the Buyer may, in writing, direct correction or replacement as set forth in paragraph (b) above, and the 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 the Seller did not breach the warranty in paragraph (a) above, the order price will be equitably adjusted.
- (3) Seller warrants that all corrective action pursuant to the Remedies section of this clause shall be completed and supplies tendered for redelivery to Buyer within either (i) sixty (60) calendar days from the date of Seller receipt of uncorrected supplies at the Seller's plant or original point of

delivery or (ii) a schedule pursuant to a plan of action approved in writing by Buyer. If the Seller is unable to provide corrective action within the applicable time frame, Seller shall request an extension, in writing, from Buyer.

(5) Corrected or Replaced Supplies.

(i) Any supplies or parts thereof corrected or furnished in replacement pursuant to this warranty are 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 on the Seller's warranty in paragraph (c) shall be seven (7) months after receipt by the Government of the corrected supplies, or within two (2) years after receipt by Buyer, whichever is earlier.

(d) Marking:

(1) In lieu of the warranty labels contained in MIL-STD-129, the following warranty marking label shall be used:
"Warranted at time of delivery. Notification of breach of warranty required within seven (7) months of actual delivery under this Order. Actual deliveries may differ from scheduled deliveries.
DELIVERY DATE _____"

(e) Inability to Correct:

The Seller shall not be obligated to correct or replace supplies if the facilities, toolings, drawings, or other equipment or supplies necessary to accomplish such correction or replacement have been made unavailable to the Seller by action of the Buyer. In the event that correction or replacement has been directed, the Seller shall promptly notify the Buyer in writing of such unavailability.

(f) Miscellaneous:

(1) The rights and remedies of Buyer and Seller provided in this clause are in addition to, and do not limit, any rights and remedies Buyer and Seller may have under any other clause or provision of this Order.

(2) Buyer's right under this Order because of latent defects,

fraud, or such gross mistakes as amount to fraud are not limited by this clause.

C. The following changes are made to the clause titled "FARS/DFARS Provisions/Clauses":

1. Add the following DOD FAR Supplement clauses:

252.225-7000 BUY AMERICAN ACT - BALANCE OF PAYMENTS PROGRAM CERTIFICATE

252.225-7006 BUY AMERICAN ACT - TRADE AGREEMENTS - BALANCE OF PAYMENTS PROGRAM CERTIFICATE

252.225-7027 LIMITATION ON SALES COMMISSIONS AND FEES (THE BLANKS WILL BE COMPLETED WITH THE GOVERNMENTS OF AUSTRALIA, TAIWAN, EGYPT, GREECE, ISRAEL, JAPAN, JORDAN, REPUBLIC OF KOREA, KUWAIT, PAKISTAN, PHILIPPINES, SAUDI ARABIA, TURKEY, THAILAND AND VENEZUELA)

252.225-7035 BUY AMERICAN ACT - NORTH AMERICAN FREE TRADE AGREEMENT IMPLEMENTATION ACT - BALANCE OF PAYMENTS PROGRAM CERTIFICATE

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 a purchase 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."