

Additional Purchase Order Terms And Conditions
Basic Ordering Agreement For Repair And/Or Modification For
Various Aircraft Programs
(Prime Contract No. N00421-05-G-0001)

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

1. Add the following FAR clause:

52.227-1	AUTHORIZATION AND CONSENT, ALT. I
52.227-2	NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT
52.227-14	RIGHTS IN DATA-GENERAL & ALT.
52.227-16	ADDITIONAL DATA REQUIREMENTS
52.243-7	NOTIFICATION OF CHANGES (under paragraph b, the notification period is 70 days, under paragraph d, the response time is 80 days).

2. Add the following DFARS clauses:

252.209-7004	SUBCONTRACTING WITH FIRMS THAT ARE OWNED OR CONTROLLED BY THE GOVERNMENT OF A TERRORIST COUNTRY
252.211-7003	ITEM IDENTIFICATION AND VALUATION (items requiring Unique Item Identification shall be identified on the resultant Order)
252.223-7006	PROHIBITION ON STORAGE AND DISPOSAL OF TOXIC AND HAZARDOUS MATERIALS
252.225-7003	REPORT OF INTENDED PERFORMANCE OUTSIDE THE UNITED STATES AND CANADA-SUBMISSION AFTER AWARD
252.244-7000	SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (DOD CONTRACTS)

II. ADDITIONAL CONDITIONS

1. ECONOMIC REPAIRABILITY

Limitation on Articles to be Serviced:

The Seller shall not begin servicing of any article(s) where the total costs of servicing (labor and parts) is reasonably expected to exceed eighty percent (80%) of the Seller's most recent selling price of that item based on a spares replacement of a new article in a configuration similar to the configuration of the article to be serviced.

Furthermore, whenever it becomes apparent, prior to the submission of the quotation for servicing, that an article being serviced will need servicing, the cost of which will exceed the foregoing figure, the Seller will discontinue the servicing of such article. In either of the foregoing events, the Seller shall promptly advise Northrop Grumman of the estimated cost of servicing such an article.

The Seller will subsequently be advised by Northrop Grumman if the article is to be serviced notwithstanding that the price for such servicing will exceed the figure above, or if the determination is that servicing is to be discontinued. If the servicing is to be discontinued, the Order will be amended to compensate the Seller for services performed and parts furnished.

2. ENVIRONMENTAL CONTROLS (NAVAIR 5252.223-9500)

Notwithstanding that this Order may require the use of paints or coatings which do not meet state or district requirements for reduced volatile organic compounds (VOC's), the Seller must comply with all federal, state, and local regulatory requirements, in effect as of the date of this Order, respecting air quality and emission limitations. It remains the Seller's responsibility to meet the requirements for reduced VOC's even where to do so will require the use of engineering controls or other special painting equipment.

3. PROVISIONAL ACCEPTANCE

a. If at the delivery date stated herein the supplies are not complete or otherwise are not in conformity with the requirements of this Order, Buyer may, nevertheless, direct their delivery and may provisionally accept them upon such inspection of the supplies as Buyer shall deem appropriate. Provisionally accepted supplies shall be completed or otherwise brought into conformity with Order requirements by Seller at Seller's expense and as directed by Buyer. Alternatively, Buyer may elect to either perform such work at Seller's expense or to retain the non-conforming supplies, in which

event the price shall be equitably reduced.

- b. If supplies are otherwise ready for delivery hereunder prior to completion of the qualification tests required by this order or by any prior order with Seller for supplies of the type to be delivered hereunder, Buyer may nevertheless direct the Seller to deliver such supplies and may provisionally accept such supplies upon (1) satisfactory completion by Seller of the acceptance tests for the supplies concerned, and (2) such other inspection of the supplies as Buyer may deem appropriate. In the event that supplies have been provisionally accepted hereunder, Seller shall, as a condition precedent to final acceptance, be obligated to complete such qualification tests successfully and to incorporate in all such supplies at no increase in Order price, (1) all corrections of a type required to pass qualification tests, and (2) replacement for non-approved, non-standard parts.
- c. Pending final acceptance of supplies that have been provisionally accepted, Buyer may, in his/her discretion, withhold such portion of the Order price as may be appropriate.
- d. Nothing in this clause shall affect the Seller's obligation under other clauses of this Order.

4. REIMBURSEMENT OF TRAVEL, PER DIEM, AND SPECIAL MATERIAL COSTS (NAVAIR 5252.232-9509) (Applies to cost-reimbursement Orders only)

- (a) Area of Travel. Performance under this Order may require travel by Seller personnel. If travel, domestic or overseas, is required, the Seller is responsible for making all necessary arrangements for its personnel. These include but are not limited to: medical examinations, immunizations, passports/visas/etc., and security clearances. All Seller personnel required to perform work on any U.S. Navy vessel shall obtain boarding authorization from the Commanding Officer of the vessel before boarding.
- (b) Travel Policy. Northrop Grumman will reimburse the Seller for allowable travel costs incurred by the Seller in performance of the Order in accordance with FAR Subpart 31.2. Travel required for tasks assigned under this Order shall be governed in accordance with: Federal Travel Regulations, prescribed by the General Services Administration for travel in the conterminous 48 United States, (hereinafter the FTR); Joint Travel Regulation, Volume 2, DoD Civilian Personnel, Appendix A, prescribed by the Department of Defense, for travel in Alaska, Hawaii, The Commonwealth of Puerto Rico, and territories and possessions of the United States (hereinafter JTR); and Standardized Regulations (Government Civilians, Foreign Areas), Section 925, "Maximum Travel Per Diem Allowances for Foreign Areas," prescribed by the Department of State, for

travel in areas not covered in the FTR or JTR (hereinafter the SR).

- (c) Travel. Travel and subsistence are authorized for travel beyond a fifty-mile radius of the Seller's office whenever a task assignment requires work to be accomplished at a temporary alternate worksite. No travel or subsistence shall be charged for work performed within a fifty-mile radius of the Seller's office. The Seller shall not be paid for travel or subsistence for Seller personnel who reside in the metropolitan area in which the tasks are being performed. Travel performed for personal convenience, in conjunction with personal recreation, or daily travel to and from work at the Seller's facility will not be reimbursed.
- (1) For travel costs other than described in paragraph (c) above, the Seller shall be paid on the basis of actual amount paid to the extent that such travel is necessary for the performance of services under the contract and is authorized by Northrop Grumman in writing.
 - (2) When transportation by privately owned conveyance is authorized, the Seller shall be paid on a mileage basis not to exceed the applicable Government transportation rate as contained in the FTR, JTR or SR. Authorization for the use of privately owned conveyance shall be indicated in the Order. Distances traveled between points shall be shown on invoices as listed in standard highway mileage guides. Reimbursement will not exceed the mileage shown in the standard highway mileage guides.
 - (3) The Seller agrees, in the performance of necessary travel, to use the lowest cost mode commensurate with the requirements of the mission as set forth in the basic contract and in accordance with food traffic management principles. When it is necessary to use air or rail travel, the Seller agrees to use coach, tourist class, or similar accommodations to the extent consistent with the successful and economical accomplishment of the mission for which the travel is being performed.
 - (4) The Seller's invoices shall include receipts or other evidence substantiating actual costs incurred for authorized travel. In no event will such payments exceed the rates of common carriers.
- (d) Vehicle and/or Truck Rentals. The Seller shall be reimbursed for actual rental/lease of special vehicles and/or trucks (i.e., of a type not normally used by the Seller in the conduct of its business) only if authorized in the Order or upon approval by Northrop Grumman. Reimbursement of such rental shall be made based on actual amounts paid by the Seller. Use of rental/lease costs of vehicles and/or trucks that are of a type normally used

by the Seller in the conduct of its business are not subject to reimbursement.

- (e) Car Rental. The Seller shall be reimbursed for car rental, exclusive of mileage charges, as authorized in the basic contract or upon approval by Northrop Grumman, when the services are required to be performed beyond the normal commuting distance from the Seller's facilities. Car rental for a team on TDY at one site will be allowed for a minimum of four (4) persons per car, provided that such number or greater comprise the TDY team.
- (f) Per Diem. The Seller shall not be paid for per diem for Seller personnel who reside in the metropolitan areas in which the tasks are being performed. Per Diem shall not be paid on services performed within a fifty-mile radius of the Seller's home office or the Seller's local office. Per Diem is authorized for Seller personnel beyond a fifty-mile radius of the Seller's home or local offices whenever a task assigned requires work to be done at a temporary alternate worksite. Per Diem shall be paid to the Seller only to the extent that overnight stay is necessary and authorized under this Order. The authorized per diem rate shall be the same as the prevailing per diem in the worksite locality. These rates will be based on rates contained in the FTR, JTR or SR. The applicable rate is authorized at a flat seventy-five (75%) percent on the day of departure from Seller's home or local office, and on the day of return. Reimbursement to the Seller for per diem shall be limited to actual payments to per diem defined herein. The Seller shall provide actual payments of per diem defined herein. The Seller shall provide supporting documentation for per diem expenses as evidence of actual payment.
- (g) Shipboard Stays. Whenever work assignments require temporary duty aboard a Government ship, the Seller will be reimbursed at the per diem rates identified in paragraph C8101.2C or C81181.3B(6) of the Department of Defense Joint Travel Regulations, Volume II.
- (h) Special Material. "Special material" includes only the costs of material, supplies, or services which is peculiar to the ordered data and which is not suitable for use in the course of the Seller's normal business. It shall be furnished pursuant to specific authorization approved by Northrop Grumman. The Seller will be required to support all material costs claimed by its costs less any applicable discounts. "Special materials" include, but are not limited to, graphic reproduction expenses, or technical illustrative or design requirements needing special processing.

5. OPERATIONS SECURITY (OPSEC) (applies to Orders for classified or sensitive items)

The Supplier shall develop, implement and maintain an OPSEC program to protect classified and sensitive unclassified activities, information, equipment and material used or developed by the Supplier and any subcontractor during performance of the Order. The Supplier shall be responsible for the subcontractor implementation of the OPSEC requirements. This program may include Information Assurance and Communications Security (COMSEC). The OPSEC program shall be in accordance with National Security Decision Directive (NSDD) 298, and at a minimum shall include:

- Assignment of responsibility for OPSEC direction and implementation.
- Issuance of procedures and planning guidance for the use of OPSEC techniques to identify vulnerabilities and apply applicable countermeasures
- Establishment of OPSEC education and awareness training
- Provisions for management, annual review, and evaluation of OPSEC programs
- Flow down of OPSEC requirements to subcontractors when applicable

Security clearance requirements for Supplier personnel, up to and including SECRET, is required for this tasking as shown in the DD-254, if applicable.