

Additional Purchase Order Terms And Conditions  
Basic Ordering Agreement for Repairs and/or Modification to Repairable Assemblies for EA-6B,  
E-2C and C-2 Aircraft  
(Prime Contract No. N00383-06-G-057B)

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 FOR OVERHAUL AND REPAIR
  - 1. Notwithstanding inspection and acceptance by Northrop Grumman of articles or services furnished under this Order or any provision of this Order concerning the conclusiveness thereof, the Seller warrants that at the time of delivery to Northrop Grumman's customer:
    - (a) Any part furnished or work done under this Order will be free from defects in material and workmanship and will conform with specifications and all other requirements of this order, and,
    - (b) The preservation packaging, packing and marking and the preservation for, and method of, shipment of any repaired or overhauled article will conform with the requirements of this order.
  - 2. Within one (1) year after the delivery to Northrop Grumman's customer of any article repaired or overhauled under this Order, written notice may be given by Northrop Grumman to the Supplier of any breach of the warranties in paragraph one (1) of this clause as to such article. Within a reasonable time after such notice, Northrop Grumman shall advise the Supplier either (I) that the Supplier shall correct or re-perform any defective or nonconforming services and replace any defective or nonconforming parts, or (II) that Northrop Grumman does not require correction or re-performance of services or replacement parts. If the Supplier is required to correct or re-perform services or replace parts, it shall be at no cost to Northrop Grumman. If the Supplier fails or refuses to correct or re-perform

services or to replace parts, Northrop Grumman may, by purchase order or otherwise, correct or replace with similar services and parts and charge to the Supplier the cost occasioned to Northrop Grumman thereby or obtain an equitable adjustment in the purchase order price. If Northrop Grumman does not require correction or re-performance of services or replacement parts, Northrop Grumman shall make an equitable adjustment in the purchase order price. Failure to agree upon any determination to be made under this clause shall be a dispute concerning a question of fact within the meaning of the disputes clause of this Order.

3. When return, correction, or replacement is required, transportation charges and responsibility for such articles or part thereof while in transit shall be borne by the Supplier.
4. In lieu of the warranty marking labels contained in MIL-STD-129, the following warranty label shall be used:

Warranted at time of delivery, notification of breach of warranty required within one year of last actual delivery to Northrop Grumman's customer under this Order. Actual deliveries may differ from scheduled deliveries. Last scheduled delivery date:

OR

Warranted at time of delivery, notification of breach of warranty required within one year of last delivery to Northrop Grumman's customer under this order. Last delivery date:

5. Any articles or parts thereof corrected or furnished in replacement pursuant to this clause shall also be subject to all provisions of this clause to the same extent as items initially delivered. The warranty with respect to such articles or parts thereof shall be at time of delivery, and any notice of breach of warranty shall be given in accordance with paragraph two (2) above.
6. The rights and remedies of Northrop Grumman and Seller provided in this clause are in addition to, and do not limit, any rights and remedies Northrop Grumman and Seller may have under any other clause or provision of this Order.

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

1. Add the following FAR clause:  
52.223-11 OZONE DEPLETING SUBSTANCES
2. Add the following DoD FAR Supplement clauses:  
252.217-7026 IDENTIFICATION OF SOURCES OF SUPPLY  
252.225-7000 BUY AMERICAN ACT--BALANCE OF PAYMENTS PROGRAM CERTIFICATE  
252.225-7035 BUY AMERICAN ACT—FREE TRADE AGREEMENTS--BALANCE OF PAYMENTS PROGRAM CERTIFICATE  
252.247-7022 REPRESENTATION OF EXTENT OF TRANSPORTATION BY SEA

II. ADDITIONAL CONDITIONS

1. COMPLIANCE WITH PREFERENCE FOR DOMESTIC SPECIALTY METALS CLAUSE

Seller must comply with the provisions of DFARS 252.225-7014 Preference for Domestic Specialty Metals and Alternate I and is required to notify all subcontractors at all levels to comply with the provisions of this clause through inclusion of DFARS 252.225-7014 & Alternate I in its Subcontracts and Purchase Orders. Seller and its subcontractors must deliver compliant hardware pursuant to the requirements of this Order.

2. PARTS AND MATERIAL

The Seller is responsible for supplying all parts and material necessary to perform the required repairs under this Order. All parts and material used in performance of this Order shall be in accordance with the latest approved revision of applicable drawings and specifications and shall be new in accordance with FAR 52.211-5, Material Requirements, which is incorporated by reference herein. Authorization to use other than new material as defined by FAR 52.211-5 requires written approval from the Buyer. In addition, cannibalization must be approved by the Buyer. Cannibalization of units that have not been inducted is not typically authorized and requires specific approval by the Buyer. The Seller shall ensure it has access for the duration of the Order to updated drawings and specifications for parts and material required for repairs performed under this order. Any change to such parts/material drawings or specifications requires Buyer approval. Any repairs performed using unapproved changes to drawings, specifications or manufacturing source or facility are done at the Seller’s own risk. If the buyer disapproves the requested change, the Seller shall replace any delivered items repaired using such unapproved change. The Seller is not entitled to any equitable adjustment to the Order price to terms based on Buyer’s disapproval of a requested change to the drawings or specifications.

3. CONFIGURATION MANAGEMENT

a. The Supplier shall conform to the total baseline configuration of the Order items, including but not limited to, hardware, software and firmware, in accordance with the configuration management provisions of this Order.

b. Definitions

1) Critical Application Item (CAI) – CAI is defined as an item that is essential to weapon system performance or operation, or the preservation of life or safety of operational personnel, as determined by the military services. The subset of CAIs, whose failure could have catastrophic or critical safety consequence (Category I or II as defined by MIL-STD-882), are Critical Safety Items (CSI).

2) Critical Safety Item (CSI) – CSI is defined as a part, an assembly, installation, or production system with one or more critical or critical safety characteristics that, if missing or not conforming to the design data, quality requirements, or overhaul and maintenance documentation, would result in an unsafe condition that could cause loss or serious damage to the end item or major components, loss of control, uncommanded engine shutdown, or serious injury or death to personal and unsafe conditions, which relate to hazard severity categories I and II of MIL-STD-882, System safety Requirements. CSIs are a subset of CAIs and include, but are not limited to, items determined to be life-limited, fracture critical or fatigue sensitive. A critical Safety Item may also be known by terms such as a Flight Safety Critical Aircraft Part, Flight Safety Part, or Flight Safety Critical Part. For purposes of the Order, the term used will be Critical Safety Item.

3) Engineering Change Proposal (ECP) – An ECP is the documentation by which an engineering change and its implementation for items to be delivered under this Order is proposed, justified and submitted to the appropriate authority for approval or disapproval. Class I and Class II ECPs will be classified as follows:

i) Class I ECP – An engineering change will be classified as Class I if:

A – it affects any physical or functional requirement in approved functional or configuration documentation, or

B – it affects any approved functional, allocated or product configuration documentation, cost to the Government and Northrop Grumman, warranties or Order milestones as applicable, or

C – it affects approved product configuration documentation and one or more of the following: Government or Northrop Grumman furnished equipment (including Government/Northrop Grumman test equipment and associated programs such as Test Program Sets/Software); safety; compatibility;

interoperability, or logistic support; delivered technical manuals for which changes are not funded; will require retrofit of delivered units; preset adjustments or schedules affecting operating limits or performance to the extent a new identification number is required; inter-changeability, substitutability, or replacement of any item down to non-repairable assemblies, sources on a source control drawing; or skills manning, training, biomedical factors or human engineering design.

ii) Class II ECP – An engineering change is Class II if it does not impact any of the Class I factors specified above.

4) Deviation – A deviation is the specific written authorization to depart from a particular requirement of the item’s configuration for a specific number of units or for a specific amount of time. It is also a specific written authorization to accept items, which are found to depart from specified requirements, but which nevertheless is considered suitable for use “as is” or after correction by a specified method. The term deviation encompasses what previously had been defined as both a deviation and waiver, and therefore includes requests to depart from a known requirement before, during or after manufacture. Deviations will be classified as follows:

i) Major – A deviation is major when it involves a departure from requirements or specifications involving: health, performance, interchangeability, reliability, survivability, maintainability or durability of the item or parts, effective use or operation of the item or system, weight or size and appearance (when a factor).

ii) Critical – A deviation is critical when the deviation involves or impacts safety.

iii) Minor – A deviation is minor when the deviation does not involve factors listed above for either critical or major deviations.

c. Configuration Management/ECPs

1) Northrop Grumman will maintain configuration control authority for all modifications or changes affecting form, fit, or function, or interface parameters of the Order items and sub0assemblies. Guidelines for preparing Class I and Class II ECPs may be found in MIL-HDBK-61A, Configuration Management Guidance and ANSI/EIA-649, National Consensus Standard for Configuration Management. The Supplier will maintain configuration of the items in accordance with the requirements of the Order.

2) The Supplier shall submit an Engineering Change Proposal (ECP) for any

Class I or II changes that impact the items covered by this Order. An ECP shall be designated Class I or Class II, as defined in this Order.

- i) If the Supplier has an ECP pending with another Contractor or Government activity, has an approved ECP that the Supplier proposes to incorporate under this Order, or has an ECP pending or approved under a production contract, the Supplier will notify the Buyer of the status of the ECP and provide a copy of the ECP submission. Any such Class I ECP, however, will be incorporated only by Change order to this Order.
- ii) A properly documented ECP submitted under this Order shall be processed as follows:
  - A – Any Class I ECP must be submitted to the Buyer for approval/disapproval. A Class I change will not be implemented until a Change Order is issued by the Buyer.
  - B – Any Class II ECP involving a non-critical item or a CAI shall be submitted to the Buyer for concurrence in classification and may be implemented only upon receiving Northrop Grumman concurrence. Any Class II ECP involving a CSI must be clearly identified as involving a CSI, must be submitted to the Buyer for review, and may be implemented only upon the approval of the Buyer. If, however, authorization in writing by the Buyer to concur in Class II ECPs involving CSIs for the Supplier (which is specific to the Supplier's location and CAGE code), a Class II ECP involving a CSI may be submitted to the Buyer and implemented upon Buyer's concurrence with classification. If the affected Class II ECP item or items have not been identified as CAI, CSI or as non-critical by Northrop Grumman, the Supplier will contact the Buyer to obtain a classification for the affected items. Northrop Grumman will not be responsible for any Order delay or disruption or any increased costs of performance of the Supplier due to a misclassification of an ECP by the Supplier, including those costs associated with replacement of delivered items resulting from such a misclassification. Class II changes shall be made at no additional cost to Northrop Grumman.
- iii) The Supplier shall coordinate with the Buyer prior to any ECP submission. The Supplier will provide copies of configuration changes affecting FMS customers to NAVICP FMS, Code P751.
- iv) The Supplier is not entitled to any adjustment to the Order price or terms based on Northrop Grumman's disapproval of a Class I or II ECP.

d. Configuration Management/Deviations

- 1) The Supplier shall not manufacture any items for acceptance by Northrop Grumman that incorporate a known departure from technical or contractual requirements unless a request for a deviation has been approved. Authorized deviations are a temporary departure from the requirements only and do not authorize a change to the item's configuration baseline.
- 2) Deviation requests shall be prepared in accordance with DI-CMAN-80640C-Request for Deviation. Guidelines for preparing deviations may also be found in MIL-HDBK-61A Configuration Management Guidance and ANSI/EIA-649, National Consensus Standard for Configuration Management.
- 3) Major, critical and minor deviations are classified in accordance with the definitions in this Order.
- 4) A Request for Deviation shall be processed as follows upon submission of a properly documented request:
  - i) For items involving a major or critical deviation, delivery, and/or shipment of such items under this Order is not permitted until authorized in writing by the Buyer.
  - ii) For any non-critical item or CAI involving a minor deviation, delivery and/or shipment of such items under this Order is not permitted until authorized by the Buyer. Minor deviations affecting CSI must be identified as involving a CSI, must be submitted to the Buyer for review by the Buyer and the Cognizant Engineer, and may be delivered only upon the approval of the Buyer. If, however, authorization in writing by the Buyer to approve minor deviations involving CSIs for the Supplier (which is specific to the Supplier's location and CAGE code), a minor deviation affecting a CSI may be reviewed by the Buyer and may be delivered if authorization from Northrop Grumman is received. If the affected item or items have not been identified as CAI, CSI or as non-critical by Northrop Grumman, the Supplier will contact the Buyer to obtain a classification for the affected items.
- 5) Recurring deviations are discouraged and shall be minimized. The Supplier is not entitled to any equitable adjustment to the Order price or terms based on Northrop Grumman's disapproval of a major/critical or minor deviation. In addition, Northrop Grumman may be entitled to consideration from the Supplier if a deviation is approved.