

Additional Purchase Order Terms And Conditions
Basic Ordering Agreement for ILS Spares to Support EA-6B, E-2C, E-2D, C-2, EA-18G
and A-10 Aircraft
(Prime Contract No. SPRPA1-11-G-003Z)

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 March 2011 version of the DoD FAR Supplement 252.227-7013 clause applies to this Order.
- B. Delete the clause entitled, "Warranty" and substitute the following:

SUPPLY WARRANTY

(a) Warranty:

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:

Except as the notification period may be extended by subparagraph (4) herein, Seller shall be notified in writing by Buyer of any breach of the warranty set forth in paragraph (a) above within seven (7) months after acceptance of the nonconforming supplies by the Government, or within two (2) years of acceptance by Buyer, whichever is earlier. Within sixty (60) days thereafter, Seller shall submit to Buyer a written recommendation as to the corrective action required 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.

(d) Corrected or Replaced Supplies.

(1) 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.

(2) 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 from the furnishing or return by the Seller to Northrop Grumman Corporation of the corrected or replaced supplies or parts thereof, or if correction or replacement is effected by the Seller at a Northrop Grumman Corporation or other activity, for seven months or within two (2) years after receipt by Buyer, whichever is earlier.

(e) Warranty Marking Label:

(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_____”

- (f) 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.
- (g) ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND “FITNESS FOR A PARTICULAR PURPOSE” ARE HEREBY EXCLUDED FROM ANY OBLIGATION CONTAINED IN THIS ORDER.
- (h) The rights and remedies of Buyer provided in this clause are in addition to, and do not limit, any rights afforded to the Buyer by 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:
FAR
52.215-23 LIMITATIONS ON PASS-THROUGH CHARGES, ALT. I
NOTE: Applicable to orders that exceed \$700,000
52.222-40 NOTIFICATION OF EMPLOYEE RIGHTS UNDER THE NATIONAL LABOR RELATIONS ACT
NOTE: Applicable to orders that exceed \$10,000
52.223-18 ENCOURAGING CONTRACTOR POLICIES TO BAN TEXT MESSAGING WHILE DRIVING
- 2. Add the following DoD FAR Supplement clauses:
DOD FAR Supplement
252.204-7004 DISCLOSURE OF INFORMATION
252.204-7005 ORAL ATTESTATION OF SECURITY RESPONSIBILITIES
252.211-7003 ITEM IDENTIFICATION AND EVALUATION
252.225-7000 BUY AMERICAN ACT--BALANCE OF PAYMENTS PROGRAM CERTIFICATE
252.225-7036 BUY AMERICAN ACT--FREE TRADE AGREEMENTS--BALANCE OF PAYMENTS PROGRAM CERTIFICATE AND ALTERNATE I

252.225-7038 RESTRICTION ON ACQUISITION OF AIR
CIRCUIT BREAKERS

252.247-7022 REPRESENTATION OF EXTENT OF
TRANSPORTATION BY SEA

3. Delete the following DoD FAR Supplement Clauses:

252.225-7014 PREFERENCE FOR DOMESTIC SPECIALTY
METALS AND ALTERNATE I

NOTE: Applicable to orders issued under prime
contracts awarded before January 28, 2008.

252.225-7014 PREFERENCE FOR DOMESTIC SPECIALTY
METALS (DEVIATION NO. 2008-O0002) AND
ALTERNATE I (DEVIATION NO. 2008-O0002)

NOTE: Applicable to Orders issued under prime
contracts awarded on or after January 28, 2008 and
before July 29, 2009.

252.222-7999 ADDITIONAL REQUIREMENTS AND
RESPONSIBILITIES RESTRICTING THE USE
OF MANDATORY ARBITRATION
AGREEMENTS (DEVIATION NO. 2010-O0004)

II. ADDITIONAL CONDITIONS

1. COMPLIANCE WITH RESTRICTION ON ACQUISITION OF
CERTAIN ARTICLES CONTAINING SPECIALTY METALS CLAUSE

Seller must comply with the provisions of DFARS 252.225-7009
Restriction On Acquisition Of Certain Articles Containing Specialty Metals
and is required to notify all subcontractors at all levels to comply with the
provisions of this clause through inclusion of DFARS 252.225-7009 in its
Subcontracts and Purchase Orders. Seller and its subcontractors must
deliver compliant hardware pursuant to the requirements of this Order.

2. GOVERNMENT-INDUSTRY DATA EXCHANGE PROGRAM (GIDEP)

(a) If the negotiated amount of this 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 Order. Compliance with
this clause shall not relieve Seller from complying with any other
provision of the purchase order.

(b) When this clause applies, 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."

3. RESTRICTIONS ON THE USE OF MANDATORY ARBITRATION AGREEMENTS (DFARS 252.222-7006)

(Applicable to all subcontracts, task orders and Purchase Orders at every tier in excess of \$1 million that utilize FY10 funds except for commercial items and commercially available off-the-shelf items.)

Seller agrees not to –

- (a) Enter into any agreement with any of its employees or independent contractors that requires, as a condition of employment, that the employee or independent contractor agree to resolve through arbitration any claim under title VII of the Civil Rights Act of 1964 or any tort related to or arising out of sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention; or
- (b) Take any action to enforce any provision of an existing agreement with an employee or independent contractor that mandates that the employee or independent contractor resolve through arbitration any claim under title VII of the Civil Rights Act of 1964 or any tort related to or arising out of sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention.

Seller agrees to flow down this provision in all subcontracts, task orders and Purchase Orders at every tier that will be funded with in excess of \$1 million of Fiscal Year 2010 funds, except for those for commercial items, including commercially available off-the-shelf items.

Failure to comply with this provision will be considered a material breach and, at the sole discretion of Buyer, may result in termination for default or cause.