

**NORTHROP GRUMMAN SPACE SYSTEMS
TERMS AND CONDITIONS
OTHER TRANSACTION AGREEMENTS (OTA)**

1. DEFINITIONS

- A. "Acceptance" or "Accept" means the verification by Buyer and/or Buyer's customer that the delivered Products and/or Services meet required specifications, standards and/or criteria as set forth in the Order.
- B. "Authorized Representative" means the person authorized by Buyer's cognizant purchasing organization to administer and/or execute this Order and who has sole authority to make contractual commitments on behalf of Buyer, to provide contractual direction, and to change contractual requirements of this Order.
- C. "Buyer" means the Northrop Grumman legal entity identified on the face of the Order.
- D. "Data" means all financial information, business information, designs, dimensions, specifications, drawings, patterns, computer files or software, know how, reports, or other information, including but not limited to Technical Data used in the design and manufacture of Products or the provision of Services. Data may be recorded in a written or printed document, computer or electronically stored, software, or any other tangible form of expression.
- E. "Order" means the instrument of contracting, including these terms and conditions and all other referenced documents, and any subsequent changes or modifications.
- F. "Party/Parties" means Buyer and Seller individually/collectively.
- G. "Prime Contract" means the contracting instrument issued to Buyer or Buyer's higher tier customer by the U.S.G. for the acquisition of Products and/or Services.
- H. "Product(s)" means those goods, supplies, software licenses, Data, materials, articles, items, parts, components or assemblies, and any incidental Services described in this Order.
- I. "Seller" means the Party with whom Buyer is contracting under this Order.
- J. "Service(s)" means Seller's time and effort, including any items, articles, Data, or similar materials provided to Buyer which are incidental to the performance of the Service.
- K. "Technical Data" means recorded information, regardless of the form or method of the recording, of a scientific or technical nature (including computer software documentation). Technical Data also includes unclassified and Classified Information as defined in the International Traffic in Arms Regulations (ITAR) 22 Code of Federal Regulations (C.F.R.) § 120.33 and Technology, as defined in the Export Administration Regulations (EAR) Part 772 and Supplement 1 to Part 774.
- L. "U.S.G." means the federal government of the United States of America and its Executive Departments, Military Departments, Government Corporations, Independent Establishments, and Executive Agencies as defined in 5 U.S.C. Chapter 1.

2. ORDER ACCEPTANCE

- A. This Agreement is Buyer's offer to Seller to purchase the Products and/or Services described. Any additional terms proposed in Seller's acceptance of Buyer's offer which add to, vary from, or conflict with the terms herein are hereby objected to by Buyer. Any such proposed terms shall be void and the terms herein shall constitute the complete and exclusive statement of the terms and conditions of the contract between the Parties.
- B. Any of the following shall constitute Seller's unqualified acceptance of this Agreement and these terms and conditions: (a) acknowledgement of this Agreement; (b) furnishing of any part of the Products and/or Services under this Agreement; (c) acceptance of any payment for the Products and/or Services under this Agreement; or (d) commencement of performance under this Agreement.

3. MODIFICATIONS/CHANGES

- A. Except as set forth in paragraph B below, the terms and conditions of this Agreement may be modified only by a written modification executed by the Authorized Representative of both Parties, and Seller shall not proceed with modified work, and Buyer will not be obligated to pay for modified work, until the modification is agreed to in writing by both Parties.
- B. Buyer's Authorized Representative may, by written order, make unilateral changes within the general scope of this Agreement in (1) drawings, designs, statement of work, specifications, planning and/or

other technical documents; (2) method of shipment, packaging, or packing; (3) time and place of inspection, delivery or Acceptance; (4) reasonable adjustments in quantities and/or delivery schedules; (5) place of performance of the Service; (6) the amount of Buyer/Government furnished property; and (7) terms and conditions required to meet Buyer's obligations under its Prime Contracts, including, but not limited to, any mandatory flow-down clauses.

- C. If any authorized change causes an increase or decrease in the cost or time required to perform this Agreement, Buyer and Seller shall negotiate an equitable adjustment in the price and/or schedule, to reflect the increase or decrease. Buyer shall modify this Agreement in writing accordingly.
- D. Any claim for adjustment associated with Paragraph B above shall be unconditionally waived by Seller unless: (i) asserted in writing and delivered to Buyer's Authorized Representative within fifteen (15) days of the date of the written change order and (ii) a fully supported proposal is delivered to Buyer's Authorized Representative within thirty (30) days of the date of the written change order.
- E. Failure to agree to any adjustment shall be a dispute within the meaning of the "Disputes" clause hereof. However, Seller shall not be excused from proceeding with this Agreement as changed.
- F. Buyer's engineering, technical personnel and other representatives may from time to time render assistance or give technical advice or discuss issues or engage in an exchange of information with Seller's personnel concerning the Products or Services hereunder. No such action shall be deemed to be a change, nor shall it be the basis for an equitable adjustment, and no such action shall relieve Seller of its obligations under this Agreement unless and until Buyer's Authorized Representative ratifies the change in the form of a written order.

4. ORDER OF PRECEDENCE

In the event of any inconsistency between any parts of this Agreement, the inconsistency shall be resolved by giving precedence in the following order:

- 1. Change Order Document
- 2. Order Document
- 3. These Terms and Conditions
- 4. [FILL IN AS APPROPRIATE, such as Prime/Contract Specific flow-downs]

5. SUBCONTRACTING/ASSIGNMENT

Seller shall not subcontract, assign or transfer, in whole or in part, this Agreement or any of its rights, obligations, payments, claims or interest under this Agreement without Buyer's prior, written consent. Any purported subcontract or assignment in contravention of this clause shall be deemed null and void.

6. INVOICING AND PAYMENT

- A. Unless otherwise specified in the Agreement, Seller will refer to Buyer's invoice instructions document on the Online Automated Supplier Information System (OASIS) website located at: <https://www.northropgrumman.com/suppliers/doing-business-with-northrop-grumman/payment-and-invoicing/> for invoicing and submission information.
- B. Payment shall not constitute Acceptance or approval of Products or Services rendered. Payment of Seller's invoices shall be subject to adjustment for any amounts found to have been improperly invoiced.
- C. Buyer shall be entitled to set off (a) any amount owing at any time from Seller to Buyer or any of its affiliated companies; (b) any damages resulting from Seller's default under or breach of any contract; and (c) any adjustment for shortage or rejection and any associated costs, against any amount payable at any time by Buyer or any of its affiliated companies to Seller.

7. DEFECTIVE OR DELAYED WORK

- A. Notwithstanding any prior Acceptance, Buyer may reject or require prompt correction of any Products or Services which are, in Buyer's judgment, defective in material or workmanship or otherwise fail to meet the drawings, designs, statement of work, specifications or other technical documents, or other requirements of this Agreement.
- B. If Seller is unable or unwilling to re-perform or correct defective or nonconforming Products or Services, Buyer may: (a) make or perform, or have a third party make or perform, all repairs, modifications, or

replacements necessary to enable such Product or Service to comply in all respects with Agreement requirements and charge the expense incurred to Seller; or (b) terminate this Agreement for default in whole or in part.

- C. Seller shall immediately notify Buyer upon discovery of actual or potential defects or non-conformance affecting a delivered Product or performed Service.
- D. If Data or other deliverable information, or any part thereof, is not delivered within the time specified by this Agreement, or is deficient upon delivery (including having restrictive markings not specifically authorized by this Agreement), Buyer may, until such Data is delivered or deficiencies are corrected, withhold payment to Seller of the Order price for that Data, or ten percent (10%) of the total price of this Agreement, whichever is greater. The withholding of any amount, or subsequent payment thereof, to Seller shall not be construed as a waiver of any rights accruing to the Buyer under this Agreement.

8. WARRANTY

- A. Seller expressly warrants that all Product(s) delivered and Service(s) performed hereunder shall be free from defects, shall be of good materials and workmanship, shall conform to all requirements of this Agreement, and shall be free of any claim of any third party.
- B. If Buyer determines the Product(s) or Service(s) or both do not to meet the warranties and guarantees specified herein, Buyer may, within its sole discretion, return such Product(s) to Seller at Seller's expense, for correction, replacement, or credit, plus transportation charges, or refuse to confirm satisfactory completion of Service(s) and require Seller re-perform such Service(s). If repair, replacement, or re-performance of the Product(s) or Service(s) or both is not timely, Buyer may elect to return, repair, replace, or re-procure the non-conforming work at Seller's expense.

9. INFORMATION OF BUYER AND SELLER

- A. Unless expressly stated otherwise herein, the exchange of information under this Agreement shall be governed by this Agreement, which supersedes any prior agreement between Buyer and Seller to protect information relating to the purpose of this Agreement.
- B. Definitions:
 - 1. "Information" shall mean information disclosed by the Parties to support their performance under this Agreement.
 - 2. "Proprietary Information" shall mean Information which (i) is provided or otherwise made available by the disclosing party (hereinafter the "Disclosing Party") to the receiving party (hereinafter the "Receiving Party"); and, (ii) is marked proprietary or bears a marking of like import and includes any information marked with a restrictive legend as prescribed in DFARS 252.227-7013 or 252.227-7014, or in FAR 52.227-14, or in any clauses incorporated in this Agreement. Information accessed or made available in electronic form shall be considered Proprietary Information if: (A) any display of the Information also displays a proprietary legend or (B) if such Information is accessed or made available to the Receiving Party via a secure website or portal controlled or managed by the Disclosing Party. Orally or visually disclosed Information shall be deemed Proprietary Information only if identified as proprietary at the time of disclosure and summarized and confirmed in a written and labeled description delivered to the Receiving Party within thirty (30) days of initial disclosure.
- C. The Receiving Party shall hold all Proprietary Information in confidence and restrict disclosure thereof to only its employees, contract labor and agents who have a need to know so that the Receiving Party may perform its obligations under this Agreement and are under obligations to hold such Proprietary Information in confidence under terms and conditions at least as restrictive as the terms and conditions of this Agreement.
 - 1. Seller agrees to use Buyer's Proprietary Information only for purposes necessary for performing this Agreement. Seller further hereby grants to Buyer a non-exclusive, irrevocable, worldwide, right and license to copy, modify, use and disclose to the U.S.G. or any higher tier contractor, any Information received from Seller, including Seller's Proprietary Information, for the performance of this Agreement and any higher tier contract from which this Agreement is issued.

2. Seller agrees that Buyer may share Seller's Information with other subcontractors under Buyer's higher tier or Prime Contract if the other subcontractors need to use Seller's information to complete their subcontracts, provided that (1) any restrictive markings remain on the information, and (2) the other subcontractor is under an obligation to protect Seller's Proprietary Information to the same degree as provided herein.
 3. If Buyer's higher tier or Prime Contract, under which this Agreement is issued, is part of a Government program that is implemented through separate contracts between the Government and two or more contractors, one of which is Buyer ("Government Program"), and, if the Government requires Buyer and the other contractors to coordinate or integrate work for this Government Program; then, Seller agrees that Buyer may share Seller's information with the other contractors that need to use Seller's information to complete their contractual obligations for the Government Program, provided that (1) any restrictive markings remain on Seller's information; (2) the contractors are under an obligation to protect Seller's Proprietary Information to the same degree as provided herein; and, (3) the contractor's use of Seller's information is limited to performance of contractor's contract for the Government Program. This clause shall survive termination or expiration of this Agreement.
- D. The Receiving Party agrees to use at least the same degree of care in safeguarding the Disclosing Party's Proprietary Information, including during storage and transmittal, as it uses for its own Proprietary Information, but in no case less than reasonable care. Promptly upon discovery of an unauthorized disclosure, access or use, the Receiving Party shall: (a) notify the Disclosing Party; (b) make reasonable attempts to retrieve the Proprietary Information; (c) comply with any reasonable written requests of Disclosing Party regarding such unauthorized disclosure, access or use; and (d) review and take other reasonable action as appropriate to prevent any future unauthorized disclosures, accesses or uses. Proprietary Information shall not be copied or reproduced, except for such copies as may reasonably be required for the Receiving Party to perform its obligations under this Agreement. If the Proprietary Information is copied or reproduced in whole or in part, the copy or reproduction shall carry the same marking as that which appears on the original.
- E. Exceptions. The Receiving Party shall not be liable hereunder for use or disclosure of Proprietary Information which occur after such Proprietary Information:
1. Is or becomes publicly known through no wrongful act of the Receiving Party; or
 2. Is known to or in the possession of the Receiving Party without restriction on disclosure or use through no wrongful act of the Receiving Party, as evidenced by competent proof; or
 3. Is rightfully received by the Receiving Party from a third party without restriction and without breach of this Agreement; or
 4. Is independently developed by the Receiving Party without the use of or reference to the Proprietary Information.
- F. In addition, the Receiving Party shall not be liable hereunder for use or disclosure of Proprietary Information if such Proprietary Information is disclosed to satisfy a legal order by a court of competent jurisdiction or U.S.G. action; provided, however, that the Receiving Party shall first advise the Disclosing Party within sufficient time prior to the disclosure so that the Disclosing Party has the opportunity to seek appropriate relief from the court or governmental order, and provided further that the Receiving Party shall disclose only those portions of the Proprietary Information legally required to be disclosed and request confidential treatment of the Proprietary Information by the court or governmental entity.
- G. All documents and other tangible media transferred in connection with this Agreement, together with any copies thereof, are and remain the property of Buyer.
- H. Neither the existence of this Agreement nor the disclosure hereunder of Proprietary Information or any other information shall be construed as granting expressly, by implication, by estoppel or otherwise, a license under any invention or patent now or hereafter owned or controlled by Buyer or Buyer's customer, except as specifically set forth herein.
- I. The Receiving Party agrees that the Proprietary Information of the Disclosing Party is valuable and unique, and that the loss resulting from unauthorized disclosure thereof may cause irreparable injury to

the Disclosing Party, which may not be adequately compensated in money damages. The Receiving Party, therefore, expressly agrees that the Disclosing Party shall be entitled to seek injunctive and/or other equitable relief, in addition to any other remedies available to the Disclosing Party for breach of this clause.

- J. A Party's obligations with respect to information or Data disclosed hereunder prior to the performance in full, termination or cancellation of this Agreement shall not, except as expressly set forth herein, be affected by such performance in full, termination, or cancellation.
- K. Notwithstanding the foregoing, nothing in this clause is intended to affect the rights or exercise of rights, if any, obtained by the U.S.G. per the Federal Acquisition Regulations or agency supplements, as applicable.
- L. Defend Trade Secrets Act provision – applicable only to individuals or to be flowed down to individuals. Pursuant to the Defend Trade Secrets Act of 2016, if Seller is an individual, Seller acknowledges that he/she shall not have criminal or civil liability under any Federal or State trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, if Seller files a lawsuit for retaliation by Northrop Grumman for reporting a suspected violation of law, Seller may disclose the trade secret to Seller's attorney and may use the trade secret information in the court proceeding, so long as Seller (x) files any document containing the trade secret under seal and (y) does not disclose the trade secret, except pursuant to court order. Seller agrees to flow down this provision to all contract labor and agents of Seller who are authorized under this Agreement to receive Northrop Grumman Proprietary Information and who are individuals.

10. SUBCONTRACT DELIVERABLES

Seller agrees and acknowledges that all deliverables, or portions thereof, under this Agreement ("Deliverable Materials") may be incorporated into deliverables under the next higher tier or Prime Contract. Seller hereby grants Buyer the right to deliver the Deliverable Materials or any portion thereof under the next higher tier or Prime Contract. Seller further agrees to deliver the Deliverable Materials under this Agreement with the appropriate markings required by the provisions of this Agreement, or any regulations incorporated by reference. Seller agrees to mark all Technical Data and computer software provided to Buyer under this Agreement only in strict accordance with applicable clauses in this Agreement (collectively referred to as "Data Markings Clauses"). Seller will apply only the markings and legends specifically found in and authorized by the Data Marking Clauses and no other markings or legends. Upon Buyer's written request, Seller, at Seller's sole expense, will remove or correct any markings and legends from its Technical Data and computer software that are not specifically authorized by the Data Markings Clauses ("Prohibited Markings") and will promptly resubmit the revised Technical Data and computer software to Buyer. If Seller does not remove or correct the Prohibited Markings and resubmit the revised Technical Data and computer software to Buyer within thirty (30) days of receiving Buyer's written request hereunder, Buyer may remove Seller's Prohibited Markings on the copies of Seller's Technical Data and computer software that are delivered to the customer as a deliverable under Buyer's Prime Contract; or, under Buyer's higher tier U.S.G. contract. This clause shall survive termination or expiration of this Agreement.

11. INTELLECTUAL PROPERTY

- A. "Intellectual Property" shall mean creations of the mind including: ideas, inventions, works of authorship, and symbols, names, images, and designs embodied in for example, technical data, designs, information, computer software, drawings, formulae, specifications, diagrams, processes, know-how, procedures and technology and all legal rights in such creations of the mind.
- B. "Work" or "Works" shall mean physical manifestations of Intellectual Property created under this Agreement.

- C. "Background Intellectual Property" shall mean Intellectual Property that is (i) in existence prior to the effective date of this Agreement or (ii) is designed, developed or licensed by a Party after the effective date of this Agreement independently of both (A) the Work undertaken or in connection with this Agreement and (B) the Proprietary Information and Intellectual Property of the other Party to this Agreement.
- D. "Foreground Intellectual Property" shall mean all Intellectual Property conceived, created, acquired or initially reduced to practice in connection with this Agreement.
- E. Each Party shall retain and exclusively own all rights in its Background Intellectual Property. All Foreground Intellectual Property created by the Seller or by employees of more than one Party shall be solely and exclusively owned by Buyer, shall be marked as "Northrop Grumman Proprietary" and shall be handled in accordance thereto. Nothing in this clause shall modify or alter any rights that the U.S.G. may have in any Products and/or Services, including Data or software delivered to the U.S.G.
- F. Seller hereby grants to Buyer a non-exclusive, worldwide, right and license in its Background Intellectual Property to copy, modify, use, and disclose any non-hardware Work or other non-hardware deliverable and to sell, offer for sale, use, install, troubleshoot and maintain any hardware Work or other hardware deliverable delivered by Seller under this Agreement for the performance of this Agreement and any higher tier contract. If the Work or other deliverable contains third party intellectual property, Seller agrees to obtain the rights from the third party that are sufficient for Seller to grant Buyer the rights in the above licenses. Seller warrants that it has the rights in the Work or other deliverable sufficient to grant to Buyer the above licenses.

12. GOVERNING LAW

Both Parties agree that, irrespective of the place of performance of this Agreement, this Agreement will be governed, construed, and interpreted according to the law of the Commonwealth of Virginia, without regard to its conflict of laws or choice of law rules or principles. In the event that any provision of this Agreement is incorporated from the Federal Acquisition Regulation ("FAR") or any agency regulation that supplements the FAR, such provision shall be governed by the federal common law of government contracts. The 1980 United Nations Convention on Contracts for the International Sale of Goods and its related instruments will not apply to this Order.

13. DISPUTES

- A. Any dispute arising under or in connection with this Agreement with respect to the rights, duties, or obligations of the Parties shall be submitted in writing for resolution to ascending levels of management of the respective Parties.
- B. If a dispute cannot be resolved to both Parties' mutual satisfaction, after good faith negotiations, within ninety (90) days from the date the written claim is received by the other Party, or such additional time as the Parties agree upon in writing, either Party may bring suit only in a state or federal court located in the Commonwealth of Virginia. Seller consents to personal jurisdiction for this purpose in the Commonwealth of Virginia.
- C. Pending prosecution, appeal, or final decision referred to in this clause, or the settlement of any dispute arising under the Agreement, both Parties shall proceed diligently, with their respective obligations under this Agreement.
- D. To the maximum extent permitted by law, the Parties waive any right to a jury trial.
- E. In no event shall Buyer be liable for anticipated profits, incidental or consequential damages. Buyer's liability on any claim, of any kind and for any loss or damage arising out of, connected with or resulting from this Agreement, or from the performance or breach thereof shall, in no case, exceed the price allocable to the Products and/or Services, or unit thereof, which gives rise to the claim. Buyer shall not be liable for penalties of any description.
- F. Any action resulting from any breach on the part of Buyer as to the Products and/or Services delivered hereunder must be commenced within one year after the cause of action has accrued.

14. TERMINATION FOR CONVENIENCE

- A. This Agreement and any and all rights granted and obligations assumed hereby may be terminated in whole or part by Buyer giving written notice to Seller. Upon receipt of a notice of termination, and except as otherwise directed by Buyer, Seller shall immediately, as to the terminated portion of this Agreement and regardless of any delay in determining or adjusting any amounts due under this clause, promptly stop work, notify subcontractors to stop work, and protect property in Seller's possession in which Buyer has or may acquire an interest.
- B. As directed by Buyer, Seller shall transfer title and possession to Buyer of any inventory and property, including plans, drawings, and information held by Seller which is for Buyer's Agreement. In accordance with Buyer's instructions, Seller shall assign to Buyer all right, title, and interest of Seller under the subcontracts of Seller that are terminated, in which case Buyer shall have the right to settle or to pay any termination settlement proposal arising out of those terminations. With approval or ratification to the extent required by Buyer, Seller shall settle all outstanding liabilities and termination settlement proposals arising from the termination of Seller's subcontracts; the approval or ratification will be final for purposes of this clause.
- C. Seller shall submit a termination settlement proposal within sixty (60) days after the effective date of the termination notice incorporating all claims of Seller in the form and with the certification prescribed by Buyer. Seller and Buyer may agree upon the whole or any part of the amount to be paid because of the termination and the Agreement shall be amended and Seller paid the agreed amount. In no event shall payment to Seller exceed the total Agreement price as reduced by the amount of payments previously made and the Agreement price of work not terminated.
- D. Unless otherwise provided in this Agreement, Seller shall maintain all records and documents relating to the terminated portion of this Agreement for three (3) years after final settlement. This includes all books and other evidence bearing on Seller's costs and expenses under this Agreement. Seller shall make these records and documents available to Buyer, at Seller's office, at all reasonable times, without any direct charge.

15. TERMINATION FOR DEFAULT

- A. Subject to paragraphs C and D below, Buyer may terminate this Agreement in whole or in part, by written notice of default to Seller if Seller:
 - 1. Fails to deliver the Products or to perform the Services within the time specified in this Agreement or any written extension;
 - 2. Fails to make progress so as to endanger performance of this Agreement or to perform any of the other provisions of this Agreement and does not cure that failure within a period of ten (10) days after receipt of the notice from Buyer specifying Seller's failure to perform; or
 - 3. Becomes insolvent or makes a general assignment for the benefit of creditors, or files or has filed against it a petition of bankruptcy or pursues any other remedy under any other law relating to the relief for debtors, or in the event a trustee or receiver is appointed for Seller's property or business, or assignment.
- B. If Buyer terminates this Agreement in whole or in part, it may acquire, under the terms and in the manner Buyer considers appropriate, Products or Services similar to those terminated, and Seller will be liable to Buyer for any excess costs for those Products or Services. However, Seller shall continue the work not terminated. In addition, Buyer may rework or repair any Product or re-perform any Service, at Seller's cost.
- C. If the failure to perform is caused by the default of a subcontractor of Seller at any tier, and if the cause of the default is beyond the control of both Seller and subcontractor, and without the fault or negligence of either, Seller shall not be liable for any excess costs for failure to perform, unless the subcontracted Products or Services were obtainable from other sources in sufficient time for Seller to meet the required delivery schedule.
- D. If this Agreement is terminated for default, Buyer may require Seller to transfer title and deliver to Buyer, as directed by Buyer, any (1) completed Products, and (2) partially completed Products and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (collectively referred to

- as “manufacturing materials” in this clause) that Seller has specifically produced or acquired for the terminated portion of this Agreement. Upon direction of Buyer, Seller shall also protect and preserve property in its possession in which Buyer has an interest.
- E. Buyer shall pay the Agreement price for completed Products delivered or Services performed and Accepted. Seller and Buyer shall agree on the amount of payment for manufacturing materials delivered and Accepted and for the protection and preservation of the property.
 - F. Buyer shall, at its option, have the right to set off against, or appropriate and apply to the payment or performance of any obligation, sum or amount owing at any time to Buyer under this Agreement, all deposits, amounts, or balances held by Buyer for the account of Seller, any amounts owed by Buyer to Seller, and any sum Buyer determines to be necessary to protect Buyer against loss because of outstanding liens or claims of former lien holders.
 - G. The rights and remedies of Buyer in this clause are in addition to any other rights and remedies provided by law or under this Agreement.

16. STOP WORK ORDER

- A. Buyer may, at any time, by written notification to Seller, require Seller to stop all, or any part of the work called for by this Agreement for a period of ninety (90) days after the written notification is delivered to Seller, and for any further period to which the Parties may agree. The notification shall be specifically identified as a Stop-Work Order (SWO) issued under this clause. Upon receipt of the SWO, Seller shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the SWO during the period of work stoppage. Within a period of ninety (90) days after a SWO is delivered to Seller, or within any extension of that period to which the Parties shall have agreed, Buyer shall either (1) cancel the SWO; or (2) terminate the work covered by the SWO as provided for in the applicable termination clause contained herein.
- B. If a SWO issued under this clause is canceled or the period of that SWO or any extension thereof expires, Seller shall resume work. Buyer shall make an equitable adjustment in the delivery schedule or Agreement price, or both, and this Agreement shall be modified in writing accordingly if (1) the SWO results in an increase in the time required for, or in Seller’s cost properly allocable to, the performance of any part of this Agreement; and (2) Seller asserts its rights to the adjustment within twenty (20) days after the end of the period of work stoppage.
- C. If a SWO is not canceled and the work covered by the SWO is terminated for the convenience of Buyer, Buyer shall allow reasonable costs resulting from the SWO in arriving at the termination settlement. If a SWO is not canceled and the work covered by the Agreement is terminated for default, Buyer shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the SWO.

17. GOVERNMENT/BUYER PROPERTY

- A. Title to all property in the possession of, or directly acquired by, the Government and subsequently furnished to the Seller for performance of this Agreement (“GFP”) shall remain with the government. Title to all property furnished to Seller by Buyer, or paid for by Buyer, shall remain with Buyer.
- B. Seller shall not alter or use such property for any purpose or for any other Party other than that specified by Buyer, without the prior written consent of Buyer.
- C. If Buyer agrees to pay Seller for acquisition of tooling and equipment, either separately or as a stated part of the unit price of Products purchased herein, title to the same shall pass to Buyer upon (i) commencement of processing for use in performance of this Agreement, or (ii) Buyer payment therefore, whichever occurs first.
- D. Seller shall assume the risk of, and be responsible for, any loss, theft, destruction of or damage to Government or Buyer property while in Seller’s possession or control. If Seller damages any such property, Seller shall promptly notify Buyer in writing and be responsible for making repairs at no cost to Buyer.
- E. Seller shall return all such property in a condition as good as when received except for reasonable wear and tear. Seller shall establish and maintain a property control system approved by Buyer. At all times,

Buyer shall have access to Seller's facilities for the purpose of reviewing its compliance with the management of Buyer property related to this Agreement.

- F. Seller shall not cannibalize Government or Buyer property unless otherwise provided for in this Agreement or approved by the Buyer.
- G. Seller shall include the requirements of this clause in all subcontracts under which Government or Buyer property is acquired or furnished for subcontract performance.

18. TAXES AND DUTIES

The price of this Agreement includes all applicable foreign and domestic federal, state, and local taxes, duties, tariffs, and similar fees ("Taxes") levied upon, or measured by, the sale, the sales price, or use of Products and/or the performance of Services associated with this Agreement. Seller shall separately list on its invoice (or voucher) any Taxes. Seller shall comply with any reasonable request by Buyer regarding Tax payments under protest and shall make appropriate adjustments to afford Buyer the benefit of any refund or reduction in Taxes.

19. INDEMNIFICATION

- A. Seller shall indemnify, defend, and hold harmless the Buyer, its directors, officers, employees, consultants, agents, affiliates, successors, permitted assigns and customers ("Indemnitees") from and against all costs, losses, expenses, damages, claims, suits, or any liability whatsoever (including attorneys' fees), arising out of or in connection with the work to be performed hereunder, including the Products to be sold hereunder, or any act or omission, or any violation of any applicable law, executive order, or regulation, of or by Seller, its agents, employees, or subcontractors, except to any extent otherwise expressly provided for elsewhere within this Agreement.
- B. To the same extent as above, Seller shall indemnify, defend and hold harmless the Indemnitees arising out of or in connection with claims or suits of infringement (including misappropriation) of third party intellectual property rights. Seller may replace or modify infringing items with comparable goods acceptable to Buyer of substantially the same form, fit, and function so as to remove the source of infringement, and Seller's obligations under this Purchase Order shall apply to the replacement and modified items. If the use or sale of any of the above items is enjoined as a result of such claim, suit or action, Seller, at no expense to Buyer, shall obtain for Buyer and its customers the right to use and sell said item.
- C. Buyer will inform Seller of any claim, demand or suit asserted or instituted against it and, with Buyer's consent, permit Seller to defend the same or make settlement in respect thereof. Buyer shall have the right to participate in the defense of any such claim, demand or suit with counsel of its choosing at Buyer's expense and Seller may not settle, compromise or consent to the entry of any judgment in respect thereof, without Buyer's prior written consent, unless such settlement, compromise or consent: (i) includes an unconditional release of Buyer from all liability arising out of such claim, demand or suit; (ii) is solely monetary in nature; and (iii) does not include an admission of fault by Buyer or otherwise adversely affect Buyer. If Seller fails to indemnify, defend and hold harmless Buyer as provided in this clause, then Seller shall pay for any damages, attorney's fees, and any other fees, costs, and expenses that may be incurred by Buyer in the prosecution of any action to enforce the provisions of this clause.

20. LIABILITY OF THE PARTIES

- A. Waiver of Liability. With regard to the activities undertaken pursuant to this Agreement, no Party shall make any claim against the other, employees of the other, the others' related entities (e.g. contractors, subcontractors), or employees of the others' related entities for any injury to or death of its own employees or employees of its related entities, or for damage to or loss of its own property or that of its related entities, whether such injury, death, damage or loss arises through negligence or otherwise, except in the case of willful misconduct.
- B. Damages. The Parties shall not be liable to each other for consequential, punitive, special and incidental damages or other indirect damages, whether arising in contract (including warranty), tort (whether or not arising from the negligence of a Party) or otherwise, except to the extent such damages are caused by a

- Party's willful misconduct. Notwithstanding the foregoing, claims for contribution toward third-party injury, damage, or loss are not limited, waived, released, or disclaimed.
- C. Extension of Waiver of Liability. Seller agrees to extend the waiver of liability as set forth above to subcontractors or sub entities at any tier by requiring them, by contract or otherwise, to agree to waive all claims against the Parties to this Agreement.
 - D. Applicability. The above waiver of liability shall not be applicable to (1) claims regarding a material breach of contract or nonpayment of funds; and (2) intellectual property claims.
 - E. Limitation of Liability. In no case shall a Party's financial liability exceed the amount obligated by the Government through the Prime Contract. Nothing in this Article shall be construed to create the basis of a claim or suit where none would otherwise exist.

21. INSURANCE

- A. Seller and its subcontractors, at their sole cost and expense, will at all times, prior to commencement and throughout the period of performance of this Agreement, maintain adequate insurance coverage with reputable insurance companies that are authorized to do business under the laws of state(s) in which the work is being performed. Seller and its subcontractors, at their sole cost and expense, will at all times, prior to commencement and throughout the period of performance of this Order, maintain with reputable insurance companies that are authorized to do business under the laws of the state(s) in which the work is being performed, insurance coverage in the minimum amounts as indicated below:
 - 1. Worker's Compensation insurance coverage (or DBA, LS&H, or local equivalent outside the U.S.) as required by the laws of the state in which the work is performed and such insurance shall provide waiver of subrogation against Buyer.
 - 2. Employer Liability insurance in the amount of \$1,000,000.
 - 3. Commercial General Liability (CGL) (ISO form CG 0001 12/04 or equivalent) with a Combined Single Limit (CSL) of \$2,000,000 bodily injury and/or property damage. Coverage shall include, but not necessarily be limited to, premises and operations, Products and completed operations and contracts.
 - 4. Automobile Liability (AL) with a CSL of \$2,000,000 bodily injury and/or property damage covering all owned, hired and non-owned vehicles.
 - 5. If work involves Aviation or Spacecraft Products, Aviation Products Liability with a CSL of \$100,000,000. In addition, for any Seller who will be responsible for aircraft in their care, custody and control, Hangarkeeper's Liability Insurance with adequate limits to cover all such aircraft at any one location.
 - 6. If project involves ownership or lease of an aircraft on Buyer's behalf, Aviation Hull and War Risk for Replacement Cost or Agreed value.
 - 7. For Foreign Direct Sales, such insurance as mandated by the country involved.
 - 8. Additional insurance types and/or limits will be necessary if the work involves special or hazardous operations. The special or hazardous operations include, but are not limited to: information technology/cyber risk, dispensing of medical care, operations involving the nuclear hazard, providing professional engineering advice, large construction projects (above \$5,000,000) hazardous waste, food service (including liquor liability), crane operation, work above ground, work below ground, and operations involving demolition or explosives. Following are examples for additional types of insurance:
 - a. Errors and omissions or professional liability
 - b. Commercial Crime, including employee dishonesty coverage, and if relevant, computer crime and wire transfer coverage, with limits of at least \$5 million per occurrence. Coverage must apply to loss or damage to Buyer (or to third parties for whom Services are performed), that is caused by Seller's employees.

- c. Environmental impairment liability or pollution liability insurance with a minimum limit of \$10 million per event, \$10 million aggregate covering the Seller's relevant locations under this agreement.
 - d. Warehouse liability insurance with a minimum limit of \$10 million, covering the Seller's relevant locations under this agreement. Coverage must not contain exclusions for financial records of any kind.
- 9. Such other insurance as Buyer may require as set forth in this Order or an attachment hereto.
- 10. Limits required may be met by any combination of primary and umbrella/excess insurance.
- 11. Any deductible or self-insured retention amount or other similar obligation under the policies shall be the sole responsibility of the Seller.
- 12. The insurance required under this Order must be placed with insurers rated "A-" or better by A.M. Best Company, Inc.
- 13. The duty to defend, indemnify, and hold harmless Buyer under this agreement shall not be limited by the insurance required in this Order.
- B. The insurance required in this Order shall include the following provisions:
 - 1. Seller shall waive the insurer's rights of recovery and subrogation against Buyer;
 - 2. The insurance required in items 2,3,4 and 5 above shall name Buyer as an additional insured;
 - 3. Seller's insurance coverage shall be primary (i.e. pay first) as respects any insurance, self-insurance or self-retention maintained by Buyer and any insurance, self-insurance or self-retention maintained by Buyer shall be excess of Seller's insurance;
 - 4. Severability of interests wording in all policies and endorsements;
 - 5. The legal defense provided to Buyer under the policy and any endorsements must be free of any conflicts of interest, even if retention of separate legal counsel for Buyer is necessary;
 - 6. The insolvency or bankruptcy of the insured Seller shall not release the insurer from payment under the policy, even when such insolvency or bankruptcy prevents the insured Seller from meeting the retention limit under the policy.
- C. If requested, Seller shall provide a Certificate of Insurance to the Buyer's Authorized Representative evidencing Seller's compliance with these requirements. Seller shall also furnish renewed certificates upon request of Buyer's Authorized Representative.

22. COMPLIANCE WITH LAWS

- A. Seller shall comply with all applicable federal, state, and local laws, rules, regulations, and ordinances, and all clauses flowed down from the Prime Contract.

23. EXPORT/IMPORANT AND SANCTIONS COMPLIANCE

- A. General. Performance of this Order may involve the use of or access to articles, Technical Data or software that is subject to export controls under 22 United States Code 2751 – 2799aa-2 (Arms Export Control Act) and 22 C.F.R. 120-130 (International Traffic in Arms Regulations or "ITAR") or 50 United States Code 4801 – 4826 (Export Control Reform Act of 2018), 15 C.F.R. 730-774 (Export Administration Regulations), 50 United States Code 1701-1708, (International Emergency Economic Powers Act, as amended), and their successor and supplemental laws and regulations, or may implicate U.S. sanctions laws and regulations, including those administered by the U.S. Department of Treasury Office of Foreign Assets Control in 31 C.F.R. 500-599, and their successor and supplemental laws and regulations (collectively hereinafter referred to as the "Export and Sanctions Laws and Regulations"). Seller shall comply with any and all Export and Sanctions Laws and Regulations, and any authorization(s) issued thereunder.
 - 1. Registration. If Seller is a U.S. entity and is engaged in the business of either exporting or manufacturing (whether exporting or not) Defense Articles or furnishing Defense Services, Seller represents that it shall maintain an active registration with the U.S. Department of State's Directorate of Defense Trade Controls, as required by the ITAR, throughout the performance

of this Order, and that it maintains an effective export and import compliance program in accordance with the ITAR.

2. Seller shall not re-transfer any export-controlled articles or information (e.g. Technical Data or software) to any other non-U.S. person or entity (including Seller's dual and/or third-country national employees) without first complying with all the requirements of the applicable Export and Sanctions Laws and Regulations. Prior to any proposed re-transfer, Seller shall first obtain the written consent of Buyer. No consent granted by Buyer in response to Seller's request shall relieve Seller of its obligations to comply with the provisions of paragraph A. of this clause or the Export and Sanctions Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of paragraph A. hereinabove, nor constitute consent for Seller to violate any provision of the Export and Sanctions Laws and Regulations.

B. Political Contributions, Fees and Commissions

1. If this Order is valued in an amount of \$500,000 or more, then in performance of this Order, Seller shall not directly or indirectly pay, offer or agree to pay any political contributions or any fees or commissions, in each case as defined below.
 - i. For purposes of this clause and pursuant to 22 C.F.R. 130.6, "political contribution" means any loan, gift, donation or other payment of \$1,000 or more made, or offered or agreed to be made, directly or indirectly, whether in cash or in kind, which is:
 1. To or for the benefit of, or at the direction of, any non-U.S. candidate, committee, political party, political faction, or government or governmental subdivision, or any individual elected, appointed or otherwise designated as an employee or officer thereof; and
 2. For the solicitation or promotion or otherwise to secure the conclusion of a sale of Defense Articles or Defense Services to or for the use of the armed forces of a non-U.S. country or international organization. Taxes, customs duties, license fees, and other charges required to be paid by applicable law or regulation are not regarded as political contributions.
 - ii. For purposes of this clause and pursuant to 22 C.F.R. 130.5, "fee or commission" means any loan, gift, donation or other payment of \$1,000 or more made, or offered or agreed to be made directly or indirectly, whether in cash or in kind, and whether or not pursuant to a written contract, which is:
 1. To or at the direction of any person, irrespective of nationality, whether or not employed by or affiliated with Seller; and
 2. For the solicitation or promotion or otherwise to secure the conclusion of a sale of Defense Articles or Defense Services to or for the use of the armed forces of a non-U.S. country or international organization.
 - iii. Seller agrees to provide prompt notification to Buyer's Authorized Representative should any offer, agreement or payment of political contributions, fees or commissions (as defined herein and pursuant to this Order) be made in contravention of the prohibition in this Section B.

C. Export Jurisdiction/Classification

1. Seller shall provide the applicable Export Control Classification Number ("ECCN") or ITAR categorization for all Products furnished by Seller to Buyer, except when Seller is manufacturing to Buyer's design. If Seller is not the original equipment manufacturer, Seller shall obtain the ECCN or ITAR classification information from its source of supply. Seller will include the ECCN or ITAR designation on its packing slips and shipping documentation and also provide to Buyer on Buyer's request.

D. Import Compliance

1. Seller shall comply with all U.S. Customs and Border Protection laws and regulations (e.g., 19 C.F.R.) and all other applicable U.S.G. regulations pertaining to importations of Products and materials into the United States under this Order. Seller shall assume all U.S. import responsibilities, to include designation as U.S. Importer of Record, Customs clearance, duty,

permits, licenses, taxes, and fees for Products entering into the United States under this Order. Unless otherwise agreed in writing, Buyer will not assume any import liabilities for Products and materials procured through this Order. Seller shall obtain the written consent of Buyer prior to causing Products to be shipped directly (i.e., “drop shipped”) from the premises of any non-U.S. supplier to Buyer’s facility.

24. INFORMATION SECURITY

A. Definitions

1. “Information Security Incident” means (i) any actual or suspected incident involving Seller Information System that may involve Buyer’s Sensitive Information, or (ii) any actual or suspected unauthorized access to, use, or disclosure of Buyer’s Sensitive Information.
2. “Information” means any communication or representation of knowledge such as facts, data, or opinions, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual.
3. “Information System” means a discrete set of Information resources that collect, process, maintain, use, share, disseminate, or dispose Information.
4. “Seller Information System” is defined as any Information System owned and/or operated by Seller or owned/operated by a third party on behalf of Seller that collects, processes, maintains, uses, shares, disseminates, or disposes Information.
5. “Sensitive Information” means any Information that is collected, processed, maintained, used, shared, or disseminated in connection with this Agreement that requires protection to ensure its confidentiality, integrity and availability including, but not limited to, any Northrop Grumman Proprietary Information and third party proprietary Information (identified as such), Personal Information, Covered Defense Information as defined in DFARS 252.204-7012, and Controlled Unclassified Information (CUI) defined in the National Archives and Records Administration (NARA) Registry , available at <https://www.archives.gov/cui/registry/category-list>.
6. “Countermeasures” means actions, devices, procedures, techniques, or other measures that reduce the vulnerability of an Information System.

B. Reasonable and Appropriate Security Controls

1. Seller shall apply reasonable and appropriate administrative, technical, physical, organizational, and operational safeguards and operations including Countermeasures to protect Sensitive Information against accidental and unlawful destruction, alteration, and unauthorized or improper disclosure or access regardless of whether such Sensitive Information is on Seller’s internal systems or a cloud environment.
2. If Seller’s performance of the Agreement involves the transmission, storage, or processing of Sensitive Information on an Information System, the Seller shall at a minimum apply the following security controls:
 - a. Basic Safeguarding Controls from FAR 52.204-21 (regardless of whether FAR 52.204-21 applies to this Agreement):
 - i. Limit information system access to authorized users, processes acting on behalf of authorized users, or devices (including other information systems).
 - ii. Limit information system access to the types of transactions and functions that authorized users are permitted to execute.
 - iii. Verify and control/limit connections to and use of external information systems.
 - iv. Control information posted or processed on publicly accessible information systems.
 - v. Identify information system users, processes acting on behalf of users, or devices.
 - vi. Authenticate (or verify) the identities of those users, processes, or devices, as a prerequisite to allowing access to organizational information systems.

- vii. Sanitize or destroy Information System media containing Sensitive Information before disposal or release for reuse.
 - viii. Limit physical access to organizational information systems, equipment, and the respective operating environments to authorized individuals.
 - ix. Escort visitors and monitor visitor activity; maintain audit logs of physical access; and control and manage physical access devices.
 - x. Monitor, control, and protect organizational communications (i.e., information transmitted or received by organizational information systems) at the external boundaries and key internal boundaries of the Information Systems.
 - xi. Implement subnetworks for publicly accessible system components that are physically or logically separated from internal networks.
 - xii. Identify, report, and correct information and information system flaws in a timely manner.
 - xiii. Provide protection from malicious code at appropriate locations within information systems.
 - xiv. Update malicious code protection mechanisms when new releases are available.
 - xv. Perform periodic scans of the information system and real-time scans of files from external sources as files are downloaded, opened, or executed.
- b. Additional Basic Security Controls:
- i. Establish and enforce security configuration settings for information technology Products employed in Seller's systems.
 - ii. Establish and maintain data protection processes and systems to adequately protect Sensitive Information, including pertaining to destruction methods employed, how audit and system log information is protected, and having the capability to encrypt Sensitive Information during transmission.
 - iii. Ensure that risks identified in scans performed under paragraph B.2.a.xv of this clause are promptly addressed.
- C. Information Security Incident Response and Notification
1. Seller must have documented processes that address Information Security Incidents. These processes should be a set of written instructions and Countermeasures that include, but are not limited to: detecting, responding to, and limiting the effects of an Information Security Incident.
 2. Within 72 hours of discovery of an Information Security Incident, Seller will notify Buyer's Authorized Representative and Buyer's Cyber Security Operations Center ("CSOC") at (877) 615-3535 of any Information Security Incident. At Seller's expense, Seller will (i) immediately investigate any Information Security Incident, (ii) make all reasonable efforts to secure Sensitive Information and mitigate the impact of the Information Security Incident, (iii) provide timely and relevant information to Buyer about the Information Security Incident on an ongoing basis, and (iv) cooperate as applicable with Buyer to provide notice to affected third parties.
 3. This clause does not relieve Seller of any other applicable safeguarding requirements, remedies, or obligations regarding the protection of Sensitive Information required by this Order Agreement or local, federal, state, or other governmental agencies or departments, including but not limited to FAR 52.204-21 or DFARS 252.204-7012.
- D. Seller shall respond promptly and appropriately to any inquiries from Buyer related to compliance with this clause to include documentation and/or independent evidence of the effectiveness of implemented controls, processes and Countermeasures discussed above.
- E. Seller shall provide prior written notification of material changes to any Seller Information System that affect Seller's compliance with this clause, including any new third party agreements that will store, process or transmit Buyer's Sensitive Information on behalf of Seller.

25. NOTIFICATION OF STATUS CHANGES

Seller shall promptly notify Buyer's Authorized Representative in writing upon becoming aware of or having any reasonably certain basis to expect any event or change in circumstances that could affect Seller's performance under this Agreement, including (without limitation) any change in size or socioeconomic status, change in nontraditional defense contractor status, change in ownership or control, ineligibility to contract with U.S.G., debarment, assignment of consent agreement, designation under U.S. or foreign sanctions laws and regulations, expiration or cancellation of ITAR registration, potential violation of Export and Sanctions Laws and Regulations (or authorizations issued thereunder), initiation or existence of a U.S.G. investigation, change in place of performance, decrease in manufacturing capacity, diminishing manufacturing sources or material shortages, increase in production requirements, labor reductions, financial or organizational conflicts of interest, and financial conditions requiring any of the preceding changes.

26. STANDARDS OF BUSINESS CONDUCT FOR SUPPLIERS

Seller shall comply with the Northrop Grumman Standards of Business Conduct For Suppliers and Other Trading Partners (available at <https://www.northropgrumman.com/suppliers/doing-business-with-northrop-grumman/northrop-grumman-standards-of-business-conduct-for-suppliers-and-other-trading-partners/>) (the "Northrop Grumman Supplier Code"). Seller shall ensure that its employees are aware of their contribution to Product or Service conformity, their contribution to Product safety, and the importance of ethical behavior. Seller represents and warrants that it has not participated, and will not participate, in any conduct that violates the Northrop Grumman Supplier Code. Seller shall notify Buyer if at any time Seller becomes aware of any actual or suspected violation of the Northrop Grumman Supplier Code. If Buyer determines that Seller is in violation of the Northrop Grumman Supplier Code, Buyer may terminate this Agreement upon written notice to Seller and Buyer shall have no further obligation to Seller.

27. RELATIONSHIP OF THE PARTIES

The relationship of Seller to Buyer shall be that of an independent contractor and nothing herein contained shall be construed as creating any employer/employee, agency, or other relationship of any kind.

28. COMPLETE AGREEMENT

This Agreement together with all attachments, exhibits, and other items specifically referenced in or attached to this Agreement is the Parties' final expression of their agreement and is the complete and exclusive statement of all terms and conditions of agreement. This Agreement supersedes and cancels all prior understandings, proposals, communications, whether oral or written, and agreements between the Parties. No course of prior dealings between the Parties, and no usage of trade, shall be relevant to supplement or explain any term used in this Agreement. The descriptive headings contained in this Agreement are for convenience of reference only and in no way define, limit, or describe the scope or intent of this Agreement.

29. AGREEMENT ADMINISTRATION

The Parties shall refer administrative and contractual matters regarding this Agreement to the Authorized Representatives identified on the face of the Order.