

NORTHROP GRUMMAN SHIPBUILDING, INC.
APPENDIX A-DoD CONTRACTS/COMMERCIAL ITEM SUBCONTRACTS
CONDITIONS OF PURCHASE ORDER
JUNE 2010

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1. ENGLISH LANGUAGE. All communications and submittals shall be in English.
2. DEFINITIONS. The term *Buyer, Purchaser* or *Owner* means Northrop Grumman Shipbuilding, Inc., a subsidiary of Northrop Grumman Corporation. The term *Seller* or *Contractor* means the Seller identified on the first page of this Purchase Order.
3. ACCEPTANCE OF ORDER. This Purchase Order is Purchaser’s offer to Seller. Acceptance of this offer is strictly limited to the terms and conditions in this offer. Seller’s acknowledgement, acceptance of payment, or commencement of performance, shall conclusively evidence acceptance of this offer as written. Purchaser hereby objects to any additional or different terms contained in Seller’s acceptance.
4. ENTIRE AGREEMENT. This Purchase Order constitutes written confirmation of the entire agreement between the parties. The parties shall not be bound by any other statements or understandings not set forth in this Purchase Order.
5. ORDER OF PRECEDENCE. Any inconsistencies in this Purchase Order shall be resolved in the following order: (i) Purchase Order exclusive of appendices, drawings, specifications and other plans or documents, (ii) appendices, (iii) drawings and specifications, (iv) other plans or documents referenced in the Purchase Order. Seller shall immediately bring any inconsistencies to the attention of the Purchaser in writing.
6. SITE CONDITIONS. If Seller is required to install or supervise the installation of equipment or to perform services at Purchaser's or its customer’s site, Seller shall inspect the location of the work at Purchaser's or its customer’s site and be familiar with its condition at the time of award of this Purchase Order. In no event shall either Seller's failure to inspect the site prior to the award

of this Purchase Order, or any circumstance that Seller should reasonably have discovered through such site inspection constitute a basis for any claim for increased cost or additional time for performance.

7. SPECIAL REQUIREMENTS. The following restrictions shall apply to Seller and Seller's subcontractors. Accordingly, Seller shall insert the following clauses in all subcontracts awarded by Seller under this Purchase Order:

- (i) MERCURY EXCLUSION. Mercury or mercury containing compounds shall not be intentionally added or come in direct contact with hardware or supplies furnished under this Purchase Order.
- (ii) POLYCHLORINATED BIPHENYLS PROHIBITION. Seller shall not employ equipment or use material that is known or suspected of containing polychlorinated biphenyls.
- (iii) PROHIBITION OF YELLOW WRAPPINGS OR PROTECTION DEVICES. Seller shall not use yellow wrapping material or attached yellow protection devices such as caps or plugs.
- (iv) BRASS AND COPPER BLACK OXIDE COATED THREADED FASTENERS. Seller shall not use brass or copper black oxide coated threaded fasteners when installing or replacing threaded fasteners in the accomplishment of any work required by this Purchase Order.

In lieu of flowing down these requirements, Seller may put in place a system or process acceptable to Purchaser which insures that the goods and services Seller delivers meets these requirements, e.g. testing components for mercury contamination. Violations of any of the requirements of this paragraph will be cause for rejection of the goods. In addition to the requirements of this paragraph 7, Seller shall flow down such other clauses of the Purchase Order when required by the specific terms of the clause, e.g. DFARS 252.225-7014, Preference for Domestic Specialty Metals and Alt I, and such other clauses necessary to satisfy Seller's contractual obligations even when not identified as a mandatory flow down.

8. TOXIC SUBSTANCES/HAZARDOUS MATERIAL. Purchaser will not accept, store or dispose of any toxic substances or hazardous material except as and to the extent, if at all, expressly provided for in this Purchase Order. In particular, paints or primers on products required by this Purchase Order which contain the following components shall not be shipped without prior written approval by the Purchaser: arsenic, mercury, lead, chromates, or organo-metallic material. Materials containing asbestos shall not be provided without Purchaser's prior written permission. If invoked specifications and standards permit other materials, they shall be used in lieu of asbestos.

9. TAXES. Seller shall pay all applicable foreign or domestic taxes, assessments or duties assessed against Seller for the goods covered by this Purchase Order prior to delivery to Purchaser, except that any applicable Virginia sales or use tax will be paid by the Purchaser directly to the state under direct payment permit No. 998000-8.

10. LOSS OR DAMAGE TO GOODS. Unless otherwise specified in the Purchase Order, risk of loss or damage to the goods furnished by Seller under this Purchase Order shall remain with the Seller until delivery to the Purchaser at the address specified in this Purchase Order.

11. LIENS. All hardware, software and services furnished under this Purchase Order shall be free of all liens, claims, charges and encumbrances of any kind. Upon request, Seller shall furnish Purchaser with formal releases from Seller's subcontractors. Purchaser may discharge any lien, claim, charge or encumbrance if Seller, at Purchaser's request, fails to do so and Seller shall reimburse Purchaser for the reasonable costs thereof.

12. LATE DELIVERY. Except as otherwise provided in this Purchase Order, Seller shall, at all times, proceed diligently to properly perform this Purchase Order. Seller shall provide Purchaser prompt written notice of any events that could cause a delay in delivery under the Purchase Order. This notice shall be informational only, and shall in no way affect the rights or remedies available to Purchaser.

13. DELIVERY OF REQUIRED DRAWINGS, TEST REPORTS, SOFTWARE AND OTHER DATA. All drawings, procedures, manuals, forms, test reports, software (including software documentation) and other Seller provided data ("Seller Data") shall comply with the requirements of this Purchase Order and shall be delivered to Purchaser on or before the time specified in this Purchase Order, or if no time is specified, 45 days after receipt of this Purchase Order. Seller shall submit Seller Data to the address specified in the Purchase Order's coded notes. If no address is specified or Seller is unsure of where to send the Seller Data, Seller shall contact the Purchaser's contact person identified on the face of this Purchase Order for further instructions. Purchaser may withhold payment if Seller fails to deliver any Seller Data in accordance with the requirements of this paragraph. When furnished with the shipment, Seller shall enclose all required documents and data in the first box of the shipment and mark, *CERTIFICATES AND/OR TEST REPORTS ENCLOSED*.

14. ASSIGNMENT. Neither this Purchase Order nor the benefits or obligations thereof shall be assigned by Seller except with the prior written consent of the Purchaser.

15. THIRD PARTY INDEMNIFICATION. Seller shall indemnify and hold harmless and, if requested, defend Purchaser, Purchaser's parent and affiliates and each of their officers, directors, and employees against any claims, losses or expenses (to include reasonable attorney's fees) for: (i) property loss or damage and personal injury or death which may be sustained by Seller or by any of its employees, agents, or subcontractors, at any tier, and (ii) all risk of loss or damage to property and personal injury, disease, or death which may be sustained by third parties, Purchaser, Purchaser's parent and affiliates, or each of their agents, employees, or subcontractors, as a result of Seller's performing this Purchase Order except for claims resulting from the sole negligence of Purchaser.

16. INSURANCE. Seller shall procure and maintain the following coverages: (i) full Worker's Compensation Insurance in accordance with the most current and applicable domestic or foreign worker's compensation insurance laws; (ii) Employer's Liability Insurance coverage in a minimum amount of \$1,000,000 (U.S.); (iii) full Comprehensive General Liability Insurance or full Public and Products Liability Insurance or both providing for personal injury, disease, death, and property damage liability (occurrence

form), premises/operations, and independent contractors contingent coverage when subcontractors are involved, in a minimum amount of \$2,000,000 (U.S.) in aggregate; (iv) Automobile Liability Insurance for personal injury, death, and property damage with combined single limits not less than \$1,000,000 (U.S.) for Seller's vehicles operating on Purchaser's or its customer's premises. Coverages shall not exclude claims brought in the United States and provide for written notice to Purchaser 30 days prior to cancellation or material changes in coverage. Coverages shall name Purchaser and Northrop Grumman Corporation as an additional insured and shall reference the Purchase Order number. If requested, Seller shall provide Purchaser with certificates showing the coverages listed in this paragraph and referencing the Purchase Order number. If Seller will be performing any work inside a shipyard or in any maritime environment, Seller shall, in addition to the requirements for workers compensation set forth in this paragraph, maintain appropriate coverage under the Longshore and Harbor Worker's Compensation Act. All coverages required hereunder shall be primary and not contributory to any other insurance available to Purchaser and Seller's insurers shall provide a waiver of subrogation in favor of Purchaser for each required coverage hereunder.

17. COMPLIANCE WITH LAWS AND WORK SITE SAFETY. In performing work under this Purchase Order, Seller shall comply with all applicable foreign or domestic laws, ordinances and regulations to include but not limited to the *Occupational Safety and Health and Toxic Substance Control Acts*. While on Purchaser's property/worksites, Seller shall comply with all of Purchaser's safety and security rules and regulations to include but not limited to the most recent version of Purchaser's safety handbook, *Safety Sense Handbook for New Employees, Contractors, and Visitors*. Prior to performing Production Work on Purchaser's Newport News, Virginia, property, or at other locations if informed by Purchaser that Seller must be "safety qualified" to perform the work, Seller shall also coordinate with Purchaser's Environmental, Health, and Safety (EH&S) Department (O27) to complete the qualification process, and comply with the requirements of Purchaser's "Contractors' EH&S Resource Manual" which is available at this web site: http://sourcing.nn.northropgrumman.com/sourcing/Contractor_Safety/index.stm. "Production Work" is defined as operations that involve hazards to personnel, including but not limited to construction, demolition, "hot work," work in enclosed and confined spaces, blasting, painting, material handling, working with hazardous materials or equipment, efforts in direct support of Purchaser's Production Work, and similar operations. In addition to any other remedies Purchaser may be entitled to, Purchaser may, without notice and an opportunity to cure: (i) terminate this Purchase Order for default if Seller fails to comply with any of the provisions of this paragraph; or (ii) expel from Purchaser's property/worksites, any employee, subcontractor or agent of Seller found violating any of the provisions of this paragraph. Access by non-U.S. citizens to Purchaser's property/work site is prohibited unless approved in writing by Purchaser.

18. INDEPENDENT CONTRACTOR. Seller is an independent contractor. Seller shall: (i) have exclusive control and direction over its employees' performance of the work; and (ii) be responsible for all payroll functions for its employees. No persons employed by Seller or Seller's subcontractors shall be deemed an employee of Purchaser for any purpose.

19. INVOICES. Unless otherwise provided in this Purchase Order, Purchaser shall pay Seller the amounts stipulated in this Purchase Order less any deductions provided in this or any other purchase order, as permitted by law, or for discounts offered by Seller. Payment shall be made within the later of the following two events: (A) The 30th day (or such other time as specified herein) after the designated billing office receives a proper invoice from Seller; or (B) The 30th day (or such other time as specified in the Purchase Order) after Purchaser's receipt of supplies delivered or services performed. For the purposes of this clause, the designated billing office shall be Purchaser's Accounts Payable Department. Unless Seller is part of Purchaser's Invoiceless Payment System, Seller shall send all invoices, in duplicate, showing the Purchase Order number, Purchase Order Item Number and release number, if applicable, to Northrop Grumman Shipbuilding, Inc., Attention: Accounts Payable, 4101 Washington Ave., Newport News, VA 23607 USA. If Purchaser does not fully pay Seller's original invoice, Seller must submit a new invoice for any remaining amounts due after Seller corrects the deficiency that caused the partial payment. Purchaser may set-off any amount(s) due from Seller to Purchaser, liquidated or unliquidated, against payments due to Seller under this or any other purchase order. The Seller shall notify Purchaser in writing of final billing for this Purchase Order 30 days prior to submission of final invoice. The Seller must also note "Final Invoice" on the final billing documents sent to Purchaser. These actions are necessary to ensure proper closeout of this Purchase Order.

20. SHIPPING AND LABELING INSTRUCTIONS. Unless otherwise provided in the Purchase Order, Seller shall show the NNS Purchase Order and ship material to: Northrop Grumman Shipbuilding, Inc., Main Distribution Center, 2175 Aluminum Blvd, Bldg. 872, Hampton, VA 23661. Seller shall clearly mark each shipping package, container label and all shipping documents with the Purchase Order number (P. O. #XXXXXXXXXX), the item number, the Newport News Part number, Seller's invoice number, and the release number, if applicable. For container labels, Seller shall provide the following additional information: Shipper's name and address; Consignee Name; number of packages; gross and net weight and number of pieces per carton. All Sellers trained and activated on the Supply Chain Active Tracking System (SCATS) shall ship through SCATS. Sellers not yet trained on SCATS shall go to the routing guide at: <http://sourcing.nn.northropgrumman.com/sourcing/index.stm>. Use the carrier for the shipping location. The Purchaser's routing requirements shall flow down to the Seller's suppliers. In those instances when the Seller's supplier must ship to the Seller, the sub-supplier must contract Ryder Integrated Logistics at (877) 828-8646 or (817) 490-5300 for shipment.

21. FREIGHT CHARGES. Unless otherwise specified in this Purchase Order, the Purchaser will pay freight charges and insurance, and Seller shall ship to Purchaser on a freight collect basis using Purchaser's preferred carrier. Purchaser will not accept C.O.D. shipments unless expressly provided for in the Purchase Order.

22. DOMESTIC BARGE SHIPMENTS. Seller shall notify the Traffic Section of Purchaser at 1-800-426-1910 at least 30 calendar days prior to shipment by domestic barge.

23. HEAVY MATERIAL. Seller shall mark *DELIVER ON FLAT BED TRAILER* when shipping single articles that exceed 4000 pounds or that do not adapt to safe unloading with a standard forklift truck.

24. PACKING AND CRATING. Seller shall, when practicable, ship in packages or loose pieces for unloading by a standard 4000-pound forklift truck. Unless otherwise provided in the Purchase Order, Seller's price includes all charges for packing and crating.

25. VALUE DECLARATION. Seller shall not insure for excess value via any mode of transportation. For shipments at Purchaser's risk in which freight rates are based on *released value* Seller shall declare the lowest value on the bill of lading. For shipments at Purchaser's risk via domestic air freight, air freight forwarder, and Parcel Post, Seller shall insert the notation *NVD* (no value declared).

26. REPRESENTATIONS AND CERTIFICATIONS. As of the time of award of the Purchase Order, Seller represents and warrants that: (i) Seller has submitted to Purchaser annual certifications and representations that are incorporated herein by reference; (ii) Seller's certifications and representations are current, accurate and complete; (iii) in the performance of the Purchase Order, Seller shall use at least the percentage of recovered materials required by the applicable Purchase Order specifications; (iv) neither Seller nor any of its principals is debarred, suspended, or proposed for debarment by the Federal Government; and (v) if Seller is representing itself as a small disadvantaged business, that: (a) it has been certified by the Small Business Administration (SBA) as a small disadvantaged business consistent with 13 CFR 124, Subpart B, and no material change in disadvantaged ownership, control or net worth qualification has occurred since its certification, and it is identified as a certified small disadvantaged business concern in the SBA (PRO-Net) database; or (b) it has submitted a completed application to the SBA or a Private Certifier to be certified as a small disadvantaged business in accordance with 13 CFR 124, Subpart B, and a decision on that application is pending, and no material change in disadvantaged ownership or control has occurred since its application was submitted.

27. INSPECTION AND TEST. Purchaser or its customer or both may inspect work in progress at all times and places, including audits of Seller's quality and inspection program. Seller, at its own expense, shall promptly rectify any defects discovered during any inspection or test. If inspection is on Seller's or Seller's suppliers' premises, Seller shall provide and require its suppliers to provide, without additional charge, reasonable facilities and assistance for the safety and convenience of the inspectors in performing their duties. Neither Purchaser's in-process inspection nor Purchaser's approval of any of Seller's drawings, procedures or other submittals shall: (i) constitute acceptance of any work or (ii) relieve Seller of complying fully with all of the requirements of this Purchase Order. Seller shall flow down the substance of this clause to all of its suppliers under this Purchase Order.

28. WARRANTIES. Unless otherwise noted in the purchase order, Seller guarantees that all goods and services provided under this Purchase Order: (i) conform to all of the requirements of this Purchase Order; (ii) are new and of good quality; (iii) are free from defects in material and workmanship; and (iv) are of adequate size and capacity to fulfill all operating conditions specified in the Purchase Order. The warranty period shall begin upon Purchaser's acceptance of the goods or services and end twelve (12) months after acceptance by Purchaser. Purchaser will promptly notify Seller of possible deficiencies that arise during the warranty period. For all deficiencies that arise during the warranty period, Seller shall promptly remedy the deficiency at no cost to Purchaser. If Seller fails to remedy the deficiency within a reasonable time after having been notified of the deficiency, Purchaser may, at its option, remedy the deficiency by contract or otherwise and charge the reasonable costs to Seller. In computing the warranty period, there shall be excluded any time that a good delivered under this Purchase Order is prevented from entering service or is taken out of service on account of any warranty deficiency. These warranties shall inure to the benefit of Purchaser and Purchaser's customer. In addition to the Seller's warranties provided herein and with respect to goods furnished but not manufactured by Seller, the Seller shall assign and deliver to Purchaser whatever warranty the Seller receives from the manufacturer. Seller shall immediately notify Purchaser's Manager of Supplier Quality by telephone of deficiencies of which Seller becomes aware during the performance of this Purchase Order and the warranty period. Seller shall promptly follow up its telephonic notice with a letter to the Purchaser's Contact Person identified on the face of this Purchase Order describing the deficiency and its plan for remedying it. For the purposes of this paragraph, a deficiency occurs when Seller's goods or services fail to meet any of the performance obligations set forth in subparagraphs (i) through (iv) of this paragraph. Seller's notice shall in no way affect the rights and remedies of Purchaser.

29. REQUIRED SOURCES FOR CIRCUIT BREAKERS. Seller agrees that end items and components thereof delivered under this Purchase Order shall contain circuit breakers that are of domestic manufacture only. Seller agrees to retain, until the expiration of three years from the date of final payment under this Purchase Order and to make available during such period upon request of the Government, records showing compliance with this paragraph. For the purpose of this paragraph, the term "domestic manufacture" means manufacture in the United States from components, which are substantially manufactured in the United States. Manufacture of circuit breaker cradles in the United States by a foreign supplier does not constitute substantial manufacture in the United States. Seller agrees to insert this paragraph in all subcontracts issued under this Purchase Order to include this sentence.

30. NOTICE OF PRIOR WAIVERS AND DEVIATIONS. In the event the Seller is providing or proposing to provide to the Purchaser an item: (i) that has previously been provided to the Navy for inclusion as Government Furnished Material (GFM) on a previous Enterprise or NIMITZ Class Ships, or (ii) Seller is developing for the Navy under another Government program, the Seller shall immediately notify Purchaser in writing indicating any specification differences, waivers and/or deviations that were or are in effect for the item(s).

31. YEAR 2000 COMPLIANCE. In addition to any other warranties provided by Seller under this Purchase Order, Seller warrants that each hardware, software, and firmware product manufactured, developed, integrated, or otherwise furnished by the Seller or maintained under this Purchase Order shall be able to accurately process date data from, into, within, and between the years 1999 and 2000 and the twentieth and twenty-first centuries. The term "*accurately process date data*" includes but is not limited to properly calculating, comparing, and sequencing date data and properly performing leap year calculations, without fault or disruption, when

Seller's products are used in accordance with the Seller's product documentation. If the Purchase Order requires that hardware, software and firmware perform as a system, then the warranty provided by this paragraph shall apply to the system as well as to the individual hardware, software and firmware. Seller shall deliver to Purchaser a report summarizing any Year 2000 compliance testing required by the Purchase Order specifications and the results thereof. Purchaser's remedies in the event of non-compliance with the requirements of this paragraph shall be the same as those provided in the paragraphs entitled "WARRANTIES."

32. **COMPUTER SOFTWARE AND DATABASES.** The Seller shall test all computer software and/or databases for computer viruses before delivery of such software and/or databases in any medium or in any system. All software and/or databases delivered by Seller shall contain no known viruses that are detectable with the latest version of commercially available virus detection software. In addition, Seller shall test any software and/or databases received from Purchaser or Purchaser's customer for viruses prior to use in performing this Purchase Order. Seller shall provide Purchaser with immediate written notice of any viruses detected in Purchaser-provided software and/or databases. Unless otherwise agreed in writing, any license agreement covering the use of any computer software and/or databases delivered under this Purchase Order must be paid-up and perpetual, shall not contain any routine to disable the computer software and/or databases in the future, and shall permit transfer to Purchaser's customer. No copy-protection devices, codes, or systems shall be used that would prevent Purchaser or its customer from copying delivered software and/or data; however, a license agreement or other Purchase Order terms may specify a maximum number of copies that may be made. Any limited rights or other legend(s) permissibly applied under this Purchase Order shall be digitally included on the same media as the delivered software and/or databases, and also displayed in human-readable form on a visible surface of the media carrying the digital software and/or databases.

33. **PROPRIETARY INFORMATION.** For the purposes of this paragraph, the term "Proprietary Information" shall mean all information provided by Purchaser to Seller during the performance of this Purchase Order and all improvements, modifications, and derivations thereto, except to the extent such information is clearly in the public domain. Seller agrees: (i) to hold the Proprietary Information in confidence and to protect it from release to third parties; (ii) to disclose the Proprietary Information only to Seller's employees who have a need-to-know and only after they have been made aware of the proprietary nature of the information; and (iii) to use the Proprietary Information solely for the purposes of performing this Purchase Order. The restriction on release to third parties contained in this paragraph will not apply to release by Seller to subcontractors that Seller uses in performing this Purchase Order, provided the Seller includes in such subcontracts a provision substantially the same as this paragraph. In the absence of an appropriate written agreement to the contrary, and notwithstanding any markings, no information furnished to Purchaser (whether documentary, oral, visual or otherwise) shall be considered confidential or proprietary to Seller, or require any particular handling or precaution, and Purchaser may use, modify, reproduce, perform, display, release, or disclose such information, in whole or in part, in any manner and for any purpose whatsoever, and to have or authorize others to do so. All rights in and to information, knowledge, and data which arise out of or result from work performed under this Purchase Order or which relate to the Proprietary Information shall be the sole property of Purchaser unless Seller promptly notifies Purchaser that such information, knowledge, or data was developed with Seller's private funding, and Seller promptly negotiates with Purchaser for a different allocation of rights. Any original work produced by Seller as a direct result of efforts under this Purchase Order shall be considered to be a work for hire and all rights therein shall be solely owned by Purchaser. Unless Seller promptly notifies Purchaser that any improvements, inventions, or discoveries first conceived or first reduced to practice during the performance of this Purchase Order were developed with Seller's private funding, and Seller promptly negotiates with Purchaser for a different allocation of rights, all (i) improvements, (ii) discoveries, and (iii) patentable inventions first conceived or first reduced to practice during the performance of this Purchase Order, that relate in any way to the Proprietary Information shall be the sole property of Purchaser, and Seller shall (i) assign to and execute all instruments necessary to perfect title to same in Purchaser, and (ii) grant to Purchaser a nonexclusive, paid-up, irrevocable, world-wide, perpetual license under any patent, trade secret, or copyright of Seller that is necessary for Purchaser to use the same.

34. **PATENTS AND COPYRIGHTS.** Seller shall indemnify and hold harmless and, if requested, defend Purchaser and its customer, its officers, directors, and employees against any claims, losses or expenses (to include reasonable attorney's fees) for alleged infringement of patents, licenses, registered trademarks or copyright, arising out of Seller's performance, brought against Purchaser or its customers as a result of such alleged infringement.

35. **INDEMNIFICATION - GOVERNMENT REQUIREMENTS.** Seller shall indemnify and hold harmless and, if requested, defend Purchaser and its parent and affiliates and each of their officers, directors, and employees against any claims, losses or expenses (to include reasonable attorney's fees) for Seller's failure, in conjunction with this Purchase Order to comply with any laws, regulations or ordinances.

36. **PURCHASER OR GOVERNMENT PROPERTY.** If Purchaser or Government property is furnished in conjunction with this Purchase Order, it shall be furnished "as is." Unless otherwise noted in the Purchase Order, Seller shall assume the risk of, and be responsible for, any loss, destruction of or damage to property provided to Seller by the Purchaser or the Government while such property is in Seller's possession or control. Excluding property authorized to be consumed in the performance of this Purchase Order, Seller shall return such property in as good a condition as when received except for reasonable wear and tear, or in the case of property to be overhauled or repaired, in such better condition as may be required by the terms of this Purchase Order. Seller shall control and maintain Government or Purchaser furnished property in accordance with a system that meets the requirements of FAR Subpart 45.5 and DFARS Subpart 245.5 in effect on June 13, 2007. The requirements related to accounting for Purchaser or Government property also shall apply to scrap; provided, however, that Purchaser may authorize or direct Seller to omit from inventory schedules any scrap consisting of faulty castings or forgings, or of cutting and processing waste, such as chips, cuttings, borings, turnings, short ends, circles, trimmings, clippings, and remnants, and to dispose of such scrap in accordance with Seller's

normal practice and account for it as part of general overhead or other reimbursable costs in accordance with Seller's established accounting procedures.

37. **EQUITABLE ADJUSTMENTS; WAIVER AND RELEASE OF CLAIMS.** Whenever the Seller, after receipt of a change made pursuant to the "CHANGES" clause or after assertion of a constructive change under the "NOTIFICATION OF CHANGES" clause, submits any claim for equitable adjustment under the foregoing, such claim shall include all types of adjustments in the total amounts to which the foregoing entitle the Seller, including but not limited to adjustments arising out of delays or disruptions or both caused by such change. In support of any Seller request for equitable adjustment brought under the "CHANGES" clause or any other clause of this Purchase Order, the Seller shall provide Purchaser sufficient detail to reasonably support Seller's proposal for a request for equitable adjustment or which Purchaser's customer should require in evaluating such request. Further, the Seller agrees that, if required by the Purchaser, it will execute a release, in form and substance satisfactory to the Purchaser, as part of the supplemental agreement providing an equitable adjustment. Failure of the Seller and Purchaser to agree on any proposed adjustment or change claimed by the Seller shall not excuse Seller from diligently proceeding with performance of the Purchase Order.

38. **TRANSMISSION ABROAD OF NAVAL NUCLEAR PROPULSION INFORMATION.** In addition to the requirements of this paragraph, the Seller shall comply with all other requirements relative to Naval Nuclear Propulsion Information wherever located in this Purchase Order. Seller shall not disclose to foreign nationals Naval Nuclear Propulsion Information (NNPI) as defined in NAVSEAINST 5511.32C. Seller agrees to insert in all subcontracts issued under this Purchase Order, a contract provision substantially the same as this paragraph to include this sentence.

39. **ADDITIONAL SECURITY REQUIREMENTS.** In addition to complying with any other security requirements contained in this Purchase Order, Seller shall not disclose "Restricted Data" as defined in the Atomic Energy Act of 1954 as amended, relating to Navy Nuclear Propulsion Program to employees who have been granted Limited (interim) Clearances under the provisions of DoD 5220.22M, National Industrial Security Program Operating Manual (NISPOM).

40. **FOREIGN OWNERSHIP.** Seller shall provide Purchaser prompt written notice when: (i) a foreign interest acquires the power, direct or indirect, whether or not exercised, and whether or not exercisable through the ownership of Seller's securities, by contractual arrangements or other means, to direct or decide matters affecting the management or operations of Seller; or (ii) Seller relocates the place of performance outside the United States.

41. **ACCEPTANCE.** Purchaser will accept services performed and goods delivered under this Purchase Order, or give Seller notice of rejection, within a reasonable time after completion of all required performance and deliveries, notwithstanding any prior payments made or prior tests or inspections performed. Determination of a reasonable time shall take into consideration the nature and complexity of the services performed or goods delivered, but in no event shall such time be less than forty-five (45) days. Notice of rejection may be given in any reasonable form, including but not limited to Quality Notifications, Discrepancy Reports, Inspection Reports, Engineering review sheets, annotations on Shipping Instructions (NN Form 298), or communications via telephone, e-mail, facsimile, or other correspondence. No inspection, test, delay, failure to inspect or test, or failure to discover any defect or other nonconformance shall relieve Seller of any of its obligations under this purchase order or impair any rights or remedies of Purchaser or Purchaser's customers. Acceptance shall be conclusive, except for latent defects, fraud, gross mistakes amounting to fraud, or as otherwise provided in the contract.

42. **DEFAULT.** Purchaser may terminate this Purchase Order without liability if Seller: (i) fails to diligently perform the work; or (ii) fails to meet the delivery schedule or any other requirements specified in this Purchase Order; or (iii) ceases operations. At the time of termination under this provision, Seller shall immediately: (i) refund to the Purchaser the total amount that has been paid to Seller, except for deliveries previously received by Purchaser in full compliance with all requirements of this Purchase Order; and (ii) at no cost to Purchaser, return all the materials supplied by Purchaser. The rights and remedies of the Purchaser provided for in this paragraph are in addition to any other rights and remedies provided by law.

43. **EXCESS QUANTITIES.** Unless otherwise specified in this Purchase Order or approved by Purchaser in writing, Seller shall not: (i) make partial shipments of individual line items; (ii) make shipments more than 90 days in advance; or (iii) ship quantities in excess of those specified in this Purchase Order. Purchaser shall have no obligation to return or pay for any quantities in excess of those specified in this Purchase Order. For all other shipments not meeting the requirements of this paragraph, Purchaser may return the shipment or store early deliveries at Seller's cost.

44. **VENDOR INFORMATION REQUEST.** Seller shall make no changes to the requirements of the Purchase Order without the prior written consent of the Purchaser. Seller may submit requests for changes to the specifications or plans only on Purchaser's Vendor Information Request (VIR) Form, No. NN3409. Changes that affect the price or delivery schedule or both shall only be made through written modification of this Purchase Order. A dispositioned VIR applies only to the item for which it is submitted; the resolution may not be extended to any other item under the same or another purchase order without Purchaser's explicit consent. Notwithstanding the foregoing, if complete details for the manufacture of a component are not provided by the Purchaser or its customer, Seller shall have internal corrective action authority for updating or changing piece part drawings or for resolving departures from Seller's piece part drawings or internal procedures without VIR submittal to the Purchaser ONLY if the corrective action does not depart from or affect in any manner the following: (i) Purchase Order and Appendix requirements, including listed specification effectivity dates; (ii) material specification requirements; (iii) drawings or procedures issued by or subject to approval by the Purchaser or its customer; (iv) safety, reliability, interchangeability, form, fit, or function of the component or component parts; or (v) shock or vibration integrity of qualified designs. Any corrective action taken as a result of Seller's internal review and disposition shall meet sound engineering principles, and records of all corrective actions must be maintained and made available to Purchaser or its customer upon request. Copies of approved VIR's shall be sent with the material.

45. **SUSPENSION OF WORK.** Purchaser may, by written notice, suspend work under this Purchase Order at any time. Upon receipt of such notice, Seller shall immediately comply with its terms and, during the work suspensions, take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the suspension notice. If the suspension of work ordered under this paragraph results in an increase in the time required for, or in the Seller's cost properly allocable to the performance of any part of this Purchase Order, the Purchaser shall make an adjustment in the delivery schedule or Purchase Order price or both. Seller shall assert its right to an adjustment no later than 20 calendar days after the work suspension is lifted.

46. **DISPUTES.** No dispute of any type, the pending final resolution of any decision appeal, or judgment in any proceeding, or the settlement of any dispute arising under this Purchase Order, shall excuse the Seller from diligently proceeding with the performance of this Purchase order. (i) The parties will attempt to settle in good faith all disputes arising under the Purchase Order. Disputes upon which the parties cannot reach an amicable settlement will be resolved under the laws of the Commonwealth of Virginia without regard of the principles of conflict of law. Venue shall be the applicable state or federal court in Newport News, Virginia. Seller shall bring any dispute arising under or related to this Purchase Order within two (2) years after the cause of action for such dispute accrues. (ii) Notwithstanding any provisions herein to the contrary, if a decision under the prime contract is made by the Contracting Officer and such decision is also related to this Purchase Order, said decision, if binding upon Purchaser under the prime contract, shall in turn be binding upon Purchaser and Seller insofar as it relates to this Purchase Order. If Purchaser elects to appeal such a decision pursuant to the "Disputes" clause in Purchaser's prime contract, any decision from such an appeal, if binding upon Purchaser under the prime contract, shall in turn be binding upon Purchaser and Seller insofar as it relates to this Purchase Order. If Purchaser elects not to dispute such a decision pursuant to the "Disputes" clause in the prime contract, Purchaser shall promptly notify Seller, and Seller shall, to the extent of its interest, have the right to assert in Purchaser's name at Seller's expense, Purchaser's right to dispute such a decision under the "Disputes" clause in the prime contract and any decision upon an appeal with respect to a final decision, if binding upon Purchaser under the prime contract, shall in turn be binding upon Purchaser and Seller insofar as it relates to this Purchase Order. The decision of the Contracting Officer, or if an appeal is taken as above provided, the decision on appeal, shall be final and conclusive between Purchaser and Seller except that Seller shall have the rights reserved to Purchaser under the Contract Disputes Act of 1978 to prosecute an appeal to a board or court of competent jurisdiction within the times specified by the Contract Disputes Act of 1978, in Purchaser's name and at Seller's expense. Any final judgment by the boards or courts, is binding upon Purchaser and Seller insofar as it relates to this Purchase Order. Prior to Seller submitting a claim to be appealed hereunder, Seller shall certify its claim in the form found at FAR 33.207(c) or its successor provisions. Seller agrees to indemnify Purchaser for any and all losses Purchaser incurs as a result of Seller's certification. (iii) Pending final resolution of any decision, appeal, or judgment in such proceedings, or the settlement of any dispute arising under this Purchase Order, Seller shall proceed diligently with the performance of this Purchase Order.

47. **BUSINESS CONDUCT.** The Purchaser has implemented a comprehensive Business Conduct Program, which is summarized in the pamphlet "*Values, Ethics, and Business Conduct For Northrop Grumman Associates.*" which is available at this website: http://sourcing.n.northropgrumman.com/sourcing/docs/Values_Ethics_and_Business_Conduct.pdf. The Seller shall be familiar with this pamphlet and abide by its provisions; in particular, Seller shall not offer any gratuity to Purchaser's employees, customers or their representatives in a manner inconsistent with the guidance provided in this pamphlet. Furthermore, any falsification, concealment, or alteration of any material fact, or any false, fraudulent or fictitious statement or representation in connection with the work under a purchase order within the jurisdiction of the Federal Government is not only prohibited by the Purchaser's policy, but may also be punishable under Federal Law.

48. **BANKRUPTCY.** In the event the Seller enters into proceedings relating to bankruptcy or insolvency, whether voluntary or involuntary, the Seller agrees to furnish to Purchaser, by certified mail, written notification of the bankruptcy or insolvency proceeding. This notification shall be furnished within five days of the initiation of such proceedings, and shall include the date of filing, the identity of the court in which the petition was filed, and a listing of all of Purchaser's orders against which final payment has not been made. This obligation remains in effect until final payment under this purchase order.

49. **SECTION AND PARAGRAPH HEADINGS.** The section and paragraph headings herein are for convenience only and shall not limit in any way the scope of any provision of this Purchase Order.

50. **CONTINUING TERMS AND SEVERABILITY.** The Proprietary Information and indemnity clauses contained herein shall survive termination or cancellation of this Purchase Order. If any part, term or provision of this Purchase Order contravenes any law of a federal, state or local government having jurisdiction over this Purchase Order, that part, term, or provision shall be inoperative in that jurisdiction, and the validity of the remaining portions or provisions shall not be affected thereby.

51. **NON-WAIVER.** No waiver by Purchaser of any breach by Seller of any of its obligations shall constitute a waiver of any subsequent breach of the same or other obligations. No payment made hereunder shall be deemed an acceptance or approval of any defective or unsatisfactory material or workmanship, or a waiver of Purchaser's right to later reject the same. Purchaser's failure to insist on strict performance at any time shall not constitute a waiver by Purchaser of the requirement for strict performance by the Seller at all subsequent times. The rights and remedies provided in this agreement are in addition to others provided by law; any failure to state a right or remedy herein does not constitute a waiver of such other rights or remedies.

52. **HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA.** "*Hazardous material*" means any material defined as hazardous under the latest version of Federal Standard No. 313 (including revisions adopted during the term of this Purchase Order). Seller must notify Purchaser in writing within 30 days of this order of any hazardous material to be delivered under this Purchase Order. The Seller shall identify hazardous material and include any applicable identification number, such as National Stock Number or Special Item Number. Seller shall update this notice whenever Seller determines that any other material to be

delivered is hazardous. Seller shall include this information on a Material Safety Data Sheet meeting the requirements of 29 CFR 1910.1200(g), which Seller shall submit at least 30 days prior to any shipment containing hazardous material, and as otherwise required by Federal Standard 313, regardless of whether Seller is the actual manufacturer of the items. Neither the requirements of this paragraph, nor any act or failure to act by Purchaser or its customer shall relieve Seller of any responsibility or liability for the safety of any person or property, or of any obligation to comply with applicable Federal, State, and local laws, codes, ordinances, and regulations (including the obtaining of licenses and permits) in connection with hazardous material.

53. **RELEASE OF INFORMATION.** No information release or public announcement or confirmation or denial of same on any phase of this Purchase Order will be made without the prior coordination and express written approval of the Purchaser. This includes, but is not limited to, advertisements, brochures and news releases.

54. **TERMINATION FOR CONVENIENCE.** The Purchaser may terminate this purchase order in whole or in part at any time for its sole convenience. The Purchaser will terminate by delivering to the Seller a Notice of Termination specifying the extent of termination and the effective date. After receipt of a Notice of Termination, the Seller shall immediately proceed with the following obligations: (i) stop work as specified in the notice; (ii) place no further subcontracts or orders (referred to as subcontracts in this clause); and (iii) terminate all subcontracts to the extent they relate to the work terminated. Purchaser's sole obligation to Seller in the event of a termination for convenience shall be to pay Seller a percentage of the purchase order price corresponding with the percentage of the terminated work actually performed prior to the notice of termination, plus Seller's reasonable expenses incurred as a direct result of the termination. No amount will be allowed for anticipated profit on the terminated work. The amount paid shall be reduced by the reasonable resale or salvage value of any undelivered work or uncompleted work in progress. Seller shall submit to Purchaser supporting documentation in sufficient detail to justify any termination payments requested from Purchaser. Seller will not be paid for any work performed or costs incurred that could reasonably have been avoided.

55. **CHANGES.** Purchaser may at any time, by written order, and without notice to the sureties, if any, require any alteration to, deviation from, addition to, deletion of or for services, time of performance (i.e. hours of the day, days of the week) or place of performance of the work required by or standards applicable to this Purchase Order. If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this Purchase Order, whether or not changed by the order, the parties agree to negotiate an equitable adjustment in the Purchase Order price, the delivery schedule, or both. Seller shall provide Purchaser supporting documentation in sufficient detail to justify any equitable adjustment requested from Purchaser. If the Seller's proposal includes the cost of property made obsolete or excess by the change, the Purchaser shall have the right to prescribe the manner of the disposition of the property. Seller must assert, in writing, its right to an equitable adjustment under this paragraph within 30 days from the date of receipt of the written order. Failure to agree to any adjustment shall be a dispute under the Disputes clause of this Purchase Order. However, nothing in this paragraph shall excuse the Seller from proceeding with the Purchase Order as changed.

56. **NOTIFICATION OF CHANGES.** Except for changes identified as such in writing and signed by the Purchaser's Authorized Representative, Seller shall notify the Purchaser in writing within five calendar days from the date that the Seller identifies any conduct by Purchaser (including actions, inactions, and written or oral communications) that the Seller regards as a change to the Purchase Order terms and conditions. Seller's notice shall include a summary of the circumstances of the conduct regarded as a change.

57. **EXPORT RELATED REQUIREMENTS:** (i) **Export Compliance.** Seller is advised that its performance of this Purchase 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 – 2796 (Arms Export Control Act) and 22 Code of Federal Regulations 120-130 (International Traffic in Arms Regulations) or 50 United States Code 2401 – 2420 (Export Administration Act) and 15 Code of Federal Regulations 768 – 799 (Export Administration Regulations) and their successor and supplemental laws and regulations (collectively hereinafter referred to as the "Export Laws and Regulations"). Seller represents and warrants that it is either 1) a U.S. Person as that term is defined in the Export Laws and Regulations, or 2) that it has disclosed to Purchaser's Representative in writing the country in which it is incorporated or otherwise organized to do business, or if a natural person, all citizenships and U.S. immigration status. Seller shall comply with any and all Export Laws and Regulations, and any license(s) issued thereunder. (ii) **Foreign Personnel.** Seller shall not give any Foreign Person access to Technical Data, software or Defense Articles, or provide an unauthorized Defense Service as those terms are defined in the applicable Export Laws and Regulations without the prior written consent of Purchaser. Any request for such consent must state the intended recipient's citizenship(s), and status under 8 U.S.C. 1101 and 8 U.S.C. 1324 (the "Immigration and Naturalization Act"), and such other information as Purchaser may reasonably request. No consent granted by Purchaser in response to Seller's request hereunder shall relieve Seller of its obligations to comply with the provisions of (i) above or the Export Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of (i) above, nor constitute consent for Seller to violate any provision of the Export Laws and Regulations. (iii) **Indemnification.** Seller shall indemnify and save harmless Purchaser from and against any and all damages, liabilities, penalties, fines, costs, and expenses, including attorneys fees, arising out of claims, suit, allegations or charges of Seller's failure to comply with the provisions of this paragraph and breach of the warranty set forth in (i) above. Any failure of Seller to comply with the requirements or any breach of the warranty contained in this paragraph shall be a material breach of this Purchase Order. (iv) **Marking Requirements.** Seller shall place the following statement on documents containing defense technical data that is controlled by the Arms Export Control Act: "WARNING – This document contains technical data whose export is restricted by the Arms Export Control Act (Title 22, U.S.C. Sec. 2751, et seq.) or the Export Administration Act of 1979, as amended, Title 50, U.S.C., App 2401, et seq. Violations of these export laws can result in severe criminal penalties. Disseminate in accordance

with provisions of OPNAVINST 5510.161. (v) Subcontracts. The substance of this paragraph shall be incorporated into any subcontract entered into by the Seller for the performance of any part of the work under this Purchase Order.

58. EUROPEAN UNION (EU) SAFE HARBOR. With respect to personal information about Seller's employees located in European Union (EU) countries, Purchaser adheres to a self-regulatory program that complies with the safe harbor privacy principles set forth in the July 2000 agreement between the EU and the United States Department of Commerce. For details about Northrop Grumman's privacy policy with respect to individuals located in EU countries, please refer to Northrop Grumman's privacy policy information at <http://www.northropgrumman.com/privacy/index.html>. Seller shall provide this notice to each of its EU employees who provide personal information to Purchaser.

59. PAYMENTS FOR TIME-AND-MATERIALS/LABOR HOUR ORDERS. Purchaser will pay Seller as follows upon the submission of proper invoices: (a) Hourly rate. (i) The amounts shall be computed by multiplying the appropriate hourly rates prescribed in this Purchase Order by the number of direct labor hours performed. The rates shall include wages, indirect costs, general and administrative expense, and profit. Fractional parts of an hour shall be payable on a prorated basis. Unless otherwise specified, invoices may be submitted once each month to Purchaser. Seller shall substantiate invoices by evidence of actual payment and by individual daily job timecards, or other substantiation approved by Purchaser. (ii) Purchaser may unilaterally issue a modification requiring the Seller to withhold amounts from its billings until a reserve is set aside in an amount that the Purchaser considers necessary to protect the Purchaser's interests. Purchaser may require a withhold of 5 percent of the amounts due under this paragraph, but the total amount withheld for this Purchase Order shall not exceed \$50,000. The amounts withheld shall be retained until final payment under this Purchase Order. (iii) Unless otherwise specified, the hourly rates in the Purchase Order shall not be varied by virtue of Seller having performed work on an overtime basis. If no overtime rates are provided in this Purchase Order and overtime work is approved in advance by the Purchaser, overtime rates shall be negotiated. Failure to agree upon these overtime rates shall be treated as a dispute under the Disputes paragraph. If this Purchase Order provides rates for overtime, the premium portion of those rates will be reimbursable only to the extent the overtime is approved by the Purchaser. (b) Materials and subcontracts (if specified in this Purchase Order). (i) Purchaser will reimburse Seller at Seller's cost for direct materials. Direct materials, as used in this paragraph, are those materials that enter directly into the end product, or that are used or consumed directly in connection with the furnishing of the end product or service. (ii) Seller may include reasonable and allocable material handling costs in the charge for material to the extent they are clearly excluded from the hourly rate. Material handling costs are comprised of indirect costs, including, when appropriate, general and administrative expense allocated to direct materials in accordance with the Seller's usual accounting practices. Purchaser will reimburse Seller for supplies and services purchased directly for this Purchase Order when Seller has made payments of cash, checks, or other forms of payment for these purchased supplies or services; or will make these payments determined due in accordance with the terms and conditions of a subcontract or invoice. (iii) Purchaser will not reimburse Seller for any costs arising from the letting, administration, or supervision of performance of the subcontract, if the costs are included in the hourly rates payable under this paragraph. (iii) Seller shall give credit to Purchaser for cash and trade discounts, rebates, scrap, commissions, and other amounts that have accrued to the benefit of Seller, or would have accrued except for the fault or neglect of Seller. (iv) If the nature of the work to be performed requires Seller to furnish material that Seller regularly sells to the general public in the normal course of business, the price to be paid for such material, notwithstanding the other requirements of this paragraph, shall be on the basis of an established catalog or list price, in effect when the material is furnished, less all applicable discounts to the Purchaser, provided that in no event shall such price be in excess of the Seller's sales price to its most favored customer for the same item in like quantity, or the current market price, whichever is lower. (c) Total cost. It is estimated that the total cost to Purchaser for the performance of this Purchase Order shall not exceed the ceiling price set forth in the Purchase Order and the Seller agrees to use its best efforts to perform the work specified in this Purchase Order and all obligations under this Purchase Order within such ceiling price. If at any time Seller has reason to believe that the hourly rate payments and material costs that will accrue in performing this Purchase Order in the next succeeding 30 days, if added to all other payments and costs previously accrued, will exceed 75 percent of the ceiling price in this Purchase Order, Seller shall notify Purchaser giving a revised estimate of the total price to the Purchaser for performing this Purchase Order with supporting reasons and documentation. (d) Ceiling price. Purchaser shall not be obligated to pay Seller any amount in excess of the ceiling price in this Purchase Order, and Seller shall not be obligated to continue performance if to do so would exceed the ceiling price set forth in this Purchase Order, unless and until Purchaser shall have notified Seller in writing that the ceiling price has been increased and shall have specified in the notice a revised ceiling that shall constitute the ceiling price for performance under this Purchase Order. When and to the extent that the ceiling price set forth in this Purchase Order has been increased, any hours expended and material costs incurred by Seller in excess of the ceiling price before the increase shall be allowable to the same extent as if the hours expended and material costs had been incurred after the increase in the ceiling price. (d) Audit. At any time before final payment under this Purchase Order Purchaser may request audit of the invoices and substantiating material. Each payment previously made shall be subject to reduction to the extent of amounts, on preceding invoices, that are found by Purchaser not to have been properly payable and shall also be subject to reduction for overpayments or to increase for underpayments.

60. SUSPECT/COUNTERFEIT PARTS. Seller represents and warrants that none of the supplies furnished to Buyer under any Order issued under this Award are "suspect/counterfeit parts" and certifies, to the best of its knowledge and belief that no such parts have been or are being furnished to Buyer by Seller. "Suspect/counterfeit parts" are parts that may be of new manufacture, but are misleadingly labeled to provide the impression they are of a different class or quality or from a different source than is actually the case. They also include refurbished parts, complete with false labeling, that are represented as new parts or any parts that are designated as suspect by the U. S. Government, such as parts listed in alerts published by the Defense Contract Management Agency

under the Government-Industry Data Exchange Program (GIDEP). Buyer reasonably determines that Seller has supplied suspect/counterfeit parts to Buyer, Buyer shall promptly notify Seller and Seller shall immediately replace the suspect/counterfeit parts with parts acceptable to Buyer. Notwithstanding any other provision of this Award or any Order issued hereunder, Seller shall be liable for all costs incurred by Buyer to remove and replace the suspect/counterfeit parts, including without limitation Buyer's external and internal costs of removing such counterfeit parts, of reinserting replacement parts and of any testing necessitated by the reinstallation of Seller's goods after counterfeit parts have been exchanged. Seller's warranty against suspect/counterfeit parts shall survive any termination or expiration of this Award.

61. PROVISIONS INCORPORATED BY REFERENCE. The below listed Federal Acquisition Regulation (FAR) and the Department of Defense Federal Acquisition Regulation Supplement (DFARS) clauses are hereby incorporated by reference and made part of this Purchase Order with the same force and effect as though set forth in full text herein. Unless the text in these clauses clearly reserves rights in the Government only or as otherwise noted, the terms "*Purchase Order*" shall be substituted for "*Contract*;" "*Purchaser*" for "*Government*" or "*Contracting Officer*;" "*Seller*" for "*Contractor*;" and "*Seller's subcontractor*" for "*Subcontractor*." The full text of a clause may be accessed electronically at these addresses: <http://www.arnet.gov/far/> or <http://farsite.hill.af.mil>.

CLAUSE NUMBER	CLAUSE NAME	CLAUSE DATE
52.202-01	DEFINITIONS (<i>"solicitation" means the purchaser's customer's solicitation under which the order is issued</i>)	(JUL 2004)
52.203-11	CERTIFICATION AND DISCLOSURE REGARDING PAYMENT TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS	(SEP 2007)
52.204-02	SECURITY REQUIREMENTS (<i>only if DD254 is incorporated into order</i>)	(AUG 1996)
52.211-05	MATERIAL REQUIREMENTS (<i>for the purposes of this clause "surplus property" includes residual inventory resulting from terminated Government contracts or purchase orders awarded thereunder.</i>)	(AUG 2000)
52.211-15	DEFENSE PRIORITY AND ALLOCATION REQUIREMENT	(SEP 1990)
52.219-08	UTILIZATION OF SMALL BUSINESS CONCERNS (<i>orders over \$500,000 with large businesses</i>)	(MAY 2004)
52.222-26	EQUAL OPPORTUNITY	(MAR 2007)
52.222-35	EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS (<i>orders over \$10,000</i>)	(DEC 2001)
52.222-36	AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (<i>orders over \$10,000</i>)	(JUN 1998)
52.222-39	NOTIFICATION OF EMPLOYEE RIGHTS CONCERNING PAYMENT OF UNION DUES OR FEES	(DEC 2004)
52.225-13	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES	(MAR 2005)
52.228-05	INSURANCE – WORK ON A GOVERNMENT INSTALLATION	(JAN 1997)
52.237-02	PROTECTION OF GOVERNMENT BUILDING, EQUIPMENT AND VEGETATION (<i>this clause shall apply to both Purchaser's and its customer's property</i>)	(APR 1984)
52.239-01	PRIVACY OR SECURITY SAFEGUARDS	(AUG 1996)
52.244-06	SUBCONTRACTS FOR COMMERCIAL ITEMS	(MAR 2009)
252.204-7005	ORAL ATTESTATION OF SECURITY RESPONSIBILITIES	(NOV 2001)
252.204-7008	REQUIREMENTS FOR CONTRACTS INVOLVING EXPORT-CONTROLLED ITEMS	(JUL 2008)
252.211-7003	ITEM IDENTIFICATION AND VALUATION (<i>applicable only for line items identified in body of the order</i>)	(JUN 2005)
252.225-7012	PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES	(MAR 2008)
252.225-7014	PREFERENCE FOR DOMESTIC SPECIALTY METALS AND ALT I (APR 2003)	(JUN 2005)
252.225-7015	PREFERENCE FOR DOMESTIC HAND OR MEASURING TOOLS	(JUN 2005)
252.226-7001	UTILIZATION OF INDIAN ORGANIZATIONS, INDIAN-OWNED ECONOMIC	(SEP 2004)

CLAUSE NUMBER	CLAUSE NAME	CLAUSE DATE
	ENTERPRISES AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS <i>(except that para. (f)(1) shall not apply to commercial item purchases and "\$100,000" shall be substituted for "\$500,000" in para. (g))</i>	
252.227-7010	LICENSE TO OTHER GOVERNMENT AGENCIES	(AUG 1984)
252.244-7000	SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (DOD CONTRACTS)	(JAN 2007)
252.246-7003	NOTIFICATION OF POTENTIAL SAFETY ISSUES	(JAN 2007)
252.247-7023	TRANSPORTATION OF SUPPLIES BY SEA <i>(paras. (f) and (g) do not apply to orders at or below \$100,000)</i>	(MAY 2002)
252.247-7024	NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA	(MAR 2000)