

**TERMS AND CONDITIONS**  
**NORTHROP GRUMMAN SYSTEMS CORPORATION**  
**AEROSPACE SECTOR SERVICES**

**1.0 Acceptance of Orders:** No Order shall be binding unless or until accepted in writing by an authorized representative of NGAS.

**2.0 Status:** NGAS will perform all Services as an independent contractor. Nothing in this Order will constitute an appointment of NGAS as Buyer's agent or authorize NGAS to enter into any binding legal commitment on behalf of Buyer.

**3.0 Non-Interference Use of NGAS Test Facility:** Testing conducted in an NGAS test facility will be scheduled on a non-interference basis with other NGAS programs unless Buyer obtains guaranteed testing dates with this Order. "On a non-interference basis" means that, in the event that NGAS requires the test facility for an NGAS program, NGAS reserves the right, at its sole discretion, to: (1) postpone and reschedule a confirmed start date for testing of Buyer's Test Article; or (2) remove and return Buyer's Test Article from the NGAS test facility, and reschedule a confirmed start date.

**4.0 Taxes and Duties:** Any taxes, duties, fees, or assessments of any nature, other than taxes based on NGAS's income (including but not limited to, stamp, withholding, value added and sales and use taxes), levied by any governmental authority in connection with this transaction, whether levied against Buyer or NGAS, or employees of NGAS as a result of Services performed by NGAS under this Order, shall be for Buyer's account and shall be paid directly by Buyer to the governmental authority concerned. If NGAS is required by law or otherwise to pay any such levy and/or fines or assessments in the first instance, or as a result of Buyer's failure to comply with any applicable laws or regulations governing the payment of such levies by Buyer, the amount of any payments so made by NGAS shall be reimbursed by Buyer to NGAS upon submission of NGAS's invoices and supporting documentation.

**5.0 Security:** Buyer agrees to comply with all applicable NGAS security policies and procedures while on NGAS premises or premises under NGAS control.

**6.0 Equipment Approval:** Prior to any Buyer equipment entering NGAS premises, Buyer must obtain prior approval in writing from NGAS.

**7.0 Minimum Insurance Requirements:** If during this Order, Buyer or its customer, agent or representative, is required to work in and/or enter NGAS premises or to use or operate property furnished by NGAS, Buyer shall procure and maintain during this Order, the following insurance requirements: (1) Worker's or Workmen's Compensation Insurance within statutory limits as required by the laws of the state in which the work is performed and such insurance shall provide waiver of subrogation against NGAS, including All State and Voluntary Compensation endorsement; (2) Employer's Liability Insurance with a limit of \$1,000,000; (3) Comprehensive General Liability Insurance, including (a) Operations and Premises Liability (with elevator liability), (b) Completed Operations and Product Liability (maintained in effect for a period of five years after the date of final payment), (c) Personal Injury Liability, (d) Contractual Liability, and (e) Broad Form Property Damage Liability (including for completed operations), on an occurrence basis in an amount of a combined single limit of not less than \$5,000,000 per occurrence; and (4) Comprehensive Automobile Liability Insurance, including (i) personal injury and (ii) property damage, to cover (a) owned automobiles, (b) automobiles under long-term lease, (c) hired automobiles, (d) employer's non-ownership liability, (e) medical payments, and uninsured motorists, in the amount of a combined single limit of not less than \$2,000,000 per occurrence. Each of the terms will be incorporated as part of the certificate of insurance prepared by Buyer.

Such insurance coverage as is required under this Order shall be in a form and with insurance carriers satisfactory to NGAS and without additional cost to NGAS as a price adjustment, unless otherwise expressly provided for elsewhere within this order. Such insurance shall protect Buyer, NGAS any other party expressly designated by NGAS elsewhere within this Order, from claims that arise out of or result from operations by (1) Buyer under this Order; (2) any lower-tier subcontractor(s) of Buyer; (3) anyone directly or indirectly employed by any of them; or (4) anyone for whose acts any of them may be liable.

Buyer shall have all liability insurance required under this Order amended or endorsed to name NGAS as an additional insured and to indicate that, with respect to the additional insured, there shall be severability of interest. As evidence of said coverage, Buyer shall forward certificates of insurance, or copies of insurance policies, to NGAS.

**8.0 Termination:** Either party may terminate this Order upon at least 30 days prior written notice to the other. Buyer will pay all amounts owed for Services rendered by NGAS before termination.

**9.0 Proprietary Information:** Each party agrees to employ reasonable efforts to keep in confidence and prevent the disclosure to any person(s) outside each party or any person(s) within each party not having a need to know, all information received from the other which is designated in writing or by appropriate stamp or legend to be of a proprietary nature, as well as any information disclosed orally or visually or any information or data generated by the receiving party that evidences, records, is based upon, or is derived from such information, including, without limitation, notes, specifications, schematics, and simulation results, as well as any samples, prototypes or other physical or electronic items that are designated in writing to be of a proprietary nature or that are based upon or derived from such items (hereafter "Proprietary Information"). No sheet or page of any written material shall be so labeled which is not, in good faith, believed by the disclosing party to contain Proprietary Information. The receiving party of Proprietary Information hereunder shall have no obligation with respect to any portion of any written material which is not so labeled or any information received orally unless it is identified as proprietary and a written summary of such oral communication, specifically identifying the items of Proprietary Information, is furnished to the receiving party within thirty (30) days of such disclosure. Neither party will use Proprietary Information for purposes other than the objectives of this Order; provided, however, neither party will be liable for disclosure or use of such information if the same is:

- (1) publicly available the time of disclosure, or is subsequently made available to the general public without restriction by the disclosing party;
- (2) known to the receiving party at the time of disclosure without restrictions on its use or independently developed by the receiving party, and there is adequate documentation to demonstrate either condition;
- (3) used or disclosed with the prior written approval of the disclosing party;
- (4) disclosed without restriction to the receiving party from a source other than the disclosing party;  
or
- (5) disclosed after five (5) years from the date of this Order.

Each party shall protect the Proprietary Information of the other party using the same degree of care, but no less than a reasonable degree of care, to prevent the unauthorized use, dissemination or publication of the Proprietary Information as that party uses to protect its own Proprietary Information of comparable importance.

Prior to disclosure of Proprietary Information to any employee, each party shall fully advise such employee that he or she is required to hold in confidence all Proprietary Information and that such Proprietary Information is not to be disclosed to persons outside his or her organization or to any co-employee not directly concerned with furthering the objectives of this Order.

**9.1 Judicial Orders:** In the event any governmental or judicial order requires the disclosure of Proprietary Information, the receiving party of such Proprietary Information shall promptly but in any event prior to such disclosure notify the originator of the Proprietary Information of the requirement and provide reasonable aid and assistance if the originator decides to oppose such governmental or judicial order. The receiving party shall not be liable for any disclosure of Proprietary Information made pursuant to such governmental or judicial order if it has complied with the provisions of this paragraph.

**9.2 Restricted Use of Intellectual Property:** Neither party shall use, remove, overprint, alter, obscure or deface any element or notice of copyright or trademark, logo, legend, or other notice of ownership from any originals of the other party's Proprietary Information that would identify it as being the property of the disclosing party.

**9.3 Survival:** The obligations of the parties concerning confidentiality set forth in this Article 9 shall survive termination or completion of this Order. All documents, drawings and writings disclosing Proprietary Information and all copies thereof shall be returned promptly by a party to the other party upon receipt of a request therefor or following termination or expiration of this Order.

**10.0 Amendments:** This Order may be amended only by written instrument mutually agreed to and executed by the parties hereto.

**11.0 Assignment:** This Order is not assignable by either party without the prior written consent of the other party.

**12.0 Third Parties:** This Order is not intended to, and will not, create any rights in or confer any benefits upon anyone other than the parties hereto.

**13.0 Warranty:** NGAS warrants that the Services performed by NGAS will be performed in a workmanlike manner. The foregoing warranty is in lieu of all other warranties, whether oral, written, express, implied, or statutory, including without limitation, implied warranties of fitness for a particular purpose and merchantability. NGAS warranty obligations and Buyer's remedies thereunder are solely and exclusively as stated herein. All other warranties are specifically and collectively disclaimed. Buyer warrants that all information or data required by NGAS to perform Services under this Order is accurate and true.

**14.0 Limitation of Liability:** Under no circumstances and under no theory of law or equity shall NGAS be liable to Buyer for indirect, incidental, special, punitive, exemplary or consequential damages, including but not limited to loss of revenue, lost profit and/or lost opportunity. Anything herein to the contrary notwithstanding, the total liability of NGAS for any damages or liability under or related to this Order for any reason or cause whatsoever shall not exceed the total price of this Order.

**15.0 Risk of Loss:** Buyer shall bear responsibility for all damage or loss to Buyer property (including but not limited to Buyer Test Articles and related items or equipment) except where loss or damage to Buyer property is caused by gross negligence or willful misconduct of NGAS or its employees. Buyer shall bear responsibility for all damage or loss to NGAS property or facility (including but not limited to damage caused by leakage or release of liquids, substances or gasses from Buyer property, or loose or dislodged components of Buyer property) except where loss or damage to NGAS property or facility

is caused by gross negligence or willful misconduct of NGAS or its employees. Buyer must properly mark and tag all Buyer property to ensure traceability to Buyer. NGAS shall promptly notify Buyer of any loss of or damage to NGAS property or facility.

**16.0 Indemnification:** Buyer agrees to defend, indemnify and hold NGAS and its respective affiliates, officers, directors, employees, shareholders and agents, harmless from and against all losses, costs, expenses, damages, suits or liability of any nature incurred as a result of personal injury or property damage arising out of Buyer's conduct, negligence, willful misconduct or caused by Buyer's property or property under the responsibility of Buyer.

**17.0 Force Majeure:** NGAS shall be excused from liability for non-delivery, delay in delivery, or delivery of nonconforming Services arising from any events beyond its control, whether or not they were foreseeable by either party when entering into this Order, specifically including, but not limited to, war, riot, strikes, lockouts, labor disturbances, acts of terror or acts of God.

**18.0 Export Compliance:** Buyer agrees that it shall comply with all applicable export statutes, laws, rules and regulations.

**19.0 Governing Law:** This Order will be governed by and construed in accordance with the laws of the State of California without regard to its conflict of laws provision.

**20.0 Disputes:** In the event of any dispute arising out of or relating to this Order, representatives of the parties shall meet promptly in a good faith effort to resolve the dispute. If the dispute is not resolved by the parties within thirty (30) days after the first meeting, or such additional time as the parties agree upon, then either party, by written notice to the other party, may only bring suit in federal or state court in the State of California.