

June 30, 2017

To: Northrop Grumman Suppliers

Subject: ITT Cannon Stop Shipment Notices

- References:
1. DLA GIDEP Agency Action Notice – Stop Shipment, (AAN-U-17-246)
 2. ITT Cannon GIDEP Notices (PE2-A-17-01, PE2-A-17-02, PE2-A-17-03, PE2-A-17-04, PE2-A-17-05, PE2-A-17-06, PE2-A-17-07, and PE2-P-17-01); DCMA Q-TIP 009 and 006
 3. ITT Cannon 23 March 2017 letter to ITT Value Added Distributors

Dear Northrop Grumman Suppliers:

Northrop Grumman Systems Corporation (Northrop Grumman) is aware of recent Government-Industry Data Exchange Program (GIDEP) notices, referenced above, related to certain hardware (to include connectors) manufactured and distributed by ITT Cannon, LLC (CAGE Code 71468) (ITT Cannon). DLA Land and Maritime (DLA) issued a GIDEP in April 2017 due to ITT Cannon's systemic non-compliance with Quality Product List (QPL) requirements for the products for the military specifications listed below

MIL-DTL-24308, MIL-DTL-26482, MIL-DTL-38999, MIL-DTL-83513, MIL-STD-83723, and MIL-DTL-83733

As of March 21, 2017, ITT Cannon has been placed in a "Stop Shipment" status for the above referenced military specifications. The Defense Logistics Agency (DLA) Land and Maritime has reviewed documentation concerning ITT Cannon that indicates the company may have been non-compliant with their QPL program since 2008. The Defense Contract Management Agency (DCMA) cannot accept end products suspected of containing these connectors without Program Office/Buying Command approval.

The cited reason for the DLA's directive involves two main concerns:

1. Unreported testing/field failures, unauthorized design changes, and uses of unauthorized material.
2. Delinquency of testing for retention of qualification for relevant Mil-Specs.

ITT Cannon has notified its distributors of the DLA Stop Shipment and directed them to stop production and shipment of products containing ITT Cannon hardware for the military specifications listed above (Reference 3).

This letter is being distributed to ensure that you are aware of the GIDEPs and to communicate your responsibilities as a Northrop Grumman supplier.

Requirement to Identify ITT Cannon Hardware. Any supplier that provided products containing the above-referenced ITT Cannon hardware shall identify, by contacting your Northrop Grumman Procurement Contracting Official (PCO) (Subcontract Administrator or Procurement Buyer), any Supplier products already delivered to date and any Supplier products to be delivered, that may contain these DLA-designated non-conforming parts. This report must also include parts received from subtier suppliers. Additionally, you must send a consolidated report to quality@ngc.com, title ITT Cannon [SUPPLIER NAME] Response, summarizing the impact of the GIDEPs on your or your subtier suppliers' products, even if no product is or was affected. All communications shall be provided to Northrop Grumman no later than July 20th, 2017.

Products that contain the affected hardware listed above must not be delivered to Northrop Grumman without receiving a written waiver from authorized Northrop Grumman personnel. Any requests for variance should be sent to your Northrop Grumman Procurement Contracting Official. If your schedule allows, you must identify replacement qualified connector(s) and replace any non-compliant hardware prior to shipment to avoid the need for a waiver. You shall assist Northrop Grumman as requested with any information or analysis required for the subject connectors to support any variance request Northrop Grumman may submit to its customer(s). Northrop Grumman reserves the right to require suppliers to deliver conforming parts.

Please be advised that Northrop Grumman's acceptance of hardware has not relieved and will not relieve you of any obligations under the applicable supplier contracts (including purchase order(s) or subcontract(s)) to replace non-conforming parts, or to submit to Northrop Grumman an alternative corrective action plan that will be submitted for approval to the responsible Program Office/Buying Command.

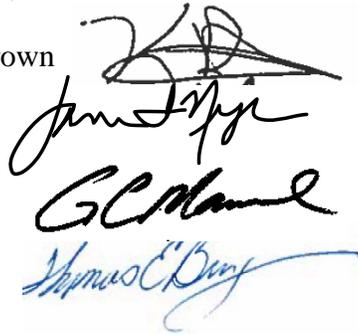
Additionally, please be reminded that as a supplier to Northrop Grumman, you are required to provide notification of any potential impacts on delivery.

Corporate & Enterprise Services – Ken Brown

MS GSC VP SIGNATURE: Janine Nyre

AS GSC VP SIGNATURE: Greg Manuel

TS GSC VP SIGNATURE: Tom Burgess

The image shows four handwritten signatures stacked vertically. The top signature is in black ink and appears to be 'Ken Brown'. The second signature is in black ink and appears to be 'Janine Nyre'. The third signature is in black ink and appears to be 'Greg Manuel'. The bottom signature is in blue ink and appears to be 'Tom Burgess'.