**EXHIBIT “A”**

**SETTLEMENT AGREEMENT**

THIS SETTLEMENT AGREEMENT is entered into this       day of      , 20      by and between Huntington Ingalls Incorporated, acting through its Ingalls Shipbuilding division (hereinafter called “BUYER”), and       (hereinafter called “SELLER”).

WHEREAS, BUYER AND SELLER are entered into the Purchase Order(s) listed below by number, which, together with any and all amendments, modifications and change notices hereto, are hereinafter referred to as the “Purchase Order(s).”

**PURCHASE ORDER NUMBER(S):**

WHEREAS, by notice of termination dated      , BUYER advised SELLER of the termination of the Purchase Order.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. SELLER certifies that all of its and all of its supplier inventories on which the claim settled by this Agreement is based, have been retained, sold, returned to suppliers, or otherwise properly accounted for, and that all proceeds or retention prices thereof, if any, were taken into account in arriving at the Net Settlement Sum payable hereunder.

2. SELLER agrees to accept the Net Settlement Sum of $      representing total Settlement of $     , less applicable disposal or retention credits and unliquidated partial payments of $     . Said Sum, together with all sums heretofore paid, constitutes payment in full and complete settlement of the amount due SELLER by reason of the termination of work under the Purchase Order(s) and SELLER hereby releases and forever discharges BUYER and the Government and their respective employees, agents, representatives, and affiliates from and against any and all costs, losses, liabilities, demands, causes of action, damages (including but not limited to consequential and punitive damages), liens, penalties, fines, settlements, judgments, expenses, expert fees, attorney’s fees, court costs and claims heretofore or hereafter arising out of, in connection with or incidental to the Purchase Order(s).

3. BUYER agrees to pay to SELLER or SELLER’S ASSIGNEE, if any, the Net Settlement Sum of $      promptly after execution of this Agreement, as evidenced by a duly executed change notice to the Purchase Order(s) and acknowledgement thereto, and after receipt of SELLER’S invoice setting forth the Total Settlement and Net Settlement Amounts. BUYER hereby unconditionally releases SELLER from any obligation to perform further work or services, or to make further deliveries under or in any way connected with the terminated Purchase Order(s) set forth above, PROVIDED, however, that nothing herein contained shall impair or affect in any way other covenants, terms or conditions of the above referenced Purchase Order(s).

4. BUYER and SELLER further agree that this Settlement Agreement is conditional subject to the final review and approval of the Government Contracting Officer or his duly authorized representative. Final approval will be evidenced by the issuance of the change notice to the Purchase Order(s) to the SELLER as provided in paragraph 3above.

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|  |  | SELLER: |  |  |
|  |  |  |  |  |
|  |  | BY: |  |  |
|  |  |  | (AUTHORIZED REPRESENTATIVE) |  |
|  |  | HUNTINGTON INGALLS INCORPORATED | |  |
|  |  | BY: |  |  |