

Corporate Headquarters  
Corporate Policy Statement CPS-008  
Revision: 17  
Effective:

Compliance with the Anti-Kickback Act of 1986, and CPS-730, Compliance with Anti-Corruption

whom we seek to do business or who seeks to do business with us is considered a business relation. Defined subsets of business relations include commercial relations, public officials, and government-

*Government-Owned Instrumentality* An entity that is owned or controlled by a government. Government ownership or control can be whole, majority, or partial. Whether a particular entity will be treated like an instrumentality for the purposes of this policy requires a fact-specific analysis of the ownership, control, status, and function by element legal counsel.

*Kickback* As defined in CPS-716, any money, fee, commission, credit, gift, gratuity, thing of value, loan, entertainment, service, or compensation of any kind that is provided in exchange for a favor (whether business related or not). Kickbacks are a type of bribe where the two parties are in collusion so that each party gains from the exchange.

*Lavish or Extravagant* While it is difficult to define "lavish or extravagant" by means of a specific dollar amount, a common sense determination based on the totality of the circumstances should be made consistent with reasonable marketplace practices for the specific circumstances under consideration.

*Nominal* Of little or no value.

*Public Official* A person who, regardless of position, paid or unpaid, is any of the following:

- An officer or employee of any government, department, agency, bureau, authority, or government-owned instrumentality, such as a state-owned or state-controlled entity;

- Acting in an official capacity for or on behalf of any government, department, agency, bureau, authority, or instrumentality;

- An official, employee, or person acting on behalf of a government-sponsored or public international organization such as the United Nations, World Bank, or the European Community;

- Holding a legislative, administrative, executive, or judicial position, whether appointed or elected;

- A political candidate, or an officer or employee of a political party;

- A member of a Royal Family; or

- A family member of or otherwise closely associated with any of the foregoing.

*Sponsorship* Any arrangement whereby Lockheed Martin provides financial support, products, services, or anything of value to a third party where Lockheed Martin expects or intends to seek the right to associate its image, brands, or products with an activity, event, or organization, or to receive some other lawful benefit. Sponsorships may include funding to industry associations or event organizers, fees for participation in certain industry events that serve business interests, and sponsorships where Lockheed Martin receives brand visibility or name recognition in return (e.g., banquets, golf tournaments, symposiums, conferences, forums, technology exchange programs, and shaping events, etc.). Memberships which include a sponsorship component or where sponsorships will be offered as part of membership in any organization are included in this definition and are subject to this policy. Sponsorships are different from charitable contributions, made in accordance with CRX-251.

## **4.0 Your Responsibilities**

4.1 It is your responsibility as a Lockheed Martin employee to ensure that the offer or receipt of anything of value is

this policy, and will not adversely affect the reputation of or embarrass Lockheed Martin. It is your responsibility to ensure that business courtesies are not lavish and could not reasonably be construed as an attempt to secure favorable treatment.

4.2 If you are involved in the evaluation of products or services for potential use, or you are involved in the oversight or evaluation of supplier performance, or where your duties include the negotiation of contracts or concessions you must be especially diligent in avoiding actions that could be perceived as favoritism or unfair dealing. Employees in these roles have extra restrictions regarding the acceptance of business courtesies.

4.3 Lockheed Martin will fully cooperate with regulatory and law enforcement authorities in the investigation and prosecution of anti-corruption laws. In addition to potential criminal or civil penalties, violations of anti-corruption laws and this policy may result in disciplinary action, up to and including termination of employment or contract.

4.4 You are required to report any suspected or known violations of this policy. You should report violations of this policy directly to your supervisor, manager, Human Resources, Ethics Office, element legal counsel, or other appropriate functional organization. If your supervisor or manager is personally involved, report the violation to your Ethics Officer or Human Resources Business Partner. Lockheed Martin prohibits retaliation against anyone who, in good faith, reports suspected misconduct.

4.5 If you offer or approve expenditures for business courtesies, you must ensure that all expenses and transactions are accurately recorded with reasonable detail, are given in the course of business, and could not reasonably be construed as improper inducements. Payments made on behalf of Lockheed Martin will include adequate supporting documentation to accurately describe the nature and purpose of any payment.

## **5.0 General Guidelines**

5.1 You may only offer, give, or accept business courtesies that are within applicable law and regulation, the policies of both Lockheed Martin and the recipient of the business courtesy. You may only offer or give sponsorships that are within applicable law and regulation, and the policies of both Lockheed Martin and the recipient of the sponsorship. You may not offer, give, or accept any business courtesy or sponsorship that may be questionable, controversial, or reflect negatively on Lockheed reputation.

5.2 You must not use personal funds or assets to circumvent this policy. All business-related expenditures and reimbursements must be accounted for in accordance with Lockheed Martin policies and procedures.

5.3 You should consult with your Ethics Officer, who may engage element legal counsel, with questions about offering or accepting business courtesies.

### ***Cash, Cash Equivalents, and Gift Cards***

5.4 You are prohibited from giving a gift or business courtesy of cash, cash equivalents, or gift card/certificate to business relations. Contributions of cash to a collection (pooled money) for the purpose of purchasing a group gift for a business relation is generally prohibited, as is

providing any honorarium to business relations. In rare circumstances, exceptions may be pre-approved by your Ethics Officer or element legal counsel (see [section 9.0](#)).

Note: You are prohibited from giving per diem payments as a business courtesy unless they are expressly authorized in a written contract with a business relation. Unless expressly authorized by the contract and approved by element legal counsel, per diem payments must be made by check only to the business relation entity, not to any individuals. All per diem payments must be accurately recorded.

5.5 You are prohibited from receiving

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your Ethics Officer for disposition. The Ethics Office will secure the item and record it in a log. An Ethics Director, who may consult with element legal counsel, will determine disposition of



7.2 You should limit the frequency of giving business courtesies to the same recipient, as the cumulative effect of frequent business courtesies may give rise to the appearance of impropriety and under certain circumstances may violate the law. Business courtesies provided in connection with periodic on-going events related to the performance of an existing contract, such as program review meetings, are understandable and not in violation of this policy. Business courtesies provided in connection with prospective business opportunities must be limited so that the cumulative value of the courtesies given to the same recipient does not become excessive.

7.3 You may not knowingly offer business courtesies that violate the standards of conduct of the organization; CPS-730, Compliance with Anti-Corruption Laws; CPS-716, Compliance with the Anti-Kickback Act of 1986; and all other laws and regulations.

***Providing Air Transportation***

7.4 Approval to transport any non-employee on corporate aircraft must be obtained in accordance with CRX-526, Corporate Aircraft. If the individual is a non-U.S. public official, you must also obtain prior written approval of the Senior Vice President, General Counsel & Corporate Secretary or the Vice President & Associate General Counsel International, Government Contracts, & Global Supply Chain or designee (see [section 9.0](#)). Contact your element legal counsel to initiate the request for approval. Element legal counsel will support the request by obtaining: (1) a written legal opinion from outside counsel stating that the specific travel event complies with anti-corruption laws, and (2) the approval of the business area Vice President & General Counsel.

7.5 Before offering a commercial flight to a business relation, obtain the approval (following the process in section 9.0) as indicated in the table below.

If the business relation <sup>1</sup> is a:	Then obtain written approval <sup>2</sup> from:
U.S. Public Official <sup>3</sup>	See Note 3
U.S. Commercial Relation	Ethics Officer
Non-U.S. Public Official, or Non-U.S. Commercial Relation	Vice President & Associate General Counsel International, Government Contracts, & Global Supply Chain or designee

<sup>1</sup>The commercial flight class of service offered to a business relation is dependent upon the

<sup>2</sup>Commercial airfare provided as specified under the terms of a contract is not subject to this approval provision.

<sup>3</sup>U.S. public officials generally are prohibited from accepting transportation



7.8 You may not provide business courtesies with a corrupt intent or appearance to bribe any Lockheed Martin commercial relation in connection with our business anywhere in the world.

Note: An entity which appears commercial may in fact be a government-owned instrumentality; in those instances, you must use the applicable government guidelines. Contact your element legal counsel with any questions about an government instrumentality status.

7.9 With the exception of meals and refreshments, you may provide other business courtesies



to accept without payment, or that you know would exceed the applicable limit (or similar payment methods) will not be used.

### Political Appointees

7.18 In addition, Executive Order 13989 imposes stricter limitations on the giving or offering of business courtesies to certain U.S. government political appointees than the limitations that apply to other U.S. executive branch employees. Business courtesies that are allowable for such political appointees are identified within the paragraphs below for U.S. executive branch employees. All other types of business courtesies offered to such political appointees must have prior approval from your Ethics Officer, who may consult with element legal counsel or the Vice President & General Counsel

7.24 You can request a \_\_\_\_\_-attended \_\_\_\_\_ designation from the relevant agencies in accordance with their guidance on such requests. Lockheed Martin hosts or sponsors of these events should provide information about the cost of business courtesies to U.S. government invitees and ask them to seek guidance from their government designated agency ethics officials about the appropriateness of attending the event. Invitations to widely-attended gatherings should only be extended by the host or sponsor.

Note: Political appointees subject to Executive Order 13989 have further restrictions under the \_\_\_\_\_-attended \_\_\_\_\_ exception. A political appointee cannot accept free

### Transportation

7.25 You may provide non-air transportation to a U.S. executive branch employee (not subject to Executive Order 13989) when one or more of these criteria apply:

The transportation is in connection with a "meeting" as defined in 41 CFR § 304-2.1. (You must never provide transportation to any meeting or event essential to the U.S. executive branch \_\_\_\_\_ primary duties or a U.S. \_\_\_\_\_ mission.)  
The fair market value of the transportation is under the [\\$20 USD/\\$50 USD](#) limit.  
The government



The fair market value of the food, refreshments, or entertainment does not exceed

## Meals

7.32 Lockheed Martin may provide a meal, without requiring reimbursement, if offered in a group setting in the facility cafeteria to members and staffers of the House of Representatives visiting a facility.

7.33

## ***Business Courtesies to Non-U.S. Public Officials***

### General

7.40 You are prohibited from giving or offering business courtesies to non-U.S. public officials for the purpose of influencing them improperly. You may provide business courtesies to non-U.S. public officials as described in the International Hospitality Rules. To select the appropriate

Hospitality

Rules to apply, please seek element legal counsel guidance.

7.41 You must obtain prior approval from element legal counsel (see [section 9.0](#)) to:

Provide any business courtesy to a non-U.S. public official that:

- exceeds any stated monetary limit for non-U.S. public officials in this policy or the International Hospitality Rules;
- International Hospitality Rules;
- provides non-local transportation, including air travel; and/or
- does not comply with any specific Country Amplifying Guidance;

Provide any business courtesy to a non-U.S. public o .

Note: Element legal counsel will support exception requests by either (1) a written legal opinion obtained from outside counsel stating that the higher amounts comply with the , or (2) approval by the Vice President & Associate General Counsel International, Government Contracts, & Global Supply Chain or designee. Element legal counsel may rely on an existing legal opinion from outside counsel if it is not more than two years old.

7.42 Providing certain business courtesies without prior Legal approval will constitute a CPS-730.

### Meals, Refreshments and Gifts

7.43 Where applicable International Hospitality Rules do not otherwise specify an amount, expenses for meals and refreshments must not exceed the following U.S. dollar equivalent amount per person per day:

Breakfast \$50 USD  
Lunch \$100 USD  
Dinner \$150 USD  
Refreshments \$50 USD

Note: Tips and taxes should not be included in the total cost when determining the per person, per day





9.4 Appropriate Ethics Officers and/or legal counsel will review the request and notify the requestor of approval or denial. Some requests may require additional levels of approval; these approvals will be handled by the Ethics Office and/or Legal.

## **10.0 Deviations**

Any deviation from this policy requires the prior approval of the Owner listed in Lockheed Martin Command Media