

LOCKHEED MARTIN – UNITED KINGDOM

CORPDOC 21UK

**SUBCONTRACTS/PURCHASE ORDERS IN SUPPORT OF UNITED KINGDOM
MINISTRY OF DEFENCE (MOD) PRIME CONTRACTS**

SECTION I: STANDARD PROVISIONS

1. ACCEPTANCE OF CONTRACT/TERMS AND CONDITIONS

- (a) This Contract integrates, merges, and supersedes any prior offers, negotiations, and agreements concerning the subject matter hereof and constitutes the entire agreement between the parties.
- (b) SELLER's acknowledgment, acceptance of payment, or commencement of performance, shall constitute SELLER's unqualified acceptance of this Contract.
- (c) Unless expressly accepted in writing by LOCKHEED MARTIN, additional or differing terms or conditions proposed by SELLER or included in SELLER's acknowledgment are rejected by LOCKHEED MARTIN and have no effect.
- (d) The headings used in this Contract are inserted for the convenience of the parties and shall not define, limit, or describe the scope or the intent of the provisions of this Contract.

2. APPLICABLE LAWS

- (a) This Contract and any matter arising out of or related to this Contract shall be governed by the laws of England. The provisions of the "United Nations Convention on Contracts for International Sale of Goods" shall not apply to this Contract.
- (b) SELLER, in the performance of this Contract, shall comply at all times with all applicable laws including without limitation common law, statute, regulation, directive, rule, order or delegated legislation of any other requirement of any local state or European Union (EU) body, in relation to the Work. SELLER shall at its own expense procure all licences consents, registrations and permits necessary to perform this Contract and furnish the Work and shall ensure that all such permissions are valid and subsisting and that all conditions (whether express or implied) are at all times complied with. SELLER, at its expense, shall provide reasonable cooperation to LOCKHEED MARTIN in conducting any investigation regarding the n

drawings, designs, or specifications; (ii) method of shipping or packing; (iii) place of inspection, acceptance, or point of delivery; and (iv) delivery schedule.

(b) If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of this Contract, LOCKHEED MARTIN shall make an equitable adjustment in the Contract price and/or delivery schedule, and modify this Contract accordingly. Changes to the delivery schedule will be subject to a price adjustment only.

(c) SELLER must assert its right to an equitable adjustment under this clause within thirty (30) days from the date of receipt of the written change order from LOCKHEED MARTIN. If SELLER's proposed equitable adjustment includes the cost of property made obsolete or excess by the change, LOCKHEED MARTIN shall have the right to prescribe the manner of disposition of the property.

(d) Failure to agree to any adjustment shall be resolved in accordance with the "Disputes" clause of this Contract. However, nothing contained in this "Changes" clause shall excuse SELLER from proceeding without delay in the performance of this Contract as changed.

5. COMPLIANCE WITH THE BRIBERY ACT AND OTHER ANTICORRUPTION LAWS AND REGULATIONS

(a) SELLER shall comply with applicable laws and regulations relating to anti-corruption, including, without limitation, (i) the UK Bribery Act 2010 irrespective of the place of performance, and (ii) laws and regulations implementing the Organization for Economic Cooperation and Development's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the U.N. Convention Against Corruption, in SELLER's country or any country where performance of this Contract will occur. Compliance with the requirements of this clause is a material requirement of this Contract.

(b) In carrying out its responsibilities under this Contract, SELLER represents that:

(i) SELLER has not paid, offered, promised to pay or authorized and will not pay, offer, promise to pay, or authorize the payment directly or indirectly of any monies or anything of value (in the form of entertainment, gifts, gratuities, kickbacks or otherwise) for the purpose of obtaining or rewarding favourable treatment as a LOCKHEED MARTIN supplier.

(ii) SELLER has not paid, offered, promised to pay or authorized and will not pay, offer, promise to pay, or authorize the payment directly or indirectly of any monies or anything of value to (i) any person or firm employed by or acting for or on behalf of any customer, whether private or governmental, or (ii) any government official or employee or any political party or candidate for political office for the purpose of influencing any act or decision or inducing or rewarding any action by the customer in any commercial transaction or in any governmental matter or securing any improper advantage to assist LOCKHEED MARTIN or SELLER in obtaining or retaining business or directing business to any person.

(iii) No owner, partner, officer, director or employee of SELLER or of any parent or subsidiary company of SELLER is or will become an official or employee of the government or of an agency or instrumentality of a government or a candidate for political office or a political party official during the term of this Contract, unless such person obtains the prior written approval of LOCKHEED MARTIN.

(iv) SELLER has not made and will not make, either directly or indirectly, any improper payments, including but not limited to facilitation payments, gratuities or kickbacks.

(v) SELLER has established and will maintain an effective business ethics and compliance program and procedures to prevent corruption and ensure compliance with the Bribery Act. SELLER's program and procedures shall implement guidance published by the United Kingdom Ministry of Justice relative to compliance with the Bribery Act.

(f) This clause applies in addition to and is not altered, changed, or superseded by any quality provision, specification, statement of work, regulatory flowdown, or other provision included in this Contract addressing the authenticity of Work.

(g) In the event that Work delivered under this Contract constitutes or includes Counterfeit Work, SELLER shall, at its expense, promptly replace such Counterfeit Work with genuine Work conforming to the requirements of this Contract.



terms and conditions are incorporated into a "master" agreement that provides for releases, (in the form of a Purchase Order or other such document) the term "Contract" shall also mean the release document for the Work to be performed.

(3) "LOCKHEED MARTIN" means LOCKHEED MARTIN CORPORATION, acting through its companies or business units, as identified on the face of this Contract. If a subsidiary or affiliate of LOCKHEED MARTIN CORPORATION is identified on the face of this Contract, then "LOCKHEED MARTIN" means that subsidiary or affiliate.

(4) "LOCKHEED MARTIN Procurement Representative" means a person authorized by LOCKHEED MARTIN's cognisant procurement organisation to administer and/or execute this Contract.

(5) "SELLER" means the party identified on the face of this Contract with whom LOCKHEED MARTIN is contracting.

(6) "Task Order" means a separate order issued under this Contract.

(7) "Work" means all required labour, articles, materials, supplies, goods, and services constituting the subject matter of this Contract.

(b) In this Contract:

(1) The singular shall include the plural and vice versa, the words "include" and "including" shall be construed without limitation and the headings of clauses are for convenience and shall not affect the interpretation of the Contract; and

(2) References to any statute or statutory provision include references to that statute or statutory provision as amended, consolidated or replaced from time to time.

(2) References to any statute or statutory provision include references to that statute or statutory provision as amended, consolidated or replaced from time to time.

11. DISPUTES

(a) All disputes under this Contract that are not disposed of by mutual agreement may be decided by recourse to an action at law or in equity. Any dispute not resolved between the parties shall be subject to the exclusive jurisdiction of the English Courts. Disputes under this Contract which involve a matter in dispute between LOCKHEED MARTIN and the Authority, may at LOCKHEED MARTIN's election, be resolved in accordance with DEFCON 530.

(b) Until final resolution of any dispute hereunder, SELLER shall diligently proceed with the performance of this Contract as directed by LOCKHEED MARTIN.

12. ELECTRONIC CONTRACTING

The parties agree that if this Contract is transmitted electronically neither party shall contest the validity of this Contract, or any acknowledgement thereof, on the basis that this Contract or acknowledgement contains an electronic signature.

13. ENVIRONMENTAL, HEALTH AND SAFETY REQUIREMENTS

(1) The Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS) 2002/95/EC;

(2) The Directive on Waste Electrical and Electronic Equipment (WEEE) 2002/96/EC;

14. EXCUSABLE DELAY

17. FURNISHED/ISSUED PROPERTY

(a) LOCKHEED MARTIN may, by written authorization, provide to SELLER property owned by either LOCKHEED MARTIN or its customer (Furnished Property). Furnished Property shall be used only for the performance of this Contract.

(b) Title to Furnished Property shall remain in LOCKHEED MARTIN or its customer. SELLER shall clearly mark (if not so marked) all Furnished Property to show its ownership.

(c) Except for reasonable wear and tear, SELLER shall be responsible for, and shall promptly notify LOCKHEED MARTIN of, any loss or damage to Furnished Property. Without additional charge, SELLER shall manage, maintain, and preserve Furnished Property in accordance with applicable law, the requirements of this Contract and good commercial practice.

(d) At LOCKHEED MARTIN's request, and/or upon completion of this Contract, SELLER shall submit, in an acceptable form, inventory lists of Furnished Property and shall deliver or make such other disposal as may be directed by LOCKHEED MARTIN.

(e) Property furnished or issued by the Authority, or that the Authority takes title under this Contract shall be subject to the DEFCONs included in this Contract in lieu of paragraphs (a) through (d) above.

18. INDEMNITY

SELLER shall defend, indemnify, and hold harmless LOCKHEED MARTIN, its officers, directors, employees, consultants, agents, affiliates, successors, permitted assigns and customers from and against all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorney's fees, all expenses of litigation and/or settlement, and court costs, arising from any act or omission of SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this Contract.

19. INDEPENDENT CONTRACTOR RELATIONSHIP

SELLER is an independent contractor in all its operations and activities hereunder. The employees used by SELLER to perform Work under this Contract shall be SELLER's employees exclusively without any relation whatsoever to LOCKHEED MARTIN.

20. INFORMATION OF LOCKHEED MARTIN

(a) Information provided by LOCKHEED MARTIN to SELLER remains the property of LOCKHEED MARTIN. SELLER shall comply with the terms of any proprietary information agreement with LOCKHEED MARTIN and comply with all proprietary information markings and restrictive legends applied by LOCKHEED MARTIN to anything provided hereunder to SELLER. SELLER shall not use any LOCKHEED MARTIN provided information for any purpose except to perform this Contract and shall not disclose such information to third parties without the prior written consent of LOCKHEED MARTIN. SELLER shall maintain data protection processes and systems sufficient to adequately protect LOCKHEED MARTIN provided information and comply with any law or regulation applicable to such information.

(b) If SELLER becomes aware of any compromise of information provided by LOCKHEED MARTIN to SELLER, its officers, employees, agents, suppliers, or subcontractors (an "Incident"), SELLER shall take appropriate immediate actions to investigate and contain the Incident and any associated risks, including prompt notification to LOCKHEED MARTIN after learning of the Incident. As used in this Section, "compromise" means that any information provided by

MARTIN in conducting any investigation regarding the nature and scope of any Incident. Any costs incurred in investigating or remedying Incidents shall be borne by SELLER.

(c) Any LOCKHEED MARTIN provided information identified as proprietary or subject to restrictions on public disclosure by law or regulation shall be encrypted (i) if transmitted via the Internet, or (ii) during electronic storage if potentially accessible by the Internet or otherwise by non-authorized users.

(d) The provisions set forth above are in addition to and do not alter, change or supersede any obligations contained in a proprietary information agreement between the parties.

21. INFORMATION OF SELLER

(4) Professional indemnity (as applicable) in the amount of £5 million per claim;

(5) All such other insurance that is required by law; and

(6) Such other insurance as LOCKHEED MARTIN may require.

(b) SELLER shall provide LOCKHEED MARTIN thirty (30) days advance written notice prior to the effective date of any cancellation or change in the term or coverage of any of SELLER's required insurance, provided however such notice shall not relieve SELLER of its obligations to procure and maintain the required insurance. SELLER's insurance will include an "Indemnity to Principals" clause in favor of LOCKHEED MARTIN, or will name LOCKHEED MARTIN as additional insured. If requested, SELLER shall send a "Certificate of Insurance" showing SELLER's compliance with these requirements. Insurance maintained pursuant to this clause shall be considered primary as respects the interest of LOCKHEED MARTIN and is not contributory with any insurance, which LOCKHEED MARTIN may carry. "Subcontractor" as used in this clause shall include SELLER's subcontractors at any tier. SUPPLIER's obligations for procuring and maintaining insurance coverages are freestanding and are not affected by any other language in this Contract.

24. INTELLECTUAL PROPERTY

(a) In this clause, "Foreground Information" means inventions, technology, designs, works of authorship, mask works, technical information, computer software, business information and other information conceived, developed or otherwise generated in the performance of this Contract by or on behalf of SELLER; and "Background Information" means inventions, technology, designs, works of authorship, mask works, technical information, computer software, business information and other information conceived, developed or otherwise generated by or on behalf of SELLER otherwise than under this Contract.

(e) The tangible medium storing copies of all reports, memoranda or other materials in written form including machine readable form, prepared by SELLER and furnished to LOCKHEED MARTIN pursuant to this Contract shall become the sole property of LOCKHEED MARTIN.

(f) Clauses (b) and (d) above shall not apply to any Contract in which SELLER has signed a Design Rights and Patents (Subcontractors) Agreement set out in DEFFORM 177 with the Ministry of Defence. In relation to any such Contract, LOCKHEED MARTIN is hereby granted by the Seller a non-exclusive, world-wide, perpetual, irrevocable, royalty-free licence (with a right to sub-licence) to use and to have used on its behalf in the performance of LOCKHEED MARTIN's obligations under the Prime Contract and any other contract with the UK Ministry of Defence or any other UK Government department all Foreground Information including all copyrights, patent rights and other intellectual property rights therein, This licence includes a licence under any Background Information, and intellectual property rights therein, required to enable LOCKHEED MARTIN to exercise the licence granted under this clause (f).

25. LANGUAGE AND STANDARDS

All reports, correspondence, drawings, notices, marking, and other communications shall be in the English language. The English version of the Contract shall prevail. Unless otherwise provided in writing all documentation and work shall employ the units of weights and measures called for by the Statement of Work, Technical Specifications, etc., applicable to this Contract.

26. NEW MATERIALS

The Work to be delivered hereunder shall consist of new materials, not used, or reconditioned, remanufactured, or of such age as to impair its usefulness or safety.

27. OFFSET CREDIT/COOPERATION

keys or computer dial port telephone numbers. LOCKHEED MARTIN may periodically audit SELLER's data residing on LOCKHEED MARTIN, customer, or third party assets on Premises.

Contract or with the provisions of amendments to such Prime Contract. If any such amendment to this Contract causes an increase or decrease in the cost of, or the time required for, performance of any part of the Work under this Contract, an equitable adjustment shall be made pursuant to the "Changes" clause of this Contract.

D. DEFCON FLOWDOWN CLAUSES INCORPORATED BY REFERENCE

DEFCON 550 Child Labour and Employment Law (Edn 02/14)

DEFCON 595 General Purpose Automatic Test Equipment Data Requirements (Edn 10/04) (Applies if SELLER generates test data specified in the Annex to this DEFCON.)

DEFCON 601 Redundant Material (Edn 04/14) (Applies if redundant material, will be provided to SELLER under 2 >>BDC -0.002

T 2 3

DEFCON 694 Accounting For Property Of The Authority (Edn 02/12) (Clauses 1, 2, 4 and 7 apply if SELLER will have responsibility in its Public Store Account for the Authority's property.) SELLER shall provide LOCKHEED MARTIN copies of all communications with the Authority under this clause.)

DEFCON 695 Interim Summary Cost Statement – Post Costing (Edn 012/14) (Applies if this Contract exceeds £5,000,000. Only the Appendix to this DEFCON is incorporated into this Contract. "Subcontractor" means SELLER.)

DEFCON 802 QDC: Open Book on Sub-contracts that are not Qualifying Sub-contracts (Edn 12/14) (Applies if this Contract is a Material Single Source Sub-contract (Non-Qualifying). The UK procurement regulations make no distinction with respect to flowdown of provisions in subcontracts for commercial items. Accordingly, the guidance above applies if commercial items are being supplied.)

DEFCON 804 QDC: Confidentiality of Single Source Contract Regulations Information (Edn 12/14) (Applies if this Contract is a Qualifying Sub-contract for the purpose of the Defence Reform Act 2012 and the Single Source Contract Regulations. Oa.1(enc)-8(e Rbr)-6.3(es6.3(N)-1d3.2(atxc)-8(t)-1l)-13.1u6pBDC -042.2-1.1()-12.2(i -2.554 Td [(D)-2.9(E)2.4(F)-5.

