

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. Neither of the Parties has entered into this Contract in reliance upon any representation, warranty or undertaking of any other party which is not set out or referred to in this Contract and, in the absence of fraud neither party shall be liable to the other for or shall seek to rely upon any such representations. The parties agree that any Non Disclosure Agreement or Proprietary Information Agreement shall not be superseded by this Contract.

(b) SELLER's acknowledgment, acceptance of payment, or commencement of performance, shall constitute SELLER's unqualified acceptance of this Contract.

^{a@} This Contract shall be governed by the laws of England. The provisions of the "United

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 nature and scope of any failure by SELLER or its personnel to comply with applicable local, state, and

(b) LOCKHEED MARTIN engineering and technical personnel may from time to time render assistance or give technical advice or discuss or effect an exchange of information with SELLER's personnel concerning the Work hereunder. No such action shall be deemed to be a change under the "Changes" clause of this Contract and shall not be the basis for equitable adjustment.

(c) Except as otherwise provided herein, all notices to be furnished by SELLER shall be in writing and sent to the LOCKHEED MARTIN Procurement Representative.

8. COUNTERFEIT WORK

"Counterfeit Work" means Work that is or contains unlawful or unauthorised reproductions, substitutions, or alterations that have been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified part from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorised aftermarket manufacturer. Unlawful or unauthorised substitution includes used Work represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics. Work shall also be considered "Counterfeit Work" if it falls within the definition of "Counterfeit Material" set out at Paragraph 5.2 of DEF STAN 05-135.

(b) Privacy Notice. (1) All SELLER web sites, portals etc. to be used by LOCKHEED MARTIN personnel for the purpose of this Contract and that collect personal data other than a user name and password shall include a privacy notice. This privacy notice shall identify the Data Controller and the purpose of its processing.

(4) "LOCKHEED MARTIN" means LOCKHEED MARTIN CORPORATION or the LOCKHEED MARTIN CORPORATION subsidiary 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.

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

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

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

(8) "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

(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.

12. 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.

13. 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.

14. ENVIRONMENTAL, HEALTH AND SAFETY REQUIREMENTS

(a) "Environmental and Health and Safety Law" means any and all laws, by-laws, common laws or other laws or legislation made by a competent authority and rules, regulations, ordinances, orders, notices, directives, practices, guidance notes, circulars, and codes issued pursuant to the same and any authoritative judicial or administrative interpretation of each of the foregoing which have as a purpose or effect or which relate to the protection of employees, the public and the environment or responsibility for health and safety including without limitation:

- (1) The Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS) Directive 2011/65/EU (RoHS 2);
 - (2) The Directive on Waste Electrical and Electronic Equipment (WEEE) 2012/19/EU;
 - (3) Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH);
 - (4) Regulation (EC) No 1272/2008 on classification, labelling and packaging of substances and mixtures;
 - (5) Any National legislation implementing RoHS, WEEE or REACH;
 - (6) CE Marking and any related product safety requirements pursuant to any applicable New Approach and Global Approach Directives; and
 - (7) Section 6 of the Health and Safety at Work etc. Act 1974.
- (b) Notwithstanding any other provision of this Contract, SELLER warrants and undertakes to LOCKHEED MARTIN that:

(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.

(f) SELLER shall have no lien over Furnished Property and shall ensure that no lower tier subcontractor at any level shall have or purport to have any lien over Furnished Property and SELLER shall procure that the exclusion of any such lien is brought to the attention of all lower tier subcontractors and any other persons who might deal with Furnished Property or otherwise claim to have a lien over it.

(e) 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.

22. INFORMATION OF SELLER

(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. SELLER's obligations for procuring and maintaining insurance coverages are freestanding and are not affected by any other language in this Contract.

25. 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"

execute, reproduce, display, perform, distribute (internally or externally) copies of, transfer computer software, and prepare derivative works based upon, such Background Information and (ii) authorize others to do any, some or all of the foregoing.

(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).

(g) No other provision in this Contract, including but not limited to the Indemnity clause, shall be construed to limit the liabilities or remedies of the parties under this clause.

26. 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.

27. 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.

28. OFFSET CREDIT/COOPERATION

This Contract has been entered into in consideration of LOCKHEED MARTIN's international offset programs. All offset benefit credits resulting from this Contract are the sole property of LOCKHEED MARTIN to be applied to the offset program of its choice. SELLER shall assist LOCKHEED MARTIN in securing appropriate offset credits from the respective country government authorities. SELLER agrees to make fair and reasonable representations to the pertinent Offset authority to help LOCKHEED MARTIN secure the award of said credits.

29. PACKING AND SHIPMENT

(b) A complete packing list shall be enclosed with all shipments. SELLER shall mark containers or packages with necessary lifting, loading, and shipping information, including the LOCKHEED MARTIN Contract number, item number, dates of shipment, and the names and addresses of consignor and consignee. Bills of lading shall include this Contract number.

37. SEVERABILITY

Each clause, paragraph and subparagraph of this Contract is severable, and if one or more of them are declared invalid, the remaining provisions of this Contract will remain in full force and effect.

38. STOP WORK

(a) SELLER shall stop Work for up to ninety (90) days in accordance with any written notice received from LOCKHEED

41. TIMELY PERFORMANCE

- (a) SELLER's timely performance is a critical element of this Contract.
- (b) Unless advance shipment has been authorized in writing by LOCKHEED MARTIN, LOCKHEED MARTIN may store at SELLER's expense, or return, shipping charges collect, all Work received in advance of the scheduled delivery date.
- (c) SELLER shall provide LOCKHEED MARTIN status of performance of this Contract when requested. In addition, if SELLER becomes aware of an impending labor dispute involving SELLER or any lower tier subcontractor, or any other difficulty in performing the Work, SELLER shall timely notify LOCKHEED MARTIN, in writing, giving pertinent details. These notifications shall not change any delivery schedule.
- (d) In the event of a termination for convenience or change, no claim will be allowed for any manufacture or procurement in advance of SELLER's normal flow time unless there has been prior written consent by LOCKHEED MARTIN.

42. USE OF FREE, LIBRE AND OPEN SOURCE SOFTWARE (FLOSS)/HARMFUL CODE

- (a) This clause only applies to Work that includes the delivery of software (including software residing on hardware).
- (b) SELLER shall disclose to LOCKHEED MARTIN in writing any FLOSS that will be used or delivered in connection with this Contract and shall obtain LOCKHEED MARTIN's prior written consent before using or delivering such FLOSS in connection with this Contract. LOCKHEED MARTIN may withhold such consent in its sole discretion. SELLER warrants all FLOSS used or delivered in connection with this Contract complies with any applicable FLOSS License.
- (c) SELLER represents and warrants that any code provided in the Work shall not contain any Harmful Code. SELLER shall have written procedures designed to prevent any code provided in the Work from being contaminated by Harmful Code, and will, upon request, make such procedures available to LOCKHEED MARTIN for review. SELLER shall notify LOCKHEED MARTIN immediately of any suspected or known contamination, remove any Harmful Code, and restore the code to meet contract specifications.
- (d) As used herein,

otherwise make available or accessible to any third party (a) the delivered software, or any portion thereof, in object code and/or source code formats, or (b) any products incorporating the delivered software, or any portion thereof, in object code and/or source code formats.

(3) "Harmful Code" means any computer code or programming instructions that are intentionally constructed with the ability to damage or otherwise adversely affect computer programs, data files or hardware or gather information without the agreement or consent of the user.

43. WAIVERS, APPROVALS, AND REMEDIES

(a) Failure by either party to enforce any of the provisions of this Contract or applicable law shall not constitute a waiver of the requirements of such provisions or law, or as a waiver of the right of a party thereafter to enforce such provision or law.

(b) LOCKHEED MARTIN's approval of docu6(rt)-1.6(i)3(t)-3.1()-3.1s files or lyhevAd 0L1.3()2.5tcaivrro5.1(d)1.8(e)81(n) a oalrce t

mail systems; (vii) do not sell, advertise or market any products or memberships, distribute printed, written or graphic materials on Premises without LOCKHEED MARTIN's written permission or as permitted by law; and (viii) follow instruction from LOCKHEED MARTIN in the event of an actual or imminent safety or environmental hazard on Premises.

(c) All persons, property, and vehicles entering or leaving Premises are subject to search.

circumstances stated below, and subject to any notes following the clause citation. Where, prior to the date of this Contract the DEFCON recited below has been superseded by a later version or edition of the DEFCON, then the later version or edition shall be deemed to form part of this Contract in place of the edition or version cited below.

B. NOTES

(a) As used in the DEFCON clauses referenced below and otherwise in this Contract:

1. The term "Contractor," mean "SELLER" as defined in Section I, Standard Provisions.
2. "Contract" means this contract.
3. "Prime Contract" means the contract between LOCKHEED MARTIN and the UK Ministry of Defence or between LOCKHEED MARTIN and its customer who has a contract with the UK Ministry of Defence.
4. "Sub-contract" means any contract placed by SELLER or lower-tier sub-contractors under this Contract.

(b) DEFCON 501 Definitions and Interpretations (Edn 11/18) shall apply to the extent that any of the DEFCONs included in the Contract contain any of the defined terms therein. The provisions of DEFCON 501 are in addition to any definitions included in the Contract. In the event of a conflict between a definition contained at DEFCON 501 and a definition contained elsewhere in the Contract, the definition in the Contract shall take precedence unless otherwise noted.

C. AMENDMENTS REQUIRED BY PRIME CONTRACT

SELLER agrees that upon the request of LOCKHEED MARTIN it will negotiate in good faith with LOCKHEED MARTIN relative to amendments to this Contract to incorporate additional provisions herein or to change provisions hereof, as LOCKHEED MARTIN may reasonably deem necessary in order to comply with the provisions of the applicable Prime 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

1. The following DEFCON clauses are incorporated into this Contract:

DEFCON 23 Special Jigs, Tooling And Test Equipment (Edn 08/09) (Applies if special jigs, tooling and/or test equipment are acquired under the Contract. Communications between SELLER and the Authority under this clause shall be made through LOCKHEED MARTIN. In paragraph 3, "other Government funds" is changed to "from under contracts with LOCKHEED MARTIN contracts or UK Government funds." In paragraphs 7 and 8, "Authority" means "LOCKHEED MARTIN and the Authority.")

DEFCON 68 Supply Of Hazardous Articles And Substances (Edn 02/17) (Applies if the Contract involves the delivery of, or requires interaction with, hazardous substances.) (Information furnished under this clause shall be submitted by SELLER to LOCKHEED MARTIN.)

DEFCON 76 Contractor's Personnel At Government Establishments (Edn 12/06) (Applies if SELLER will access UK Government establishments during the term of this Contract.)

DEFCON 113 Diversion Orders (Edn 02/17) (SELLER shall promptly comply with any instructions to divert orders given to it by LOCKHEED MARTIN where such instructions arise from LOCKHEED MARTIN's receipt of instructions from the UK Ministry of Defence under and in accordance with DEFCON 113.)

DEFCON 117 Supply of Documentation for NATO Codification and Defence Inventory Purposes (Edn 10/13)
(Communications between SELLER and the Authority under this clause shall be made through LOCKHEED MARTIN.)

DEFCON 611 Issued Property (Edn 02/16) (Applies if SELLER will be provided Customer Issued Property.) Applies to United Kingdom Issued Property in the possession of SELLER. Communications between SELLER and the Authority under

DEFCON 660 Official-Sensitive Security Requirements (Edn 12/15)

DEFCON 691 Timber and Wood - Derived Products (Edn 03/15) ("Authority" means "LOCKHEED MARTIN and the Authority.")

DEFCON 694 Accounting For Property Of The Authority (Edn 03/16) (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 02/15) (Applies if this Contract exceeds £5,000,000 and has been placed without competition. 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) (Only the Appendix to this DEFCON Applies and then only where this Contract is a Material Single Source Sub-contract as defined in DEFCON 802.)

DEFCON 804 QDC: Confidentiality of Single Source Contract Regulations Information (Edn 03/15) (Applies if this Contract is a Qualifying Sub-contract for the purpose of the Defence Reform Act 2014 and the Single Source Contract Regulations 2014. Only the Appendix to this DEFCON applies. "As used therein, "Contractor" means "Lockheed Martin" and "sub-contractor" means "Seller." "Sub-contract" means this Contract except in paragraph 8 where it means "lower tier sub-contract.")

DEFCON 811 Single Source: Profit and Loss Sharing on Firm / Fixed Price Contracts (Edn 12/14) (Applies if this Contract is a Material Single Source Sub-contract (Non-Qualifying). Only the Appendix to this DEFCON applies. As used therein, "Contractor" means "Lockheed Martin" and "sub-contractor" means "Seller." "Sub-contract" has the meaning given to it

