

LOCKHEED MARTIN – UNITED KINGDOM

CORPDOC 20UK

GENERAL PROVISIONS COMMERCIAL SUBCONTRACTS/PURCHASE ORDERS

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.

3. ASSIGNMENT/SUBCONTRACTS

Any assignment of SELLER's Contract rights or delegation of SELLER's duties shall be void, unless prior written consent is given by LOCKHEED MARTIN. SELLER shall be responsible for all Work performed/supplied by sub-contractors under this Contract.

4. CHANGES

(a) The LOCKHEED MARTIN Procurement Representative may at any time, by written notice, and without notice to sureties or assignees, make changes within the general scope of this Contract in any one or more of the following: (i) 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.

(vi) SELLER will promptly disclose to LOCKHEED MARTIN together with all pertinent facts any violation, or alleged violation, of the Bribery Act in connection with the performance of this Contract.

(c) SELLER shall include this clause or equivalent provisions in lower tier subcontracts under this Contract.

6. CONTRACT DIRECTION

(a) Only the LOCKHEED MARTIN Procurement Representative has authority on behalf of LOCKHEED MARTIN to make changes to this Contract. All amendments must be identified as such in writing and executed by the parties.

(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.

7. COUNTERFEIT WORK

(a) For purposes of this clause, Work consists of those parts delivered under this Contract that are the lowest level of separately identifiable items (e.g., articles, components, goods, and assemblies). "Counterfeit Work" means Work that is or contains items misrepresented as having been designed and/or produced under an approved system or other acceptable method. The term also includes approved Work that has reached a design life limit or has been damaged beyond possible repair, but is altered and misrepresented as acceptable.

(b) SELLER shall not deliver Counterfeit Work to LOCKHEED MARTIN under this Contract.

(c) SELLER shall only purchase products to be delivered or incorporated as Work to LOCKHEED MARTIN directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Work shall not be acquired from independent distributors or brokers unless approved in advance in writing by LOCKHEED MARTIN.

(d) SELLER shall immediately notify LOCKHEED MARTIN with the pertinent facts if SELLER becomes aware or suspects that it has delivered Counterfeit Work. When requested by LOCKHEED MARTIN, SELLER shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.

(e) This clause applies in addition to any quality provision, specification, statement of work or other provision included in this Contract addressing the authenticity of Work. To the extent such provisions conflict with this clause, this clause prevails.

(f) 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. Notwithstanding any other provision in this Contract, SELLER shall be liable for all costs relating to the removal and replacement of Counterfeit Work, including without limitation LOCKHEED MARTIN's costs of removing Counterfeit Work, of installing replacement Work and of any testing necessitated by the reinstallation of Work after Counterfeit Work has been exchanged. The remedies contained in this paragraph are in addition to any remedies LOCKHEED MARTIN may have at law, equity or under other provisions of this Contract.

(g) SELLER shall include paragraphs (a) through (e) and this paragraph (g) of this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Work to LOCKHEED MARTIN.

8. DATA PROTECTION ACT

As used herein, "Personal Data" and "Data Controller" have the meanings attributed to them in the Data Protection Act 1998. SELLER shall, with respect to all Personal Data furnished by LOCKHEED MARTIN to SELLER or otherwise acquired by SELLER in the

performance of this Contract, comply strictly with all requirements of the Data Protection Act 1998 as if it were the Data Controller of such personal data.

9. DEFAULT

(a) In the event that SELLER: (1) becomes bankrupt or insolvent, makes an arrangement with its creditors, has a receiver appointed over any of its assets or commences to be wound-up (not being a member's voluntary winding up for the purpose of amalgamation or reconstruction); or (2) fails to perform or observe any of the conditions of this Contract and fails to remedy the same within ten (10) days after receipt of notice from LOCKHEED MARTIN requiring the same to be remedied, then LOCKHEED MARTIN may by written notice to SELLER forthwith terminate this Contract or any specified part thereof.

(b) Upon termination, and with respect to that part of this Contract terminated: (1) no further sums shall become due to SELLER save in respect to Work delivered and accepted prior to termination, payment for which shall be postponed at LOCKHEED MARTIN's election, until such time as LOCKHEED MARTIN's claims against SELLER under this Contract shall have been finally established and quantified, and (2) LOCKHEED MARTIN shall be entitled to procure from any alternative source the supply of Work in replacement of Work not delivered prior to the termination. Any additional costs incurred by LOCKHEED MARTIN in finding and arranging such alternative source shall be sums due and owing by SELLER to LOCKHEED MARTIN.

(c) The provisions of this clause shall be without prejudice to any other remedy LOCKHEED MARTIN may have under this Contract or any applicable law.

10. DEFINITIONS

(a) The following terms shall have the meanings set forth below:

(1) "Contract" means the instrument of contracting, such as "Purchase Order", "PO", "Subcontract" "Task Order", or other such type designation, including these General Provisions, all referenced documents, exhibits, and attachments. If these 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.

(2) "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.

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

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

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

(6) "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.

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.

(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

(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 or responsibility on relation to the Work, including without limitation:

(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;

(3) Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH);

(4) Any National legislation implementing RoHS, WEEE or REACH;

(5) CE Marking and any related product safety requirements pursuant to any applicable New Approach and Global Approach Directives; and

(6) 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:

(1) All Work furnished under this Contract shall at all times comply with Environmental and Health and Safety Law;

(2) All Work furnished under this shall be marked with a CE Marking where applicable.

(3) It shall not supply or use any asbestos or materials or equipment containing asbestos in the provision of Work.

(4) It shall not supply or use any products or materials containing Chlorofluorocarbons (CFCs) in the provision of Work without the prior written approval of LOCKHEED MARTIN. Such approval shall only be given when in the opinion of LOCKHEED MARTIN no reasonable alternative to CFCs exists; and

(5) It shall not specify, or permit use of, in Work, any materials or components containing such retardants, including but not limited to Polybrominated Biphenyls (PBBs) and Polybrominated Biphenyl Ethers (PBBEs), also known as Polybrominated Biphenyl Oxides (PBBOs) and shall provide LOCKHEED MARTIN with certification of compliance as required or for the avoidance of doubt containing any other substance to the extent that it is or would reasonably be expected to be subject to any restriction or other limitation on its use under Environmental and Health and Safety Laws.

(c) If the Work or any portion thereof is to be shipped to or performed in the United States:

(1) SELLER represents that each chemical substance constituting or contained in Work sold or otherwise transferred to LOCKHEED MARTIN hereunder is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Administration pursuant to the Toxic Substances Control Act (15 U.S.C. Sec. 2601 et seq.) as amended.

(2) SELLER shall provide to LOCKHEED MARTIN with each delivery any Material Safety Data Sheet applicable to the Work in conformance with and containing such information as required by the Occupational Safety and Health Act of 1970 and regulations promulgated thereunder, or its State approved counterpart.

14. EXCUSABLE DELAY

(a) SELLER shall be excused from, and shall not be liable for, failure of performance to the extent due to causes beyond SELLER's control and without SELLER's fault or negligence, including, but not limited to, acts of God or public enemy, acts of Government in either sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, unusually severe weather and delays of common carriers.

(b) In order to be excused from performance under (a) SELLER shall submit, within ten (10) calendar days of the start of the event causing delay, a written notice stating a complete and detailed description of such event, the date of commencement, an estimate of the probable period of delay, and explanation indicating how such event was beyond the control of SELLER and not due to its negligence or fault and what efforts SELLER will make to minimize the length of delay. SELLER shall submit within ten (10) calendar days of the end of the event a written notice stating the impact to the schedule and evidence justifying the length of the delay.

(c) If the delay extends for thirty (30) days or more this Contract may be terminated by LOCKHEED MARTIN without additional cost and without liability to SELLER.

15. EXPORT CONTROL

(a) SELLER shall comply with all applicable United Kingdom, European Union (EU), U.S. and other sanctions and export control laws, rules and regulations, specifically including, but not limited to, the International Traffic in Arms Regulation ("ITAR"), 22 C.F.R. 120 et seq., the Export Administration Regulations ("EAR"), 15 C.F.R. 730-774, the Foreign Assets Control Regulations, 31 C.F.R. 500-598, E.U. controls on exports of dual-use items and technology implemented pursuant to Council Regulation (EC) No. 428/2009 and U.K. controls on exports of strategic items and technology implemented pursuant to Export Control Order 2008 (SI 2008/3231) (collectively, "Trade Control Laws"). Without limiting the foregoing, SELLER agrees that it will not transfer any export controlled item, technical data, or service, including transfers to foreign persons employed by or associated with, or under contract to SELLER or SELLER's lower tier subcontractors, unless authorized in advance by an export license (e.g. Technical Assistance Agreement (TAA))

or Manufacturing Licensing Agreement (MLA)), license exception or license exemption (collectively, "Export Authorization"), as required.

(b) SELLER shall notify LOCKHEED MARTIN if any deliverable under this Contract is restricted by applicable Trade Control Laws. Before providing LOCKHEED MARTIN any item or data controlled under any of the Trade Control Laws, SELLER shall provide in writing to the LOCKHEED MARTIN Procurement Representative the export classification of any such item or controlled data (i.e. the export classification under the EAR, ITAR, EU List of Dual Use Items and Technology, Wassenaar Agreement's List of Dual-Use Goods and Technologies or other applicable export control list) and will notify the LOCKHEED MARTIN Procurement Representative in writing of any changes to the export classification information of the item or controlled data. SELLER represents that an official authorized to bind the SELLER has determined that the SELLER or the designer, manufacturer, supplier or other source of the items or services has properly determined their export classification.

(c) SELLER represents that neither SELLER nor any parent, subsidiary or affiliate of SELLER is included on any of the restricted party lists maintained by the U.S. Government, including the Specially Designated Nationals List administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), Denied Parties List, Unverified List or Entity List maintained by the U.S. Commerce Department's Bureau of Industry and Security ("BIS") or the List of Statutorily Debarred Parties maintained by the U.S. State Department's Directorate of Defense Trade Controls, or the consolidated list of asset freeze targets designated by the United Nations, European Union, and United Kingdom (collectively, "Restricted Party Lists"). SELLER shall immediately notify the LOCKHEED MARTIN Procurement Representative if SELLER or any parent, subsidiary or affiliate of SELLER is, or becomes, listed on any Restricted Party List or if SELLER's export privileges are otherwise denied, suspended or revoked in whole or in part by any United Kingdom, or other relevant governmental entity or agency.

(d) Where SELLER is a signatory under a LOCKHEED MARTIN Export Authorization, SELLER shall provide prompt notification to the LOCKHEED MARTIN Procurement Representative in the event of (i) changed circumstances including, but not limited to, ineligibility, a violation or potential violation of the or other applicable governmental restrictions, and the initiation or existence of a government investigation, that could affect SELLER's performance under this Contract; or (ii) any change by SELLER that might require LOCKHEED MARTIN to submit an amendment to an existing Export Authorization or request a new or replacement Export Authorization. SELLER shall provide to LOCKHEED MARTIN all information and documentation as may reasonably be required for LOCKHEED MARTIN to prepare and submit any required export license applications. Delays on SELLER's part to submit the relevant information for Export Licenses shall not constitute an excusable delay under the Excusable Delay clause of this Contract.

(e) If the technical data required to perform this Contract is controlled under applicable Trade Control Laws, SELLER shall comply with the following:

- (1) The technical data shall be used only to perform the Work required by this Contract; and
- (2) The data shall not be disclosed to any person not authorized for receipt of the data under an applicable Export Authorization; and
- (3) Any rights in the data may not be acquired by any foreign person; and
- (4) SELLER, including lower tier subcontractors, shall return, or at LOCKHEED MARTIN's direction, destroy, all of the technical data exported to SELLER pursuant to this Contract upon fulfillment of its terms; and
- (5) Unless otherwise directed by LOCKHEED MARTIN, SELLER shall deliver the Work only to LOCKHEED MARTIN; and

(f) SELLER shall include the terms of this paragraph (e) in all lower tier subcontracts issued under which technical data is provided to a lower tier subcontractor.

(g) LOCKHEED MARTIN ITAR Controlled Technical Data can be provided only to nationals of the same country in which SELLER is located. Third Country national employees and/or dual country national employees of SELLER are not authorized to receive LOCKHEED MARTIN ITAR Controlled Technical Data without separate authorization and approval by LOCKHEED MARTIN and the U.S. Government.

(h) SELLER shall include paragraphs (a) through (c) and (e) through this paragraph (g) of this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Work to LOCKHEED MARTIN. SELLER immediately will notify LOCKHEED MARTIN upon learning that any subcontractor or lower-tier supplier with which it engages has become listed on the Restricted Parties List.

(i) SELLER shall be responsible for all losses, costs, claims, causes of action, damages, liabilities and expense, including attorneys' fees, all expense 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 clause.

16. EXTRAS

Work shall not be supplied in excess of quantities specified in this Contract. SELLER shall be liable for handling charges and return shipment costs for any excess quantities.

17. FURNISHED 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.

18. INDEPENDENT CONTRACTOR RELATIONSHIP

(a) 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.

(b) SELLER shall be responsible for and hold harmless LOCKHEED MARTIN and its customers from and against all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorneys' 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. 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 LOCKHEED MARTIN has been exposed to unauthorized access, inadvertent disclosure, known misuse, loss, destruction, or alteration other than as required to perform the Work. SELLER shall provide reasonable cooperation to LOCKHEED 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.

20. INFORMATION OF SELLER

SELLER shall not provide any proprietary information to LOCKHEED MARTIN without prior execution of a proprietary information agreement by the parties.

21. INSPECTION, ACCEPTANCE AND TEST

(a) LOCKHEED MARTIN and its customer may inspect all Work at reasonable times and places, including, when practicable, during manufacture and before shipment. SELLER shall provide all information, facilities, and assistance necessary for safe and convenient inspection without additional charge.

(b) No such inspection shall relieve SELLER of its obligations to furnish and warrant all Work in accordance with the requirements of this Contract. LOCKHEED MARTIN's final inspection and acceptance shall be at destination.

(c) If SELLER delivers non-conforming Work, LOCKHEED MARTIN may, in addition to any other remedies available at law or at equity: (i) accept all or part of such Work at an equitable price reduction; or (ii) reject such Work; or (iii) require SELLER, at SELLER's cost, to make all repairs, modifications, or replacements at the direction of LOCKHEED MARTIN necessary to enable such Work to comply in all respects with Contract requirements.

(d) SELLER shall not re-tender rejected Work without disclosing the corrective action taken.

(e) Unless this Contract expressly provides otherwise, title to Work shall pass to LOCKHEED MARTIN upon final acceptance. If under this Contract any part of the price is payable before delivery, the ownership of all material allocated for the Contract shall vest in LOCKHEED MARTIN when it is so allocated and SELLER shall mark the material accordingly but it shall be at SELLER's risk until delivered to LOCKHEED MARTIN.

22. INSURANCE/ENTRY ON LOCKHEED MARTIN PROPERTY

(a) In the event that SELLER, its employees, agents, or subcontractors enter the site(s) of LOCKHEED MARTIN or its customers for any reason in connection with this Contract, then SELLER and its subcontractors shall procure and maintain for the performance of this Contract employers liability in the amount of £10 million per occurrence, public/products liability in the amount of £5 million per occurrence, professional indemnity (as applicable) in the amount of £5 million per claim, such other insurance that is required by law, and such other insurance as LOCKHEED MARTIN may require. 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. 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.

(b) SELLER'S personnel, including SELLER's subcontractors, shall comply with all LOCKHEED MARTIN security, safety, rules of conduct, badging and personal identity, and related requirements while on LOCKHEED MARTIN premises. In addition, prior to entry on LOCKHEED MARTIN premises, SELLER shall coordinate with LOCKHEED MARTIN to gain access to facilities. SELLER shall provide information reasonably required by LOCKHEED MARTIN to ensure proper identification of personnel. LOCKHEED MARTIN may, at its sole discretion, have SELLER remove any specified employee of SELLER from LOCKHEED MARTIN's premises and request that such employee not be reassigned to any LOCKHEED MARTIN premises under this Contract.

(c) SELLER shall defend, indemnify and hold harmless LOCKHEED MARTIN, its officers, employees, and agents from any losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorneys' fees, all expenses of litigation and/or settlement, and court costs, by reason of property damage or loss or personal injury to any person caused in whole or in part by the actions or omissions of SELLER, its officers, employees, agents, suppliers, or subcontractors.

23. 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.

(b) SELLER agrees that LOCKHEED MARTIN shall be the owner of all Foreground Information. SELLER hereby assigns and shall assign all right, title, and interest in the foregoing to LOCKHEED MARTIN, including without limitation all copyrights, patent rights and other intellectual property rights therein and further shall execute, at LOCKHEED MARTIN's request and expense, all documentation necessary to perfect title therein in LOCKHEED MARTIN. SELLER shall maintain and disclose to LOCKHEED MARTIN written records of, and otherwise provide LOCKHEED MARTIN with full access to, the subject matter covered by this clause and that all such subject

matter will be deemed information of LOCKHEED MARTIN and subject to the protection provisions of the clause entitled "Information of LOCKHEED MARTIN". SELLER shall assist LOCKHEED MARTIN, at LOCKHEED MARTIN's request and expense, in every reasonable way, in obtaining, maintaining, and enforcing patent and other intellectual property protection on the subject matter covered by this clause.

(c) SELLER warrants that the Work performed or delivered under this Contract and the use by LOCKHEED MARTIN or its customers of any such Work will not infringe or otherwise violate the intellectual property rights of any third party in the United Kingdom or any foreign country. SELLER shall defend, indemnify, and hold harmless LOCKHEED MARTIN and its customers from and against any claims, damages, losses, costs, and expenses, including reasonable attorneys' fees, arising out of any action by a third party that is based upon a claim that the Work performed or delivered under this Contract infringes or otherwise violates the intellectual property rights of any person or entity.

(d) To the extent that any Background Information used, included, or contained in the Work or deliverable items and not owned by LOCKHEED MARTIN pursuant to this or a previous agreement with SELLER, SELLER grants to LOCKHEED MARTIN an irrevocable, non-exclusive, world-wide, royalty-free licence to: (i) make, have made, sell, offer for sale, use, execute, reproduce, display, perform, distribute (internally or externally) copies of, 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 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.

24. 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.

25. 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.

26. 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 shall make fair and reasonable representations to the pertinent Offset authority to help LOCKHEED MARTIN secure the award of said credits.

27. PACKING AND SHIPMENT

(a) Unless otherwise specified, all Work is to be packed in accordance with good commercial practice.

(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.

(c) Unless otherwise specified, delivery shall be Delivery Duty Paid (INCOTERMS 2010 DDP) to the destination identified in this Contract.

28. PAYMENTS, TAXES, AND DUTIES

(a) Unless otherwise provided, terms of payment shall be net thirty (30) days from the latest of the following: (1) LOCKHEED MARTIN's receipt of SELLER's proper invoice; (2) scheduled delivery date of the Work; or (3) actual delivery of the Work.

(b) Each payment made shall be subject to reduction to the extent of amounts which are found by LOCKHEED MARTIN or SELLER not to have been properly payable, and shall also be subject to reduction for overpayments. SELLER shall promptly notify LOCKHEED MARTIN of any such overpayments found by SELLER.

(c) LOCKHEED MARTIN shall have a right to recoup or setoff, as the case may be, against payments due or at issue under this Contract or any other contract between the parties.

(d) Payment shall be deemed to have been made as of the date of mailing LOCKHEED MARTIN's payment or electronic funds transfer.

(e) The prices stated in the Contract shall be in pounds Sterling and firm i.e., not subject to variation for any reason whatsoever and include all royalties, licences and taxes (other than United Kingdom Value Added Tax and Customs Duty) which may be payable. The prices also include any cost of embodiment, packaging, handling and cost of compliance with all conditions of the Contract, unless otherwise stated elsewhere herein.

29. PRECEDENCE

Any inconsistencies in this Contract shall be resolved in accordance with the following descending order of precedence: (1) Face of the Purchase Order and/or Task Order, release document, or schedule, (including any continuation sheets), as applicable, including any special terms and conditions; (2) this CorpDoc; and (3) the Statement of Work.

30. QUALITY CONTROL SYSTEM

(a) SELLER shall provide and maintain a quality control system to an industry recognised Quality Standard and in compliance with any other specific quality requirements identified in this Contract.

(b) Records of all quality control inspection work by SELLER shall be kept complete and available to LOCKHEED MARTIN and its customers.

31. RELEASE OF INFORMATION

Except as required by law, no public release of any information, or confirmation or denial of same, with respect to this Contract or the subject matter hereof, will be made by SELLER or its subcontractors without the prior written approval of LOCKHEED MARTIN. SELLER shall not use "Lockheed Martin," "Lockheed Martin Corporation," or any other trademark or logo owned by LOCKHEED MARTIN, in whatever shape or form, without the prior written consent of LOCKHEED MARTIN.

32. RETENTION OF RECORDS

Unless a longer period is specified in this Contract or by law or regulation, SELLER shall retain all records related to this Contract for three (3) years from the date of final payment received by SELLER. Records related to this Contract include, but are not limited to, financial, proposal, procurement, specifications, production, inspection, test, quality, shipping and export, and certification records. At no additional cost, SELLER shall timely provide access to such records to the US Government and/or LOCKHEED MARTIN upon request.

33. RIGHTS OF THIRD PARTIES

A person who is not a party to this Contract may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 or otherwise.

34. 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.

35. STOP WORK

(a) SELLER shall stop Work for up to ninety (90) days in accordance with any written notice received from LOCKHEED MARTIN, or for such longer period of time as the parties may agree and shall take all reasonable steps to minimize the incurrence of costs allocable to the Work during the period of Work stoppage.

(b) Within such period, LOCKHEED MARTIN shall either terminate in accordance with the provisions of this Contract or continue the Work by written notice to SELLER. In the event of a continuation, an equitable adjustment in accordance with the principles of the "Changes" clause shall be made to the price, delivery schedule, or other provision(s) affected by the Work stoppage, if applicable, provided that the claim for equitable adjustment is made within thirty (30) days after date of notice to continue.

36. SURVIVABILITY

If this Contract expires, is completed, or is terminated, SELLER shall not be relieved of those obligations contained in the following clauses:

- Applicable Laws
- Counterfeit Work
- Electronic Contracting
- Export Control
- Independent Contractor Relationship
- Information of Lockheed Martin
- Insurance/Entry on Lockheed Martin Property
- Intellectual Property
- Release of Information
- Retention of Records
- Rights of Third Parties

Use of Free, Libre and Open Source Software (FLOSS)/Harmful Code Warranty

37. TERMINATION FOR CONVENIENCE

- (a) LOCKHEED MARTIN may terminate part or all of this Contract for its convenience by giving written notice to SELLER.
- (b) Upon termination, in accordance with LOCKHEED MARTIN written direction, SELLER will immediately: (i) Cease work; (ii) Prepare and submit to LOCKHEED MARTIN an itemization of all completed and partially completed deliverables and services; (iii) Deliver to LOCKHEED MARTIN any and all Work completed up to the date of termination at the agreed upon prices; and (iv) Deliver upon request any Work in process.
- (c) In the event LOCKHEED MARTIN terminates for its convenience after performance has commenced and the parties cannot agree upon a reasonable restocking or service charge, LOCKHEED MARTIN will compensate SELLER for the actual and reasonable expenses incurred by SELLER for Work in process up to and including the date of termination provided SELLER uses reasonable efforts to mitigate LOCKHEED MARTIN's liability under this clause.
- (d) In no event shall LOCKHEED MARTIN be liable for lost or anticipated profits, or unabsorbed indirect costs or overhead, or for any sum in excess of the total Contract price. SELLER's termination claim shall be submitted within ninety (90) days from the effective date of the termination.
- (e) SELLER shall continue all Work not terminated.

38. 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) 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. This notification 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.

39. UNITED STATES GOVERNMENT - INELIGIBILITY FOR AWARD

- (a) SELLER certifies that, to the best of its knowledge and belief, that SELLER and/or any of its principals, are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any United States Government agency.
- (b) SELLER shall provide immediate written notice to LOCKHEED MARTIN if, any time prior to award of any contract, it learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

40. 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.

(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) SELLER shall defend, indemnify, and hold harmless LOCKHEED MARTIN, its customers and suppliers from and against any claims, damages, losses, costs, and expenses, including reasonable attorneys' fees, relating to use in connection with this Contract or the delivery of Prohibited Software and or Harmful Code.

(e) As used herein,

(1) "FLOSS Licence" means the General Public Licence ("GPL"), Lesser/Library GPL, (LGPL), the Affero GPL (APL), the Apache licence, the Berkeley Software Distribution ("BSD") licence, the MIT licence, the Artistic Licence (e.g., PERL), the Mozilla Public Licence(MPL), or variations thereof, including without limitation licences referred to as "Free Software Licence", "Open Source Licence", "Public Licence", or "GPL Compatible Licence."

(2) "FLOSS" means software that incorporates or embeds software in, or uses software in connection with, as part of, bundled with, or alongside any (i) open source, publicly available, or "free" software, library or documentation, or (ii) software that is licenced under a FLOSS Licence, or (iii) software provided under a licence that (A) subjects the delivered software to any FLOSS Licence, or (B) requires the delivered software to be licenced for the purpose of making derivative works or be redistributable at no charge, or (C) obligates LOCKHEED MARTIN to sell, loan, distribute, disclose or 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.

41. 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 documents shall not relieve SELLER of its obligation to comply with the requirements of this Contract.

(c) The rights and remedies of either party in this Contract are cumulative and in addition to any other rights and remedies provided by law or in equity.

42. WARRANTY

SELLER warrants that all Work furnished pursuant to this Contract shall strictly conform to applicable specifications, drawings, samples, descriptions, and other requirements of this Contract and be free from defects in design, material, and workmanship and

shall be fit for purpose and of satisfactory quality. This warranty shall begin upon final acceptance and extend for a period of one (1) year. If any nonconforming Work is identified by LOCKHEED MARTIN then without prejudice to any other remedy of LOCKHEED MARTIN, SELLER, at LOCKHEED MARTIN's option, shall promptly repair, replace, or re-perform the Work. Transportation of replacement Work, return of nonconforming Work, and re-performance of Work shall be at SELLER's expense. If repair, or replacement, or re-performance of Work is not carried out promptly, LOCKHEED MARTIN may elect to return, re-perform, repair, replace, or reprocur the non-conforming Work at SELLER's expense. All warranties shall enure to the benefit of both LOCKHEED MARTIN and its customers.