



LOCKHEED MARTIN – CANADA

CORPDOC 41 (CA)

SUBCONTRACTS/PURCHASE ORDERS IN SUPPORT OF GOVERNMENT OF CANADA 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) Regardless of its place of negotiation, execution or performance, this Contract shall be governed by and construed in accordance with the law of the Province of Ontario, Canada, without regard to its conflict of law provisions.

(b) SELLER, in the performance of this Contract, shall comply with all applicable local, provincial, and federal laws, orders, rules, regulations, and ordinances including, without limitation, all health, safety, labour, environmental, anti-bribery, export/import, security and data privacy laws, and shall require compliance therewith by all of Seller's lower tier suppliers and subcontractors. SELLER shall procure all licenses/permits/consents, pay all fees, and other required charges and shall comply with all applicable guidelines and directives of any local, provincial, and/or federal governmental authority. 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, provincial, and federal laws, orders, rules, regulations, and ordinances that may affect the performance of SELLER's obligations under this Contract.

(c) The provisions of the "United Nations Convention on Contracts for International Sale of Goods" shall not apply to this Contract.

3. ASSIGNMENT

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. Nevertheless, SELLER may assign rights to be paid amounts due, or to become due, to a financing institution if LOCKHEED MARTIN is promptly furnished a signed copy of such assignment reasonably in advance of the due date for payment of any such amounts. Amounts assigned shall be subject to setoff or recoupment for any present or future claims of LOCKHEED MARTIN against SELLER. LOCKHEED MARTIN shall have the right to make settlements and/or adjustments in price without notice to any assignee financing institution.

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.

4. COMMUNICATION WITH LOCKHEED MARTIN CUSTOMER

LOCKHEED MARTIN shall be solely responsible for all liaison and coordination with the LOCKHEED MARTIN customer, including the Government of Canada, as it affects the applicable prime contract, this Contract, and any related contract.

5. COMPLIANCE WITH THE CORRUPTION OF FOREIGN PUBLIC OFFICIALS ACT AND OTHER ANTICORRUPTION LAWS AND REGULATIONS

(a) SELLER shall comply with applicable laws and regulations relating to bribery and anti-corruption, including, without limitation, (i) the domestic bribery and corruption provisions of the Criminal Code (R.S.C., 1985, c. C-46) (ii) the Corruption of Foreign Public Officials Act irrespective of the place of performance, and (iii) 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, and the Inter-American 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 –

(1) SELLER represents that it 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 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.

(2) SELLER shall notify LOCKHEED MARTIN if it becomes aware that any owner, partner, officer, director or employee of SELLER or of any parent or subsidiary company of SELLER is or becomes 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.

(3) SELLER has not made and will not make, either directly or indirectly, any improper payments.

(4) SELLER has not made and will not make any facilitating payment (as that term is defined in the Corruption of Foreign Public Officials Act).

(5) SELLER shall promptly disclose to LOCKHEED MARTIN together with all pertinent facts any violation, or alleged violation of this clause 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) The following definitions apply to this clause:

"Counterfeit Work" means Work that is or contains unlawful or unauthorized 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 authorized aftermarket manufacturer. Unlawful or

unauthorized substitution includes used Work represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics.

"Suspect Counterfeit Work" means Work for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the Work part is authentic.

(b) SELLER shall not deliver Counterfeit Work or Suspect 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. SELLER may use another source only if (i) the foregoing sources are unavailable, (ii) SELLER's inspection and other counterfeit risk mitigation processes will be employed to ensure the authenticity of the Work, and (iii) SELLER obtains the advance written approval of LOCKHEED MARTIN.

(d) SELLER shall maintain counterfeit risk mitigation processes in accordance with industry recognized standards and with any other specific requirements identified in this Contract.

(e) SELLER shall immediately notify LOCKHEED MARTIN with the pertinent facts if SELLER becomes aware that it has delivered Counterfeit Work or Suspect 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. SELLER, at its expense, shall provide reasonable cooperation to LOCKHEED MARTIN in conducting any investigation regarding the delivery of Counterfeit Work or Suspect Counterfeit Work under this Contract.

(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. 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.

(h) SELLER shall include paragraphs (a) through (f) and this paragraph (h) 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. DEFAULT

(a) LOCKHEED MARTIN, by written notice, may terminate this Contract for default, in whole or in part, if SELLER (i) fails to comply with any of the terms of this Contract; (ii) fails to make progress so as to endanger performance of this Contract; (iii) fails to provide adequate assurance of future performance; (iv) files or has filed against it a petition in bankruptcy; or (v) becomes insolvent or suffers a material adverse change in financial condition. SELLER shall have ten (10) days (or such longer period as LOCKHEED MARTIN may authorize in writing) to cure any such

failure after receipt of notice from LOCKHEED MARTIN. Default involving delivery schedule delays, bankruptcy or adverse change in financial condition shall not be subject to the cure provision.

(b) Following a termination for default of this Contract, SELLER shall be compensated only for Work actually delivered and accepted. LOCKHEED MARTIN may require SELLER to deliver to LOCKHEED MARTIN any supplies and materials, manufacturing materials, and manufacturing drawings that SELLER has specifically produced or acquired for the terminated portion of this Contract. LOCKHEED MARTIN and SELLER shall agree on the amount of payment for these other deliverables.

(c) Upon the occurrence and during the continuation of a default, LOCKHEED MARTIN may exercise any and all rights and remedies available to it under applicable law and equity, including without limitation, cancellation of this Contract. If after termination for default under this Contract, it is determined that SELLER was not in default, such termination shall be deemed a termination for convenience.

(d) SELLER shall continue all Work not terminated or cancelled.

9. DEFINITIONS

The following terms shall have the meanings set forth below:

(a) "Contract" means the instrument of contracting, such as "Purchase Order", "PO", "Subcontract", 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.

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

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

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

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

10. 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. With the exception of motions or actions for injunctive relief, the SELLER agrees to submit to the exclusive jurisdiction of the Province of Ontario, in any action brought by the parties concerning the Contract or the performance thereunder.

(b) Each party hereby irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect to any action or litigation directly or indirectly arising out of under or in connection with this Contract.

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

11. 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.

12. ENVIRONMENTAL, HEALTH AND SAFETY REQUIREMENTS

(a) In performing the Work, SELLER shall comply with, and ensure that all its employees, agents, contractors and suppliers comply with all applicable environmental, occupational, safety, and health laws and regulations under local, provincial or federal laws or regulations that LOCKHEED MARTIN, or its customer, is subject to for the use, inspection, testing and repair of the Work, including all applicable laws and regulations relating to the generation, storage, handling, transportation, release, abatement or disposal of hazardous, dangerous, toxic or infectious goods, materials or substances.

(b) SELLER warrants and undertakes that for any Work required by the Contract that is hazardous the Work shall be packaged, labelled, marked and shipped by SELLER to ensure compliance with all applicable laws and regulations including, but not limited to, the provision of the Hazardous Materials Transportation Act, the Canadian Hazardous Products Act or, for Work originating in the United States, the United States Occupational Safety and Health Act (OSHA), and agrees to comply with any special requirements of LOCKHEED MARTIN as may be noted in this Contract.

(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.

13. EXPORT CONTROL

(a) SELLER shall comply with all applicable export laws and regulations of Canada, the United States of America, the European Union and any other country applicable to, or having jurisdiction over, the SELLER, products, services or shipment and/or delivery of the products or services covered by the Contract. Applicable export laws and regulations shall include, but are not limited to, those enacted by the Canadian Government (e.g. Export and Import Permits Act, the Export Control List, the Area Control List, Special Economic Measures Act); the U.S. Government (e.g. the International Traffic in Arms Regulations ("ITAR") (22 C.F.R. Parts 120 et seq.), the Export

Administration Regulations (“EAR”) 15 CFR Parts 730-774, and the Foreign Assets Control Regulations (31 C.F.R. Parts 500-598); the European Union (e.g., controls on exports of dual-use items and technology implemented pursuant to Council Regulation (EC) No. 428/2009); and any other applicable domestic or foreign government authorities (collectively, “Trade Control Laws”). Without limiting the foregoing, SELLER shall not transfer any export controlled item, technical data, technology or service, including transfer to foreign persons employed by or associated with, or under contract to SELLER or SELLER's lower-tier suppliers, unless authorized in advance by an export license (such as a Canadian Export Permit, a U.S. Technical Assistance Agreement (TAA) or Manufacturing License 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 Canadian Export Control List (ECL), 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 shall 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 Work has properly determined their export classification.

(c) SELLER hereby represents that neither SELLER nor any parent, subsidiary or affiliate of SELLER is not a designated person included on a prohibited party list maintained by Foreign Affairs, Trade and Development Canada in virtue of Canada’s Special Economic Measures Act and its regulations, or 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 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 Canadian, U.S. or other foreign government entity or agency.

(d) If SELLER is engaged in the business of exporting manufacturing (whether exporting or not) or brokering defence articles or furnishing defence services, SELLER represents that it is and will continue to be registered with the appropriate Government entity or agency responsible for export controls including, for example, the Trade Controls Bureau of Canada’s Department of Foreign Affairs, Trade and Development, in accordance with the Export and Import Permits Act, and the Canadian Controlled Goods Registration Program under the Defence Production Act, or the United States Directorate of Defence Trade Controls, as required by the ITAR, and it maintains an effective export/import compliance program in accordance with applicable Government requirements.

(e) Where SELLER is a party to or signatory under a LOCKHEED MARTIN Export Authorization, SELLER shall provide prompt notification to the LOCKHEED MARTIN Procurement Representative in the event of (1) changed circumstances including, but not limited to, ineligibility, a violation or potential violation of the ITAR or other applicable governmental restrictions, and the initiation or existence of a U.S. Government investigation, that could affect SELLER's performance under this Contract, or (2) 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 this Contract.

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

(g) To the extent that the SELLER shall have access to security, export or control goods information the SELLER shall hold all appropriate clearance requirements pursuant to applicable Government laws and regulations pertaining to security and export control.

(h) 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.

14. 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.

15. 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 Government of Canada, or that the Government takes title under this Contract shall be subject to the SACC Clauses included in this Contract in lieu of paragraphs (a) through (d) above.

16. 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.

17. 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.

18. 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.

19. INFORMATION OF SELLER

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

20. 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.

21. INSURANCE

(a) SELLER and its subcontractors shall maintain for the performance of this Contract the following insurances:

(1) Workers' compensation insurance meeting the statutory requirements where Work will be performed;

(2) Employer's liability (EL) in the amount of \$1 million per each accident or per each employee for disease;

(3) Commercial general liability (CGL) including Products Liability and Completed Operations liability in the amount of \$1 million per occurrence and \$2 million in the aggregate annually, or in such higher amounts as LOCKHEED MARTIN may require;

(4) Automobile liability (AL) insurance covering third party bodily injury and property damage with a minimum of \$1 million per occurrence limit, or in such higher amounts as LOCKHEED MARTIN may require; and

(5) 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 maintain the required insurance. SELLER shall have its' insurers name LOCKHEED MARTIN as an additional insured on the CGL and AL policies for the duration of this Contract. If requested, SELLER shall provide a "Certificate of Insurance" evidencing 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 herein

for procuring and maintaining insurance coverage are freestanding and are not affected by any other language in this Contract.

22. INTELLECTUAL PROPERTY

Paragraph (a) is NOT applicable for commercial off-the-shelf Work unless such Work is modified or redesigned pursuant to this Contract.

(a) SELLER agrees that LOCKHEED MARTIN shall be the owner of all 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. SELLER hereby assigns and agrees to 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 agrees to 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.

(b) SELLER warrants that the Work performed or delivered under this Contract will not infringe or otherwise violate the intellectual property rights of any third party in the United States 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 attorney's 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.

(c) To the extent that any pre-existing inventions, technology, designs, works of authorship, mask works, technical information, computer software, and other information or materials are 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, nonexclusive, world-wide, royalty-free license 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 pre-existing inventions, technology, designs, works of authorship, mask works, technical information, computer software, and other information or materials and derivative works thereof; and (ii) authorize others to do any, some or all of the foregoing.

(d) 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.

23. LANGUAGE

In the Province of Québec, the parties have agreed to draft this Purchase Order in the English language only. Dans la province de Québec, les parties ont consenti à rédiger ce bon de commande en langue anglaise seulement.

24. OFFSET CREDIT/INDUSTRIAL BENEFITS

This Contract has been entered into in direct support of LOCKHEED MARTIN's domestic and/or international offset or industrial benefits programs. All offset or industrial benefit credits resulting from this Contract are the sole property of LOCKHEED MARTIN to be applied to the offset or industrial program of its choice. SELLER agrees to assist LOCKHEED MARTIN in securing appropriate offset or industrial credits from the respective country government authorities.

25. 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.

26. PARTS OBSOLESCENCE

LOCKHEED MARTIN may desire to place additional orders for Work purchased hereunder. SELLER shall provide LOCKHEED MARTIN with a "Last Time Buy Notice" at least twelve (12) months prior to any action to discontinue any Work purchased under this Contract.

27. 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 completion of performance date of the Work; or (3) actual completion of performance 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 and remit the amount of the overpayment except as otherwise directed by LOCKHEED MARTIN.
- (c) LOCKHEED MARTIN shall have a right of setoff 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) Unless otherwise specified, prices include all applicable federal, state, and local taxes, duties, tariffs, and similar fees imposed by any government, all of which shall be listed separately on the invoice.

28. PERSONAL INFORMATION

(a) In this clause, Personal Information means information about an identifiable individual.

(b) SELLER agrees that any collection, use, disclosure and storage of Personal Information in the performance of the Contract, whether furnished by LOCKHEED MARTIN or collected by the SELLER, shall be collected, used, disclosed and stored in accordance with the data privacy laws of the applicable country or province/state in from which such Personal Information originates, including but not limited to, the Canadian Personal Information Protection and Electronic Documents Act (PIPEDA Act) and the European Data Protection Directive.

(c) SELLER agrees to permit LOCKHEED MARTIN to have access to its premises, records and employees at any reasonable time, to perform any reviews and audits to ensure that SELLER is meeting the requirements of this clause and SELLER shall provide its full co-operation for the purposes of such reviews or audits.

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 recognized 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," "Lockheed Martin Canada" 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 six (6) 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 Canadian Government and/or LOCKHEED MARTIN upon request.

33. 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.

34. 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
- Disputes
- Counterfeit Work
- Electronic Contracting
- Export Control
- Indemnity
- Information of Lockheed Martin
- Insurance
- Intellectual Property
- Personal Information
- Release of Information
- Retention of Records
- Use of Free, Libre and Open Source Software (FLOSS)
- Government of Canada Standard Acquisition Clauses and Conditions (SACC) flowdown clauses and provisions that by their nature should survive
- Warranty

35. TAX WITHHOLDING

If SELLER is a non-resident performing any of the Work under the Contract in Canada, then, unless LOCKHEED MARTIN is provided a valid waiver issued by the Canada Revenue Agency and/or Revenu Québec waiving compliance by LOCKHEED MARTIN with section 105 of the Income Tax Act (Canada) regulations and/or section 1015R Règlement de la Loi sur l'administration fiscale (Québec), each payment by LOCKHEED MARTIN hereunder for services rendered in Canada ("Canadian Services") will be subject to a statutory income tax withholding of 15% of the gross amount of such payment (and an extra 9% tax shall be deducted for services performed in Quebec), with the withheld amount remitted by LOCKHEED MARTIN to the Canada Revenue Agency and/or Revenu Québec (if applicable). Such withholding shall reduce the total price paid and remitted to the SELLER by LOCKHEED MARTIN as stated in this Contract. In preparing and submitting to LOCKHEED MARTIN its invoices for payments for services hereunder, including advance payment invoices, the SELLER shall separately identify the total value of Canadian Services. To the extent that the SELLER does not separately identify the reasonable value of Canadian services, LOCKHEED MARTIN will estimate such value and will withhold based on this estimate. LOCKHEED MARTIN shall provide a receipt of such withholding to the SELLER.

36. TRAVEL COSTS

(a) All travel incurred by SELLER in the performance of this Contract is included within the Contract price and shall not be separately reimbursed by LOCKHEED MARTIN unless such travel is expressly authorized in writing in advance by LOCKHEED MARTIN's Procurement Representative.

(b) When travel is authorized under this Contract, SELLER shall be reimbursed only for necessary, reasonable, and actual travel expenses for transportation, lodging, meals and incidental expenses only to the extent that they do not exceed the maximum per diem rate in effect at the time of travel, as set forth in the National Joint Council Travel Directive approved by the Treasury Board of Canada Secretariat for the area of travel authorized under this Contract. Air travel shall be reimbursed for coach class only. Lodging expenses are reimbursable only where incurred from establishments serving the general public.

(c) SELLER shall provide a detailed summary of all such costs by category of expense with each invoice. SELLER shall provide a legible receipt for each claimed individual expense exceeding \$75.00.

37. USE OF FREE, LIBRE AND OPEN SOURCE SOFTWARE (FLOSS)

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

(d) As used herein, "FLOSS" means software that incorporates or embeds software in, or uses software in connection with, as part of, bundled with, or alongside any (1) open source, publicly available, or "free" software, library or documentation, or (2) software that is licensed under a FLOSS License, or (3) software provided under a license that (a) subjects the delivered software to any FLOSS License, or (b) requires the delivered software to be licensed 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 (i) the delivered software, or any portion thereof, in object code and/or source code formats, or (ii) any products incorporating the delivered software, or any portion thereof, in object code and/or source code formats.

38. 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.

39. WORK ON LOCKHEED MARTIN AND THIRD PARTY PREMISES

(a) "Premises" as used in this clause means premises of LOCKHEED MARTIN, its customers, or other third parties where Work is being performed.

(b) SELLER shall ensure that SELLER personnel working on Premises comply with any on-premises policies and: (i) do not bring weapons of any kind onto Premises; (ii) do not manufacture, sell, distribute, possess, use or be under the influence of controlled substances or alcoholic beverages while on Premises; (iii) do not possess hazardous materials of any kind on Premises without LOCKHEED MARTIN's authorization; (iv) remain in authorized areas only; (v) do not conduct any non-LOCKHEED MARTIN related business activities (such as interviews, hirings, dismissals or personal solicitations) on Premises, (vi) do not send or receive non-LOCKHEED MARTIN related mail through LOCKHEED MARTIN's or third party's 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.

(d) SELLER shall promptly notify LOCKHEED MARTIN and provide a report of any accidents or security incidents involving loss of or misuse or damage to LOCKHEED MARTIN, customer, or third party intellectual or physical assets, and all physical altercations, assaults, or harassment.

(e)(1) Prior to entry on Premises, SELLER shall coordinate with LOCKHEED MARTIN to gain access. SELLER shall provide information reasonably required by LOCKHEED MARTIN to ensure proper identification of personnel, including, but not limited to verification of citizenship, lawful permanent resident status, protected individual or other status.

(2) SELLER personnel requiring unescorted access to Premises shall, prior to entry, be screened by SELLER at no charge to LOCKHEED MARTIN through the LOCKHEED MARTIN Contractor Screen Program, or otherwise screened by SELLER in a manner satisfactory to LOCKHEED MARTIN.

(f) SELLER shall ensure that SELLER personnel: (i) do not remove LOCKHEED MARTIN, customer, or third party assets from Premises without LOCKHEED MARTIN authorization; (ii) use LOCKHEED MARTIN, customer, or third party assets only for purposes of this Contract; (iii) only connect with, interact with or use computer resources, networks, programs, tools or routines authorized by LOCKHEED MARTIN; and (iv) do not share or disclose user identifiers, passwords, cipher 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.

(g) LOCKHEED MARTIN may, at its sole discretion, have SELLER remove any specified employee of SELLER from Premises and require that such employee not be reassigned to any Premises under this Contract.

(h) Violation of this clause may result in termination of this Contract in addition to any other remedy available to LOCKHEED MARTIN at law or in equity. SELLER shall reimburse LOCKHEED MARTIN, customer, or third party for any unauthorized use of LOCKHEED MARTIN, customer, or third party assets.

(i) SELLER shall advise the LOCKHEED MARTIN Procurement Representative of any unauthorized direction or course of conduct.

(j) SELLER shall immediately report to LOCKHEED MARTIN all emergencies (e.g., medical, fire, spills or release of any hazardous material) and non-emergency incidents (e.g., job-related injuries or illnesses) affecting the Work. SELLER shall provide LOCKHEED MARTIN with a copy of any reports of such incidents SELLER makes to governmental authorities.

SECTION 2: SACC FLOWDOWN CLAUSES

A. INCORPORATION OF SACC CLAUSES

The Public Works and Government Services Canada ("PWGSC") Standard Acquisition Clauses and Conditions ("SACC") clauses referenced below are incorporated herein by reference, with the same force and effect as if they were given in full text, and shall apply to this Contract in the circumstances stated below, and subject to any clarifications in the parenthesis following the clause citation. Where, prior to the date of this Contract the SACC clause recited below has been superseded by a later version or edition of the SACC, then the later version or edition shall be deemed to form part of this Contract in place of the edition or version cited below. All SACC clauses identified in this Contract by number, date and title are set out in the Standard Acquisition Clauses and Conditions Manual issued by Public Works and Government Services Canada (PWGSC).

B. NOTES

(a) As used in the SACC 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 Government of Canada 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.

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. GOVERNMENT OF CANADA STANDARD ACQUISITION CLAUSES AND CONDITIONS (SACC) INCORPORATED BY REFERENCE

The following SACC clauses and conditions are incorporated into this Contract:

SACC 2030 03 (2008-05-12) POWERS OF CANADA



SACC 2030 05 (2008-05-12) CONDUCT OF THE WORK ("Contracting Authority" means "Lockheed Martin." The reference in subsection 3 to "Clause 30" means "SACC Clause 2030-30 incorporated by reference in this contract. "In subsection 5, "Canada" means "Lockheed Martin and Canada")

SACC 2030 06 (2013-06-27) SUBCONTRACTS

SACC 2030 07 (2008-05-12) SPECIFICATIONS ("Canada" means "Lockheed Martin and Canada.")

SACC 2030 08 (2008-05-12) CONDITION OF MATERIAL

SACC 2030 09 (2008-05-12) REPLACEMENT OF SPECIFIC INDIVIDUALS ("Canada" means Lockheed Martin and Canada. "Contracting Authority" means "Lockheed Martin.")

SACC 2030 11 (2014-09-25) EXCUSABLE DELAY ("Canada" and "Contracting Authority" mean "Lockheed Martin")

SACC 2030 22 (2014-09-25) WARRANTY ("Canada" means "Lockheed Martin." The reference to "12 months" in subsection 1 means "12 months from the delivery to Canada of the end item containing Seller's Work.")

SACC 2030 23 (2008-05-12) CONFIDENTIALITY (Subsection 5 is deleted).

SACC 2030 24 (2008-05-12) USE AND TRANSLATION OF WRITTEN MATERIAL (Applies if Seller's written material is delivered to Canada through Lockheed Martin's prime contract.)

SACC 2030 25 (2008-05-12) GOVERNMENT PROPERTY ("Contracting Authority" means "Lockheed Martin or the Contracting Authority.")

SACC 2030 30 (2014-09-25) SUSPENSION OF THE WORK ("Contracting Authority" means "Lockheed Martin.")

SACC 2030 31 (2014-09-25) DEFAULT BY THE CONTRACTOR "Contracting Authority" and "Canada" means "Lockheed Martin."

SACC 2030 32 (2008-05-12) TERMINATION FOR CONVENIENCE ("Contracting Authority" and "Canada" means "Lockheed Martin.")

SACC 2030 33 (2014-09-25) ACCOUNTS AND AUDIT ("Canada" means "Lockheed Martin." In subsection 4, "the Basis of Payment provision in the Articles of Agreement" means the pricing provisions of this Contract.")

SACC 2030 36 (2008-05-12) CONFLICT OF INTEREST AND VALUES AND ETHICS CODES FOR THE PUBLIC SERVICE

SACC 2030 37 (2008-05-12) NO BRIBE

SACC 2030 41 (2008-12-12) CONTINGENCY FEES

SACC 2030 42 (2012-07-16) INTERNATIONAL SANCTIONS (In subsections 2 and 3, "the Government of Canada" and "Canada" means "Lockheed Martin." "Section 32" means "SACC 2030-30 incorporated by reference in this Contract.



SACC 2030 43 (2014-09-25) INTEGRITY PROVISIONS – CONTRACT

SACC A9006C (2012-07-16) DEFENCE CONTRACT

SACC A9068C (2010-01-11) GOVERNMENT SITE REGULATIONS

SACC A9131C (2014-11-27) CONTROLLED GOODS PROGRAM - CONTRACT

SACC C2800C (2013-01-28) PRIORITY RATING (Applies if Seller is a U.S. Contractor.)

SACC C2801C (2014-11-27) PRIORITY RATING - CANADIAN BASED CONTRACTORS (Applies if Seller is a Canadian-based Contractor)

SACC D3010C (2014-06-26) DELIVERY OF DANGEROUS GOODS / HAZARDOUS PRODUCTS (Applies if Seller will deliver dangerous good or hazardous products.)

SACC D3015C (2014-09-25) DANGEROUS GOODS/HAZARDOUS PRODUCTS - LABELLING AND PACKAGING COMPLIANCE (Applies if Seller will deliver dangerous good or hazardous products.)