

LOCKHEED MARTIN – UNITED KINGDOM

CORPDOC 21UK

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

SECTION I: STANDARD PROVISIONS

1. ACCEPTANCE OF CONTRACT/TERMS AND CONDITIONS

- (a) This Contract integrates, merges, and supersedes any prior offers, negotiations, and agreements concerning the subject matter hereof and constitutes the entire agreement between the parties.
- (b) SELLER's acknowledgment, acceptance of payment, or commencement of performance, shall constitute SELLER's unqualified acceptance of this Contract.
- (c) Unless expressly accepted in writing by LOCKHEED MARTIN, additional or differing terms or conditions proposed by SELLER or included in SELLER's acknowledgment are rejected by LOCKHEED MARTIN and have no effect.

2. APPLICABLE LAWS

- (a) This Contract shall be governed by and interpreted in accordance with 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, agrees to 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 it's own expense procure all licenses 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 the 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

(g) SELLER shall include paragraphs (a) through (d) 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.

7. 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.

8. 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.

9. DEFINITIONS

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

(1) "the Authority" means the Secretary of State for Defence.

(2) "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.

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

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

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

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

(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

(d) At LOCKHEED MARTIN's request, and/or upon completion of this Contract, the SELLER shall submit, in an acceptable form, inventory lists of Furn

(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.

~~22NSISUB028CE/NT Rep (c) Lockheed Martin Article 2.0(h) 1.0 (Buyer's Title) 5.2 (a) 306.2 (b) 2 (g) 03.07.D01 19.291c.T.0~~

MARTIN's request and expense, all documentation necessary to perfect title therein in LOCKHEED MARTIN. SELLER agrees that it will maintain and disclose to LOCKHEED MA

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.

Standards License, or variations thereof, including without limitation licenses referred to as "GPL-Compatible, Free Software License."

(3), "Prohibited Software" means software

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

39. 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.

40. 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 repro cure the non-conforming Work at SELLER's expense. All warranties shall enure to the benefit of both LOCKHEED MARTIN and its customers.

SECTION II: DEFCON FLOWDOWN PROVISIONS

A. INCORPORATION OF DEFCON CLAUSES

The United Kingdom Ministry of Defence Conditions ("DEFCON") 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 notes following the clause citation. Where, prior to the date of this Contract the DEFCON recited below has been superseded by a later version or edition of the DEFCON, then the later version or edition shall be deemed to form part of this Contract in place of the edition or version cited below.

B. NOTES

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

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

(b) DEFCON 501 (Edn 04/04) "Definitions and Interpretations" shall apply to the extent that any of the DEFCONs included in the Contract contain any of the defined terms therein. The provisions of DEFCON 501 are in addition to any definitions included in the Contract. In the event of a conflict between a definition contained at DEFCON 501 and a definition contained elsewhere in the Contract, the definition in the Contract shall take precedence unless otherwise noted.

C. AMENDMENTS REQUIRED BY PRIME CONTRACT

SELLER agrees that upon the request of LOCKHEED MARTIN it will negotiate in good faith with LOCKHEED MARTIN relative to amendments to this Contract to incorporate additional provisions herein or to change provisions hereof, as LOCKHEED MARTIN may reasonably deem necessary in order to comply with the provisions of the applicable Prime Contract or with the provisions of amendments to such Prime Contract. If any such amendment to this Contract causes an increase or decrease in the cost of, or the time required for, performance of any part of the Work under this Contract, an equitable adjustment shall be made pursuant to the "Changes" clause of this Contract.

D. DEFCON FLOWDOWN CLAUSES INCORPORATED BY REFERENCE

1. The following DEFCON clauses apply to this Contract:

DEFCON 113 Diversion Orders (Edn 10/04) (SELLER shall promptly comply with any instructions to divert orders given to it by LOCKHEED MARTIN where such instructions arise from LOCKHEED MARTIN's receipt of instructions from the UK Ministry of Defence under and in accordance with DEFCON 113.)

DEFCON 117 Supply Of Documentation For NATO Codification Purposes (Edn 05/06) (Communications between SELLER and the Authority under this clause shall be made through LOCKHEED MARTIN.)

DEFCON 513 Value Added Tax (Edn 09/97)

DEFCON 516 Racial Discrimination (Edn 06/04) (Only the APPENDIX and ANNEX to APPENDIX applies. "Subcontractor" means "SELLER" and "Contractor" means "LOCKHEED MARTIN.")

DEFCON 520 Corrupt Gifts And Payments Of Commission (Edn 07/05) (In paragraph 4 delete "DEFCON 614" and replace with "the clause entitled "Default" of the Contract.")

DEFCON 521 Subcontracting To Supported Employment Enterprises (Edn 10/04)

DEFCON 632 Third Party Intellectual Property Rights – Commercial And Non-Commercial Articles And Services (Edn 02/07)

DEFCON 645 Export Potential (Edn. 07/99)

DEFCON 649 Vesting (Edn 07/99) ("Authority" means "LOCKHEED MARTIN." "DEFCON 525" means "the acceptance provisions of this Contract." Nothing in this paragraph shall prejudice the Authority's rights under the Vesting provision in the Prime Contract.)

DEFCON 656 Break (Edn 03/06) "Authority" means "LOCKHEED MARTIN." (The indemnity referred to in paragraph (c) shall apply to the extent LOCKHEED MARTIN is indemnified by its customer in connection with this Contract.)

DEFCON 691 Timber And Wood-Containing Products Supplied Under The Contract (Edn 08/02) ("Authority" means "LOCKHEED MARTIN and the Authority.")

2. The following DEFCON clauses apply to this Contract if the value of the Contract equals or exceeds £75,000 and the Contract is awarded by other than competitive tender

DEFCON 127 Price Fixing Condition For Contracts Of Lesser Value (Edn 10/04) ("Authority" means "LOCKHEED MARTIN" except in paragraph 5 where it means "Authority and LOCKHEED MARTIN.")

3. The following DEFCON clauses apply to this Contract if the value of the Contract equals or exceeds £100,000 and the Contract is awarded other than by competitive tender.

DEFCON 643 Price Fixing (Edn 07/04) (Only the Appendix to this DEFCON applies. "Contractor means "LOCKHEED MARTIN" and "subcontractor" means "SELLER.")

DEFCON 653 Pricing On Ascertained Costs (Edn 10/04) (Only the Appendix to this DEFCON applies. "Subcontractor" means "SELLER." "Authority" includes "LOCKHEED MARTIN.")

4. The following DEFCON clauses apply to this Contract if the value of the Contract equals or exceeds £150,000 and the Contract is awarded other than by acceptance of the lowest competitive tender.

DEFCON 648 Availability Of Information (Edn 10/02) (Only the Appendix to this DEFCON applies. "Authority" includes LOCKHEED MARTIN and "subcontractor" means "SELLER.")

5. The following DEFCON clauses apply to this Contract if the value of this Contract equals or exceeds £250,000 and the Contract is awarded other than by acceptance of the lowest competitive tender.

DEFCON 651 Reference To The Review Board Of Questions Arising In Relation To Relevant Subcontracts Including Those With A Subsidiary Company Or Firm (Edn 07/04)(Only the Appendix to this DEFCON is incorporated into this Contract. "Subcontractor" means "SELLER.")

6. The following DEFCON clauses apply to this Contract if the value of this Contract equals or exceeds £5,000,000 and the Contract is awarded other than by acceptance of the lowest competitive tender.

DEFCON 648A Availability Of Information (Edn 07/04) Only the Appendix to this DEFCON applies. ("Authority" includes LOCKHEED MARTIN. "Subcontractor" means "SELLER." "Contractor" means LOCKHEED MARTIN.")

DEFCON 651A Reference To The Review Board Of Questions Arising In Relation To Relevant Subcontracts Including Those With A Subsidiary Company Or Firm (Edn 07/04) (Only the Appendix to this DEFCON is incorporated into this subcontract. "Subcontractor" means SELLER.")

DEFCON 695 Interim Summary Cost Statement – Post Costing (Edn 07/04) (Only the Appendix to this DEFCON is incorporated into this Contract. "Subcontractor" means SELLER.")

DEFCON 696 Provisions In Relation To A Final Summary Cost Statement – Post Costing (Edn 07/04) (Only the Appendix to this DEFCON is incorporated into this Contract. "Subcontractor" means "SELLER.")

7. The following DEFCON clauses apply to this Contract as indicated:

DEFCON 23 Special Jigs, Tooling And Test Equipment (Edn 04/98) (Applicable if special jigs, tooling and/or test equipment are acquired under the Contract.) (Communications between SELLER and the Authority under this clause shall be made through LOCKHEED MARTIN. In paragraph 3, "other Government funds" is changed to "from under contracts with LOCKHEED MARTIN contracts or UK Government funds." In paragraphs 7 and 8, "Authority" means "

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

DEFCON 129 Packaging (Edn 07/08) (Applicable if SELLER will make direct shipments to the Authority.)

DEFCON 531 Disclosure of Information (Edn 05/05) (Applicable unless the parties have entered into a separate Non-Disclosure Agreement.)

DEFCON 595 General Purpose Automatic Test Equipment

(b) For Contracts for the design and development of, or the provision of post-design services in relation to, equipment and/or software.

DEFCON 14 Inventions And Designs – Crown Rights And Ownership Of Patents and Registered Designs (Edn 11/05)
(Applicable if this Contract is for research, design or development.)

DEFCON 14A Collaboration – Ownership of Patents and Registered Designs (Edn 11/05)