



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



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(f) This clause applies in addition to and is not altered, changed, or superseded by any quality provision, specification, statement of work, regulatory flowdown, or other provision included in this Contract addressing the authenticity of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



14. EXPORT CONTROL

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(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.

15. 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.

16. 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.

17. 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.

18. 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.



19. INFORMATION ASSURANCE

(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



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

(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.



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.

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

24. 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.

25. 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.

26. 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.

27. 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.

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 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.

29. 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 cooperation for the purposes of such reviews or audits.

30. 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.

31. 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.



32. 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.

33. 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.



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.

37. 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



to limit the liabilities or remedies of the parties for the use of FLOSS in connection with this Contract or for the delivery of FLOSS under this Contract.

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 s



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 09 (2008-05-

