

LOCKHEED MARTIN – CANADA

CORPDOC 40 (CA)

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

9. 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.

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

12. DISPUTES

(a) All disputes under this Contract that are not disposed of by mutual agreement may be decided by recourse to an action at law or in equity. 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.

13. ELECTRONIC CONTRACTING

The parties agree that if this Contract is transmitted electronically neither party shall contest the validity of this Contract, or any acknowledgement thereof, on the basis that this Contract or acknowledgement contains an electronic signature.

14. ENVIRONMENTAL, HEALTH AND SAFETY REQUIREMENTS

(a) 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 nger(t)-2.1(QU)11.32a5

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.

17. 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.

18. FURNISHED PROPERTY

20. 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.

21. 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 restrictive legends applied by LOCKHEED MARTIN to anything provided hereunder

25. 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,

26. LANGUAGE

36. 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

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.

42. TERMINATION FOR CONVENIENCE

(a) LOCKHEED MARTIN reserves the right to terminate this Contract, or any part hereof, for its convenience. LOCKHEED MARTIN shall terminate by delivering to SELLER a Notice of Termination specifying the extent of termination and the effective date. In the event of such termination, SELLER shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this Contract, SELLER shall be paid a percentage of the Contract price reflecting the percentage of the Work performed prior to the notice of termination, plus reasonable charges SELLER can demonstrate to the satisfaction of LOCKHEED MARTIN using its standard record keeping system have resulted frome91 2(h)13.3 3

44. TRAVEL COSTS

(a) All travel incurred by SELLER in the performance of this Contract is included within the Contract price and shall not be

