



LOCKHEED MARTIN – CANADA

CORPDOC 40 (CA)

GENERAL PROVISIONS - COMMERCIAL SUBCONTRACTS/PURCHASE ORDERS

1. ACCEPTANCE OF CONTRACT/TERMS AND CONDITIONS



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. CHANGE IN CONTROL OF SELLER

Prior to a potential change of control of SELLER and at least ninety (90) days prior to the proposed effectiveness of such change of control, SELLER will promptly notify LOCKHEED MARTIN in writing thereof, and provide the identity of the potential new controlling party and information on such party and the transaction as LOCKHEED MARTIN may request consistent with applicable law and confidentiality restrictions.

5. CHANGES



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 of 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 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 and further notify Lockheed Martin of any subsequent disposition related to the foregoing.

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

8. 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.

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 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



(a) Upon LOCKHEED MARTIN's request, SELLER shall provide or procure certificates of origin, declarations required to clear goods through Canadian, European Union (EU), U.S. and other applicable country Customs offices, affidavits, proof of importation, and other signed customs forms as requested by LOCKHEED MARTIN to obtain preferential duty rate, to recover import duties related to, and/or as otherwise required to obtain import and custom clearance for the Work.

(b) SELLER shall assign duty drawback rights to the goods furnished hereunder in order for LOCKHEED MARTIN to secure recovery of duty drawback. Such duty drawback rights shall include rights obtained from lower-tier suppliers related to the Work.

(c) SELLER shall maintain and make available to LOCKHEED MARTIN all records supporting any certificates of origin, declarations, the valuation of the Work for import purposes, and/or affidavits provided to LOCKHEED MARTIN as support for LOCKHEED MARTIN's claims for clearance and for duty free or preferential duty rate or duty drawback for five years after the date on which the aforementioned document(s) were provided.

11. 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







17. 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 C.F.R. Parts 730-774, and the Foreign Assets Control Regulations (31 C.F.R. Parts 500-598), where applicable; the European Union (i.e., controls on exports of dual-use items and technology implemented pursuant to Regulation (EU) 2021/821 (as amended)); the U.K. controls on exports in the Export Control Act 2002, Export Control Order 2008 (as amended) and the Retained Dual-Use Regulation; 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 Agei(o)-6.9()(l)1.1(l)-2.1awLys ,eced



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





(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.

25. 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.





29. 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.

30. 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 2020 DDP) to the destination identified in this Contract.

31. PARTS OBSOLESCENCE



are not limited to, financial, proposal, procurement, specifications, production, inspection, test, quality, shipping and



(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.

46. 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.
- (c) As used herein, "FLOSS License" means the General Public License (GPL), Lesser/Library GPL, (LGPL), the Affero



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. This warranty shall begin upon final acceptance and extend for a period of one (1) year. If any nonconforming Work is identified within the warranty period, SELLER, at LOCKHEED MARTIN's option, shall promptly repair, replace, or reperform the Work. Transportation of replacement Work, return of nonconforming Work, and reperformance of Work shall be at SELLER's expense. If repair, or replacement, or reperformance of Work is not timely, LOCKHEED MARTIN may elect to return, reperform, repair, replace, or reprocur the non-conforming Work at SELLE

