

# LOCKHEED MARTIN UNITED KINGDOM

## CORPDOC 21 UK

# 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. Neither of the Parties has entered into this Contract in reliance upon any representation, warranty or undertaking of any other party which is not set out or referred to in this Contract and, in the absence of fraud neither party shall be liable to the other for or shall seek to rely upon any such representations. The parties agree that any Non Disclosure Agreement or Proprietary Information Agreement shall not be superseded by this Contract.
- (b) SELLER's acknowledgment, acceptance of payment, or commencement of performance, shall constitute SELLER's



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. CHANGE IN CONTROL OF SELLER

Prior to a potential change of control in SELLER and at least ninety (90) days prior to the proposed effectiveness of such change in 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. For the purposes of this clause and sub-clause 10(a), has the meaning given to it in DEFCON 566 (Edn 10/20).

#### 5. 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.

## 6. COMPLIANCE WITH THE BRIBERY ACT AND OTHER ANTICORRUPTION LAWS AND REGULATIONS

(a) SELLER shall comply with applicable laws and regulations relating to anti-corruption, including, without limitation, (i) the UK Bribery Act 2010 irrespective of the place of performance, and (ii) laws and regulations implementing the Organization for Economic Cooperation and Devel



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.
- (i) SELLER shall comply with DEFSTAN 05-135 Issue 1. In the event of any incompatibility or conflict the provisions of DEFSTAN 05-135 shall prevail over paragraphs (b) to (h) of this clause.

## 9. DATA PROTECTION

- (a) Both parties shall comply with their obligations under the United Kingdom General Data Protection Regulation (UKGDPR) and the Data Protection Act 2018 to the extent that they receive any Personal Data from the other party during the course of or in relation to the performance of the Contract. Both parties agree that any Personal Data so received will only be used for and in relation to the performance of this Contract or for continuing business relations between the parties.
- (b) In the event one of the purposes of the Work performed by SELLER involves the Processing of Personal Data then the parties agree that the su O U O U
- (c) Capitalized terms used and not defined herein shall have the respective meanings as ascribed to them in the UKGDPR.

## 10. 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 terms 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; or (3) there is a change in control of SELLER which in the reasonable opinion of LOCKHEED MARTIN adversely affects its position, rights or interests, 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





the English Courts. Disputes under this Contract which involve a matter in dispute between LOCKHEED MARTIN and the Authority, may at LOCKHEED MARTIN's election, be resolved in accordance with DEFCON 530.

(b) 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) "Environmental and Health and Safety Law" means any and all laws, by-laws, common laws or other laws or legislation made by a competent authority and rules, regulations, ordinances, orders, notices, directives, practices,



expected to be subject to any restriction or other limitation on its use under Environmental and Health and Safety Laws; and

- (6) It shall not seek to or have any right to rely upon any derogation or exception that may apply to LOCKHEED MARTIN or its customer by virtue of the identity of its ultimate customer in complying with Environmental and Health and Safety Law or any other law applicable to the Work.
- (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 US 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 US Occupational Safety and Health Act of 1970 and regulations promulgated thereunder, or its State approved counterpart.
- (d) In addition to its obligations to provide a Safety Date Sheet (SDS) in accordance with Environmental and Health and Safety Law, for all Work to be supplied under the Contract, (including for finished or semi-finished articles, any replaceable part of such articles), SELLER shall provide a declaration in relation to:
- (1) Any substance in an individual concentration in the Work (or replaceable part) of at least 0.1% weight by weight (w/w) that is persistent, bioaccumulative and toxic (PBT) or very persistent and very bioaccumulative (vPvB) as defined in A



## 17. 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 Authority, or that the Authority takes title under this Contract shall be subject to the DEFCONs included in this Contract in lieu of paragraphs (a) through (d) above.
- (f) SELLER shall have no lien over Furnished Property and shall ensure that no lower tier subcontractor at any level shall have or purport to have any lien over Furnished Property and SELLER shall procure that the exclusion of any such lien is brought to the attention of all lower tier subcontractors and any other persons who might deal with Furnished Property or otherwise claim to have a lien over it.

## 18. 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,



in the Statement of Work. Any further procurement or re-subcontracting that requires the sharing of Authority Sensitive information as described in DEFCON 658 (Edn 9/21) shall be flowed down by SELLER, and SELLER shall warrant that it will procure that the same requirements are procured from their subcontractors until such time as there is no longer a need to share Authority Sensitive data. In all cases the requirements of DEFCON 658 (Edn 9/21) and DEFSTAN 05-138 (Issue 3) shall be maintained.

- (e) This subparagraph applies when SELLER personnel are required to have access to LOCKHEED MARTIN information systems to perform the Work. SELLER represents and warrants that it will only assign personnel to perform such Work: (1) to the extent it is necessary to perform the Work under the Contract; and (2) who have passed a background screening investigation which ensures the personnel have met standards evidencing a degree of trustworthiness appropriate to granting the personnel access to proprietary or other forms of sensitive data. SELLER will promptly notify LOCKHEED MARTIN if, at any time during Contract performance, the data supporting an approval or clearance for access to LOCKHEED MARTIN information systems becomes outdated, superseded, or inaccurate for any reason. In the event Contract requirements include that SELLER personnel have access to information provided by or on behalf of LOCKHEED MARTIN to SELLER that is subject to additional security access requirements (e.g., classified information, special access, etc.) then SELLER agrees that its personnel shall undergo additional background screening conducted by or on behalf of LOCKHEED MARTIN Security, if needed. Additionally, SELLER shall furnish LOCKHEED MARTIN Security with all data as LOCKHEED MARTIN may reasonably require is necessary to obtain or verify clearance for the personnel to be able to access such information.
- (f) 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.

# 22. INFORMATION OF SELLER

- (a) SELLER shall provide LOCKHEED MARTIN with all information and documentation as may be reasonably required for LOCKHEED MARTIN to receive the benefit of the Contract. Where computer software is delivered as the Work or is otherwise a part of the Work, SELLER shall provide the title(s), version(s), type(s) and licenses for the software (including any third party software components) as soon as practicable but no later than at the time of delivery.
- (b) SELLER shall not provide any proprietary information to LOCKHEED MARTIN without prior execution of a proprietary information agreement by the parties.

## 23. 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) If DEFCON 649 is not incorporated into this Contract, 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 on the contract shall we contract shall vest in LOCKHEED MARTIN when it is so allocated and SELLER shall mark the material accordingly on the contract shall we contract shall be contracted as the contracted as the contracted shall b

#### 24. INSURANCE

- (a) SELLER and its subcontractors shall maintain for the performance of this Contract the following insurances:
- (1) Employers liability insurance in the amount of £10 million per occurrence;
- (2) Public liability insurance in the amount of £5 million per occurrence;
- (3) Products liability insurance in the amount of £5 million per occurrence;
- (4) Professional indemnity (as applicable) in the amount of £5 million per claim;
- (5) All such other insurance that is required by law; and
- (6) 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 reliev o-00 k o-00 k



(b) SELLER agrees that LOCKHEED MARTIN shall be the owner of all Foreground Information. SELLER hereby assigns and shall 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 shall execute, at LOCKHEED MARTIN's request and expense, all documentation necessary to perfect title therein in LOCKHEED MARTIN. SELLER shall maintain and



# 26. LANGUAGE AND STANDARDS

All reports, correspondence, drawings, notices, marking, and other communications shall be in the English language. The English version of the Contract shall prevail. Unless otherwise provided in writing all documentation and work shall employ the units of weights and measures called for by the Statement of Work, Technical Specifications, etc., applicable to this Contract.



- (a) Without prejudice to Ox #N4--) 'U 'ku@ ' DEFCON 656A or DEFCON 656B if included within the Contract, LOCKHEED MARTIN may terminate part or all of this Contract for its convenience by giving written notice to SELLER.
- (b) Upon termination, in accordance with LOCKHEED MARTIN written direction, SELLER will immediately: (i) Cease work;
- (ii) Prepare and submit to LOCKHEED MARTIN an itemization of all completed and partially completed deliverables and services; (iii) Deliver to



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

## 45. WORK ON LOOKHEED MARTIN AND THIRD PARTY PREMISES

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- (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 authorisation; (iv) remain in authorised 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.

o- 00 k o o- 00 k fety, rules of conduct, badging and personal identity, and related requirements while on LOCKHEED MARTIN Premises. 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



- (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 unauthorised use of LOCKHEED MARTIN, customer, or third party assets.
- (i) SELLER shall advise the LOCKHEED MARTIN Procurement Representative of any unauthorised 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.



DEFCON 601 Redundant Material (Edn 04/14) (Applies if redundant material, will be provided to SELLER under the Contract.) "Authority" means "LOCKHEED MARTIN" except in paragraph 1 where it means "Authority or LOCKHEED MARTIN.")

DEFCON 607 Radio Transmissions (Edn 05/08) (Applies if SELLER will be required to make radio transmissions in connection with testing and developing electronic equipment.)

DEFCON 608 Access And Facilities To Be Provided By The Contractor (Edn 07/21 (Clauses 1 and 2 apply if SELLER is identified in LOCKHEED MARTIN's Prime Contract. The term "Authority" includes LOCKHEED MARTIN.)

DEFCON 611 Issued Property (Edn 12/22) (Applies if SELLER will be provided Customer Issued Property.) Applies to United Kingdom Issued Property in the possession of SELLER. Communications between SELLER and the Authority under this clause shall be made through LOCKHEED MARTIN.)

DEFCON 624 Use of Asbestos (Edn 08/22) (Applies if SELLER will be furnishing parts or material under this Contract.)

DEFCON 627 Quality Assurance Requirement for a Certificate of Conformity (Edn 11/21) ("Authority means "LOCKHEED MARTIN.")

DEFCON 632 Third Party Intellectual Property - Rights and Restrictions (Edn 11/21)

DEFCON 637 Defect Investigation and Liability (Edn 05/17) ("Authority" and "IPT Project Manager/Equipment Support Manager" means LOCKHEED MARTIN.)

DEFCON 643 Price Fixing (Edn 12/21) (Applies if this Contract exceeds £250,000. Only the Appendix to this DEFCON applies. "Contractor means "LOCKHEED MARTIN" a



DEFCON 812 Single Source Open Book (Edn 04/15) (Applies if this Contract is a Material Single Source Sub-contract (Non-Qualifying) as defined in DEFCON 812. Only the Appendix to this DEFCON applies. As used therein, "Contractor" means "Lockheed Martin" and "sub-contractor" means "Seller." "Sub-



DEFCON 21 Retention of Records (Edn 06/21). (Applies to all Contracts that include DEFCON 15, DEFCON 15Aor DEFCON 16.)

DEFCON 90 Copyright (Edn 06/21) (Applies to all copyright works generated under this Contract except those the subject of DEFCONs 15 and 91.)

DEFCON 91 Intellectual Property Rights In Software (Edn 06/21) (Applies if this Contract requires the generation or delivery of computer software.)

DEFCON 126 International Collaboration (Edn 06/21)