Where necessary, to identify the applicable parties under the following clauses, “Subcontract Manager” shall mean “Lockheed Martin Procurement Representative,” “Contract” and “agreement” means this purchase order/subcontract. “Buyer” and means “Lockheed Martin.”

# Sierra Nevada Corporation (SNC) Articles/Clauses

**ARTICLE VI. PERSONNEL**

Lockheed Martin Supplier shall be responsible for selecting personnel who meet the qualifications as defined in the Statement of Work, for supervising techniques used in their work, and for keeping them informed of all improvements, changes and methods of operation.

**ARTICLE XIII. NOTICE OF DELAY**

Whenever an actual or potential event is delaying or threatening to delay performance of the services under this Contract, Lockheed Martin Supplier shall give Lockheed Martin timely written notice thereof; but not less than three (3) calendar days from the date an event or threat of delay is recognized by Lockheed Martin Supplier. This notification shall include:

* Event(s) causing delay/threat
* Duration of delay/threat
* Action plan to resolve delay/threat

**ARTICLE XV. CUSTOMER VISITS**

A. Lockheed Martin Supplier agrees, upon three (3) business days advance request by Lockheed Martin, unless shorter notice is required, to allow Lockheed Martin to visit Lockheed Martin Supplier's facilities, or those of lower-tier Lockheed Martin Suppliers, to review progress pertaining to the requirements of this Contract. Lockheed Martin Supplier shall furnish all reasonable facilities and assistance for the safe and convenient performance of the actions described.

**B. Lockheed Martin Supplier shall insert, and require its suppliers to insert, the substance of this article, including this paragraph, in each lower-tier Contract hereunder, unless otherwise agreed to by Lockheed Martin in writing.**

**6. COMMUNICATION, NEWS AND PUBLIC RELEASE** (Applicable for all purchase orders/ subcontracts.)

(a) Reserved.

(b) Lockheed Martin Supplier shall not make, deny, or confirm any public statements, news releases, advertisements, media interviews, or public announcements concerning the Agreement, the subject matter of the Agreement, or Work hereunder without the prior written approval of Buyer’s Subcontract Manager, which will not be unreasonably withheld. This provision shall not apply to any disclosure deemed by Lockheed Martin Supplier’s legal counsel to be required by law or by regulation of any federal, state, or local government agency.

**(c)**  **Lockheed Martin Supplier shall include, and require its subcontractors to include, this Clause 6 (Communication, News and Public Release), including this sentence, in each of its subcontracts under the Agreement.**

**15. MAINTENANCE OF RECORDS** (Applicable for all purchase orders/subcontracts.)

(a) Unless a longer period is specified in this Agreement or by law or regulation, Lockheed Martin Supplier shall retain all records related to this Agreement for 7 years from the date of final payment received by Lockheed Martin Supplier. Records related to this Agreement include financial, proposal, time records, phone bills, travel receipts, expense reports, job summaries, procurement, lab notebooks, specifications, production, inspection, test, quality, shipping and export, certifications, and receipt records.

(b) Reserved.

**(c)** Lockheed Martin Supplier **shall include, and require subcontractors to include, this Clause 15 (Maintenance of Records), including this sentence, in each of its subcontracts under the Agreement.**

(d) Reserved.

**16. QUALITY CONTROL SYSTEM** (Applicable for all purchase orders/subcontracts.)

(a) Lockheed Martin Supplier agrees to provide and maintain a quality control system for the Work that is no less than an industry recognized quality standard. Lockheed Martin Supplier shall be in compliance with all quality control requirements identified in this Agreement.

(b) Lockheed Martin Supplier shall have a continuing obligation to notify Buyer’s Subcontract Manager of (i) all Work that does not comply with the quality standards and related requirements of the Agreement, and (ii) all previously delivered Work that cannot be reworked to compliance.

(c) Lockheed Martin Supplier shall maintain complete records of all quality control inspection work, including records evidencing all inspections made under the system and the outcome. Lockheed Martin Supplier **shall include, and require subcontractors to include, of this Clause 16 (Quality Control System), including this sentence, in each of its subcontracts under the Agreement.**

**29. INSURANCE** (Applicable for all purchase orders/subcontracts.)

(a) Except as otherwise expressly required in the Prime Contract, Lockheed Martin Supplier and its subcontractors agree to procure and maintain worker’s compensation, commercial general liability, commercial property, and commercial automobile liability insurance, each in reasonable amounts that are consistent with industry practice and the specific loss potential related to performance of this Agreement,. In addition to the foregoing requirements of this paragraph (a), Lockheed Martin Supplier and its subcontractors shall maintain insurance coverage in no less than the following amounts:

1. Worker’s Compensation in amounts as required by law, and Employer’s Liability at a limit no less than $1 Million;

2. Aerospace Products Liability at a limit not less than $10 million each occurrence and annual aggregate. Lockheed Martin Supplier’s obligation to provide such insurance extends only to those claims not precluded by **NFS 1852.228-76**, the Commercial Space Launch Act, 51 U.S.C. Ch. 509, §§ 50901-23 (2011) (as amended by the U.S. Commercial Space Launch Competitiveness Act of 2015), and the National Aeronautics and Space Act §§ 308 and 309 (1958) (as amended). With respect to the requirement for Aerospace Products Liability coverage, Lockheed Martin Supplier shall obtain such coverage for 3 years after completion, which, for purposes of this clause, shall be defined as launch of the first operational mission under the Prime Contract. Lockheed Martin Supplier’s obligations with respect to Aerospace Products Liability coverage shall survive termination of this Agreement.

3. Commercial General Liability covering Premises Liability, Contractual Liability, and Completed Operations and Personal Injury Liability at a limit no less than $10 Million each occurrence and annual aggregate. Lockheed Martin Supplier’s obligation to provide commercial general liability extends only to those claims not precluded by **NFS 1852.228-76,** the Commercial Space Launch Act, 51 U.S.C. Ch. 509, §§ 50901-23 (2011) (as amended by the U.S. Commercial Space Launch Competitiveness Act of 2015), and the National Aeronautics and Space Act §§ 308 and 309 (1958) (as amended). Lockheed Martin Supplier may use excess insurance to achieve the minimum amount of coverage required. This policy shall name Buyer as an additional insured. With respect to the requirement for Commercial General Liability and Completed Operations coverage, Lockheed Martin Supplier shall obtain such coverage for 3 years after completion, which, for purposes of this clause, shall be defined as launch of the first operational mission under the Prime Contract. Lockheed Martin Supplier’s obligations with respect to Commercial General Liability and Completed Operations coverage shall survive termination of this Agreement;

4. Commercial Property Insurance covering the replacement cost value of all Furnished Property and Acquired Property pursuant to Clause 28(b) (Furnished Property). This policy shall include a Waiver of Subrogation in favor of Buyer; and

5. Commercial Automobile Liability covering all owned, non-owned and hired vehicles, including loading and unloading thereof at a limit of no less than $1 Million. This policy shall name Buyer as an additional insured.

b. Lockheed Martin Supplier shall acquire insurance from insurers having a current A.M. Best financial rating of A- or better. Lockheed Martin Supplier shall provide Buyer’s Subcontract Manager 30 days advance written notice prior to the effective date of any cancellation or change in the term or coverage of any of Lockheed Martin Supplier’s insurance under this provision, provided however such notice shall not relieve Lockheed Martin Supplier of its obligations to procure and maintain the required insurance. Lockheed Martin Supplier shall provide Buyer with a “Certificate of Insurance” evidencing Lockheed Martin Supplier’s compliance with this Clause 29 (Insurance). Lockheed Martin Supplier shall cooperate with any reasonable requests of Buyer or Lockheed Martin Customer for information, including technical information, relating to insurance placements and claims. “Subcontractor” as used in this paragraph shall include Lockheed Martin Supplier’s subcontractors at any tier. Lockheed Martin Supplier **shall include, and require subcontractors to include, the substance of this Clause 29 (Insurance), including this sentence, in each of its subcontracts under the Agreement.**

**30. CROSS-WAIVER OF LIABILITY**

(a) Reserved.

(b) Reserved.

(c) Reserved.

(d) In addition to the cross-waivers required by **NFS 1852.228-76 (OCT 2012) (Deviation),** Lockheed Martin Supplier shall execute additional cross-waivers to the extent they may be required in accordance with the Commercial Space Launch Act, 51 U.S.C. Ch. 509, §§ 50901-23 (2011) (as amended by the U.S. Commercial Space Launch Competitiveness Act of 2015) for the launch and reentry phases of the mission(s) under the Prime Contract.

**31. INDEMNITY AND REIMBURSEMENT** (Applicable for all purchase orders/subcontracts.)

(a) Except for claims subject to the cross-waiver of liability and waiver of claims in Clause 30 (Cross-Waiver of Liability) and **NFS 1852.228-76 (OCT 2012) (Deviation)**, Lockheed Martin Supplier shall indemnify, hold harmless, and at Buyer’s election, defend, Buyer, and their respective directors, officers, employees, and agents (collectively, “**Buyer Parties**”) from and against any and all losses, costs, penalties, claims, damages, liabilities, fees, and expenses, including reasonable attorneys’ fees, court costs, and all expenses of litigation and/or settlement (“**Losses**”), arising from or related to any claims, suits, causes of action, demands, and/or awards (“**Claims**”) but only to the extent such Losses or Claims are based upon, related to, or arising out of (i) any act or omission of Lockheed Martin Supplier, its directors, officers, employees, agents, suppliers, or subcontractors at any tier, and/or (ii) the execution of Work to be performed or delivered under this Agreement by or for Lockheed Martin Supplier. Lockheed Martin Supplier’s obligation to indemnify and hold harmless the Buyer Parties under the preceding sentence extends only to those claims not precluded by **NFS 1852.228-76** **(OCT 2012) (Deviation)** and the Commercial Space Launch Act, 51 U.S.C. Ch. 509, §§ 50901-23 (2011) (as amended by the U.S. Commercial Space Launch Competitiveness Act of 2015).

Lockheed Martin Supplier **shall include, and require subcontractors to include, the substance of this Clause 31 (Indemnity and Reimbursement), including this sentence, in each of its subcontracts under the Agreement.**

**49. FORCE MAJEURE**

Neither party shall be liable for damages for delay in performance arising out of causes beyond its reasonable control and without its fault or negligence, such as acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, or unusually severe weather, and delays of common carriers (each a “Force Majeure event”). Lockheed Martin Supplier will promptly notify Buyer in writing as soon as reasonably possible after the beginning of any such Force Majeure event, setting forth the full particulars in connection therewith, shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to Lockheed Martin of the cessation of such occurrence.)

**51. LIENS** (Applicable for all purchase orders/subcontracts.)

Lockheed Martin Supplier shall immediately discharge or cause to be discharged any liens or the right in rem of any kind, other than in favor of Buyer which at any time exists or arises in connection with Works furnished under the Agreement. In the event that any such lien or right in rem is not immediately discharged, or Lockheed Martin Supplier or any of Lockheed Martin Supplier’s suppliers or subcontractors assert a mechanics lien, or any other labor or material lien, against any property owned by or in the care, custody or control of Buyer. Lockheed Martin Supplier **shall insert this clause in any subcontracts issued hereunder.**