

LOCKHEED MARTIN GLOBAL, INC. (LMGI) TERMS AND CONDITIONS FOR LOW VALUE PURCHASES

These are the only contractual provisions that apply to the supply of each Deliverable. Acceptance by LMGI of any offer from the Supplier is expressly limited to the terms and conditions of the Purchase Order, and LMGI hereby objects to and shall not be bound by any additional, different or conflicting terms, whether printed or otherwise, in any other communication between the parties (including on any of the Supplier's forms, letter or papers), it being understood that the terms and conditions of the Purchase Order shall prevail notwithstanding any such additional, different or conflicting terms. If any other provision is to apply or prevail LMGI must agree to it in writing. If an Incoterm is selected, these provisions will not prevail where inconsistent with that Incoterm.

1. Price

The Supplier must supply each Deliverable to LMGI for the price specified. The price is inclusive of all materials, labour, packaging, storage, freight, duty and every tax.

2. Purchase Orders

LMGI will order the Deliverables by issuing a Purchase Order to the Supplier. No contract for the supply of the Deliverables exists until LMGI places a Purchase Order.

3. Changes

LMGI may change its requirements for any Deliverable at any time prior to delivery. If a change affects price or time required for performance, a fair adjustment will be made as agreed between both parties, except if the Supplier does not request an adjustment within five working days after notice of the change, no increase adjustment will be made.

4. Delivery

The Supplier must deliver each Deliverable how, by when and to where specified on the Purchase Order. If any delivery may be, or is late, the Supplier will make delivery by the fastest method at its cost. Time is of the essence.

5. Acceptance

LMGI may carry out any acceptance test it wishes before and after delivery at any location to verify compliance of the Deliverables. Final acceptance of the Deliverables is to be completed by LMGI within 30 days of delivery of the Deliverables to their final location as designated by the Purchase Order. The Supplier must promptly remedy any defect at its cost.

6. Payment, Taxes and Duties

- Unless otherwise provided, terms of payment shall be net 20th of the following month from the latest of the following: (1) LMGI's receipt of Supplier's proper invoice; (2) scheduled receipt of the Deliverables; or (3) actual receipt of the Deliverables. The Supplier will ensure that each invoice is a valid tax invoice for the purposes of the Goods and Services Tax Act 1985 ("GST Act").
- Each payment made shall be subject to reduction to the extent of amounts which are found by LMGI or the Supplier not to have been properly payable, and shall also be subject to reduction for overpayments. The Supplier shall promptly notify LMGI of any such overpayments and remit the amount of the overpayment except as otherwise directed by LMGI.
- LMGI shall have a right of setoff against payments due or at issue under this Purchase Order or any other Contract between the parties.
- Payment shall be deemed to have been made as of the date of mailing LMGI's payment or electronic funds transfer.
- Unless otherwise specified, prices include all applicable taxes (other than GST payable pursuant to the GST Act), duties, tariffs, and similar fees imposed by any government, all of which shall be listed separately on the invoice.

7. Title

Clear title to each Deliverable purchased by LMGI will pass to LMGI on delivery.

8. Risk

Every risk to a Deliverable remains with the Supplier until completion of delivery and acceptance.

9. Insurance

The Supplier must insure each Deliverable (or any component of it), for its full replacement value until delivery and acceptance of each Deliverable by LMGI.

10. Warranties

The Supplier warrants and guarantees to LMGI that:

- each Deliverable will be new and unused on delivery; or
- if a shelf life, calendar life or a utilisation life is applicable, at least 95% of each of those lives remain on delivery;

- despite any inspection, acceptance or payment by LMGI, or any work done in respect of, or use of, any Deliverable by LMGI, each Deliverable will for at least 12 months from the date of acceptance by LMGI:
 - be free from any defect in design, materials and workmanship;
 - conform as to quantity, quality and description and satisfy any standard of design, quality and performance specified by LMGI; and
 - be fit for the use and purpose for which LMGI requires it.

I. be free from any defect in design, materials and workmanship;

II. conform as to quantity, quality and description and satisfy any standard of design, quality and performance specified by LMGI; and

III. be fit for the use and purpose for which LMGI requires it.

d. each Deliverable will be free from any latent defect;

e. ownership, possession, use and resale of each Deliverable by LMGI will not infringe any proprietary right or interest of, or result in any liability to LMGI to, any person; and

f. no form of inducement, reward or kickback has been or will be directly or indirectly provided to any representative of LMGI.

These are additional to any other warranties and guarantees given by the Supplier or implied by custom or law. The Supplier will, to the extent possible, pass on to LMGI the benefit of any warranty or guarantee received from any other person in respect of a Deliverable the intent that LMGI may have recourse against those persons through the Supplier for a defect.

11. Warranty claims

The Supplier will promptly remedy each warranty claim to LMGI's satisfaction. Warranties start again for the full period on completion of remedying each defect. If any defect results in LMGI not receiving the expected value or performance from the Deliverable, the Supplier, will at its cost, promptly replace the Deliverable with a new and compliant Deliverable with a full warranty, if requested by LMGI.

12. Compliance with laws

The Supplier:

- will ensure they, and each Deliverable, complies with every New Zealand relevant jurisdiction's, laws, codes and standards; and is responsible for ensuring that every necessary and prudent authorisation (including consents, permits and licences) is obtained to ensure that it can deliver, and LMGI can own each Deliverable.

13. Failure to comply

If:

- any Deliverable is destroyed or damaged prior to acceptance, not delivered how, when or where required by LMGI, or fails any acceptance test or otherwise does not comply with LMGI's requirements;
- any warranty claim is not promptly dealt with in accordance with the warranty clause;
- the Supplier breaches, and fails to properly or promptly perform, any of its obligations to LMGI's satisfaction within five working days after notice from LMGI of the breach;
- any direct or indirect change of control of the Supplier occurs; or
- the Supplier is or becomes insolvent or bankrupt, goes into receivership or liquidation, or amalgamates with any other person(s);

then LMGI may:

- withhold any payment due to the Supplier until the matter is resolved to LMGI's satisfaction;
- cause the Supplier to remove any rejected Deliverables from LMGI's premises at the Supplier's risk and expense, and no longer be obliged to pay for that Deliverable, or if paid for, receive a refund from the Supplier or set-off the amount paid against any amount LMGI may owe the Supplier. If the rejected Deliverables are not removed by the Supplier within 20 working days of notification of the rejection, LMGI will return the Deliverables to the Supplier at the Supplier's own risk and expense;
- suspend or cancel (in whole or in part) this contract by written notice to the Supplier; and/or. recover, or deduct from or set-off against any amount LMGI may owe the Supplier, amounts for any direct or indirect damage, loss or cost (including legal cost) to LMGI relating to the non-performance by the Supplier or any Deliverable.

14. Supplier indemnity

Unless prohibited by law the Supplier will indemnify LMGI for any physical, direct and indirect damage, loss or cost (including lawyer/client costs) to LMGI or any other person, and protect LMGI from any claim or proceedings against LMGI, to the extent caused or contributed to by the Supplier or its representatives or visitors.

15. No advertising

The Supplier will not advertise in any newspaper, magazine, journal or other advertising medium or broadcast on radio or television, or the internet that it supplies Deliverables to LMGI without LMGI's written approval.

16. Force majeure

The Supplier is not liable for any failure or delay in performing if it is due to a cause reasonably beyond the control of the Supplier and the Supplier has used its best endeavours to perform on time despite the cause. For the purposes of this clause, a circumstance reasonably beyond the control of the Supplier shall not include industrial action on the part of the Supplier or the Supplier's personnel, or inability by the Supplier to supply the Deliverables due to disputes with its third party suppliers or the Supplier or its suppliers not having taken all reasonable steps to ensure systems do not fail due to digital data recognition errors.

17. Security

The Supplier will, and will procure each of its representatives and sub-contractors to, comply with New Zealand Defense Force (NZDF) security and operational requirements where it has access to any NZDF Area, LMGI property or information for the purpose of supplying the Deliverables.

18. Disputes

If any dispute between the parties arises, the parties will endeavour to resolve the dispute promptly by negotiation. If the parties cannot resolve the dispute by negotiation, the dispute will be referred to mediation and any associated costs will be shared equally between the parties. Pending resolution of the dispute, the parties will continue to perform all their obligations, except where it is impracticable to continue performing any obligations being the subject of the dispute and such obligations will be suspended during the dispute.

19. Confidentiality

Each Party will protect any confidential information as if it were its own, and shall not disclose any confidential information to another party without approval from the disclosing party.

20. Ownership of Intellectual Property Rights

- Pre-existing Intellectual Property Rights remain the property of their current owner.
- New Intellectual Property Rights in the Deliverables become the property of LMGI when they are created.
- The Supplier grants to LMGI a perpetual, non-exclusive, worldwide and royalty-free licence to use, for any purpose, all Intellectual Property Rights in the Deliverables that are not owned by LMGI. This licence includes the right to use, copy, modify and distribute the Deliverables.

21. General

All amounts are in New Zealand dollars unless otherwise specified. New Zealand time and dates apply. All documentation is to be in English. NZ law applies and NZ Courts have exclusive jurisdiction.

22. Interpretation

In this contract, unless the context otherwise requires or specifically otherwise stated:

- "Deliverable" means the goods and/or services to be supplied to LMGI under this contract.
- "Lockheed Martin Global, Inc.(LMGI)" means a body corporate incorporated in USA, registered under Part XVII of the Companies Act to carry out business in New Zealand
- "Purchase Order" means an official numbered form specifying details of the Deliverables requested by LMGI.