



Other Policies Related to Anti-Corruption

CPS-004, Political Activity prohibits contributions or donations of any type to non-



outside the U.S., and, by written agreement, all appropriate provisions shall apply to any domestic or international representative, distributor, reseller, consultant, broker, agent, or any other person or firm by whatever name known, of any nationality, who is conducting business for or on behalf of the Corporation.

The Lockheed Martin policy on Individual Conflict of Interest, CRX-014, applies to all Lockheed Martin employees and consultants, and prohibits actual conflicts of interest as well as activities that create the appearance of a conflict of interest.

CPS-011 (Internal Control and Enterprise Risk Management) identifies the business and governance processes and operating activities the corporation uses to provide reasonable assurance that objectives will be achieved. This includes methods for ensuring effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable policies, laws, and regulations. In addition, the policy sets forth the requirement for executing an Enterprise Risk Management (ERM) program, along with the processes and tools used to effectively identify and manage risk, both within the U.S. and in non-U.S. regions where the company does business.

ERM includes the use of control activities to mitigate risk, and monitoring activities to evaluate performance quality and communicate areas for improvement. The policy states that the Senior Vice President, Ethics and Enterprise Assurance, has responsibility to establish and maintain an effective enterprise risk management program, to chair the [Risk and Compliance Committee](#), and to serve as liaison to and member of the Integrated Risk Council.

As part of its risk management activities, ERM partners with Internal Audit and the Ethics and Business Conduct departments to conduct a biennial Compliance Risk Assessment (CRA) that includes Bribery and Anti-Corruption topics. The CRA includes a review of the effectiveness of company controls and management oversight, and includes a review of risk categories such as partnerships, Joint Ventures, and other special-purpose entities, including international entities.

CPS-013, Total Audit Program, describes Lockheed Martin's comprehensive Internal Audit function that evaluates risk exposures and internal controls relating to finance, governance, operations, and information technology. The policy states that the Senior Vice President, Ethics and Enterprise Assurance, reports significant audit matters to the Audit Committee of the Board of Directors. The policy states that when a Corporate Internal Audit report identifies an area of non-compliance with Corporate policy, a responsible individual is assigned, will prepare a



corrective action plan for remediating the issues cited and their root cause, and will provide oversight to prevent their recurrence.

Annually, Corporate Internal Audit develops a risk-based audit plan, which considers anti-corruption program elements within Lockheed Martin. In addition, Lockheed Martin conducts an annual risk assessment of its International Consultants (including agents, representatives, resellers, and brokers) based on objective factors and selects certain consultants for audits of the consultants' own books and records and compliance with the anti-corruption compliance terms of their agreements.

CPS-016, Mergers, Acquisitions, Divestitures, Business Ventures, and Investments mandates compliance with all laws and regulations that apply to these activities. The policy also requires the appropriate due diligence be conducted on the target entity.

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employees to violate this policy, and that potential violations of this policy should be reported to Lockheed Martin management.

CPS-718, Disclosures to the United States Government requires timely reporting to the Office of Inspector General and Contracting Officer when there is credible evidence of potential violation of certain federal criminal laws, a violation of the



oversight, administration, and direction of the consultant's activities and compliance with this policy. Attachments to this policy provide detailed internal controls for overseeing consultant activities, including requirements for initial



CRX-014, Individual Conflict of Interest requires all Lockheed Martin employees and consultants to identify any actual or potential conflicts of interest and to continuously report such during the term of their employment or consulting agreement. The policy describes those activities which may constitute a potential conflict of interest, including former government employment ("revolving door restrictions"), third party employment and relationships, family and other significant relationships, work on certain government contracts, and organizational restrictions. The policy outlines the way Lockheed Martin employees and consultants are screened for potential conflicts of interest upon hire or



employment restrictions to the individual's post-government employment, including but not limited to those activities the individual is expected to perform for Lockheed Martin. Lockheed Martin's Legal Counsel is responsible for reviewing and advising on a candidate's post- government employment restrictions, which the procedure indicates may be permanent, or may continue for a period of one or two years after the employee leaves the federal government. This procedure requires that a conflict of interest review occur before an offer is made or services acquired of a current or former government employee and identifies the process to be completed relevant to both prospective employees and consultants.

CRX-025, Teaming Agreements applies to all teaming agreements being contemplated by any Lockheed Martin operating company, division, business area, functional organization, or wholly owned subsidiary (including international subsidiaries). The policy outlines implementation plans governing the



CRX-327, Commercial Cards explains when and why these tools are used for the payment of authorized expenses. The policy specifically prohibits use of commercial cards for any payments to a Public Official or for consultant services.

CRX-454, Offset/Countertrade Commitments explicitly addresses the corruption risks associated with offset program proposals and management. The policy explains the process for obtaining approval for offset commitments and identifies who within the company is responsible for approving different types of offset commitments. The policy explains specific steps that the responsible Lockheed Martin functions must take to ensure that due diligence is conducted on the offset commitment being considered. This includes, but is not limited to, evaluating risk-based factors such as the location, type, and size of the commitment. This due diligence process also ensures that the commitment complies with Lockheed Martin policies such as [CPS-7300 g0 G\(pa\)4\(y\)9\(m\[76a\)7\(m\)-6\(\)4\(pr\)-14\(op](#)

