



LOCKHEED MARTIN CORPORATION

CORPDOC 2T&M

GENERAL PROVISIONS FOR TIME AND MATERIALS/LABOR HOUR SUBCONTRACTS/PURCHASE ORDERS FOR COMMERCIAL PRODUCTS AND/OR SERVICES UNDER A U.S. GOVERNMENT PRIME CONTRACT (ALL AGENCIES)

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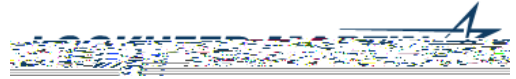
SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier, LOCKHEED MARTIN may proceed as provided for in (c)(2) below.

(2) Upon the occurrence of any of the circumstances, other than withholdings, identified in paragraph (2) above, LOCKHEED MARTIN may make a reduction of corresponding amounts (in whole or in part) in the price of this Contract or any other contract with SELLER, and/or may demand payment (in whole or in part) of the corresponding amounts. SELLER shall promptly pay amounts so demanded. In the case of withholding(s), LOCKHEED MARTIN may withhold the same amount from SELLER under this Contract.

(3) In the event it is determined that the Work is not a Commercial Product as defined at FAR 2.101, then SELLER agrees that CorpDoc 4T&M, General Provisions for Time and Material and labor Hour Subcontracts/Purchase Orders (All Agencies) for Non-Commercial Product under a U.S. Government Prime Contract, and the corresponding FAR and agency flowdowns shall be applicable to this Contract, in lieu of these terms and conditions, effective as of the date of this Contract.



enforcement representative of a Federal department or agency authorized to receive such information, (3) any matter for which this Contract, including a FAR or FAR Supplement clause included in this Contract, provides for direct communication by SELLER to the Gect,812(o)-5((,814 t)-) a ny mamatterin toyen,812(o)-5(utiral)(ri510(ara)12(o)9(n).(.)] TIT@.00



its expense, shall provide reasonable cooperation to LOCKHEED MARTIN in conducting any investigation regarding the delivery of Counterfeit Work or Suspect Counterfeit Work under this Contract.

(f) This clause applies in addition to and is not altered, changed, or superseded by any quality provision, specification, statement of work, regulatory flowdown, or other provision included in this Contract addressing the authenticity of Work.

(g) In the event that Work delivered under this Contract constitutes or includes Counterfeit Work, SELLER shall, at its expense, promptly replace such Counterfeit Work with genuine Work conforming to the requirements of this Contract. Notwithstanding any other provision in this Contract, SELLER shall be liable for all costs relating to the removal and 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.

9. 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) Subject to the terms of this contract, SELLER shall be paid an amount computed under the Payments clause of this Contract, but the "hourly rate" for labor hours expended in furnishing work not delivered to or accepted by LOCKHEED MARTIN shall be reduced to exclude that portion of the rate attributable to profit. Unless otherwise specified in this Contract, the portion of the "hourly rate" attributable to profit shall be ten (10) percent.

(c) In the event of a cancellation or termination under this Contract, SELLER shall be liable to LOCKHEED MARTIN for cover costs, in addition to LOCKHEED MARTIN's other rights and remedies at law or in equity.

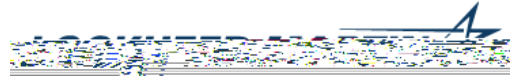
(d) Upon the occurrence and during the continuation of a default, LOCKHEED MARTIN may exercise any and all rights and remedies available to it under applicable law and equity, including without limitation, cancellation of this Contract. If after termination for default under this Contract, it is determined that SELLER was not in default, such termination shall be deemed a termination for convenience.





right it may have to a trial by jury in respect to any litigation directly or indirectly arising out of under or in connection with this Contract.





14. EXTRAS

Work shall not be supplied in excess of quantities specified in this Contract. SELLER shall be liable for handling charges and return shipment costs for any excess quantities.

15. FURNISHED 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) The Government Property Clause contained in this Contract shall apply in lieu of paragraphs (a) through (d) above with respect to Government-furnished property, or other property to which the Government has title, or may take title under this Contract.

16. GRATUITIES/KICKBACKS

(a) SELLER shall not offer or give a kickback or gratuity (in the form of entertainment, gifts, or otherwise) for the purpose of obtaining or rewarding favorable treatment as a LOCKHEED MARTIN supplier.

(b) By accepting this Contract, SELLER certifies and represents that it has not made or solicited and will not make or solicit kickbacks in violation of FAR 52.203-7 or the Anti-Kickback Act of 1986 (41 USC 51-58), both of which are incorporated herein by this specific reference, except that paragraph (c)(1) of FAR 52.203-7 shall not apply.

17. IMPORTER OF RECORD

(This clause applies only if this Contract involves importation of Work into the United States.)

(a) SELLER understands that the Work may be, either now or in the future, subject to one or more trade remedy proceedings (e.g., anti-dumping, countervailing duty, safeguard) in the United States, which may result in the imposition of additional duties or other charges or quantitative restrictions on the imported goods. If any such proceedings are initiated SELLER shall at LOCKHEED MARTIN s request cooperate fully with LOCKHEED MARTIN and with requests for information from the competent government authorities in the United States. SELLER further understands and agrees that0 G[nv4(rm)-38(v)-436 361.01 Tti 0 1 36 179.54 Tm0 g0 G[(a))-3(SEL)8(L)-3(ER)9(un)4(d)3(erst)-2(an)4(d)3(s t)-4(h)3(a)12(t



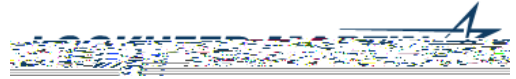
(a) SELLER shall not reproduce or disclose any information, knowledge, or data of LOCKHEED MARTIN that SELLER may receive from LOCKHEED MARTIN or have access to, including proprietary or confidential information of LOCKHEED MARTIN or of others when in possession of LOCKHEED MARTIN (hereinafter LOCKHEED MARTIN INFORMATION), without the prior written consent of LOCKHEED MARTIN. LOCKHEED MARTIN INFORMATION includes, but is not limited to, business plans, marketing information, cost estimates, forecasts, bid and proposal data, financial data, formulae, compositions, products, processes, procedures, inventions, systems, or designs. SELLER agrees not to use any LOCKHEED MARTIN INFORMATION for any purpose except to perform this Contract. SELLER shall maintain data protection processes and systems sufficient to adequately protect LOCKHEED MARTIN information and comply with any law or regulation applicable to such information.

(b) If SELLER becomes aware of any compromise of information used in the performance of this Contract or provided by



LOCKHEED MARTIN may reasonably require is necessary to obtain or verify clearance for the personnel to be able to access such information.

(g) DFARS 252.204-



(e) If SELLER fails to proceed with reasonable promptness to perform required replacement or correction, and if the replacement or correction can be performed within the ceiling price (or the ceiling price as increased by LOCKHEED MARTIN), LOCKHEED MARTIN may (1) by contract or otherwise, perform the replacement or correction, charge to SELLER any increased cost, or deduct such increased cost from any amounts paid or due under this Contract; or (2) terminate this Contract for default.

(f) Notwithstanding paragraphs (d) and (e) above, LOCKHEED MARTIN may at any time require SELLER to remedy by correction or replacement, without cost to LOCKHEED MARTIN, any failure by SELLER to comply with the requirements of this Contract, if the failure is due to--

(i) Fraud, lack of good faith, or willful misconduct on the part of SELLER's managerial personnel; or

(ii) The conduct of one or more of SELLER's employees selected or retained by SELLER after any of SELLER's managerial personnel has reasonable grounds to believe that the employee is habitually careless or unqualified.

(g) This clause applies in the same manner and to the same extent to corrected or replacement materials or services as to materials and services originally delivered under this Contract.

(h) SELLER has no obligation or liability under this Contract to correct or replace materials and services that at time of delivery do not meet contract requirements, except as provided in this clause or as may be otherwise specified in this Contract.

(i) Unless otherwise specified in this Contract, SELLER's obligation to correct or replace Government-furnished property shall be governed by the clause pertaining to Government property.

23. INSURANCE

(a) SELLER and its subcontractors shall maintain for the performance of this Contract the following insurances:

Workers compensation insurance meeting the statutory requirements where Work will be performed

Employer's liability EL in the amount of _____ 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.

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procedures; SELLER records that show the distribution of labor between jobs or contracts; and employees whose time



(h) LOCKHEED MARTIN shall have a right of setoff against payments due or at issue under this Contract or any other Contract between the parties.

(i) Payment shall be deemed to have been made as of the date of mailing LOCKHEED MARTIN's payment or electronic funds transfer.

29. PLACE OF PERFORMANCE

If SELLER intends to change the place of performance of Work under this Contract from the place(s) identified in SELLER's proposal SELLER shall provide prior written notice to LOCKHEED MARTIN. Notification of changes to the place of performance from within the United States to a location outside the United States shall be provided by SELLER to LOCKHEED MARTIN at least six months in advance.

30. PRECEDENCE

Any inconsistencies in this Contract shall be resolved in accordance with the following descending order of precedence:

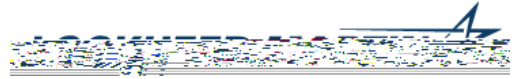


but are not limited to, financial, proposal, procurement, specifications, production, inspection, test, quality, shipping and export, and certification records. At no additional cost, SELLER shall timely provide access to such records to the US Government and/or LOCKHEED MARTIN upon request.

35. SEVERABILITY

Each clause, paragraph and subparagraph of this Contract is severable, and if one or more of them are declared invalid, the remaining provisions of this Contract will remain in full force and effect.

36. STOP WORK



39. TIMELY PERFORMANCE

(a) SELLER's timely performance is a critical element of this Contract.

(b) SELLER shall provide LOCKHEED MARTIN status of performance of this Contract when requested. In addition, if SELLER becomes aware of an impending labor dispute involving SELLER or any lower tier subcontractor, or any other difficulty in performing the Work, SELLER shall timely notify LOCKHEED MARTIN, in writing, giving pertinent details. These notifications shall not change any delivery schedule.

40. TRAVEL COSTS

(a) All travel incurred by SELLER in the performance of this Contract is included within the Contract price and shall not be separately reimbursed by LOCKHEED MARTIN unless such travel is expressly authorized in writing in advance by LOCKHEED MARTIN s Procurement Representative

(b) When travel is authorized under this Contract, SELLER shall be reimbursed only for necessary, reasonable, and actual travel expenses for transportation, lodging, meals and incidental expenses only to the extent that they do not exceed the maximum per diem rate in effect at the time of travel, as set forth in the United States Federal Travel Regulations for the area of travel authorized under this Contract. Air travel shall be reimbursed for coach class only. Lodging expenses are reimbursable only where incurred from establishments serving the general public.

(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.



(2) SELLER personnel requiring access to Premises shall, prior to entry, be screened by SELLER at no charge to LOCKHEED MARTIN through the LOCKHEED MARTIN Contractor Screen Program, or otherwise screened by SELLER in a manner satisfactory to LOCKHEED MARTIN.

(f) SELLER shall ensure that SELLER personnel: (i) do not remove LOCKHEED MARTIN, customer, or third party assets from Premises without LOCKHEED MARTIN authorization; (ii) use LOCKHEED MARTIN, customer, or third party assets only for purposes of this Contract; (iii) only connect with, interact with or use computer resources, networks, programs, tools or routines authorized by LOCKHEED MARTIN; and (iv) do not share or disclose user identifiers, passwords, cipher keys or computer dial port telephone numbers. LOCKHEED MARTIN may periodically audit SELLER's data residing on LOCKHEED MARTIN, customer, or third party assets on Premises.

(g) LOCKHEED MARTIN may, at its sole discretion, have SELLER remove any specified employee of SELLER from Premises and require that such employee not be reassigned to any Premises under this Contract.

(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 unauthorized use of LOCKHEED MARTIN, customer, or third party assets.

(i) SELLER shall advise the LOCKHEED MARTIN Procurement Representative of any unauthorized 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.