

**GENERAL PROVISIONS
COMMERCIAL SUBCONTRACTS/PURCHASE ORDERS**

1	Acceptance of Contract/Terms and Conditions	16
2	Applicable Laws	
3	Assignment	
4	Changes	
5	Contract Direction	
6	Default	
7	Definitions	
8	Disputes	
9	Extras	
10	Furnished Property	
11	Gratuities/Kickbacks	
12	Independent Contractor Relationship	
13	Information of Lockheed Martin	
14	Inspection and Acceptance	
15	Insurance/Entry on Lockheed Martin's Property	

6. **DEFAULT**

- (a) LOCKHEED MARTIN, by written notice, may terminate this Contract for default, in whole or in part, if SELLER fails to comply with any of the terms of this Contract, fails to make progress as to endanger performance of this Contract, or fails to provide adequate assurance of future performance. 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 shall not be subject to the cure provision.
- (b) LOCKHEED MARTIN shall not be liable for any Work not accepted; however, LOCKHEED MARTIN may require SELLER to deliver to LOCKHEED MARTIN any supplies and materials, manufacturing materials, and manufacturing drawings that SELLER has specifically produced or acquired for the terminated portion of this Contract. LOCKHEED MARTIN and SELLER shall agree on the amount of payment for these other deliverables.
- (c) SELLER shall continue all Work not terminated.
- (d) If after termination under paragraph (a), it is later determined that SELLER was not in default, such termination shall be deemed a Termination for Convenience.

7. **DEFINITIONS**

The following terms shall have the meanings set forth below:

- (a) "Work" means all required articles, materials, supplies, goods, and services constituting the subject matter of this Contract.
- (b) "SELLER" means the party identified on the face of the contract with whom LOCKHEED MARTIN is contracting.
- (c) "LOCKHEED MARTIN", means LOCKHEED MARTIN CORPORATION, acting through its companies, or business units, as identified on the face of the Contract. If a subsidiary or affiliate of Lockheed Martin Corporation is identified on the face of the Contract than "LOCKHEED MARTIN" means that subsidiary, or affiliate.
- (d) "LOCKHEED MARTIN Procurement Representative" means the person authorized by LOCKHEED MARTIN's cognizant procurement organization to administer this Contract.
- (e) "Contract" means the instrument of contracting, such as "PO", "Purchase Order, or other such type designation, including all referenced documents, exhibits and attachments. If these terms and conditions are incorporated into a "master" agreement that provides for releases, (in the form of a purchase order or other

In the event that SELLER, its' employees, agents, or subcontractors enter LOCKHEED MARTIN's or its' customer's premises for any reason in connection with this Contract, SELLER, its subcontractors and lower-tier subcontractors, shall procure and maintain worker's compensation, comprehensive general liability, bodily injury and property damage insurance in reasonable amounts, and such other insurance as LOCKHEED MARTIN may require and shall comply

- (b) Within such period, LOCKHEED MARTIN shall either terminate or continue the Work by written order to SELLER. In the event of a continuation, an equitable adjustment in accordance with the principles of the "Changes" clause, shall be made to the price, delivery schedule, or other provision affected by the Work stoppage, if applicable, provided that the claim for equitable adjustment is made within thirty (30) days after such continuation.

25. **TERMINATION FOR CONVENIENCE**

- (a) For specially performed Work: LOCKHEED MARTIN may terminate part or all of this Contract for its convenience by giving written notice to SELLER. LOCKHEED MARTIN's only obligation shall be to pay SELLER a percentage of the price reflecting the percentage of the Work performed prior to the notice of termination, plus reasonable charges that SELLER can demonstrate to the satisfaction of LOCKHEED MARTIN, using generally accepted accounting principles, have resulted from the termination. SELLER shall not be paid for any Work performed