



LOCKHEED MARTIN CORPORATION

CORPDOC 2T&M

GENERAL PROVISIONS FOR TIME AND MATERIALS/LABOR HOUR SUBCONTRACTS/PURCHASE ORDERS FOR COMMERCIAL ITEM



any such amounts. Amounts assigned shall be subject to setoff or recoupment for any present or future claims of LOCKHEED MARTIN against SELLER. LOCKHEED MARTIN shall have the right to make settlements and/or adjustments in price without notice to any assignee financing institution.

4. CHANGES

(a) The LOCKHEED MARTIN Procurement Representative may at any time, by written notice, and without notice to sureties or assignees, make changes within the general scope of this Contract in any one or more of the following: (i) description of services; (ii) drawings, designs, or specifications; (iii) method of shipping or packing; (iv) place of inspection, acceptance, or point of delivery; (v) time of performance; and (vi) place of performance.

(b) If any such change causes an increase or decrease in any Hourly rate, the ceiling price, or the time required for performance of any part of the work under this Contract, whether or not changed by the order, or otherwise affects any other terms and conditions of this Contract, LOCKHEED MARTIN will make an equitable adjustment in any one or more of the following and will modify this Contract accordingly: (1) ceiling price, (2) Hourly rates, (3) delivery schedule and (4) other affected terms. Changes to the time of performance will be subject to a price adjustment only.

(c) SELLER must request any equitable adjustment under this clause within thirty (30) days from the date of receipt of the written change order from LOCKHEED MARTIN. If SELLER's proposed equitable adjustment includes the cost of property made obsolete or excess by the change, LOCKHEED MARTIN shall have the right to prescribe the manner of disposition of the property.

(d) Failure to agree to any adjustment shall be resolved in accordance with the "Disputes" clause of this Contract. However, nothing contained in this "Changes" clause shall excuse SELLER from proceeding without delay in the performance of this Contract as changed.

5. COMMUNICATION WITH LOCKHEED MARTIN CUSTOMER

SELLER shall not communicate with LOCKHEED MARTIN's customer or higher tier customer in connection with this Contract, except as expressly permitted by LOCKHEED MARTIN. This clause does not prohibit SELLER from communicating with the U.S. Government







(b) If LOCKHEED MARTIN and the Government perform inspection or tests on the premises of SELLER or a lower tier subcontractor, SELLER shall furnish and shall require lower tier subcontractors to furnish all reasonable facilities and assistance for the safe and convenient performance of these duties.

(c) Unless otherwise specified in this Contract, LOCKHEED MARTIN will accept or reject services and materials at the place of delivery as promptly as practicable after delivery, and they will be presumed accepted sixty (60) days after the date of delivery, unless accepted earlier.

(d) At any time during contract performance, but not later than six (6) months (or such other time as may be specified in thi
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(2) Employer's liability (EL) in the amount of \$1 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;

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(e) Overpayments/Underpayments. Each payment previously made shall be subject to reduction to the extent of amounts, on preceding invoices, that are found by LOCKHEED MARTIN not to have been properly payable and shall also be subject to reduction for overpayments or to increase for underpayments. SELLER shall promptly pay any such reduction within thirty (30) days unless the parties agree otherwise. LOCKHEED MARTIN within thirty (30) days will pay any such increases, unless the parties agree otherwise. If SELLER becomes aware of a duplicate invoice payment or that LOCKHEED MARTIN has otherwise overpaid on an invoice payment, SELLER shall--

(1) Remit the overpayment amount to the payment office cited in this Contract along with a description of the overpayment including the: circumstances of the overpayment (e.g., duplicate payment, erroneous payment, liquidation errors, date(s) of overpayment); affected contract/purchase order number, if applicable; affected contract line item or subline item, if applicable; and SELLER's point of contact.

(2) Provide a copy of the remittance and supporting documentation to LOCKHEED MARTIN's Procurement Representative.

(f) Upon receipt and approval of the invoice designated by SELLER as the "completion invoice" and supporting documentation, and upon compliance by SELLER with all terms of this Contract, any outstanding balances will be paid within thirty (30) days unless the parties agree otherwise. The completion invoice, and supporting documentation, shall be submitted by SELLER as promptly as practicable following completion of the Work under this Contract, but in no event later than six (6) months (or such longer period as the LOCKHEED MARTIN may approve in writing) from the date of completion.

(g) Release of claims. SELLER, and each assignee under an assignment entered into under this Contract and in effect at the time of final payment under this Contract, shall execute and deliver, at the time of and as a condition precedent to final payment under this Contract, a release discharging LOCKHEED MARTIN, its officers, agents, and employees of and from all liabilities, obligations, and claims arising out of or under this Contract, subject only to the following exceptions: (1) specified claims in stated amounts, or in estimated amounts if the amounts are not susceptible to exact statement by SELLER, (2) claims, together with reasonable incidental expenses, based upon the liabilities of SELLER to third parties arising out of performing this Contract, that are not known to SELLER on the date of the execution of the release, and of which SELLER gives notice in writing to the LOCKHEED MARTIN not more than five (5) years after the date of the release or the date of any notice to SELLER that LOCKHEED MARTIN is prepared to make final payment, whichever is earlier, and (3) Claims for reimbursement of costs (other than expenses of SELLER by reason of its indemnification of LOCKHEED MARTIN against patent liability), including reasonable incidental expenses, incurred by SELLER under the terms of this Contract relating to patents.

(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.

27. PRECEDENCE

Any inconsistencies in this Contract shall be resolved in accordance with the following descending order of precedence: (1) Face of the Purchase Order and/or Task Order, release document, or schedule, (including any continuation sheets), as applicable, including any special terms and conditions; (2) this CorpDoc; (3) any supplementary CorpDoc invoked in this Contract (CorpDoc A, B, C, or D series), and (4) the Statement of Work.



28. PRIORITY RATING

If so identified, this Contract is a "rated order" certified for national defense, emergency preparedness, and energy program use, and SELLER shall follow all the requirements of the Defense Priorities and Allocation System Regulation (15 C.F.R. Part 700).

29. QUALITY CONTROL SYSTEM

(a) SELLER shall provide and maintain a quality control system to an industry recognized Quality Standard and in compliance with any other specific quality requirements identified in this Contract.

(b) Records of all quality control inspection work by SELLER shall be kept complete and available to LOCKHEED MARTIN and its customers.

30. RELEASE OF INFORMATION

Except as otherwise provided in writing, SELLER shall not release, disseminate, or otherwise make available to any person any information, data, or documents that are classified, or that are the property of, Lockheed Martin or any of its subsidiaries, or that are the property of any other person, without the prior written consent of Lockheed Martin.



34. SURVIVABILITY

If this Contract expires, is completed, or is terminated, SELLER shall not be relieved of those obligations contained in the following clauses:

Applicable Laws
Counterfeit Work
Disputes
Electronic Contracting
Export Control
Indemnity
Information of Lockheed Martin
Insurance
Intellectual Property
Payments
Release of Information
Retention of Records
Use of Free, Libre and Open Source Software (FLOSS)
U. S. Government flowdown provisions that by their nature should survive.

35. TERMINATION FOR CONVENIENCE

(a) LOCKHEED MARTIN, reserves the right to terminate this Contract, or any part hereof, for its convenience. LOCKHEED MARTIN shall terminate by delivering to SELLER a Notice of Termination specifying the extent of termination and the effective date. In the event of such termination, SELLER shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this Contract, SELLER shall be paid a percentage of the Contract price reflecting the percentage of the Work performed prior to the notice of termination, plus reasonable charges SELLER can demonstrate to the satisfaction of LOCKHEED MARTIN using its standard record keeping system have resulted from the termination. SELLER shall not be paid for any Work performed or costs incurred which reasonably could have been avoided.

(b) In no event shall LOCKHEED MARTIN be liable for lost or anticipated profits, or unabsorbed indirect costs or overhead, or for any sum in excess of the total Contract price. SELLER's termination claim shall be submitted within ninety (90) days from the effective date of the termination.

(c) SELLER shall continue all Work not terminated.

36. TIMELY PERFORMANCE

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

(b) 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. This notification shall not change any delivery schedule.



(b) LOCKHEED MARTIN's approval of documents shall not relieve SELLER of its obligation to comply with the requirements of this Contract.

(c) The rights and remedies of either party in this Contract are cumulative and in addition to any other rights and remedies provided by law or in equity.

40. WORK ON LOCKHEED MARTIN AND THIRD PARTY PREMISES

(a) "Premises" as used in this clause means premises of LOCKHEED MARTIN, its customers, or other third parties where Work is being performed.

(b) SELLER shall ensure that SELLER personnel working on Premises comply with any on-premises policies and: (i) do not bring weapons of any kind onto Premises; (ii) do not manufacture, sell, distribute, possess, use or be under the influence of controlled substances or alcoholic beverages while on Premises; (iii) do not possess hazardous materials of any kind on Premises without LOCKHEED MARTIN's authorization; (iv) remain in authorized areas only; (v) do not conduct any non-LOCKHEED MARTIN related business activities (such as interviews, hirings, dismissals or personal solicitations) on Premises, (vi) do not send or receive non-LOCKHEED MARTIN related mail through LOCKHEED MARTIN's or third party's mail systems; (vii) do not sell, advertise or market any products or memberships, distribute printed, written or graphic materials on Premises without LOCKHEED MARTIN's written permission or as permitted by law; and (viii) follow instruction from LOCKHEED MARTIN in the event of an actual or imminent safety or environmental hazard on Premises.

(c) All persons, property, and vehicles entering or leaving Premises are subject to search.

(d) SELLER shall promptly notify LOCKHEED MARTIN and provide a report of any accidents or security incidents involving loss of or misuse or damage to LOCKHEED MARTIN, customer, or third party intellectual or physical assets, and all physical altercations, assaults, or harassment.

(e)(1) Prior to entry on Premises, SELLER shall coordinate with LOCKHEED MARTIN to gain access. SELLER shall provide information reasonably required by LOCKHEED MARTIN to ensure proper identification of personnel, including, but not limited to verification of citizenship, lawful permanent resident status, protected individual or other status.

(2) SELLER personnel requiring unescorted 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 period



(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.