

**LOCKHEED MARTIN CORPORATION**

**CORPDOC 2T&M**

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

**1. ACCEPTANCE OF CONTRACT/TERMS AND CONDITIONS**

(a) This Contract integrates, merges, and supersedes any prior offers, negotiations, and agreements concerning the subject matter hereof and constitutes the entire agreement between the parties.

(b) SELLER's acknowledgment, acceptance of payment, or commencement of performance, shall constitute SELLER's unqualified acceptance of this Contract.

(c) Unless expressly accepted in writing by LOCKHEED MARTIN, additional or differing terms or conditions proposed by SELLER or included in SELLER's acknowledgment are objected to by LOCKHEED MARTIN and have no effect.

(d) The headings used in this Contract are inserted for the convenience of the parties and shall not define, limit, or describe the scope or the intent of the provisions of this Contract.

**2. APPLICABLE LAWS**

(a) This Contract and any matter arising out of or related to this Contract shall be governed by the laws of the State from which this Contract is issued by LOCKHEED MARTIN, without regard to its conflicts of laws provisions, except that any provision in this Contract that is (i) incorporated in full text or by reference from the Federal Acquisition Regulation (FAR); or (ii) incorporated in full text or by reference from any agency regulation that implements or supplements the FAR or; (iii) that is substantially based on any such agency regulation or FAR provision, shall be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, boards of contracts appeals, and quasi-judicial agencies of the federal Government.

(b) SELLER, in the performance of this Contract, shall comply with all applicable local, state, and federal laws, orders, rules, regulations, and ordinances. SELLER shall procure all licenses/permits, pay all fees, and other required charges, and shall comply with all applicable guidelines and directives of any local, state, and/or federal governmental authority. SELLER, at its expense, shall provide reasonable cooperation to LOCKHEED MARTIN in conducting any investigation regarding the nature and scope of any failure by SELLER or its personnel to comply with applicable local, state, and federal laws, orders, rules, regulations, and ordinances that may affect the performance of SELLER's obligations under this Contract.

(c)(1) If: (i) LOCKHEED MARTIN's contract price or fee is reduced; (ii) LOCKHEED MARTIN's costs are determined to be unallowable; (iii) any fines, penalties, or interest are assessed on LOCKHEED MARTIN; or (iv) LOCKHEED MARTIN incurs any other costs or damages; as a result of any violation of applicable laws, orders, rules, regulations, or ordinances by 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 Item 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 Items under a U.S. Governmental 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.

(d) SELLER represents that each chemical substance constituting or contained in Work sold or otherwise transferred to LOCKHEED MARTIN hereunder is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Administration pursuant to the Toxic Substances Control Act (15 U.S.C. Sec. 2601 et seq.) as amended. SELLER shall make available to LOCKHEED MARTIN all Safety Data Sheets for any material provided to LOCKHEED MARTIN, or brought or delivered to LOCKHEED MARTIN or its customer's premises in the performance of this Contract, as required by applicable law such as the Occupational Safety and Health Act of 1970 and regulations promulgated thereunder.

(e) SELLER shall be responsible for compliance with all requirements and obligations relating to its employees under all local, state, and federal statutes, ordinances, rules, and obligations including, but not limited to, employer's obligations under laws relating to: income tax withholding and reporting; civil rights; equal employment opportunity; discrimination on the basis of age, sex, race, color, religion, disability, national origin, or veteran status; overtime; minimum wage; social security contribution and withholding; unemployment insurance; employer's liability insurance; worker's compensation; veteran's rights; and all other employment, labor, or benefits related laws.

(f) SELLER shall notify LOCKHEED MARTIN promptly in writing if a charge of noncompliance with any law addressing occupational health and safety or protection of the environment has been filed against SELLER in connection with the performance of this Contract.

(g) Equal Opportunity for Vietnam Era Veterans' Readjustment Assistance Act (VEVRAA) Protected Veterans. (1) The clause at 41 CFR 60-300.5(a) is incorporated herein by reference. The clause applies if this Contract is for \$100,000 or more, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to VEVRAA. As used in the clause, "contractor" means "SELLER." This clause applies in addition to FAR 52.222-35 if included in this Contract. (2) **LOCKHEED MARTIN and SELLER shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.**

(h) Equal Opportunity for Workers with Disabilities. (1) The clause at 41 CFR 60-741.5 is incorporated herein by reference. The clause applies if this Contract is in excess of \$10,000, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to section 503 of the act, as amended. As used in the clause, "contractor" means "SELLER." This clause applies in addition to FAR 52.222-36 if included in this Contract. (2) **LOCKHEED MARTIN and SELLER shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.**

### 3. ASSIGNMENT

Any assignment of SELLER's Contract rights or delegation of SELLER's duties shall be void, unless prior written consent is given by LOCKHEED MARTIN. Nevertheless, SELLER may assign rights to be paid amounts due, or to become due, to a financing institution if LOCKHEED MARTIN is promptly furnished a signed copy of such assignment reasonably in advance of the due date for payment of

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 with respect to (1) matters SELLER is required by law or regulation to communicate to the Government, (2) fraud, waste, or abuse communicated to a designated investigative or law 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 Government, or (4) any material matter pertaining to payment or utilization.

#### **6. CONTRACT DIRECTION**

(a) Only the LOCKHEED MARTIN Procurement Representative has authority on behalf of LOCKHEED MARTIN to make changes to this Contract. All amendments must be identified as such in writing and executed by the parties.

(b) LOCKHEED MARTIN engineering and technical personnel may from time to time render assistance or give technical advice or discuss or effect an exchange of information with SELLER's personnel concerning the Work hereunder. No such action shall be deemed to be a change under the "Changes" clause of this Contract and shall not be the basis for equitable adjustment.

(c) Except as otherwise provided herein, all notices to be furnished by SELLER shall be in writing and sent to the LOCKHEED MARTIN Procurement Representative.

## 7. COUNTERFEIT WORK

(a) The following definitions apply to this clause:

"Counterfeit Work" means Work that is or contains unlawful or unauthorized reproductions, substitutions, or alterations that have been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified part from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used Work represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics.

"Suspect Counterfeit Work" means Work for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the Work part is authentic.

(b) SELLER shall not deliver Counterfeit Work or Suspect Counterfeit Work to LOCKHEED MARTIN under this Contract.

(c) SELLER shall only purchase products to be delivered or incorporated as Work to LOCKHEED MARTIN directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. SELLER may use another source only if (i) the foregoing sources are unavailable, (ii) SELLER's inspection and other Counterfeit risk mitigation processes will be employed to ensure the authenticity of the Work, and (iii) SELLER obtains the advance written approval of LOCKHEED MARTIN.

(d) SELLER shall maintain counterfeit risk mitigation processes in accordance with industry recognized standards and with any other specific requirements identified in this Contract.

(e) SELLER shall immediately notify LOCKHEED MARTIN with the pertinent facts if SELLER becomes aware that it has delivered Counterfeit Work or Suspect Counterfeit Work. When requested by LOCKHEED MARTIN, SELLER shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM. SELLER, at its expense, shall provide reasonable cooperation to LOCKHEED MARTIN in conducting any investigation regarding the delivery of Counterfeit Parts or Suspect Counterfeit Parts 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.

## 8. 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.

(e) SELLER shall continue all Work not terminated or cancelled.

## 9. DEFINITIONS

The following terms shall have the meanings set forth below:

(a) "Contract" means the instrument of contracting, such as "Purchase Order", "PO", "Subcontract", or other such type designation, including these General Provisions, 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 such document) the term "Contract" shall also mean the Release document for the Work to be performed.

(b) "Direct materials" means those materials that enter directly into the end product, or that are used or consumed directly in connection with the furnishing of the end product or service.

(c) "FAR" means the Federal Acquisition Regulation, issued as Chapter 1 of Title 48, Code of Federal Regulations.

(d) "Hourly rate" means the rate(s) prescribed in this Contract for payment for labor that meets the labor category qualifications of a labor category specified in this Contract that are: (1) Performed by SELLER; (2) Performed by SELLER's lower tier subcontractors; or (3) Transferred between divisions, subsidiaries, or affiliates of SELLER under a common control.

(e) "LOCKHEED MARTIN" means LOCKHEED MARTIN CORPORATION, acting through its companies or business units as identified on the face of this Contract. If a subsidiary or affiliate of LOCKHEED MARTIN CORPORATION is identified on the face of this Contract, then "LOCKHEED MARTIN" means that subsidiary or affiliate.

(f) "LOCKHEED MARTIN Procurement Representative" means a person authorized by LOCKHEED MARTIN's cognizant procurement organization to administer and/or execute this Contract.

(g) "Materials" means: (1) Direct materials, including supplies transferred between divisions, subsidiaries, or affiliates of SELLER under a common control; (2) lower tier subcontracts for supplies and incidental services for which there is not a labor category specified in this Contract; (3) other direct costs (e.g., incidental services for which there is not a labor category specified in the contract, travel, computer usage charges, etc.); (4) lower tier subcontracts for services which are specifically excluded from the hourly rate as indicated in this Contract and (5) indirect costs specifically provided for in this Contract.

(h) "SELLER" means the party identified on the face of this Contract with whom LOCKHEED MARTIN is contracting.

(i) "Lower tier subcontract" means any contract entered into by SELLER with a subcontractor to furnish supplies or services for performance of this Contract including transfers between divisions, subsidiaries, or affiliates of a contractor or subcontractor. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.

(j) "Work" means all required labor, articles, materials, supplies, goods, and services constituting the subject matter of this Contract.

## 10. DISPUTES

(a) All disputes under this Contract that are not disposed of by mutual agreement may be decided by recourse to an action at law or in equity. **Each party hereby irrevocably waives, to the fullest extent permitted by applicable law, any 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.**

(b) Until final resolution of any dispute hereunder, SELLER shall diligently proceed with the performance of this Contract as directed by LOCKHEED MARTIN.

## 11. ELECTRONIC CONTRACTING

The parties agree that if this Contract is transmitted electronically neither party shall contest the validity of this Contract, or any acknowledgement thereof, on the basis that this Contract or acknowledgement contains an electronic signature.

## 12. EXPORT CONTROL

(a) SELLER shall comply with all applicable U.S. export control laws and economic sanctions laws and regulations, specifically including but not limited to the International Traffic in Arms Regulations (ITAR), 22 C.F.R. 120 et seq.; the Export Administration Regulations, 15 C.F.R. 730-774; and the Foreign Assets Control Regulations, 31 C.F.R. 500-598 (collectively, "Trade Control Laws"). Without limiting the foregoing, SELLER shall not transfer any export controlled item, technical data, technology, or service, including transfers to foreign persons employed by or associated with, or under contract to SELLER or SELLER's lower tier suppliers, unless authorized in advance by an export license (such as Technical Assistance Agreement (TAA) or Manufacturing License Agreement (MLA), license exception or license exemption, collectively, "Export Authorization"), as required.

(b) SELLER shall notify LOCKHEED MARTIN if any deliverable under this Contract is restricted by applicable Trade Control Laws. Before providing LOCKHEED MARTIN any item or data controlled under any of the Trade Control Laws, SELLER shall provide in writing to the LOCKHEED MARTIN Procurement Representative the export classification of any such item or controlled data (i.e. the export classification under the EAR, ITAR, EU List of Dual Use Items and Technology, Wassenaar Arrangement's List of Dual-Use Goods and Technologies or other applicable export control list) and shall notify the LOCKHEED MARTIN Procurement Representative

in writing of any changes to the export classification information of the item or controlled data. SELLER represents that an official authorized to bind the SELLER has determined that the SELLER or the designer, manufacturer, supplier or other source of the Work has properly determined their export classification.

(c) SELLER hereby represents that neither SELLER nor any parent, subsidiary or affiliate of SELLER is included on any of the restricted party lists maintained by the U.S. Government, including the Specially Designated Nationals List administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), Denied Parties List, Unverified List or Entity List maintained by the U.S. Commerce Department's Bureau of Industry and Security ("BIS"), or the List of Statutorily Debarred Parties maintained by the U.S. State Department's Directorate of Defense Trade Controls, or the consolidated list of asset freeze targets designated by the United Nations, European Union, and United Kingdom (collectively, "Restricted Party Lists"). SELLER shall immediately notify the LOCKHEED MARTIN Procurement Representative if SELLER, or any parent, subsidiary or affiliate of SELLER becomes listed on any Restricted Party List or if SELLER's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. or non-U.S. government entity or agency.

(d) If SELLER is engaged in the business of exporting manufacturing (whether exporting or not) or brokering defense articles or furnishing defense services, SELLER represents that it is and will continue to be registered with the Directorate of Defense Trade Controls, as required by the ITAR, and it maintains an effective export/import compliance program in accordance with the ITAR.

(e) Where SELLER is a party to or signatory under a LOCKHEED MARTIN Export Authorization, SELLER shall provide prompt notification to the LOCKHEED MARTIN Procurement Representative in the event of (1) changed circumstances including, but not limited to, ineligibility, a violation or potential violation of the ITAR or other applicable governmental restrictions, and the initiation or existence of a U.S. Government investigation, that could affect SELLER's performance under this Contract, or (2) any change by SELLER that might require LOCKHEED MARTIN to submit an amendment to an existing Export Authorization or request a new or replacement Export Authorization. SELLER shall provide to LOCKHEED MARTIN all information and documentation as may reasonably be required for LOCKHEED MARTIN to prepare and submit any required export license applications. Delays on SELLER's part to submit the relevant information for export licenses shall not constitute an excusable delay under this Contract.

(f) SELLER shall include paragraphs (a) through (d) and this paragraph (f) of this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or delivered as Work to LOCKHEED MARTIN. SELLER shall immediately notify LOCKHEED MARTIN upon learning that any lower tier subcontractor with which it engages has become listed on the Restricted Parties List.

**(g) SELLER shall be responsible for all losses, costs, claims, causes of action, damages, liabilities and expense, including attorney's fees, all expense of litigation and/or settlement, and court costs, arising from any act or omission of SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this clause.**

### **13. 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.

### **14. 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 property to which the Government may take title under this Contract.

#### **15. 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.

#### **16. INDEMNITY**

**SELLER shall defend, indemnify, and hold harmless LOCKHEED MARTIN, its officers, directors, employees, consultants, agents, affiliates, successors, permitted assigns and customers from and against all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorney's fees, all expenses of litigation and/or settlement, and court costs, arising from any act or omission of SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this Contract.**

#### **17. INDEPENDENT CONTRACTOR RELATIONSHIP AND SELLER PERSONNEL**

(a) SELLER's relationship to LOCKHEED MARTIN shall be that of an independent contractor and this Contract does not create an agency, partnership, or joint venture relationship between LOCKHEED MARTIN and SELLER or LOCKHEED MARTIN and SELLER personnel. Personnel supplied by SELLER hereunder shall be deemed employees of SELLER and shall not for any purposes be considered employees or agents of LOCKHEED MARTIN. SELLER assumes full responsibility for the actions and supervision of such personnel while performing services under this Contract. LOCKHEED MARTIN assumes no liability for SELLER personnel.

(b) Nothing contained in this Contract shall be construed as granting to SELLER or any personnel of SELLER rights under any LOCKHEED MARTIN benefit plan.

#### **18. INFORMATION ASSURANCE**

(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 to SELLER, its officers, employees, agents, suppliers, or subcontractors (an "Incident"), SELLER shall take appropriate immediate actions to investigate and contain the Incident and any associated risks, including notification within seventy-two (72) hours to LOCKHEED MARTIN after learning of the Incident. As used in this clause, "compromise" means that information has been exposed to unauthorized access, inadvertent disclosure, known misuse, loss, destruction, or alteration other than as required to perform the Work. SELLER shall provide reasonable cooperation to LOCKHEED MARTIN in conducting any investigation regarding the nature and scope of any Incident. Any costs incurred in investigating or remedying Incidents shall be borne by SELLER.

(c) Prior to commencement of Work, SELLER shall have a written agreement with each of its employees performing services hereunder sufficient to enable SELLER to comply with this Clause.

(d) LOCKHEED MARTIN INFORMATION provided to SELLER remains the property of LOCKHEED MARTIN. Within thirty (30) days of the expiration or termination of this Contract or upon the request of LOCKHEED MARTIN, SELLER shall return or certify the destruction of all LOCKHEED MARTIN INFORMATION and any reproductions, and SELLER shall promptly surrender all information or proprietary data developed by SELLER in performance of this Contract, unless its retention is authorized in writing by LOCKHEED MARTIN.

(e) Any LOCKHEED MARTIN provided information identified as proprietary or subject to restrictions on public disclosure by law or regulation shall be encrypted (i) if transmitted via the Internet, or (ii) during electronic storage if potentially accessible by the Internet or otherwise by non-authorized users.

(f) The provisions set forth above are in addition to and do not alter, change or supersede any obligations contained in a proprietary information agreement between the parties.

(g) DFARS 252.204-7012 applies to covered defense information if said clause is included in this Contract.

## **19. INFORMATION OF SELLER**

SELLER shall not provide any proprietary information to LOCKHEED MARTIN without prior execution of a proprietary information agreement by the parties.

## **20. INSPECTION AND ACCEPTANCE**

(a) LOCKHEED MARTIN and the Government have the right to inspect and test all materials furnished and services performed under this Contract, to the extent practicable at all places and times, including the period of performance, and in any event before acceptance. LOCKHEED MARTIN and the Government may also inspect the plant or plants of SELLER or any lower tier subcontractor engaged in contract performance. LOCKHEED MARTIN and the Government will perform inspections and tests in a manner that will not unduly delay the work.

(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 this Contract) after acceptance of the services or materials last delivered under this contract, LOCKHEED MARTIN may require SELLER to replace or correct services or materials that at time of delivery failed to meet contract requirements. Except as otherwise specified in paragraph (f) of this clause, the cost of replacement or correction shall be determined under the Payments clause of this Contract, but the "hourly rate" for labor hours incurred in the replacement or correction shall be reduced to exclude that portion of the rate attributable to profit. Unless otherwise specified in the pricing provisions of this Contract the portion of the "hourly rate" attributable to profit shall be ten (10) percent. SELLER shall not tender for acceptance materials and services required to be replaced or corrected without disclosing the former requirement for replacement or correction, and, when required, shall disclose the corrective action taken.

(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.

## **21. INSURANCE**

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

(1) Workers' compensation insurance meeting the statutory requirements where Work will be performed;

- (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;
  - (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.
- (b) SELLER shall provide LOCKHEED MARTIN thirty (30) days advance written notice prior to the effective date of any cancellation or change in the term or coverage of any of SELLER's required insurance, provided however such notice shall not relieve SELLER of its obligations to maintain the required insurance. SELLER shall have its' insurers name LOCKHEED MARTIN as an additional insured on the CGL and AL policies for the duration of this Contract. If requested, SELLER shall provide a "Certificate of Insurance" evidencing SELLER's compliance with these requirements. Insurance maintained pursuant to this clause shall be considered primary as respects the interest of LOCKHEED MARTIN and is not contributory with any insurance which LOCKHEED MARTIN may carry. "Subcontractor" as used in this clause shall include SELLER's subcontractors at any tier. SELLER's obligations herein for procuring and maintaining insurance coverage are freestanding and are not affected by any other language in this Contract.

## 22. INTELLECTUAL PROPERTY

- (a) SELLER warrants that the Work performed or delivered under this Contract will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country. SELLER shall defend, indemnify, and hold harmless LOCKHEED MARTIN, its officers, directors, employees, consultants, agents, affiliates, successors, permitted assigns and customers from and against all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorney's fees, all expenses of litigation and/or settlement, and court costs, arising out of any action by a third party that is based upon a claim that the Work performed or delivered under this Contract infringes or otherwise violates the intellectual property rights of any person or entity.**
- (b) In addition to the Government's rights in data and inventions, SELLER agrees that LOCKHEED MARTIN shall have a limited, irrevocable, nonexclusive, world-wide, royalty-free license to: (i) make, have made, sell, offer for sale, use, execute, reproduce, display, perform, distribute (internally or externally) copies of, and prepare derivative works of any inventions, discoveries, improvements, maskworks and patents as well as any and all data, copyrights, reports and works of authorship delivered in performance of this Contract, to the limited extent necessary for LOCKHEED MARTIN to make use of the Work performed or items delivered under this Contract in the performance of its contract obligations with its customer; and (ii) authorize others to do any, some or all of the foregoing.
- (c) The tangible medium storing copies of all reports, memoranda or other materials in written form including machine readable form, prepared by SELLER and furnished to LOCKHEED MARTIN pursuant to this Contract shall become the sole property of LOCKHEED MARTIN.
- (d) No other provision in this Contract, including but not limited to the Indemnity clause, shall be construed to limit the liabilities or remedies of the parties under this clause.

### **23. NEW MATERIALS**

The Work to be delivered hereunder shall consist of new materials, as defined in FAR 52.211-5, not used, or reconditioned, remanufactured, or of such age as to impair its usefulness or safety.

### **24. OFFSET CREDIT/COOPERATION**

This Contract has been entered into in direct support of LOCKHEED MARTIN's international offset programs. All offset benefit credits resulting from this Contract are the sole property of LOCKHEED MARTIN to be applied to the offset program of its choice. SELLER shall assist LOCKHEED MARTIN in securing appropriate offset credits from the respective country government authorities.

### **25. PACKING AND SHIPMENT**

(a) Unless otherwise specified, all Work is to be packed in accordance with good commercial practice.

(b) A complete packing list shall be enclosed with all shipments. SELLER shall mark containers or packages with necessary lifting, loading, and shipping information, including the LOCKHEED MARTIN Contract number, item number, dates of shipment, and the names and addresses of consignor and consignee. Bills of lading shall include this Contract number.

(c) Unless otherwise specified, delivery shall be FOB Place of Shipment.

### **26. PAYMENTS**

(1) Hourly rate. The amounts shall be computed by multiplying the appropriate hourly rates prescribed in this Contract by the number of direct labor hours performed. Fractional parts of an hour shall be payable on a prorated basis. The rates shall be paid for all labor performed on this Contract that meets the labor qualifications specified in this Contract. Labor hours incurred to perform tasks for which labor qualifications were specified in this Contract will not be paid to the extent the work is performed by individuals that do not meet the qualifications specified in this Contract, unless specifically authorized by LOCKHEED MARTIN's Procurement Representative. Invoices may be submitted once each month (or at more frequent intervals, if approved by LOCKHEED MARTIN) to LOCKHEED MARTIN. When requested by LOCKHEED MARTIN, SELLER shall substantiate invoices (including any lower tier subcontractor hours reimbursed at the hourly rate in this Contract) by evidence of actual payment, individual daily job timecards, records that verify the employees meet the qualifications for the labor categories specified in this Contract, or other substantiation specified in this Contract. Unless this Contract prescribes otherwise, the hourly rates in this Contract shall not be varied by virtue of SELLER having performed work on an overtime basis. If no overtime rates are provided in this Contract and LOCKHEED MARTIN approves overtime work in advance, overtime rates shall be negotiated. If this Contract provides rates for overtime, the premium portion of those rates will be reimbursable only to the extent the overtime is approved by LOCKHEED MARTIN.

(2) Materials. If SELLER furnishes materials that meet the definition of a commercial item at FAR 2.101, the price to be paid for such materials shall be SELLER's established catalog or market price, adjusted to reflect the quantities being acquired and any modifications necessary because of contract requirements. Except as provided for in this clause, LOCKHEED MARTIN will reimburse SELLER the actual cost of materials (less any rebates, refunds, or discounts received by SELLER that are identifiable to this Contract) provided SELLER has made payments for materials in accordance with the terms and conditions of the agreement or invoice, or makes these payments within thirty (30) days of the submission of SELLER's payment request to LOCKHEED MARTIN and such payment is in accordance with the terms and conditions of the agreement or invoice. To the extent able, SELLER shall obtain materials at the most advantageous prices available with due regard to securing prompt delivery of satisfactory materials, and give

credit to LOCKHEED MARTIN for cash and trade discounts, rebates, scrap, commissions, and other amounts that are identifiable to this Contract.

(3) Other Costs. Unless listed below and identified expressly in the pricing provisions of this Contract, other direct and indirect costs will not be reimbursed.

(i) Other Direct Costs. LOCKHEED MARTIN will reimburse SELLER on the basis of actual cost for costs identified as "other reimbursable direct costs" in this Contract, provided such costs comply with the requirements of this clause.

(ii) Other Indirect Costs (Material Handling, Subcontract Administration, etc.). LOCKHEED MARTIN will reimburse SELLER for indirect costs on a pro-rata basis over the period of contract performance at the fixed price identified in this Contract.

(b) Total cost. It is estimated that the total cost to LOCKHEED MARTIN for the performance of this Contract shall not exceed the ceiling price set forth in this Contract and SELLER agrees to use its best efforts to perform the work specified in this Contract and all obligations under this Contract within such ceiling price. If at any time SELLER has reason to believe that the hourly rate payments and material costs that will accrue in performing this Contract in the next succeeding thirty (30) days, if added to all other payments and costs previously accrued, will exceed eighty-five (85) percent of the ceiling price in this Contract, SELLER shall notify the Lockheed Martin giving a revised estimate of the total price to Lockheed Martin for performing this Contract with supporting reasons and documentation. If at any time during the performance of this Contract, SELLER has reason to believe that the total price to LOCKHEED MARTIN for performing this Contract will be substantially greater or less than the then stated ceiling price, SELLER shall so notify LOCKHEED MARTIN, giving a revised estimate of the total price for performing this Contract, with supporting reasons and documentation. If at any time during performance of this Contract, LOCKHEED MARTIN has reason to believe that the work to be required in performing this Contract will be substantially greater or less than the stated ceiling price, LOCKHEED MARTIN will so advise SELLER, giving the then revised estimate of the total amount of effort to be required under this Contract.

(c) Ceiling price. LOCKHEED MARTIN will not be obligated to pay SELLER any amount in excess of the ceiling price in this Contract, and SELLER shall not be obligated to continue performance if to do so would exceed the ceiling price set forth in this Contract, unless and until LOCKHEED MARTIN notifies SELLER in writing that the ceiling price has been increased and specifies in the notice a revised ceiling that shall constitute the ceiling price for performance under this Contract. When and to the extent that the ceiling price set forth in this Contract has been increased, any hours expended and material costs incurred by SELLER in excess of the ceiling price before the increase shall be allowable to the same extent as if the hours expended and material costs had been incurred after the increase in the ceiling price.

(d) Access to records. At any time before final payment under this Contract, LOCKHEED MARTIN and the Government will have access to the following:

(1) Records that verify that the employees whose time has been included in any invoice meet the qualifications for the labor categories specified in this Contract;

(2) For labor hours (including any subcontractor hours reimbursed at the hourly rate in this Contract), when timecards are required as substantiation for payment: the original timecards (paper-based or electronic); SELLER's timekeeping procedures; SELLER records that show the distribution of labor between jobs or contracts; and employees whose time has been included in any invoice for the purpose of verifying that these employees have worked the hours shown on the invoices.

(3) For material and subcontract costs that are reimbursed on the basis of actual cost: any invoices or subcontract agreements substantiating material costs; and any documents supporting payment of those invoices.

(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 required by law, no public release of any information, or confirmation or denial of same, with respect to this Contract or the subject matter hereof, will be made by SELLER or its subcontractors without the prior written approval of LOCKHEED MARTIN. SELLER shall not use "Lockheed Martin," "Lockheed Martin Corporation," or any other trademark or logo owned by LOCKHEED MARTIN, in whatever shape or form, without the prior written consent of LOCKHEED MARTIN.

## **31. RETENTION OF RECORDS**

Unless a longer period is specified in this Contract or by law or regulation, SELLER shall retain all records related to this Contract for three (3) years from the date of final payment received by SELLER. Records related to this Contract include, 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.

## **32. 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.

## **33. STOP WORK**

(a) SELLER shall stop Work for up to ninety (90) days in accordance with any written notice received from LOCKHEED MARTIN, or for such longer period of time as the parties may agree and shall take all reasonable steps to minimize the incurrence of costs allocable to the Work during the period of Work stoppage.

(b) Within such period, LOCKHEED MARTIN shall either terminate in accordance with the provisions of this Contract or continue the Work by written notice 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(s) affected by the Work stoppage, if applicable, provided that the claim for equitable adjustment is made within thirty (30) days after date of notice to continue.

### **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.



### 37. 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.

### 38. USE OF FREE, LIBRE AND OPEN SOURCE SOFTWARE (FLOSS)

(a) This clause only applies to Work that includes the delivery of software (including software residing on hardware).

(b) SELLER shall disclose to LOCKHEED MARTIN in writing any FLOSS that will be used or delivered in connection with this Contract and shall obtain LOCKHEED MARTIN's prior written consent before using or delivering such FLOSS in connection with this Contract. LOCKHEED MARTIN may withhold such consent in its sole discretion.

(c) As used herein, "FLOSS License" means the General Public License ("GPL"), Lesser/Library GPL, (LGPL), the Affero GPL (AGPL), the Apache license, the Berkeley Software Distribution ("BSD") license, the MIT license, the Artistic License (e.g., PERL), the Mozilla Public License (MPL), or variations thereof, including without limitation licenses referred to as "Free Software License", "Open Source License", "Public License", or "GPL Compatible License."

(d) As used herein, "FLOSS" means software that incorporates or embeds software in, or uses software in connection with, as part of, bundled with, or alongside any (1) open source, publicly available, or "free" software, library or documentation, or (2) software that is licensed under a FLOSS License, or (3) software provided under a license that (a) subjects the delivered software to any FLOSS License, or (b) requires the delivered software to be licensed for the purpose of making derivative works or be redistributable at no charge, or (c) obligates LOCKHEED MARTIN to sell, loan, distribute, disclose or otherwise make available or accessible to any third party (i) the delivered software, or any portion thereof, in object code and/or source code formats, or (ii) any products incorporating the delivered software, or any portion thereof, in object code and/or source code formats.

**(e) SELLER shall defend, indemnify, and hold harmless LOCKHEED MARTIN, its customers and suppliers from and against any claims, damages, losses, costs, and expenses, including reasonable attorney's fees, relating to use in connection with this Contract or the delivery of FLOSS. No other provision in this Contract, including but not limited to the Indemnity clause, shall be construed to limit the liabilities or remedies of the parties for the use of FLOSS in connection with this Contract or for the delivery of FLOSS under this Contract.**

### 39. WAIVERS, APPROVALS, AND REMEDIES

(a) Failure by either party to enforce any of the provisions of this Contract or applicable law shall not constitute a waiver of the requirements of such provisions or law, or as a waiver of the right of a party thereafter to enforce such provision or law.

(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 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.