LOCKHEED MARTIN

LOCKHEED MARTIN CORPORATION

CORPDOC 4C

FEDERAL ACQUISITION REGULATION (FAR) AND DEPARTMENT OF ENERGY ACQUISITION REGULATION (DEAR) FLOWDOWN PROVISIONS FOR COST REIMBURSEMENT AND T&M SUBCONTRACTS/PURCHASE ORDERS FOR NON-COMMERCIAL ITEMS UNDER A UNITED STATES DEPARTMENT OF ENERGY PRIME CONTRACT

A. INCORPORATION OF FAR AND DEAR CLAUSES

The FAR and DEAR clauses referenced below are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable, including any notes following the clause citation, to this Contract. If the date or substance of any of the clauses listed below is different from the date or substance of the clause actually incorporated in the Prime Contract referenced by number herein, the date or substance of the clause incorporated by said Prime Contract shall apply instead. The Contracts Disputes Act shall have no application to this Contract. Any reference to a "Disputes" clause shall mean the "Disputes" clause of this Contract.

B. GOVERNMENT SUBCONTRACT

(a) This Contract is entered into by the parties in support of a U.S. Government contract.

(b) As used in the DEAR clauses referenced below and otherwise in this Contract:

1. "Commercial Item" means a commercial item as defined in FAR 2.101.

2. "Contract" means this Contract.

3. "Contracting Officer" shall mean the U.S. Government Contracting Officer for LOCKHEED MARTIN's government prime contract under which this Contract is entered.

4. "Contractor" and "Offeror" means the SELLER, which is the party identified on the face of the Contract with whom Lockheed Martin is contracting, acting as the immediate subcontractor to LOCKHEED MARTIN.

5. "DOE" means the Department of Energy.

6. "FERC" means the Federal Energy Regulatory Commission.

7. "Head of Agency" means the Secretary, Deputy Secretary

8. "Prime Contract" means the contract between LOCKHEED MARTIN and the U.S. Government or between LOCKHEED MARTIN and its higher-tier contractor who has a contract with the U.S. Government.

9. "Subcontract" means any contract placed by SELLER or lower-tier subcontractors under this Contract.

C. NOTES

The following notes apply to the clauses incorporated by reference below only when specified in the parenthetical phrase following the clause title and date.

1. Substitute "LOCKHEED MARTIN" for "Government" or "United States" throughout this clause.

2. Substitute "LOCKHEED MARTIN Procurement Representative" for "Contracting Officer", "Administrative Contracting Officer", and "ACO" throughout this clause.

3. Insert "and LOCKHEED MARTIN" after "Government" throughout this clause.

4. Insert "or LOCKHEED MARTIN" after "Government" throughout this clause.

5. Communication/notification required under this clause from/to SELLER to/from the Contracting Officer shall be through LOCKHEED MARTIN.

6. Insert "and LOCKHEED MARTIN" after "Contracting Officer", throughout the clause.

7. Insert "or LOCKHEED MARTIN PROCUREMENT REPRESENTATIVE" after "Contracting Officer", throughout the clause.

8. If SELLER is an international contractor, this clause applies to this Contract only if Work under the Contract will be performed in the United States or Contractor is recruiting employees in the United States to Work on the Contract.

D. AMENDMENTS REQUIRED BY PRIME CONTRACT

SELLER agrees that upon the request of LOCKHEED MARTIN it will negotiate in good faith with LOCKHEED MARTIN relative to amendments to this Contract to incorporate additional provisions herein or to change provisions hereof, as LOCKHEED MARTIN may reasonably deem necessary in order to comply with the provisions of the applicable Prime Contract or with the provisions of amendments to such Prime Contract. If any such amendment to this Contract causes an increase or decrease in the cost of, or the time required for, performance of any part of the Work under this Contract, an equitable adjustment shall be made pursuant to the "Changes" clause of this Contract.

E. PRESERVATION OF THE GOVERNMENT'S RIGHTS

If LOCKHEED MARTIN furnishes designs, drawings, special tooling, equipment, engineering data, or other technical or proprietary information (Furnished Items) which the U. S. Government owns or has the right to authorize the use of, nothing herein shall be construed to mean that LOCKHEED MARTIN, acting on its own behalf, may modify or limit any rights the Government may have to authorize SELLER's use of such Furnished Items in support of other U. S. Government prime contracts.

F. PROVISIONS OF THE FEDERAL ACQUISITION REGULATION INCORPORATED BY REFERENCE

The following FAR clauses apply to this Contract:

FAR 52.203-6 RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT (SEP 2006) (Applies if this Contract exceeds $150,000.)

FAR 52.203-12 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (OCT 2010) (Applies if this Contract exceeds $150,000.)

FAR 52.203-13 CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT (APR 2010) (Applies if this Contract exceeds 5,000,000 and the period of performance is more than 120 days. Disclosures made under this clause shall be made directly to the Government entities identified in the clause.)

FAR 52.203-14 DISPLAY OF HOTLINE POSTER(S) (DEC 2007) (Applies if this Contract exceeds 5,000,000. Contact Lockheed Martin Procurement Representative for the location where posters may be contained if not indicated elsewhere in the Contract. Note 8 applies.)

FAR 52.203-17 CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013) (Applies if this Contract exceeds $150,000.)

FAR 52.204-2 SECURITY REQUIREMENTS (AUG 1996) (Applies if the Work requires access to classified information. If SELLER is an educational institution and performing a cost-reimbursement contract, Alternate I applies.)

FAR 52.204-9 PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL (JAN 2011) (Applies where SELLER will have physical access to a federally-controlled facility or access to a Federal information system.)

FAR 52.204-10 REPORTING EXECUTIVE COMPENSATION AND FIRST-TIER SUBCONTRACT AWARDS (JUL 2013) (Subparagraph (d)(2) does not apply. If SELLER meets the thresholds specified in paragraphs (d)(3) and (g)(2) of the clause, SELLER shall report required executive compensation by posting the information to the Government's Central Contractor Registration (CCR) database. All information posted will be available to the general public.)

FAR 52.209-6 PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (AUG 2013) (Applies if this Contract exceeds $30,000. Copies of notices provided by SELLER to the Contracting Officer shall be provided to LOCKHEED MARTIN.)

FAR 52.211-5 MATERIAL REQUIREMENTS (AUG 2000) (Note 2 applies.)

FAR 52.215-2 AUDIT AND RECORDS-NEGOTIATION (OCT 2010) (Applies if this Contract exceeds $150,000. Note 3 applies. Alternate II applies if SELLER is an educational or non-profit institution.)

FAR 52.215-10 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA (AUG 2011) (Applies if submission of certified cost or pricing data is required. Notes 2 and 4 apply except the first time "Contracting Officer" appears in paragraph (c)(1). "Government" means "LOCKHEED MARTIN" in paragraph (d)(1). Rights and obligations under this clause shall survive completion of the Work and final payment under this Contract.)

FAR 52.215-11 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA - MODIFICATIONS (AUG 2011) (Applies if submission of certified cost or pricing data is required for modifications. Notes 2 and 4 apply except the first time "Contracting Officer" appears in

paragraph (d)(1). "Government" means "LOCKHEED MARTIN" in paragraph (e)(1). Rights and obligations under this clause shall survive completion of the Work and final payment under this Contract.)

FAR 52.215-12 SUBCONTRACTOR COST OR PRICING DATA (OCT 2010) (Applies if this Contract exceeds $700,000 and is not otherwise exempt under FAR 15.403.)

FAR 52.215-13 SUBCONTRACTOR COST OR PRICING DATA - MODIFICATIONS (OCT 2010) (Applies if this Contract exceeds $700,000 and is not otherwise exempt under FAR 15.403.)

FAR 52.215-14 INTEGRITY OF UNIT PRICES (OCT 2010) (Applies if this Contract exceeds $150,000. Delete paragraph (b) of the clause.)

FAR 52.215-15 PENSION ADJUSTMENTS AND ASSET REVERSIONS (OCT 2010) (Applies if this Contract meets the applicability requirements of FAR 15.408(g). Note 5 applies.)

FAR 52.215-16 FACILITIES CAPITAL COST OF MONEY (JUN 2003) (Applies only if this Contract is subject to the Cost Principles at FAR Subpart 31.2 and SELLER proposed facilities capital cost of money in its offer.)

FAR 52.215-17 WAIVER OF FACILITIES CAPITAL COST OF MONEY (OCT 1997) (Applies only if this Contract is subject to the Cost Principles at FAR Subpart 31.2 and SELLER did not propose facilities capital cost of money in its offer.)

FAR 52.215-18 REVERSION OR ADJUSTMENT OF PLANS FOR POST-RETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS (JUL 2005) (Applicable if this Contract meets the applicability requirements of FAR 15.408(j). Note 5 applies.)

FAR 52.215-19 NOTIFICATION OF OWNERSHIP CHANGES (OCT 1997) (Applies if this Contract meets the applicability requirements of FAR 15.408(k). Note 5 applies.)

FAR 52.215-20 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA (OCT 2010) (Note 2 applies in paragraph (a)(1).)

FAR 52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA - MODIFICATIONS (OCT 2010) (Note 2 applies in paragraphs (a)(1) and (b).)

FAR 52.215-23 LIMITATION ON PASS-THROUGH CHARGES (OCT 2009) Applies if this is a cost-reimbursement subcontract in excess of $150,000, except if the prime contract to which this contract relates is with DoD, then the clause applies to both cost-reimbursement subcontracts and fixed-price subcontracts, except those identified in 15.408(n)(2)(i)(B)(2), that exceed $700,000. Notes 4 and 6 apply.)

FAR 52.216-7 ALLOWABLE COST AND PAYMENT (JUN 2013) (Note 1 applies except in except in paragraphs (a)(3) and (b)(1)(ii)(F) where note 3 applies. Note 2 applies except in paragraph (g) where note 7 applies. The blank in paragraph (a)(3) is completed with "the 30th" unless otherwise specified in this Contract. Paragraphs (a)(2), (b)(4), and (d)(4) are deleted. In paragraph (h) "six years" is changed to "5 years." The references to government entities in paragraph (d) are unchanged. Does not apply to labor hour contracts. For time and materials contracts, applies on to the material portion of the contract).

FAR 52.216-8 FIXED FEE (JUN 2011) (Applies only if this Contract includes a fixed fee. Notes 1 and 2 apply. Delete the last two sentences of the clause. Does not apply if this is a labor hour or time and materials contract.)

FAR 52.216-10 INCENTIVE FEE (JUN 2011) (Applies only if this Contract includes an incentive fee. Notes 1 and 2 apply, except in paragraphs (e)(4)(v) and (e)(4)(vi) where "Government" is unchanged. Subparagraph (e)(4)(iv) and the last two sentences of paragraph (c)(2) are deleted. The amounts in paragraph (e) are set forth on the face of the Contract) Does not apply if this is a labor hour or time and materials contract.).

FAR 52.216-11 COST CONTRACT - NO FEE (APR 1984) (Applies only if this Contract is placed on a cost reimbursement - no fee basis. Notes 1 and 2 apply. Does not apply if this is a labor hour or time and materials contract.))

FAR 52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS (JUL 2013) (Note 8 applies.)

FAR 52.219-9 SMALL BUSINESS SUBCONTRACTING PLAN (JUL 2013) (Applies if this Contract exceeds $650,000 except the clause does not apply if SELLER is a small business concern. Note 2 is applicable to paragraph (c) only. SELLER's subcontracting plan is incorporated herein by reference. Note 8 applies.)

FAR 52.222-2 PAYMENT FOR OVERTIME PREMIUMS (JUL 1990) (Insert Zero in the blank. Notes 2 and 3 apply.)

FAR 52.222-4 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT - OVERTIME COMPENSATION (JUL 2005) (Applies if the Contract may require or involve the employment of laborers and mechanics. Note 8 applies.)

FAR 52.222-21 PROHIBITION OF SEGREGATED FACILITIES (FEB 1999) (Note 8 applies.)

FAR 52.222-26 EQUAL OPPORTUNITY (MAR 2007) (Note 8 applies.)

FAR 52.222-35 EQUAL OPPORTUNITY FOR VETERANS (SEP 2010) (Applies if this Contract is for $100,000 or more. Note 8 applies.)

FAR 52.222-36 AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (OCT 2010) (Applies if this Contract exceeds $15,000. Note 8 applies.)

FAR 52.222-37 EMPLOYMENT REPORTS ON VETERANS (SEP 2010) (Applies if this Contract is for $100,000 or more. Note 8 applies.)

FAR 52.222-40 NOTIFICATION OF EMPLOYEE RIGHTS UNDER THE NATIONAL LABOR RELATIONS ACT (DEC 2010) (Applies if this Contract exceeds $10,000. Note 8 applies.)

FAR 52.222-41 SERVICE CONTRACT ACT OF 1965 (NOV 2007) (Applies if this Contract is for services subject to the Service Contract Act. The clause does not apply if this Contract has been administratively exempted by the Secretary of Labor or exempted by 41 U.S.C. 356, as interpreted in Subpart C of 29 CFR Part 4. Note 8 applies.)

FAR 52.222-50 COMBATING TRAFFICKING IN PERSONS (FEB 2009) (Note 2 applies. In paragraph (e) Note 3 applies.)

FAR 52.222-54 EMPLOYMENT ELIGIBILITY VERIFICATION (AUG 2013) (Applies if this Contract exceeds $3,000 except for commercial services that are part of the purchase of a COTS item (or an item that would be a COTS item, but for minor modifications), performed by the COTS provider, and are normally provided for that COTS item. Note 8 applies.)

FAR 52.223-3 HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA (JAN 1997) (Applies if this Contract involves hazardous material. Notes 2 and 3 apply, except for paragraph (f) where Note 4 applies.)

FAR 52.223-7 NOTICE OF RADIOACTIVE MATERIALS (JAN 1997) (Applies to Work containing covered radioactive material. In the blank insert "30". Notes 1 and 2 apply.)

FAR 52.223-11 OZONE-DEPLETING SUBSTANCES (MAY 2001) (Applies if the Work was manufactured with or contains ozone-depleting substances.)

FAR 52.223-18 ENCOURAGING CONTRACTOR POLICIES TO BAN TEXT MESSAGING WHILE DRIVING (AUG 2011) (Applies if this Contract exceeds $3,000. Note 8 applies.)

FAR 52.225-1 BUY AMERICAN ACT -- SUPPLIES (FEB 2009) (Applies if the Work contains other than domestic components. Note 2 applies to the first time "Contracting Officer" is mentioned in paragraph (c).)

FAR 52.225-5 TRADE AGREEMENTS (NOV 2013) (Applies if the Work contains other than U.S. made or designated country end products as specified in the clause.)

FAR 52.225-8 DUTY FREE ENTRY (OCT 2010) (Applies if Work will be imported into the Customs Territory of the United States. Note 2 applies.)

FAR 52.225-13 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (JUN 2008)

FAR 52.227-1 AUTHORIZATION AND CONSENT (DEC 2007) (Applies only if the Prime Contract contains this clause.)

FAR 52.227-2 NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT (DEC 2007) (Applies if this Contract exceeds $150,000. Notes 2 and 4 apply.)

FAR 52.227-9 REFUND OF ROYALTIES (APR 1984) (Applies when reported royalty exceeds $250. Note 1 applies except for the first two times "Government" appears in paragraph (d). Note 2 applies.)

FAR 52.227-10 FILING OF PATENT APPLICATIONS-CLASSIFIED SUBJECT MATTER (DEC 2007) (Applies if the Work or any patent application may cover classified subject matter.)

FAR 52.227-11 PATENT RIGHTS-OWNERSHIP BY THE CONTRACTOR (DEC 2007) (Applies if this Contract includes, at any tier, experimental, developmental, or research Work and SELLER is a small business concern or domestic nonprofit organization. Reports required by this clause shall be filed with the agency identified in this Contract. If no agency is identified, contact the LOCKHEED MARTIN Procurement Representative identified on the face of this Contract. FAR 52.227-13 applies in lieu of this clause if SELLER is not located in the United States or does not have a place of business located in the United States or is subject to the control of a foreign government.)

FAR 52.227-13 PATENT RIGHTS - OWNERSHIP BY THE GOVERNMENT (DEC 2007) (Applies if this Contract is for experimental, developmental or research work and SELLER is not located in the United States or does not have a place of business located in the United States or is subject to the control of a foreign government. Paragraph (g) is deleted. If not otherwise included in this Contract, the name and address of the contracting officer may be obtained from LOCKHEED MARTIN's authorized representative.)

FAR 52.227-14 RIGHTS IN DATA - GENERAL (DEC 2007) (Does not apply if DFARS 252.227-7013 applies).

FAR 52.228-5 INSURANCE -- WORK ON A GOVERNMENT INSTALLATION (JAN 1997) (Applies if this Contract involves Work on a Government installation. Note 2 applies. Note 4 applies to paragraph (b). Unless otherwise specified by this Contract, the minimum kinds and amount of insurance shall be as described in FAR 28.307-2.)

FAR 52.230-2 COST ACCOUNTING STANDARDS (MAY 2012) (Applies only when referenced in this Contract that full CAS coverage applies. "United States" means "United States or LOCKHEED MARTIN." Delete paragraph (b) of the clause.)

FAR 52.230-3 DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES (MAY 2012) (Applies only when referenced in this Contract that modified CAS coverage applies. "United States" means "United States or LOCKHEED MARTIN." Delete paragraph (b) of the clause.)

FAR 52.230-4 DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES FOR CONTRACTS AWARDED TO FOREIGN CONCERNS (MAY 2012) (Applies only when referenced in this Contract, modified CAS coverage applies. Note 3 applies in the second and third sentences.)

FAR 52.230-5 COST ACCOUNTING STANDARDS -- EDUCATIONAL INSTITUTIONS (MAY 2012) (Applies only when referenced in this Contract that this CAS clause applies. "United States" means "United States or LOCKHEED MARTIN." Delete paragraph (b) of the clause.)

FAR 52.230-6 ADMINISTRATION OF COST ACCOUNTING STANDARDS (JUN 2010) (Applies if FAR 52.230-2, FAR 52.230-3, FAR 52.230-4 or FAR 52.230-5 applies.)

FAR 52.232-7 PAYMENTS UNDER TIME-AND-MATERIALS AND LABOR-HOUR CONTRACTS (AUG 2012) (Applies if this is a labor hour or time and materials prime contract. Notes 1 and 2 apply. The third sentence of paragraph (a)(8) is deleted. In paragraph (f) "one year" is changed to "six months," and in paragraph (g)(2) "6 years" is changed to "five years." Paragraphs (c) and (i) are deleted.)

FAR 52.232-20 LIMITATION OF COST (APR 1984) (Applies if this is a fully funded cost reimbursement Contract. Notes 1 and 2 apply.)

FAR 52.232-22 LIMITATION OF FUNDS (APR 1984) (Applies if this Contract is an incrementally funded cost reimbursement Contract. Notes 1 and 2 apply.)

FAR 52.232-40 PROVIDING ACCELERATED PAYMENTS TO SMALL BUSINESS SUBCONTRACTORS (DEC 2013) (Applies if SELLER is a small business concern. Note 1 applies. This clause does not apply if LOCKHEED MARTIN does not receive accelerated payments under the prime contract. Not all agencies provide accelerated payments.)

FAR 52.233-3 PROTEST AFTER AWARD (AUG 1996) (In the event LOCKHEED MARTIN's customer has directed LOCKHEED MARTIN to stop performance of the Work under the Prime Contract under which this Contract is issued pursuant to FAR 33.1, LOCKHEED MARTIN may, by written order to Contractor, direct Contractor to stop performance of the Work called for by this Contract. "30 days" means "20 days" in paragraph (b)(2). Note 1 applies except the first time "Government" appears in paragraph (f). In paragraph (f) add after "33.104(h) (1)" the following: "and recovers those costs from LOCKHEED MARTIN". Alternate I (JUN 1985) applies in this is a cost-reimbursement contract).

FAR 52.234-1 INDUSTRIAL RESOURCES DEVELOPED UNDER DEFENSE PRODUCTION ACT TITLE III (DEC 1994) (Notes 1 and 2 apply.)

FAR 52.237-2 PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT AND VEGETATION (APR 1984) (Applies if Work is performed on a Government installation. Note 2 applies. Note 4 applies to the second time "Government" appears in the clause.)

FAR 52.242-13 BANKRUPTCY (JUL 1995) (Notes 1 and 2 apply.)

FAR 52.242-15 STOP-WORK ORDER (AUG 1989) (Notes 1 and 2 apply. Alternate I (APR 1984) applies if this is a cost-reimbursement contract.)

FAR 52.243-2 CHANGES - COST REIMBURSEMENT (AUG 1987) (Notes 1 and 2 apply. Applies if this is a cost-reimbursement contract.)

FAR 52.243-3 CHANGES - TIME-AND-MATERIALS OR LABOR-HOURS (SEP 2000) (Notes 1 and 2 apply. Applies if this is a labor hour or time and materials contract.)

FAR 52.243-6 CHANGE ORDER ACCOUNTING (APR 1984) (Applies if the Prime Contract requires Change Order Accounting. Note 2 applies.)

FAR 52.244-5 COMPETITION IN SUBCONTRACTING (DEC 1996)

FAR 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS (DEC 2013)

FAR 52.245-1 GOVERNMENT PROPERTY (APR 2012) (ALT I) (APR 2012) ("Contracting Officer" means "LOCKHEED MARTIN" except in the definition of Property Administrator and in paragraphs (h)(1)(iii) where it is unchanged, and in paragraphs (c) and (h)(4) where it includes LOCKHEED MARTIN. "Government" is unchanged in the phrases "Government property" and "Government furnished property" and where elsewhere used except in paragraph (d)(1) where it means "LOCKHEED MARTIN" and except in paragraphs (d)(2) and (g) where the term includes LOCKHEED MARTIN. The following is added as paragraph (n) "SELLER shall provide to LOCKHEED MARTIN immediate notice if the Government or other customers (i) revokes its assumption of loss under any direct contracts with SELLER, or (ii) makes a determination that SELLER's property management practices are inadequate, and/or present an undue risk, or that SELLER has failed to take corrective action when required.")

FAR 52.246-3 INSPECTION OF SUPPLIES - COST REIMBURSEMENT (MAY 2001) (Applies if this is a cost-reimbursement contract. Note 1 applies, except in paragraphs (b), (c), and (d) where Note 3 applies, and in paragraph (k) where the term is unchanged. In paragraph (e), change "60 days" to "120 days", and in paragraph (f) change "6 months" to "12 months".)

FAR 52.246-5 INSPECTION OF SERVICES - COST REIMBURSEMENT (APR 1984) (Applies if this is a cost-reimbursement contract. Note 3 applies in paragraphs (b) and (c). Note 1 applies in paragraphs (d) and (e).)

FAR 52.246-6 INSPECTION TIME-AND-MATERIAL AND LABOR-HOUR (MAY 2001) (Applies if this is a labor hour or time and material contract. In paragraphs (b),(c),(d), Note 3 applies; in paragraphs (e),(f),(g),(h), Note 1 applies.)

FAR 52.247-63 PREFERENCE FOR U.S.-FLAG AIR CARRIERS (JUN 2003) (Applies if this Contract involves international air transportation.)

FAR 52.247-64 PREFERENCE FOR PRIVATELY OWNED U.S. FLAG COMMERCIAL VESSELS (FEB 2006)

FAR 52.247-67 SUBMISSION OF TRANSPORTATION DOCUMENTS FOR AUDIT (FEB 2006) (Applies is this is a cost reimbursement contract and transportation will be reimbursed as a direct charge to the Contract. Note 5 applies. Delete subparagraph (a)(2).)

FAR 52.248-1 VALUE ENGINEERING (FEB 2000) (Applies if this Contract exceeds $150,000. Note 1 applies, except in paragraphs (c)(5), where Note 3 applies and except in (b)(3) where Note 4 applies, and where "Government" precedes "cost" throughout. Note 2 applies. In paragraph (m) "Government is unchanged." Also, "Government" does not mean "LOCKHEED MARTIN" in the phrase "Government costs.")

FAR 52.249-5 TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (EDUCATIONAL AND OTHER NONPROFIT INSTITUTIONS (SEP 1996) (Applies in lieu of far 52.249-6 if this Contracts is for research and development work with an educational or nonprofit institution on a no-profit or no-fee basis. Seller is a educational or nonprofit institution. .Notes 1 and 2 apply. In paragraph (c) "120 days" is changed to "60 days." In paragraph (d) "1 year" is changed to "6 months" In paragraph (e) "1 year" is changed to "6 months." Paragraph (h) is deleted. Settlements and payments under this clause may be subject to the approval of the Contracting Officer.)

FAR 52.249-6 TERMINATION (COST-REIMBURSEMENT) (MAY 2004) (Notes 1 and 2 apply. Substitute "90 days" for "120 days" and "90-day" for "120-day" in paragraph (d). Substitute "180 days" for "1 year" in paragraph (f). In paragraph (j) "right of appeal", "timely appeal" and "on an appeal" shall mean the right to proceed under the "Disputes" clause of this Contract. Settlements and payments under this clause may be subject to the approval of the Contracting Officer. Alternate IV (SEP 1996) applies if this is a labor hour or time and materials contract.)

FAR 52.249-14 EXCUSABLE DELAYS (APR 1984) (Note 2 applies; Note 1 applies to (c). In (a)(2) delete "or contractual".)

G. PROVISIONS OF THE DEPARTMENT OF ENERGY ACQUISITION REGULATION INCORPORATED BY REFERENCE

The following DEAR clauses apply to this Contract:

DEAR 952.203-70 WHISTLEBLOWER PROTECTION FOR CONTRACTOR EMPLOYEES (DEC 2000)

DEAR 952.204-2 SECURITY (MAR 2011) (Applies if this Contract involves classified information. Replaces FAR 52.204-2.)

DEAR 952.204-70 CLASSIFICATION/DECLASSIFICATION (AUG 2009) (Applies if this Contract involves classified information.)

DEAR 952.204-71 SENSITIVE FOREIGN NATIONS CONTROLS (MAR 2011) (Applies if this Contract is for unclassified research which may involve making information about nuclear technology available to certain sensitive foreign nations as indicated in DOE Order 1240.2. Note 2 apply. In paragraph (a), substitute "40 days" for "60 days" in the second sentence.)

DEAR 952.204-73 FACILITY CLEARANCE (MAR 2011) (SELLER shall submit the certifications covered by this clause directly to the DOE contracting officer identified by LOCKHEED MARTIN. A copy shall also be provided to LOCKHEED MARTIN.)

DEAR 952.204-77 COMPUTER SECURITY (AUG 2006) (Applies if SELLER will have access to computers owned, leased or operated on behalf of the DOE.)

DEAR 952.208-70 PRINTING (APRIL 1984) (Note 2 applies.)

DEAR 952.209-72 ORGANIZATIONAL CONFLICTS OF INTEREST (JUN 1997) and (ALT I) (Applies if this Contract exceeds $150,000 and is for advisory and assistance services. In paragraphs (c)(I), delete "The Department" and substitute in lieu of "LOCKHEED MARTIN". In paragraph (c)(2), delete "DOE" and substitute in lieu of "LOCKHEED MARTIN". The required disclosure shall be provided to the LOCKHEED MARTIN Procurement Representative. Note 2 applies. Note 3 applies in paragraph (f).Note 4 applies to paragraph (c), (d) and (e).)

DEAR 952.226-74 DISPLACED EMPLOYEE HIRING PREFERENCE (JUN 1997) (Applies if this contract exceeds $500,000.)

DEAR 952.227-11 PATENT RIGHTS - RETENTION BY THE CONTRACTOR (SHORT FORM) (FEB 1995) (Applies if this Contract includes, at any tier, experimental, developmental, or research work to be performed by a small business firm or domestic non-profit organization. This clause replaces FAR 52.227-11.)

DEAR 952.227-13 PATENT RIGHTS - ACQUISITION BY THE GOVERNMENT (SEP 1997) (Applies if the contract is for experimental, developmental, or research work and SELLER is other than a small business firm or domestic nonprofit organization.)

DEAR 952.227-14 RIGHTS IN DATA-GENERAL (FEB 1998) (This clause supplements FAR 52.227-14.)

DEAR 952.227-82 RIGHTS TO PROPOSAL DATA (APR 1994) (This clause replaces FAR 52.227-23.)

DEAR 952.250-70 NUCLEAR HAZARDS INDEMNITY AGREEMENT (JUN 1996) (Applies if this Contract involves the risk of public liability, as defined by the Atomic Energy Act and described in paragraph (d)(2). This clause is not applicable if SELLER is subject to Nuclear Regulatory Commission (NRC) financial protection requirements or NRC agreements of indemnification.)

H. CERTIFICATIONS AND REPRESENTATIONS

SELLER acknowledges that LOCKHEED MARTIN will rely upon SELLER certifications and representations, including representations as to business size and socio-economic status as applicable, contained in this clause and in any written offer, proposal or quote, or company profile submission, which results in award of a contract to SELLER. By entering into such contract, SELLER republishes the certifications and representations submitted with its written offer, including company profile information, and oral offers/quotations made at the request of LOCKHEED MARTIN, and SELLER makes those certifications and representations set forth below. SELLER shall immediately notify LOCKHEED MARTIN of any change of status regarding any certification or representation.

1. FAR 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (Applicable to solicitations and contracts exceeding $150,000)

(a) Definitions. As used in this provision--

"Lobbying contact" has the meaning provided at 2 U.S.C. 1602(8).

The terms "agency," "influencing or attempting to influence," "officer or employee of an agency," "person," "reasonable compensation," and "regularly employed" are defined in the FAR clause of this solicitation entitled "Limitation on Payments to Influence Certain Federal Transactions" (52.203-12).

(b) Prohibition. The prohibition and exceptions contained in the FAR clause of this solicitation entitled "Limitation on Payments to Influence Certain Federal Transactions" (52.203-12) are hereby incorporated by reference in this provision.

(c) Certification. SELLER hereby certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on its behalf in connection with the awarding of this contract.

(d) Disclosure. If any registrants under the Lobbying Disclosure Act of 1995 have made a lobbying contact on behalf of the offeror with respect to this contract, SELLER shall complete and submit, with its offer, to LOCKHEED MARTIN OMB Standard Form LLL, Disclosure of Lobbying Activities, to provide the name of the registrants. SELLER need not report regularly employed officers or employees of the offeror to whom payments of reasonable compensation were made.

(e) Penalty. Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by 31 U.S.C. 1352. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure required to be filed or amended by this provision, shall be subject to a civil penalty of not less than $10,000, and not more than $100,000, for each such failure.

2. FAR 52.209-5 Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters

(a)(1) SELLER certifies, to the best of its knowledge and belief, that--

(i) SELLER and/or any of its Principals--

(A) Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;

(B) Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property;

(C) Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subdivision (a)(1)(i)(B) of this provision; and

(ii) SELLER has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

(D) Have not, within a three-year period preceding this offer, been notified of any delinquent Federal taxes in an amount that exceeds $3,000 for which the liability remains unsatisfied.

(1) Federal taxes are considered delinquent if both of the following criteria apply:

(i) The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.

(ii) The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.

(2) Examples. (i) The taxpayer has received a statutory notice of deficiency, under I.R.C. Sec. 6212, which entitles the taxpayer to seek Tax Court review of a proposed tax deficiency. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek Tax Court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(ii) The IRS has filed a notice of Federal tax lien with respect to an assessed tax liability, and the taxpayer has been issued a notice under I.R.C. Sec. 6320 entitling the taxpayer to request a hearing with the IRS Office of Appeals contesting the lien filing, and to further appeal to the Tax Court if the IRS determines to sustain the lien filing. In the course of the hearing, the taxpayer is entitled to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek tax court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(iii) The taxpayer has entered into an installment agreement pursuant to I.R.C. Sec. 6159. The taxpayer is making timely payments and is in full compliance with the agreement terms. The taxpayer is not delinquent because the taxpayer is not currently required to make full payment.

(iv) The taxpayer has filed for bankruptcy protection. The taxpayer is not delinquent because enforced collection action is stayed under 11 U.S.C. 362 (the Bankruptcy Code).

(2) Principal, for the purposes of this certification, means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a division, or business segment; and similar positions).

(b) SELLER shall provide immediate written notice to LOCKHEED MARTIN if, at any time prior to contract award, SELLER learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

(c) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that SELLER knowingly rendered an erroneous certification, in addition to other remedies available, LOCKHEED MARTIN may terminate this contract for default.

3. FAR 52.222-22 Previous Contracts and Compliance Reports

(a) SELLER represents that if SELLER has participated in a previous contract or subcontract subject to the Equal Opportunity clause (FAR 52.222-26): (1) SELLER has filed all required compliance reports and (2) that representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

(b) Paragraph (a) applies only to the extent (1) SELLER performs work in the United States, or (2) recruits employees in the United States to Work on this Contract.

4. FAR 52.222-25 Affirmative Action Compliance

(a) SELLER represents: (1) that SELLER has developed and has on file at each establishment, Affirmative Action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (2) that in the event such a program does not presently

exist, SELLER will develop and place in operation such a written Affirmative Action Compliance Program within one-hundred twenty (120) days from the award of this Contract.

(b) Paragraph (a) applies only to the extent (1) SELLER performs work in the United States, or (2) recruits employees in the United States to Work on this Contract.