



PURCHASE ORDER CLAUSES

PACKAGING SPECS

A list of the packaging specs are located at the following URL under the link titled "packaging specs".
https://supplinet.external.lmco.com/supplinet/main/bu_info/site_7742/ms_corpdocs.cfm
 Each of the packaging specs listed are hot-linked to a PDF file outlining the requirements.

PT02 REPAIR/REWORK SELLER RESPONSIBILITY

SELLER responsibility.

PT03 REPAIR/REWORK LOCKHEED MARTIN RESPONSIBILITY

LOCKHEED MARTIN responsibility.

PT0C T's AND C's ATTACHMENT 3C

Purchase Order Terms and Conditions Attachment 3C, dated 4/98, including representations and certifications if this order is issued under a U.S. Government Prime Contract, is incorporated herein, and although not attached, applies to this order. By accepting this order Seller acknowledges prior receipt of Att 3C. If this order is issued under a U.S. Government Prime Contract, Seller also certifies those representations and certifications are current, accurate and complete. Compliance with all "laws" and "regulations" referred to in Clause 6 of Att 3C includes, but is not limited to, U.S. export control laws and regulations as indicated in the following Export Control clause: EXPORT CONTROL (a) Sales or purchases of products and services may involve the transfer of export-controlled commodities or data to foreign persons; or they may require discussions, technical interchanges, meetings, etc., addressing export-controlled data with foreign persons. Export of commodities or technical data from the U.S. or disclosure of technical data to any foreign person may require some form of Export License from the U.S. Government. Failure to obtain necessary Export Licenses may result in criminal liability. (b) Seller represents and warrants that, except as allowed under applicable U.S. laws and regulations, no technical data furnished to it hereunder shall be disclosed by it to any foreign national, firm, or country, including foreign nationals employed by or associated with Seller nor shall Seller re-export any technical data without first complying with all requirements of such U.S. laws and regulations. Seller shall first obtain the written consent of Buyer prior to submitting any request for authority to export any such technical data. Seller shall hold Buyer harmless for all claims, demands, damages, costs, fines, penalties, attorney's fees, and all other expenses arising from its failure to comply with this clause or any U.S. law or regulation. (c) All suppliers of services to Buyer must comply with applicable U.S. export laws and regulations. For services provided to Buyer involving export-controlled data, suppliers must (i) be U.S. persons and supply a U.S. person to perform Buyer's work; or (ii) obtain appropriate export licensing for non-U.S. persons to perform Buyer's work. If you need a copy of Att 3C contact the Lockheed Martin Procurement Representative issuing this order or you may obtain Att 3C at https://supplinet.external.lmco.com/supplinet/main/bu_info/site_7742/ms_corpdocs.cfm

PT0F T's AND C's ATTACHMENT 3F

Purchase Order Terms and Conditions Attachment 3F, dated 4/98, including representations and certifications required under U.S. Government Prime Contracts is incorporated herein, and although not attached, applies to this order. By accepting this order Seller acknowledges prior receipt of Att 3F and certifies those representations and certifications are current, accurate and complete.

Compliance with all "laws" and "regulations" referred to in Clause 21 of Att 3F includes, but is not limited to, U.S. export control laws and regulations as indicated in the following Export Control clause: EXPORT CONTROL (a) Sales or purchases of products and services may involve the transfer of export-controlled commodities or data to foreign persons; or they may require discussions, technical interchanges, meetings, etc., addressing export-controlled data with foreign persons. Export of commodities or technical data from the U.S. or disclosure of technical data to any foreign person may require some form of Export License from the U.S. Government. Failure to obtain necessary Export Licenses may result in criminal liability. (b) Seller represents and warrants that, except as allowed under applicable U.S. laws and regulations, no technical data furnished to it hereunder shall be disclosed by it to any foreign national, firm, or country, including foreign nationals employed by or associated with Seller nor shall Seller re-export any technical data without first complying with all requirements of such U.S. laws and regulations. Seller shall first obtain the written consent of Buyer prior to submitting any request for authority to export any such technical data. Seller shall hold Buyer harmless for all claims, demands, damages, costs, fines, penalties, attorney's fees, and all other expenses arising from its failure to comply with this clause or any U.S. law or regulation. (c) All suppliers of services to Buyer must comply with applicable U.S. export laws and regulations. For services provided to Buyer involving export-controlled data, suppliers must (i) be U.S. persons and supply a U.S. person to perform Buyer's work; or (ii) obtain appropriate export licensing for non-U.S. persons to perform Buyer's work. If you need a copy of Att 3F contact the Lockheed Martin Procurement Representative issuing this order or you may obtain Att 3F at https://supplinet.external.lmco.com/supplinet/main/bu_info/site_7742/ms_corpdocs.cfm

PT1M MILESTONE PAYMENTS T'S AND C'S

1. DEFINITION. MILESTONE PAYMENTS are billing arrangements which result in periodic payments of portions of a total fixed price effort to a supplier upon the verified accomplishments of milestone events as shown in the Exhibit called out in the purchase order. 2. REQUIREMENTS FOR PAYMENT. Payments will be made under this purchase order upon submission of invoices by the Seller which are supported by written evidence of completion of milestone tasks listed in the Exhibit called out in the purchase order, and approval of these documents by LOCKHEED MARTIN. In addition, each invoice must contain a statement that Seller certifies the milestone being billed has been fully accomplished. The invoice shall be annotated "Milestone Billing" and submitted against the purchase order number. The amount of the invoice plus all payments previously approved shall not exceed ninety percent (90%) of the price of this purchase order. The final ten percent (10%) of the price of this purchase order will be withheld pending final acceptance of all deliverables and services to the satisfaction of LOCKHEED MARTIN. 3. MAXIMUM PAYMENT. On completion or termination of this purchase order, LOCKHEED MARTIN shall deduct from the amount due to the Seller all previous milestone payments. If previous payments to the Seller exceed the amount due, the excess amount shall be paid to LOCKHEED MARTIN on demand. For purposes of this clause, the purchase order price shall be considered to be the stated purchase order price, less any subsequent price reductions, plus any price increases resulting from any terms of this purchase order. 4. REPORTS AND ACCESS TO RECORDS. At LOCKHEED MARTIN'S option, Seller will allow a mutually agreed upon independent auditor to have access to reports, certificates, financial statements, and other pertinent information reasonably requested by the auditor for administration of this clause. Also, the Seller shall give the auditor reasonable opportunity to examine and verify the Seller's books, records, accounts and

physical inventory. LOCKHEED MARTIN shall bear the cost for the independent auditor. Such records shall be maintained by Seller for three (3) years from the date of the purchase order completion.

Lockheed Martin" for "United States" as applicable throughout this clause; 52.230-6, the language shall not change.

PT1N MISCELLANEOUS

ONLY the IWTA Administrator may authorize changes to this IWTA. Companies incurring expenses that are not authorized by the IWTA Administrator do so at their own risk.

PT1Q CHANGES NOT TO EXCEED SUBMITTAL

Prior to the issuance of a change order under this Contract, LOCKHEED MARTIN may solicit from the SELLER written agreement as to the maximum (in the case of an increase) adjustments to be made in the price and/or in the delivery schedule (or time of performance), by reason of the change. LOCKHEED MARTIN may also solicit such agreement on limitations on the adjustments to any other provisions of the Contract which may be subject to equitable adjustment by reason of the change. The SELLER shall promptly submit a "not-to-exceed" amount or maximum schedule adjustment when so requested by LOCKHEED MARTIN. Any such written agreement shall then be cited in the change order and upon its issuance shall be deemed to become part of the Contract. In no event shall the definitive equitable adjustment exceed the maximum price and/or delivery schedule (or time of performance) adjustments so established, nor otherwise be inconsistent with other adjustment limitations so established. Except with respect to such limitations, nothing contained herein shall affect the right of the Parties to an equitable adjustment by reason of the change, pursuant to this clause.

PT1V GOVERNMENT FURNISHED MATERIAL

Government Furnished Material as defined in FAR 45.301 and described on the face of this contract is being provided for use under this contract. The Government Property clause called out in the terms and conditions applies to this furnished material.

PT1W CUSTOMER FURNISHED MATERIAL

Customer Furnished Material as defined herein and described on the face of this contract is being provided for use under this contract. Material means property that may be incorporated into or attached to a deliverable end item or that may be consumed or expended in performing a contract. It includes assemblies, components, parts, raw and processed materials, and small tools and supplies that may be consumed in normal use in performing a contract. The Furnished Property clause called out in the terms and conditions applies to this furnished material.

PT1X SPECIAL TEST EQUIPMENT, SPECIAL TOOLING AND/OR SUPPORT EQUIPMENT

This procurement includes equipment, parts, components, materials and related services (deliverable and non-deliverable) acquired for use as Special Test Equipment, Special Tooling, and/or Support Equipment.

PT20 EXPLOSIVES

Explosive.

PT2A COST ACCOUNTING STANDARDS/ADMINISTRATION OF COST ACCOUNTING STANDARDS

The clauses at FAR 52.230-2, Cost Accounting Standards, except for paragraph (b), and FAR 52.230-6, Administration of Cost Accounting Standards, are incorporated herein by reference as if fully set forth herein. In 52.230-2 substitute "United States or

PT2B DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES/ADMINISTRATION OF COST ACCOUNTING STANDARDS

The clauses at FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices, except for paragraph (b), and FAR 52.230-6, Administration of Cost Accounting Standards, are incorporated herein by reference as if fully set forth herein. In 52.230-3 substitute "United States or Lockheed Martin" for "United States" as applicable throughout this clause; 52.230-6, the language shall not change.

PT2C CONSISTENCY IN COST ACCOUNTING PRACTICES

The clause at FAR 52.230-4, Consistency in Cost Accounting Practices is incorporated herein by reference as if fully set forth herein. The definitions in Corpdocs 3 or 4 shall apply except the term "U.S. Government" shall mean "Lockheed Martin or the United States Government"; the last reference to "United States Government" shall not change. This clause is applicable only if this purchase order will be substantially performed in the United Kingdom (UK) by a UK supplier.

PT2D DD254 REQUIREMENTS

DD254 requirements must be fulfilled prior to the initiation of any activity directed towards the fulfillment of this procurement.

PT2E CLASSIFIED PROCUREMENT

CLASSIFIED PROCUREMENT.

PT2F SECRET PROCUREMENT

SECRET PROCUREMENT.

PT2G TOP SECRET PROCUREMENT

TOP SECRET PROCUREMENT.

PT2H PROPERTY TAG REQUIRED

Property Tag Required.

PT31 DRY NITROGEN STORAGE

Storage in a dry-nitrogen environment required upon receipt.

PT39 PRICE TO BE NEGOTIATED

Price to be negotiated.

PT43 PROGRESS PAYMENT INVOICES

Invoices submitted for progress payments in accordance with PO Attachment 21 or 22 must be \$2500 or more.

PT48 LETTER PURCHASE ORDER

This is a letter purchase order.

PT53 TOOL CERTIFICATION

Seller to complete attached Seller Tool Certification and return to Lockheed Martin.

PT62 SHIPPING SCHEDULE CHANGE

Shipping schedule change, 'Lockheed Martin Responsibility.'

The clause contained in FAR 52.245-17 is incorporated herein by reference and is modified as follows: Substitute "Lockheed Martin's Procurement Representative" for "Contracting Officer" throughout the clause, except for paragraph (b). Substitute "Lockheed Martin" for "Government" or "United States" in paragraphs (d)(1), (d)(3) and in (m) where "Government" appears the last time and in paragraph (f)(1). In paragraph (j) change "180 days" to "240 days" and "90 days" to "150 days". In (j)(ii) remove "prime" before "Contractor" in the last sentence.

PT65 PAYMENT/LABOR AND MATERIAL

Bill labor and material separately, material only subject to sales tax.

PT69 PO CHANGE NOTICE CANCELLATION

This purchase order/subcontract/IWTA is cancelled in its entirety at no charge to LOCKHEED MARTIN.

PT6B REFERENCES TO LOCKHEED MARTIN

All references to "Lockheed", "Lockheed Missiles & Space Company, Inc.", "LMSC", "Lockheed Martin Missiles & Space", "LMMS", "Lockheed Martin Space Systems Company, Missiles & Space Operations", or "LMSSC-MSO" in this Purchase Order, its attachments or exhibits, shall mean "Lockheed Martin Corporation acting by and through Lockheed Martin Space Systems company – Sunnyvale with offices at 1111 Lockheed Martin Way, Sunnyvale, CA 94088-3504."

PT6D GOVERNMENT AND LOCKHEED MARTIN PROPERTY

A. As used within this clause, the term "property" means "special test equipment" and "special tooling" as defined in FAR 45.101. If this order is placed under a Government contract, all special test equipment and special tooling (other than that subject to a special tooling clause), the cost of which is included in this order, shall upon payment therefore, be considered delivered and become the property of the Government. If this order is not placed under a Government contract, such property upon payment therefore, shall become the property of Buyer. B. Title to and the right of immediate possession of all such property furnished by Buyer to Seller shall remain in Buyer except that title to such property identified as Government property shall remain in the Government. Buyer does not guarantee the accuracy or the quality of any property supplied by it. C. Seller shall identify all Government or Buyer property as Government or Buyer property, as appropriate. Seller shall identify all property by showing (i) the Government contract number, if one is indicated on this order, and Buyer's purchase order number and (ii) Buyer's name, part number and tool code number, or property tag provided with this order. D. The Government and Buyer shall at all reasonable times have access to the premises of Seller wherein any Government or Buyer property is located for the purpose of inspecting such property. Seller shall not modify or reidentify such property without written consent of Buyer. Seller agrees to furnish an inventory of all property as required by Buyer. Such property shall be subject at all times to disposition as Buyer may direct. E. Upon the happening of loss or destruction of or damage to Government or Buyer property, Seller shall notify Buyer thereof, shall take all reasonable steps to protect the property from further damage, and shall furnish to Buyer a statement of (i) the lost, destroyed, or damaged property, (ii) the time and origin of the loss, destruction or damage, and (iii) all known interest in commingled property. Seller shall take such action with respect to the damaged property as Buyer may direct. F. Upon delivery to Seller of Government or Buyer property provided under this order and upon passage of title to the Government or Buyer of property acquired by Seller for use in performance of this order, Seller assumes the risk of, and shall be responsible for, any loss of or damage to such Government or Buyer property except for reasonable wear and tear.

PT6E PAYMENT/SELLER TOOL CERT

Payment for the acquisition, modification, repair, or re-identification of special test equipment and special tooling covered by this order will be due and payable upon receipt and acceptance by Buyer of (i) a properly documented Seller Tool Certification, and (ii) an acceptable sample or production part, if required, or upon inspection and acceptance of first article as provided in this order.

PT6F SPECIAL TOOLING/FAR 52.245-17

PT6H PROPERTY ADMINISTRATION AND PERIODIC SUMMARY INVENTORY REPORTING

A. Seller shall comply with provisions of "Management of Government Property in Possession of Contractors" (FAR 45.5) as in effect on the date of this order, which provisions are hereby incorporated by reference and made part of this order, and are modified by paragraph B. below. B. Seller shall maintain the official property records as required under paragraph A. above, and shall conduct a physical inventory of special tooling and special test equipment at least annually, unless prescribed otherwise in Seller's established procedures, or upon completion of this order, whichever occurs first. Upon completion of such inventory, Seller shall provide Buyer, within a reasonable time, a report containing (1) the number of items and dollar value accountable under this order; and (2) a list of discrepancies including identification and dollar value of each discrepant item accountable under this order.

PT6L CHANGE DELIVERY SCHEDULE

Change delivery schedule to a later date. Seller responsibility.

PT6M SHIPPING SCHEDULE CHANGE

Change shipping schedule to an earlier date. Seller responsibility.

PT70 PRICE CHANGE

Price change.

PT71 NO PRICE CHANGE

No price change.

PT73 PART NUMBER/REV CHANGE

To change Part Number and/or Part Number change letter and/or internal accountability.

PT74 DOCK/SHIP TO ADDRESS CHANGE

To change dock code and/or deliver-to address and/or ship-to address.

PT75 CHANGE TEST REPORTS/CERTS/PKG SPECS

To change test report and/or certification and/or packaging spec.

PT76 CHANGE QUALITY REQUIREMENTS

To change Product Assurance and/or use code and/or source inspection requirements.

PT77 VRIC INCORPORATION

To incorporate a vendor request for information or change (VRIC).

PT78 DESC/SPECIFICATION CHANGE

To change description and/or specifications.

PT79 CHANGE PRIME/PRIORITY RATING

To change resale callout and/or prime contract and/or priority-rating.

PT80 CHANGE QTY ORDERED/QTY SCHEDULED
To change the total quantity ordered and/or revise the quantity scheduled.

PT81 CORRECT PRICE ERROR
To correct price error.

PT82 CHANGE UNIT PRICE/EXT PRICE/PRICING QTY
To change pricing quantity and/or unit price and/or extraneous charge.

PT83 CHANGE INVOICE TERMS
To change invoice terms and/or trade discount.

PT84 CHANGE CONSIGNMENT VALUE/FUND AUTH/NTE
To change consigned value and/or not-to-exceed price and/or funding authorization.

PT85 CHANGE PO ATTACH & SPEC INSTRUCTIONS
To add PO attachments and/or special instructions to Seller.

PT86 INCORPORATING ENG CHANGES
To incorporate engineering changes.

PT87 CHANGE INCO (FOB/VIA)
To change FOB and/or ship VIA.

PT90 NOTICE OF TERMINATION
Notice of termination.

PT91 STOP WORK/HOLD
To stop-work and/or hold production.

PT92 EXTEND TERMINATION DATE
To extend automatic termination date.

PT93 EST. FIRM NEG PRICE
To establish a firm negotiated price.

PT96 CHANGE SPECIAL INSTRUCTIONS
This Purchase Order Change Notice is issued to incorporate the changes noted in Special Instructions to Seller.

PT97 CHANGE OTHER
Purchase order change notices.

PT98 CHANGE TYPOGRAPHICAL ERROR
Purchase order change notices.

PT9P FACILITY PROCUREMENT
This is LOCKHEED MARTIN building and construction procurement.

PTAD NON DISCLOSURE AGREEMENT
Government employees shall not be required to sign a non-disclosure agreement or any document as a condition to gaining access to a Subcontractor's (or any tier Subcontractor's or Supplier's)

data and other information needed to perform their official duties. In addition, Government employees shall not be required to furnish personal or biographical information or documents as a condition to gaining access to a Subcontractor's (or any tier Subcontractor's or Supplier's data) and other information needed to perform their official duties. Pursuant to the Trade Secrets Act, 18 U.S.C. §1905, Government employees are prohibited from making unauthorized disclosures of a Subcontractor's (or any tier Subcontractor's or Supplier's) proprietary information.

PTAH FAR 52.222.29 NOTIFICATION OF VISA DENIAL (APR 1984 DEVIATION)

In the clause entitled "Notification of Visa Denial (Apr 1984)", delete the second sentence and in lieu thereof insert: "The Contractor agrees to notify the U.S. Department of State, Assistant Secretary, Bureau of Political-Military Affairs (PM), 2201 C Street NW, Room 7325, Washington, DC 20520, and the Deputy Assistant Secretary of Federal Contract Compliance Programs, when it has knowledge of any employee or potential employee being denied an entry visa to a country in which the Contractor is required to perform this contract, and it believes the denial is attributable to the race, color, religion, sex, or national origin of the employee or potential employee."

PTAQ STATEMENT OF WORK 501

Upon acceptance of the parts via Quality Assurance Supplier Activity Report (QUASAR) by the Product Quality Assurance Representative (PQAR), the material shall be delivered to bonded stores and managed in accordance with the Advance Procurement Statement of Work (SOW) 501. Material will be accounted for annually on the Storage & Surveillance or Storage Only Purchase Order (PO).

PTG4 SPECIAL HANDLING

Temperature control required upon receipt.

PTHA HEALTH SAFETY CRN REQUIRED

Restricted for health/safety reasons. Approval required. Chemical record number (CRN) required,

PTHC HAZ MATL CRN REQUIRED

Hazardous material. Chemical record number (CRN) required.

PTHZ HAZARDOUS WASTE MANAGEMENT

Restricted for hazardous waste management/pollution prevention (HW/MPP). Approval required, use of chemical record number (CRN) required.

PTK1 TERMINATION SETTLEMENT

Seller agrees to accept amount set forth on this Purchase Order Change Notice (POCN) as "Termination Settlement" as full and final settlement for this terminated Purchase Order (PO). Seller waives and releases Buyer and U.S. Government (if applicable) from any and all claims and liabilities arising out of performance of and termination of this PO.

PTLY CONFIGURATION MANAGEMENT CLASS II CHANGES

Seller shall provide notification and visibility into Class II changes. Class II changes are changes to design specification, configuration, material, part or manufacturing process that do not affect form, fit, function, weight, safety, reliability, or center of gravity of the end item. All proposed Class II changes shall be submitted for Buyer notification via Form 1879, Vendor (Supplier) Request for Information or Change (VRIC), which may be obtained from Buyer.

PTN1 DD250 SHIPPING AND MARKING INSTRUCTIONS

Completed DD250 is required for Government Buyoff. DD250 Shipping and Marking Instructions for this order are contained on the enclosed LOCKHEED MARTIN Form 9031A.

PTSB INSURANCE

Supplier shall maintain the following types of insurance in not less than the following minimum amounts and shall require its subcontractors to maintain similar kinds and levels of insurance for any subtler subcontracted activity related to this Agreement:

Commercial General Liability Insurance including Contractual Liability Coverage and Products-Completed Operations Liability Coverage:
Combined Single Limit of \$1,000,000 per occurrence:

Automobile Liability Insurance:
Combined Single Limit of \$1,000,000 per occurrence:

Worker's Compensation: Statutory Limits in the State(s) of Work Performance.
to include Employer's Liability limit of: \$1,000,000

Special Conditions Applicable to All the Above Insurance Policies:

- (a) Lockheed Martin shall be named an additional insured on the Commercial General Liability Insurance Policy(ies) and Automobile Liability Insurance Policy(ies) maintained to comply with the foregoing, but solely with respect to liabilities arising out of the acts or omissions of the Supplier, its officers employees or agents in performance of this Agreement.
- (b) Policies shall provide that insurance is primary with respect to the interests of Lockheed Martin and are not contributory with any insurance Lockheed Martin may carry.
- (c) All deductible amounts applicable to Supplier's insurance policies shall be borne by the Supplier, or its subcontractors, at any tier.
- (d) Prior to the commencement of any activity under this Agreement, Supplier shall furnish to Lockheed Martin Certificates of insurance evidencing the existence of the above insurance with companies approved to do business in the state(s) where work will be performed and satisfactory to Lockheed Martin. All Certificates of Insurance shall provide that the Certificate Holder will be notified of any cancellation or material change in coverage 30 days prior to such cancellation or change in the policy(ies).

The foregoing requirements as to the types and limits of insurance coverage to be maintained by Supplier are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by the Supplier under this Agreement, or limit or alter other contract terms and conditions herein.

PTSE PAYMENT OF LIENS

Seller agrees to pay promptly, when due, all wages of laborers and employees as well as all bills for materials, equipment, and supplies used in the performance of this Purchase Order, together with all claims of any subcontractors. Seller further agrees to indemnify Buyer and hold it harmless from and against any and all liability for liens and claims related to the performance of the work hereunder including, but not limited to, subcontractor's and materialman's liens, claims for labor, services, materials, equipment and supplies, and Seller agrees to immediately discharge and pay any and all such liens and claims upon notice thereof.

PTSP SELLER REWORK TO BE NEGOTIATED

Seller is to perform only that work required to provide Buyer with a detailed failure analysis and diagnosis report (when such a report is required by this order) and an itemized breakdown of repair charges prior to the establishment of a firm price by a change to this order.

PTSQ SELLER REWORK NOT TO EXCEED

Seller is to perform only that work required to provide Buyer with a detailed failure analysis and diagnosis report (when such a report is required by this order) and an itemized breakdown of repair charges. If such charges will exceed the "Not to Exceed" price on the face of this order, a Purchase Order Change Notice establishing a firm price must be obtained prior to proceeding with repair. If, however, repair charges will not exceed said "Not to Exceed" price, Seller shall proceed with repair and when such charges are invoiced by Seller and paid by Buyer, they shall be considered the firm price agreed upon without issuance of a change to this order, and Buyer shall not be obligated to make any further payment hereunder.

PTSR SELLER REWORK NO CHARGE

Seller is to perform only that work required to provide detailed failure analysis and to determine cost of repair. If failure analysis indicates that responsibility for failure rests with Seller, repair or replacement is to be accomplished by Seller at "No Charge". If such responsibility is deemed to rest with Buyer, Seller shall submit a detailed failure analysis and diagnosis report to establish such responsibility together with an itemized breakdown of repair charges. If such charges will exceed a total of \$500 or 60% of replacement cost, whichever is less, authorization to proceed with repair must be obtained from Buyer prior to the commencement of repair; however, if repair charges will not exceed such total, Seller shall proceed with repair without such prior authorization. If Buyer's review of Seller's failure analysis supports Seller's determination of Buyer responsibility, a Purchase Order Change Notice will be issued to cover the cost of repair; otherwise, an equitable settlement shall be negotiated between Seller and Buyer. If such settlement results in determination of partial responsibility on the part of Buyer, a Purchase Order Change Notice will be issued to cover an applicable portion of the cost of repair.

PTSS DATA REQUIREMENTS SDRL

All the technical data and report requirements of this Purchase Order are set forth in the Supplier Data Requirements List and incorporated herein. In case of difference or conflict between the Data Requirements List and the Terms and Conditions, the latter shall govern. Nothing in any other documents or specifications made a part hereof shall be construed as altering such data and report requirements in any way.

PTSV GOVERNMENT BILL OF LADING

Shipment of item(s) on this order requires the use of a Government Bill of Lading. Seller shall contact the Buyer's Traffic organization, telephone (408) 742-0973, at least two weeks before expected shipping date (minimum time required for preparation of GBL) for instructions.

PTSW MATERIAL CONSIGNED TO BUYER

This order covers items or material consigned to Buyer for trial or loan at no charge. No billing is to be made by Supplier without Buyer's specific approval. Consignment of material, or data relating to it, shall not establish or constitute a submission in confidence, and Buyer assumes no obligation to protect such information or prevent its disclosure to third parties. Buyer's sole obligation shall be for the damage to or destruction of supplier's property due to the negligence of Buyer, its officers, employees, agents or representatives.

PTSZ RENT-FREE USE OF GOVERNMENT PROPERTY

Prices and delivery schedules for this order are based on rent-free noninterference use of Government property listed and covered by contract(s) as shown, on the face of this order. Seller, to the extent it

is authorized by appropriate Government authority to do so, may use such property on a noninterference basis in the performance of work under this order. In the event the Seller's authority to use the property is limited or terminated by the Government, and such action affects the ability of the Seller to perform this order in accordance with its terms and conditions, then an equitable adjustment in the prices or delivery schedules, or both, as appropriate, shall be made in accordance with the procedures of the Changes clause of this order. Seller certifies that it has not directly or indirectly, through overhead charges or otherwise, included in the price of this Purchase Order any rental charge for the use of the property referred to herein.

PTUN PATENT RIGHTS ACQUISITION BY THE GOVT

The clause in FAR 52.227-13 is incorporated herein by reference except the term "contract" shall mean "purchase order"; "Contractor" shall mean "Seller"; "subcontract" shall mean "lower-tier subcontract"; and "Subcontractor" shall mean "lower-tier Subcontractor".

PTW2 CALIFORNIA WITHHOLDING TAX

A. In the absence of one of the exemptions stated below or upon receipt of a Notice to Withhold, Lockheed Martin shall withhold and transmit to the California State Franchise Tax Board (FTB) an amount equal to 7% (or such other rate as may be authorized in writing by the FTB) of Seller's submitted invoice for services provided in the State of California. Exempt from the withholding provisions of this clause are: 1. Individuals who are California residents and claim a waiver of the withholding requirement by submitting California State Franchise TaxBoard Form 590; 2. Corporations who are qualified to do business in California. B. If a Seller claims to be a California resident, the Seller shall submit to Lockheed Martin, upon award of this order or no later than the first invoice, an executed California Franchise Tax Board Form 590. C. If a Seller corporation claims to be qualified to do business in California, for the purposes of this clause, the Seller shall submit to Lockheed Martin, upon award of this order or no later than the first invoice, a certification by a corporate officer that the corporation is qualified to do business in California. D. Seller shall notify Lockheed Martin within ten (10) days of any change which would affect Seller's status under this clause.

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35 Packaging and Shipment

- (a) A complete packing list shall be enclosed with all shipments hereunder. The CONTRACTOR 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. Bill of Lading number and weight of shipment shall also be shown for shipment on Government Bill of Lading.
- (b) Unless otherwise provided in the Schedule, all shipments shall be delivered to the carrier's equipment at the CONTRACTOR's plant. If the facilities for shipment by the carrier's equipment are not available at the CONTRACTOR's plant, shipments shall be delivered to the nearest point where the carrier's service is available. These shipping instructions apply to all modes of transportation except rail when shipment occupies sufficient space in a railroad car to constitute a carload shipment. A carload shipment or shipment constituting a carload shipment shall be properly and adequately loaded and secured by the CONTRACTOR to prevent damage in transit.
- (c) Unless otherwise provided in the Schedule, shipments shall be packaged in accordance with sound commercial practices to meet minimum packing requirements of surface and air carriers and to afford adequate protection against damage considering the method of transportation used. Shipments shall be marked with the necessary handling instructions, purchase order number,

LOCKHEED MARTIN account number, and the consignee's name and address.

- (d) The CONTRACTOR agrees to package the articles described in the Schedule as a separate shipment to LOCKHEED MARTIN. However, shipments for more than one order may be consolidated into one outer shipping container if the articles described in the Schedule of each Contract are packaged separately and clearly identified to the appropriate order. Shipments via air carrier shall be marked with the actual gross weight and dimensions on each box or other outer container. Shipments of dangerous articles shall be marked and packaged in accordance with the appropriate Department of Transportation or other Governmental agency regulations.
- (e) The CONTRACTOR shall consolidate all shipments to be forwarded on one day, and ship them on one Bill of Lading. When two or more methods of shipment are specified, one via premium route and the other via standard route, the CONTRACTOR agrees to consolidate the shipments by type of routing and forward them accordingly.
- (f) Shipments shall be released to the carrier at the maximum value applicable to the lowest published rate or classification rating, unless otherwise provided in this Contract.
- (g) Value shall not be declared in excess of the maximum value set forth on the carriers tariff by those carriers who assess a value charge over and above a minimum value. The only exception to the above shall occur when the carrier's tariffs require actual valuations as a condition of acceptance, unless otherwise provided in this Contract.
- (h) "Ship to" instructions as set forth in the Schedule designate the appropriate consignee. All shipping documents, shipping labels, and packing sheets must show full and complete information as to the appropriate consignee. The CONTRACTOR agrees not to deviate from these "ship to" provisions without prior authorization from LOCKHEED MARTIN.
- (i) The first shipment received by LOCKHEED MARTIN which falls within the quantity tolerance (either plus or minus) designated in an order will be considered as meeting the quantity requirements of the order. Any additional shipments against the order will be returned to the CONTRACTOR freight collect.
- (j) Articles delivered to LOCKHEED MARTIN more than thirty (30) days in advance of the schedule set forth in the Contract may be returned at CONTRACTOR's expense.
- (k) For Supplier Acceptance Delegation Program Contractors, specified by Quality Clause S8, evidence of acceptance will be indicated by application of acceptance stamp to a label or tag adjacent to the part number to the lowest level of packaging. The stamp must include date of acceptance. Purchase order line items must be individually packaged and the supplier must not package S8 items with non S8 items.

52 Limitation of Lockheed Martin's Obligation (Incremental Funding for Fixed Price Contracts)

- (a) Of the total price of this Contract, the sum presently available for payment and allotted to this Contract, and the period estimated to be covered by such sum, are set forth in the Schedule. It is anticipated that from time to time additional funds will be allotted by LOCKHEED MARTIN to this Contract by subsequent notices to the CONTRACTOR until the total price of the Contract is allotted.
- (b) The CONTRACTOR agrees to perform or have performed work on the items up to the point at which, in the event of termination of this Contract pursuant to the Termination for Convenience clause of the Contract, the total amount payable by LOCKHEED MARTIN (including amounts payable in respect of subcontracts and settlement costs) pursuant to said clause would, in the

reasonable judgment of the CONTRACTOR, approximate the total amount at that time allotted to the Contract. The CONTRACTOR is not obligated to continue performance of the work beyond that point. LOCKHEED MARTIN is not obligated in any event to pay or reimburse the CONTRACTOR in excess of the amount from time to time allotted to the Contract, notwithstanding anything to the contrary in the Termination of Convenience clause or any other clause of the Contract. The CONTRACTOR shall furnish upon request to LOCKHEED MARTIN a schedule showing its anticipated requirements for periodic funding under this clause.

- (c) It is contemplated that the funds presently allotted to this Contract will cover the work to be performed, as limited by the provisions of (b) above, until the date set forth in the Schedule (the "fund expiration date"). In the event funds allotted are considered by the CONTRACTOR to be inadequate to cover the work to be performed until the fund expiration date, or an agreed date in substitution thereof, the CONTRACTOR shall notify LOCKHEED MARTIN in writing when within the next thirty (30) days the work will reach a point which, in the event of termination pursuant to the "Termination" clause, the total amount payable by LOCKHEED MARTIN, pursuant to said clause, will approximate eighty-five per cent (85) of the total amount then allotted to the Contract. The notice shall state the estimated date when such point will be reached and the estimated amount of additional funds required to continue performance to the fund expiration date. The CONTRACTOR shall, thirty (30) days prior to the fund expiration date advise LOCKHEED MARTIN in writing as to the estimated amount of additional funds which will be required for the timely performance of this Contract for a further period as may be specified in this Contract or otherwise agreed to by the parties. If after such letter notification, additional funds are not allotted by the fund expiration date or by an agreed date in substitution therefore, LOCKHEED MARTIN will, upon written request of the CONTRACTOR for the same, terminate this Contract on such date or the date set forth in the request, whichever is later, pursuant to the provisions of the clause of this Contract entitled, "Termination."
- (d) When additional funds are allotted from time to time for continued performance of the work under this Contract, the parties will agree as to the applicable period of Contract performance which will be covered by the funds. The provisions of (b) and (c) above will apply in like manner to the additional allotted funds and agreed substitute date, and the Contract will be amended accordingly.
- (e) If the CONTRACTOR incurs additional costs or is delayed in the performance of the work under this Contract solely by reason of failure of LOCKHEED MARTIN to allot additional funds in amounts sufficient for timely performance of this Contract, and if additional funds are allotted, an equitable adjustment will be made in the price or prices (including appropriate target, billing, and ceiling prices where applicable) of the items or in the time of delivery or both. Failure to agree to any such equitable adjustment hereunder will be a dispute concerning a question of fact within the meaning of the clause of this Contract entitled, "Disputes."
- (f) LOCKHEED MARTIN may at any time prior to termination and, with the consent of the CONTRACTOR, after notice of termination, allot additional funds for this Contract.
- (g) The provisions of this clause with respect to termination will not be deemed to limit the rights of LOCKHEED MARTIN under the clause entitled, "Default." This clause will become inoperative upon the allotment of funds for the total price of the work.
- (h) Nothing in this clause affects the right of LOCKHEED MARTIN to terminate this Contract pursuant to the Termination for Convenience clause of this Contract.

The CONTRACTOR agrees to affix to the outer surfaces of the inner bag and the shipping container the following markings: part number, serial number, date, method of cleaning, method of packaging, inspection date for materials covered by ANA Bulletin 438a (when applicable) and the statement, "The inner bag must be opened in an approved dust-free room for testing or inspection." Test reports, data, and any necessary articles that have not been cleaned will be firmly attached to the exterior of the package enclosing the part. NOTE: Holes in the sealed area of the inner bag are not permitted.

75 Serial Numbers

The CONTRACTOR agrees to affix the serial numbers described in the Schedule of this Contract to the articles procured hereunder in accordance with MIL-STD-130. Serial numbers are assigned consecutively against the basic drawing number without regard to the drawing part number (dash number) assignment.

76 Date of Manufacture

The CONTRACTOR agrees to affix the date of manufacture to each of the articles procured hereunder.

80 Sale of Scrap

Proceeds from the sale of scrap and salvage shall accrue to this Contract and any benefit derived there from shall revert to LOCKHEED MARTIN.

82 Drop Shipment To Lockheed Martin Contractors

The SHIPPING CONTRACTOR agrees to complete the shipping supplier portion of the Contractor - Shipping and Receiving Report (OF 915). Ship this report, any contractually required documentation, and the material to the LOCKHEED MARTIN Contractor identified in your Contract. A copy of the Contractor - Shipping and Receiving Report (OF 915) and any contractually required documentation shall be forwarded to the buyer identified in your contract.

83 Receipt of Shipment From Lockheed Martin Contractors

The CONTRACTOR agrees to submit to LOCKHEED MARTIN within three (3) workdays after receipt of material dropped shipped from a LOCKHEED MARTIN Contractor, the completed Contractor - Shipping and Receiving Report (OF 915), provided to you by the shipping contractor. Material received has been drop shipped to your facility for performance of requirements set forth in this Contract. Forward this report to the buyer identified in your contract.

84 Subcontractor List

The Contractor agrees to submit to LOCKHEED MARTIN within one (1) week after his execution of this contract a list of all potential Subcontractors and the services or material they are to supply to be used under this contract.

87 Part Numbers

- (a) The LOCKHEED MARTIN and CONTRACTOR part numbers shall be affixed to the articles described in the Schedule of this Contract in accordance with MIL-STD-130.
- (b) The CONTRACTOR part number shall be affixed to the articles described in the Schedule of this Contract in accordance with MIL-STD-130.
- (c) The LOCKHEED MARTIN and CONTRACTOR part numbers of the articles described in the Schedule of this Contract must be shown on the CONTRACTOR's packing sheet and invoices to permit payment by LOCKHEED MARTIN.

74 Marking Instructions

- (d) The CONTRACTOR part number of the articles described in the Schedule of this Contract must be shown on the CONTRACTOR's packing sheet and invoice to permit payment by LOCKHEED MARTIN.

89 Routing Instructions

The CONTRACTOR agrees to notify the LOCKHEED MARTIN Procurement representative of the delivery and routing details one (1) week prior to delivery of any articles described in the Schedule of this Contract.

90 Sales Taxes

Exemption from sales/use tax shall be determined by reference to applicable state law:

- (a) If delivery is in Colorado:
If the purchase is a component part, or used as an ingredient of a manufactured product for resale, the item is not taxable under Colorado Sales and Use Tax. All other purchases are taxable, and the taxes must be included in and paid as part of the subcontract with the supplier. Invoices must display labor, all materials and sales taxes paid.
LOCKHEED MARTIN is engaged in the manufacture of special weapons and space vehicles, and is licensed under Colorado Sales Tax license No. 02-72600-0000. The purchase must be for resale and not to be used by LOCKHEED MARTIN employees.
- (b) If delivery is in California:
If the purchase is for property described in the contract for resale, then the purchase is not taxable under California Sales and Use Tax. All other purchases are taxable, and the taxes should be included in and paid as part of the subcontract with the supplier. LOCKHEED MARTIN is engaged in the manufacture of special weapons and space vehicles for sale to the United States Government and for commercial purposes, and is licensed under California Seller's Permit No. SR Z OHC 99-901470. If the purchase is used for any purpose other than retention, demonstration, or display while holding it for sale, the item becomes taxable.
- (c) If delivery is in Florida:
If the purchase is a component part, or used as an ingredient of a manufactured product for resale, the item is not taxable under Florida Sales and Use Tax. Property purchased for inclusion in real property is taxable, and the taxes should be included in and paid as part of the subcontract with the supplier.
LOCKHEED MARTIN is engaged in the manufacture of special weapons and space vehicles for sale to the United States Government and for commercial purposes, and is licensed under Florida Certificate of Registration No. 78-00-076079-63-0. The purchase must be for resale and not to be used by LOCKHEED MARTIN employees.