

PRIME CONTRACT REQUIREMENTS

For purposes of this document, "Seller" shall mean the same as "Contractor".

1. The following clauses of the Federal Acquisition Regulation (FAR) are incorporated herein by reference, with the same force and effect as if they were given in full text and are applicable during the performance of this Contract. The full text of a clause may be accessed electronically at the following address:
<http://www.arnet.gov/far>

Clause Number

Title/Applicability

- 52.203-8 **CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY** (JAN 1997) (Applicable if this Contract if the Contractor, its employees, officers, directors or agents participated personally and substantially in any part of the preparation of a proposal for the Contract.)
- 52.223-7 **NOTICE OF RADIOACTIVE MATERIALS** (JAN 1997) (Applicable to Work containing covered radioactive material. In the blank insert "150". See Notes 1 and 2.) This clause and parenthetical are in lieu of the same clause identified in the applicable CorpDoc.
- 52.225-8 **DUTY FREE ENTRY** (FEB 2000) (Applicable if supplies will be imported into the Customs Territory of the United States. Change "20 days" to "40 days" in (c)(1), and change "10 days" to "35 days" in paragraph (c)(2). See Notes 3, 5 and 6). This clause and parenthetical are in lieu of the same clause identified in the applicable CorpDoc.
- 52.232-20 **LIMITATION OF COST** (APR 1984) (Applicable if this Contract is cost-reimbursement and becomes fully funded. See Notes 1 and 2. The word "exclusive" in the first sentence of paragraph (a) is revised to "inclusive". Paragraph (d)(1) is revised to read as follows: "(1) Buyer is not obliged to reimburse Seller for costs incurred and fee in excess of (i) the estimated cost and fee specified in the contract or, (ii) if this is a cost-sharing contract, the estimated cost to Buyer specified in the Contract.
- 52.245-18 **SPECIAL TEST EQUIPMENT** (FEB 1993) (Applicable if this Contract involves the acquisition or fabrication of Special Test Equipment. Notice to acquire shall be through LOCKHEED MARTIN. Change "30 days" to "60" days in paragraph (b) and (c). See Notes 4, 5, and 6.) This clause and parenthetical are in lieu of the same clause identified in the applicable CorpDoc.
- 52.249-2 **TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED PRICE)** (SEP 1996) (Paragraphs (j) and (m) are deleted. See Notes 1 and 2. In paragraph (n) "Government" means "Lockheed Martin and the Government" and "Contracting Officer" means "Lockheed Martin or the Contracting Officer." In paragraph (c) "120 days" is changed to "60 days". In paragraph (d) "15 days" is changed to "30 days", and "45 days" is changed to "60 days". In paragraph (e), "1 year" is changed "5 months". In paragraph (l), "90 days" is changed to "45 days". Settlements and payments under this clause may be subject to the approval of the Contracting Officer.) This clause and parenthetical are in lieu of the same clause identified in the applicable CorpDoc.
- 52.249-6 **TERMINATION (COST-REIMBURSEMENT)** (SEP 1996) (Paragraphs (i) and (m) are deleted. See Notes 1 and 2. "1 year" and "1 year" are changed to "5 months" in paragraph (f), and in paragraph (d), change "120 day period" to "60 day period".) This clause and parenthetical are in lieu of the same clause identified in the applicable CorpDoc.

2. The following DFAR Supplement clauses apply to this Contract:

Clause Number

Title/Applicability

- 252.204-7000 **DISCLOSURE OF INFORMATION** (DEC 1991) (In paragraph (b) "Contracting Office" means "Lockheed Martin". Change "45 days" to "60 days".)
- 252.208-7000 **INTENT TO FURNISH PRECIOUS METALS AS GOVERNMENT-FURNISHED MATERIAL** (DEC 1991) (Applicable if this Contract's item purchase(s) contains precious metals.)
- 252.225-7012 **PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES** (MAY 1999)
- 252.234-7001 **EARNED VALUE MANAGEMENT SYSTEM** (MAR 1998) (Applicable to designated Contractors.)
- 252.247-7023 **TRANSPORTATION OF SUPPLIES BY SEA** (MAR 2000) (Applicable in lieu of FAR 52.247-64 in all Contracts for ocean transportation of supplies. In paragraph (d) "45 days" is changed to "75 days". In paragraph (f) delete the reference to the "Prompt Payment" clause. See Notes 1 and 2 except for paragraph (c) of the clause which shall retain its original meaning.) This clause and parenthetical are in lieu of the same clause identified in the applicable CorpDoc.

NOTES

1. Substitute "LOCKHEED MARTIN" for "Government" or "United States" as applicable 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" or "Contracting Officer", as appropriate, throughout this clause.
4. Insert "or LOCKHEED MARTIN" after "Government" throughout this clause.
5. Communication/notification required under this clause from/to the CONTRACTOR to/from the Contracting Officer shall be through LOCKHEED MARTIN.
6. "Contracting Officer" shall mean the U.S. Government Contracting Officer for LOCKHEED MARTIN's government prime contract under which this Contract is entered.

3. The following additional provisions apply to this Contract:

a) **PUBLIC RELEASE OF INFORMATION**

(This provision is in lieu of the "Release of Information" provision in the applicable CorpDoc)

All public information materials prepared by Seller shall be submitted to Buyer for clearance prior to release. These materials include, but are not limited to, technical papers and responses to news queries which relate to work under this order. However, once work has been cleared for public release, it need not be cleared again for later use. All materials to be cleared must be sent to Buyer.

Seller shall submit the material proposed for release to the cognizant Lockheed Martin Acquisition Representative via a letter of transmittal setting forth: 1) to whom the material is to be released; 2) the desired date for public release; 3) a statement that the material has been approved by Seller officials for public release; 4) the order number and prime contract number. Three copies of each item shall be submitted at least two months in advance of the proposed release date. Final approval for release or disclosure of the material cannot be given on the basis of abstracts; outlines or rough drafts will not be cleared. Materials submitted to Buyer for release purposes shall be void of all Seller logos or other attributions to the Seller.

b) **ORGANIZATIONAL CONFLICT OF INTEREST.**

Purpose. This clause is to aid in ensuring that: Seller's scientific objectivity and judgment are not biased because of present or planned interests (financial, contractual, organizational or otherwise) which relate to work under this order; Seller does not obtain an unfair competitive advantage by virtue of its access to non-public Government information regarding Government program plans and actual or anticipated resources; and Seller does not obtain any unfair competitive advantage by virtue of its access to proprietary information belonging to others. Restrictions described herein shall apply to performance or participation by Seller and any of its affiliates or their successors in interest in the activities covered by this clause as subcontractor, co-sponsor, joint venture, consultant or in any similar capacity. Information furnished voluntarily by the owner without limitations on its use, or which is available without restrictions from other sources, is not considered proprietary.

1. Certification Restriction: the Seller shall be restricted from performing validation, verification, accreditation, or certification of any products developed or delivered under this Contract. Additionally the Seller shall not serve as a software independent validation and verification (IV&V) contractor for any software developed or delivered under this contract.

2. Access To & Use Of Government Information. If in the performance of this Contract, Seller obtains access to information such as plans, policies, reports, studies, financial plans, or data which has not been released or otherwise made available to the public, Seller agrees that, without prior written approval of Buyer, it shall not use such information for any private purpose unless the information has been released or otherwise made available to the public; it shall not compete for work, other than work in support of Lockheed Martin's efforts related to Boeing's Prime Contract HQ0006-01-C-0001, after the completion of this Contract, based on such information, until such information is released or otherwise made available to the public, whichever occurs first; it shall not submit an unsolicited proposal to the Government which is based on such information until after such information is released or otherwise made available to the public; it shall not release such information, unless such information has previously been released or otherwise made available to the public by the Government.

3. Access To & Protection Of Proprietary Information: Seller agrees that, to the extent it receives or is given access to proprietary data, trade secrets, or other confidential or privileged technical, business, or financial information (hereinafter referred to as "proprietary data") under this order, it shall treat such information in accordance with any restrictions imposed on such information. Seller further agrees to enter into a written agreement for the protection of the proprietary data of others and to exercise diligent effort to protect such proprietary data from unauthorized use or disclosure. In addition, Seller agrees that each employee who has access to proprietary data under this Contract shall be bound by the Proprietary Information Agreement incorporated as an Exhibit to this Contract. Seller will educate its employees regarding the philosophy of Part 9.505-4 of the Federal Acquisition Regulation so that they will not use or disclose proprietary information or data generated or acquired in the performance of this order except as provided herein.

4. Subcontracts: The Seller shall include this or substantially the same clause, including this paragraph, in consulting agreements and subcontracts at all tiers. The terms "Contract", "Contractor", and "Contracting Officer" will be appropriately modified to preserve the Government's rights.

5. Disclosures. If Seller discovers an organizational conflict of interest or potential conflict of interest after award, a prompt and full disclosure shall be made in writing to the Buyer. This disclosure shall include a description of the action the Seller has taken or proposes to take in order to avoid or mitigate such conflicts.

6. Remedies & Waiver. For breach of any of the above restrictions or for non-disclosure or misrepresentation of any relevant facts required to be disclosed concerning this order, Buyer may terminate this order for default, disqualify Seller for subsequent related contractual efforts, and pursue such other remedies as may be permitted by law or this order. If, however, in compliance with this clause, the Seller discovers and promptly reports an actual or potential organizational conflict of interest subsequent to award of the order, Buyer may terminate this order for convenience if such termination is determined to be in Buyer's best interest. Seller recognizes that this clause has potential effects which will survive performance of this order and that it is impossible to foresee each circumstance to which it might be applied in the future. Accordingly, Seller may at any time seek a waiver from the Boeing Director of Supplier Management and Procurement, via the cognizant Lockheed Martin Acquisition Representative by submitting a full written description of requested waiver and reasons in support thereof.

7. Modifications. Prior to order modification, when the statement of work is changed to add new work or the period of performance is significantly increased, Buyer may require Seller to submit to the Government through Buyer either an organizational conflict of interest disclosure or an update of the previously submitted disclosure or representation.

c) **INSURANCE**

(Applicable if this Contract involves work on the premises of Boeing or the Government.)

1. Seller shall procure and maintain, during the entire period of its performance under this Contract, the minimum insurance indicated below:

The indication of minimum insurance coverage limits does not act in any way to limit the liability of the Seller.

TYPE	AMOUNT
Worker's Compensation	Statutory
Employer's Liability	Limits \$500,000
Comprehensive General Liability including contractual	
Bodily Injury	\$1,000,000 each occurrence
Property Damage	\$1,000,000 each occurrence
Or Combined Single Limit Bodily Injury And Property Damage	\$1,000,000
Comprehensive Automobile Liability	
Bodily Injury	\$1,000,000 per person or per accident
Property Damage	\$1,000,000 per accident
Or Combined single limit bodily injury And Property Damage	\$1,000,000

2. Prior to the commencement of work hereunder, Seller shall furnish to Buyer a certificate of the above required insurance. The policies evidencing required insurance shall contain an endorsement to the effect that cancellations or any material change in the policies adversely affecting the interests of Lockheed Martin, Boeing or the Government in such insurance shall not be effective until 30 days after written notice thereof to the Buyer.

d) **EXPORT OF TECHNICAL DATA AND DEFENSE SERVICES**

1. In the performance of the contract Statement of Work, the Contractor will be expected to support the Buyer in its activities with foreign entities and/or persons. This activity could include the export of defense services and/or technical data, including classified information as long as that information does not disclose the details of design, development, production or manufacture of any defense article. When directed in writing from Buyer, under proper regulatory authority, the Contractor shall export on behalf of Buyer technical data to a named foreign entity or persons in the manner and under the conditions provided for in the direction. When, in the performance of this Contract, the need arises for the Contractor to export defense services, the Contractor shall export those services subject to the applicable requirements of the U.S. export control laws and regulations. Nothing in this clause shall affect the protection or allocation of rights to technical data between Buyer or any Contractors as provided for in this Contract or Subcontract hereunder; nor shall this clause affect the scope of any license otherwise granted to the Government or the recipient of the transferred or disclosed technical data.

2. The Contractor shall not export any technical data and/or defense services without the prior notification and approval of Buyer.

3. The Contractor shall include this clause in all subcontracts at any tier, the performance of which may require the export of technical data and/or defense services, and the Buyer may direct an export subject to the limitations stated herein.

e) **COMPLIANCE WITH ENVIRONMENTAL SAFETY AND HEALTH PROGRAM PROTECTION**

The Contractor and subcontractors shall maintain accurate accident and injury/illness records for work under this Contract. For Contractor and subcontractor work performed on Government installations, the Contractor shall notify DoD installation Commander, or designee, immediately of all accidents, injuries, environmental illness, or other unusual occurrence.

1. The Contractor shall conduct accident investigations and provide documentation to the host installation.
2. On an annual basis, the Contractor shall provide OSHA 200 logs prepared by the Contractor or Subcontractors for work under this Contract and copies of all accident investigations to Lockheed Martin along with a listing of all other accidents/incidents related to this Contract.

f) **COMMUNICATION WITH BOEING CUSTOMER**

1. This clause is limited to matters involving the Contractor's performance of obligation under this Contract and Boeing's Prime Contract No. HQ0006-01-C-0001. It is not intended to restrict Contractor's right to communicate with the Boeing customer with respect to any other programs or contracts which Contractor may have with that customer or others, nor does it limit Contractor's right to discuss interfaces between the National Missile Defense Prime Contract and any other program or contract held by Contractor.

2. Lockheed Martin shall be solely responsible for all liaison, coordination, status requests, and other communication with, and deliveries to Boeing and the Boeing Customer (i.e., the Ballistic Missile Defense Organization, BMDO NMD supporting contractors, and the U.S. Government "user" commands are referred to herein as the "Boeing Customer"), specifically concerning performance of the NMD prime contract (HQ0006-01-C-0001), this Contract, and any related lower-tier subcontract. In regard to the matters restricted above, Contractor and its lower-tier subcontractors shall not contact Boeing, or the Boeing Customer, or otherwise intervene in or status contract actions, negotiations or discussions, or otherwise release information to Boeing or the Boeing Customer(s), (except through Lockheed Martin), without Lockheed Martin's written direction. Contractor agrees that no public announcement will be made except through, or as approved in writing by, Lockheed Martin.

3. Exceptions to the general rule stated in paragraph 2 above, shall be made: (i) when a Lockheed Martin program representative is present at a face-to-face meeting, or when a Lockheed Martin program representative is involved as a participant in the telephone conversation, and consents to the communication; or (ii) when a release relates solely to Contractor's internal processes, proprietary information expressly excluded from release to Lockheed Martin under Contract terms and conditions, or Government allegations of the Contractor's or a lower-tier subcontractor's misconduct, or (iii) pursuant to a properly issued subpoena or other order of court of competent jurisdiction, or (iv) as is required to respond to questions initiated by a Federal auditor in the course of a Program audit; or (v) specifically required by law or regulation after giving 2 working days Advance Notice to the Lockheed Martin Acquisition Representative of any such requirements. In the event an exception applies, written notice of any statement and/or the questions and answers will be provided by the Contractor to the cognizant authorized Lockheed Martin Acquisition Representative within two business days of the communication.

4. Further, except as require by law, no public release of information, or confirmation or denial of same, with respect to the prime contract, this Contract or related lower-tier subcontract, or the subject matters thereof, will be made by Contractor without the prior written approval of Lockheed Martin.

5. Contractor agrees to incorporate the substance of this clause, suitably adjusted, in all lower-tier subcontracts under this Contract.

g) **SECURITY REQUIREMENTS**

(Applicable if this Contract involves access to, or procurement or release of, classified information.)

1. The Contractor shall follow the security requirements and classification guidance in the DD Form 254, "Contract Security Classification Specification" incorporated as an Exhibit to this Contract. During the period of performance of this Contract, the Contractor is required to maintain a Department of Defense facility clearance at the appropriate classification level, including any required access certifications.

2. At the conclusion of this Contract's period of performance, the Contractor is required to dispose of all classified information received or generated in support of the Contract in accordance with the National Industrial Security Program Operating Manual (DoD 5220.22-M).

h) **RIGHTS OF LOCKHEED MARTIN'S CUSTOMERS AND REGULATORS TO PERFORM INSPECTION, SURVEILLANCE AND TESTING**

Buyer's rights to perform inspections, surveillance and tests and to review procedures, practices, processes and related documents related to quality assurance, quality control, flight safety and configuration control shall extend to the customers of Buyer that are departments, agencies or instrumentalities of the United States Government and to the United States Government Federal Aviation Administration and any successor agency or instrumentality of the United States Government. Buyer may also, at Buyer's option, by prior written notice from Buyer's Acquisition Representative, extend such rights to other customer of Buyer and to agencies or instrumentalities of foreign governments equivalent in purpose to the Federal Aviation Administration. Contractor shall cooperate with any such United States Government-directed or Buyer-directed inspection, surveillance, test or review without additional charge to Buyer. Nothing in this Contract shall be interpreted to limit United States Government access to Contractor's facilities pursuant to law or regulation.

i) **SELLER REVIEW OF MATERIAL SAFETY DATA SHEETS**

(Applicable if this Contract involves work on Lockheed Martin, Boeing or Government controlled property.)

Before, or upon commencing work, Seller shall review all Material Safety Data Sheets for hazardous materials used or stored and any applicable safety measures to be employed in the areas of work. Upon request, this data will be provided to the Seller by the Buyer's Acquisition Representative. This requirement is in accordance with OSHA Hazard Communication Standard, 29 CFR 1910.1200.

(j) **HAZARDOUS CHEMICALS LIST**

Prior to commencing work, Seller shall provide a list of hazardous chemicals, if any, to be used on site and corresponding Material Safety Data Sheets to the Buyer's Safety Organization through the appropriate Buyer Acquisition Representative.

(k) **MATERIAL SAFETY DATA SHEETS**

Seller will comply with the Hazard Communication Standard, 29 CFR 1910.1200. Seller shall ensure that the name of the Product as identified on the MSDS is identical to the name which appears on the label of the Product shipped to Buyer. Seller shall provide a copy of the Material Safety Data Sheet with each shipment of the product.

(l) **NOTIFICATION OF TOXIC CHEMICALS**

Seller will comply with Section 313 of the Emergency Planning and Community Right to Know Act of 1986 (EPCRA) and 40 CFR Part 372, if applicable. As part of such compliance, Seller shall furnish to the Buyer's Acquisition Representative the following information with the initial shipment of each Product to Buyer:

A. A statement that the Product contains chemicals which are subject to Section 313 of Title III of the Superfund Amendments and Reauthorization Act of 1986 and 40 CFR 372.45;

B. The name and the associated Chemical Abstract Service Registry number of each chemical which has been incorporated in the Product and which is listed in the specific Toxic Chemical Listings contained in 40 CFR 372.65; and

C. The percent by weight of each toxic chemical component of the product shipped.

If the Seller is required to submit a Material Safety Data Sheet (MSDS), this notification must be attached to or otherwise incorporated into such MSDS.

(m) **SHIPPING HAZARDOUS MATERIALS**

(A) Shipment of hazardous materials shall be by common carrier authorized to handle the material, and in accordance with 49 CFR Parts 100-199 and the IATA "Dangerous Goods Regulations" or "The International Maritime Dangerous Goods Code" (if applicable). This includes but is not limited to:

1. Shipping papers must include the emergency contact number.

2. Shipping papers and packages for hazardous materials or wastes identified as "N.O.S." (not otherwise specified) must show the technical name(s) listed in parenthesis, the association to the basic description, and in the case of mixtures, list the major hazardous components by percentage contributing to the hazard.

(B) Seller shall indicate on the shipping papers whether the material presents Poisonous by Inhalation (PIH) hazard.

(C) At Buyer's request Seller will provide test reports indicating Performance Oriented Packaging (POPs) compliance to facilitate Buyer's reshipment of Seller's Product.

(D) Seller shall mark on all interior packages and shipping containers the closed cup flash point of flammable and combustible materials and/or percentage concentration of corrosive liquids.

(n) **LEAD**

It is the policy of Buyer to prohibit the use of paints containing lead in any form. Seller hereby affirms that the Product provided in compliance with this Contract contains no lead. Further Buyer prohibits the use of lead hammers and lead "slappers." Seller hereby affirms that individuals under its control are informed of this policy.

(o) **HAZARDOUS WASTE**

If in the performance of services on Buyer's property, Seller generates any hazardous substances, or hazardous wastes, or dangerous or extremely hazardous wastes (hereinafter "Hazardous Substances"), unless specifically directed otherwise by Buyer, these Hazardous Substances will be disposed by Buyer. Immediately upon the generation of such Hazardous Substances, the Seller shall advise the using organization's environmental control office. The Seller is hereby directed to coordinate with the using organization's environmental control office to properly package and manage these Hazardous Substances. Seller is further obligated to transport the Hazardous Substances, if so directed by the environmental control representative, to the proper "on-site" storage location for eventual disposal by Buyer. Should the Seller leave any Hazardous Substances improperly packaged, or abandoned, Seller shall be liable for all fines and/or expenses associated with (1) the improper storage or abandonment; (2) repackaging to comply with applicable federal, state, and local laws; and (3) the remediation of any contamination caused by such improper packaging or such abandonment.

For purposes of this Contract, the definitions of the terms "hazardous substance," "hazardous waste," "dangerous or extremely hazardous wastes," shall be those used in the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9601 et seq.; The Resource Conservation Recovery Act, 42 U.S.C., 6901 et seq., and its applicable state law equivalent; and/or the Washington State Model Toxics Control Act if this purchase order is performed in the State of Washington.

(p) **PRODUCTS CONTAINING OZONE DEPLETING SUBSTANCES**

The item(s) to be delivered under this contract may contain a Class I ozone depleting substance and the following warning statement shall apply to such item(s):

WARNING: Contains CFC-11, 12, 13, 111, 112, 113, 114, 115, 211, 212, 213, 214, 215, 216, 217, Halons 1211, 1301, 2402, Carbon Tetrachloride or Methyl Chloroform substances which harm public health and environment by destroying ozone in the upper atmosphere.

(q) **LABELING REQUIREMENTS**

It is agreed that the above warning statement satisfies the requirements of the Clean Air Act Amendments of 1990 (Section 611), Title 40 CFR Part 82. Accordingly, no method of marking or tagging items shall be used unless the item is a chemical or chemical compound.

(r)

ASBESTOS FREE DUNNAGE

Each package and/or container shipped to Buyer is to be free of any asbestos-containing vermiculite and/or any asbestos-containing material as dunnage. Seller hereby warrants to Buyer that the vermiculite and any other dunnage is asbestos-free.