

LOCKHEED MARTIN CORPORATION

CORPDOC 4C

**COST REIMBURSEMENT DEPARTMENT OF ENERGY (DOE) FLOWDOWN PROVISIONS FOR
SUBCONTRACTS/PURCHASE ORDERS FOR NON-COMMERCIAL ITEMS UNDER A U.S. GOVERNMENT PRIME
CONTRACT**

A. INCORPORATION OF DEPARTMENT OF ENERGY ACQUISITION REGULATION (DEAR) CLAUSES

The Department of Energy Acquisition Regulation (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 the Contractor or lower-tier subcontractors under this Contract.

C. NOTES

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 the Contractor 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.

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 the Contractor's use of such Furnished Items in support of other U. S. Government prime contracts.

F. PROVISIONS OF THE DEPARTMENT OF ENERGY ACQUISITION REGULATION AND ADDITIONAL FAR CLAUSES INCORPORATED BY REFERENCE

FAR FLOWDOWN CLAUSES

1. The following FAR clauses apply as indicated:

- (a) FAR 52.227-16 ADDITIONAL DATA REQUIREMENTS (JUN 1987)

DEPARTMENT OF ENERGY ACQUISITION REGULATION CLAUSES

1. The following DEAR clauses apply to this Contract:

- (a) DEAR 952.208-70 PRINTING (APRIL 1984) (Note 2 applies.)
- (b) DEAR 952.204-73 FACILITY CLEARANCE (MAY 2002)

2. The following DEAR clauses apply to this Contract if the value of this Contract equals or exceeds \$100,000:

(a) DEAR 952.209-72 ORGANIZATIONAL CONFLICTS OF INTEREST (JUN 1997) and (ALT I) (Applicable if this Contract is for advisory and assistance services. In paragraphs (c)(1), 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).)

3. The following DEAR clauses apply to this Contract if the value of this Contract equals or exceeds \$500,000:

(a) DEAR 952.226-74 DISPLACED EMPLOYEE HIRING PREFERENCE (JUN 1997)

4. The following DEAR clauses apply as indicated:

(a) DEAR 952.204-2 SECURITY (MAY 2002) (Applicable if this Contract involves classified information. Replaces FAR 52.204-2.)

(b) 952.204-70 CLASSIFICATION/DECLASSIFICATION (SEP 1997) (Applicable if this Contract involves classified information.)

(c) DEAR 952.204-71 SENSITIVE FOREIGN NATIONS CONTROLS (APR 1994) (Applicable 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. Notes 1 and 2 apply. In paragraph (a), substitute "40 days" for "60 days" in the second sentence.)

(d) DEAR 952.227-11 PATENT RIGHTS - RETENTION BY THE CONTRACTOR (SHORT FORM) (FEB 1995) (Applicable 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.)

(e) DEAR 952.227-13 PATENT RIGHTS - ACQUISITION BY THE GOVERNMENT (SEP 1997) (This clause replaces FAR 52.227-12. Applicable if this Contract is for experimental, developmental, or research work.)

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

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

(h) DEAR 952.250-70 NUCLEAR HAZARDS INDEMNITY AGREEMENT (JUN 1996) (Applicable 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 the Contractor is subject to Nuclear Regulatory Commission (NRC) financial protection requirements or NRC agreements of indemnification.)