

---

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

---

FORM 8-K  
CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
Date of Report (Date of Earliest Event Reported) - August 20, 2002

---

LOCKHEED MARTIN CORPORATION  
(Exact name of registrant as specified in its charter)

Maryland (State or other jurisdiction of Incorporation)	1-11437 (Commission File Number)	52-1893632 (IRS Employer Identification No.)
---	-------------------------------------	--

6801 Rockledge Drive, Bethesda, Maryland 20817  
(Address of principal executive offices) (Zip Code)  
(301) 897-6000  
(Registrant's telephone number, including area code)

---

Not Applicable  
(Former name or address, if changed since last report)

---

## Item 5. Other Events

Lockheed Martin Corporation ("Lockheed Martin") proposes, effective September 3, 2002, to amend two internal corporate policy statements (CPS) (CPS-704 and CPS-730) pertaining to international consultants and procedures under the Foreign Corrupt Practices Act. Consistent with past practice, Lockheed Martin is filing this Current Report on Form 8-K on behalf of its former subsidiary Lockheed and has included as exhibits to this filing CPS-704 and CPS-730 as amended. The following paragraphs explain why Lockheed Martin has elected to file a Form 8-K.

On March 15, 1995, Lockheed Corporation ("Lockheed") and Martin Marietta Corporation ("Martin Marietta") consummated a transaction (the "Combination") pursuant to which Lockheed and Martin Marietta became wholly-owned subsidiaries of a new holding corporation, Lockheed Martin. Effective January 28, 1996, Lockheed and Martin Marietta were merged with and into Lockheed Martin.

Following the filing of a "Complaint for Permanent Injunction and Certain Ancillary Relief" by the Securities and Exchange Commission (the "Commission") in the United States District Court for the District of Columbia on April 13, 1976 (Securities and Exchange Commission v. Lockheed Aircraft Corporation, et. al., Civil Action No. 76-0611), Lockheed (then known as Lockheed Aircraft Corporation) consented to the entry of a Final Judgment of Permanent Injunction which incorporates a Consent and Undertaking pursuant to which Lockheed, among other things, represented to the Commission that its Board of Directors had adopted, implemented and would maintain a Statement of Policies and Procedures (the "Statement") with respect to payments by Lockheed to any official or employee of any government or any official or employee of any entity owned and/or controlled by any government, which payments would be unlawful under the laws of the United States or such foreign country.

In addition, Lockheed agreed to file a copy of the Statement with the Commission as an Exhibit to a Current Report on Form 8-K, and a copy of Lockheed Management Policy Statement (MPS) 168 which contains the Statement was so filed as Exhibit E to Lockheed's Current Report on Form 8-K, dated May 6, 1976. Further, Lockheed represented to the Commission that, in the event that there was an intent to change the policy embodied in the Statement, at least 10 days prior to the effectiveness of the contemplated policy change, Lockheed would file a copy of the revised Statement via a Current Report on Form 8-K.

As a result of the Combination, Lockheed no longer had securities registered pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934. Consequently, in accordance with Lockheed's representation, on May 4, 1995, Lockheed Martin filed on behalf of Lockheed a Current Report on Form 8-K that included as an exhibit Lockheed Martin Procedure No.: INT-01, which pertained to international consultants of Lockheed Martin and, upon its effectiveness, supplanted MPS 168. INT-01 was an interim procedure that was replaced by Lockheed Martin Corporate Policy Statements CPS-703 and CPS-704 pertaining to domestic consultants and international consultants, respectively. On April 5, 1996, Lockheed Martin filed on behalf of Lockheed a Current Report on Form 8-K that included as an exhibit Lockheed Martin CPS-704 (International Consultants). Further, on May 28, 1996, Lockheed Martin filed on behalf of Lockheed a Current Report on Form 8-K that included as an exhibit CPS-730 (Compliance With The Foreign Corrupt Practices Act). On February 16, 1999, Lockheed Martin filed a Current Report on Form 8-K that included as an exhibit an amended version of CPS-704; an amended version of CPS-730 was filed by Lockheed Martin as an exhibit to a Current Report on Form 8-K on June 17, 1999.

#### Item 7. Financial Statements

##### A. Financial Statements

None.

B. Exhibits

Exhibit No.	Description
99.1	Lockheed Martin Corporation Corporate Policy Statement No. CPS-704 (International Consultants), as amended.
99.2	Lockheed Martin Corporation Corporate Policy Statement No. CPS-730 (Compliance with the Foreign Corrupt Practices Act), as amended.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LOCKHEED MARTIN CORPORATION

/s/ Rajeev Bhalla

-----

Rajeev Bhalla

Vice President and Controller

August 20, 2002

Corporate Headquarters  
Corporate Policy Statement CPS-704  
Revision No: 2  
Effective: September 3, 2002  
Copyright 2002 Lockheed Martin Corporation  
Current policies and procedures are on the Lockheed Martin Intranet

International Consultants

Restrictions | Preliminary Legal Determination | Approval Procedure | Terms of Agreement | Payment of Fees and Expenses | Administration | General Applicability Statement | ( All Exhibits and Forms required by this policy are in the International Consultant Administration Manual)

## 1.0 Policy

1.1 It is Lockheed Martin policy to contract for international consultants on a selective, as-needed basis and only after determining that the special expertise needed is not available within the Corporation. All international consultants must comply with the laws and regulations of the foreign countries in which they operate (except to the extent inconsistent with United States law) and the laws and regulations of the US, particularly the provisions of the Foreign Corrupt Practices Act (FCPA) (see CPS-730, Compliance with the Foreign Corrupt Practices Act), the Consent Decree dated April 13, 1976 between Lockheed Corporation and the Securities and Exchange Commission, and the Consent Order dated June 23, 1978 between Lockheed Corporation and the Federal Trade Commission. (If there is a real or apparent inconsistency between the requirements of US and foreign law, the matter will be resolved by the Assistant General Counsel-International.)

1.2 It is Lockheed Martin policy that its consultants be bound by the applicable provisions of the Corporation's Code of Ethics and Business Conduct, Setting the Standard (the "Code").

1.3 The use of an individual or firm that has been convicted of a felony offense, or is debarred, suspended, proposed for debarment or otherwise ineligible for government procurement programs may affect the present responsibility of the Corporation in connection with government contracts and may impair the Corporation's ability to defend against certain types of legal actions. For these reasons, subject to any applicable law or regulation, Lockheed Martin will not knowingly retain as an international consultant any individual or firm that has been convicted of a felony offense in any jurisdiction or country, or is presently listed by any government agency as debarred, suspended, proposed for debarment, or otherwise ineligible for government procurement programs. The element's senior executive may authorize an exception to these prohibitions following consultation with the corporate Assistant General Counsel-International.

1.4 It is Lockheed Martin policy that no payments will be made to, and no work for the Corporation will be done by, any international consultant as defined by this policy until a written agreement, approved as provided in this policy, has been executed by both parties. Refer to CMS-550, Accounting for Consultant Commissions and Other Costs, for appropriate accounting policy and procedures.

1.5 Violation of this policy, or the making of any commitment in violation of this policy, may result in disciplinary action, including termination of employment.

1.6 It is Lockheed Martin policy that, with respect to entities controlled (but not wholly-owned) by the Corporation (normally an ownership interest in excess of 50%), the Assistant General Counsel-International will ensure that policies substantially similar to this policy are adopted. With respect to entities in which the Corporation has a substantial

(but not controlling) ownership interest, (i.e., 20%-50%), the Assistant General Counsel-International will ensure that such entities have adopted appropriate controls and are taking the steps necessary to effect compliance with the requirements of this policy by all of their officers, employees, and consultants.

## 2.0 Definitions

International Consultant - An individual or firm possessing special knowledge, expertise, skill, or training which may be combined with operational experience. The capabilities possessed by a consultant are generally not available within the Corporation. For purposes of this policy, the term "international consultant" or "consultant" will include any agent, representative, broker, or any other person or firm by whatever name known, of US or any other nationality, who has or is likely to have contact with a foreign customer (including contact in the US) and is hired or otherwise retained to provide services directly related to obtaining, retaining, or facilitating business or business opportunities, including offset/countertrade commitments to foreign governments, in or with any foreign country or foreign firm by: (a) advising Lockheed Martin management in connection with business development, acquisition, or retention in such environment; or (b) representing Lockheed Martin in connection with sales efforts involving foreign customers, foreign firms, or foreign governments, except as specifically excluded in section 3.0 below.

Note: In any instance where it is not clear whether an individual or firm is a consultant, the matter must be referred to the element's Legal department for determination.

Convicted - For the purposes of this policy, includes any plea (including pleas of nolo contendere, no contest or guilty), bail forfeiture, or verdict or finding of guilt, regardless of whether adjudication was withheld or any sentence or fine was imposed by the court.

Consultant Review Board (CRB) - The CRB is responsible for reviewing and approving proposed consultant arrangements that exceed the thresholds set forth in Exhibit C, Consultant Review Board/Consultant Review Committee Guidelines (CRB/CRC Guidelines). The composition of the CRB will be the Vice President Corporate Communications, Controller, Treasurer, and Associate General Counsel-Litigation & Compliance. A quorum will constitute three of the four CRB members. The corporate Director Consultant Services will serve as a nonvoting Executive Director.

Consultant Review Committee (CRC) - The CRC is responsible for reviewing and approving proposed consultant arrangements that exceed the thresholds set forth in the CRB/CRC Guidelines. The CRC also is responsible for approving corporate policies and procedures with respect to international consultants; approving the Corporation's standard terms and conditions for use in all consultant agreements; and establishing the CRB and CRC review thresholds. The composition of the CRC will be the Chief Financial Officer, General Counsel, and corporate Vice President Business Development. A business area Executive Vice President will participate on a rotating, non-conflict basis.



Firm - A corporation, partnership, joint venture, or any other business entity.

Government Official - Any officer or employee of a government or any department, agency, or instrumentality thereof, or any person acting in an official capacity for or on behalf of such government or department, agency or instrumentality, or any official, employee, or person acting on behalf of a public international organization.

### 3.0 Exclusions

3.1 Domestic business development consultant services will be retained in accordance with CPS-703, Domestic Business Development Consultants.

3.2 An individual or firm that purchases products for resale is a distributor, not a consultant, and falls outside the scope of this policy. The determination that a distributor relationship is bona fide, and is not a consultant relationship, must be made by the element's Legal department.

3.3 An individual or firm performing proposal or contract support services under a services contract or services subcontract, including without limitation post-award services and offset-related services (collectively, "services contract"), is a services subcontractor, not a consultant. Such a services contract will always include a written statement of work whose achievement can be objectively verified in terms of a tangible delivered work product such as a product or component design, a technical proposal, editing or artwork, or other technical service.

3.3.1 A services contract may not be entered into for the purposes of obtaining consultant services. A services contract will not be entered into with an individual or firm that is or, within the five years prior to the effective date of the services contract, has been a consultant for any Lockheed Martin entity, unless prior written approval is obtained from the Assistant General Counsel-International, for services contracts not in excess of \$250,000 a year or \$500,000 for any one (multi-year) contract; the CRB for services contracts in excess of these amounts, up to \$1,000,000 a year or \$2,000,000 for any one (multi-year) contract; and from the CRC for services contracts in excess of these amounts.

3.4 Persons or companies supplementing in-house skills on a temporary basis are not considered consultants. Contracts for such services will be processed in accordance with normal procurement procedures. Examples of such services are clerical, administrative, and housekeeping services, facilities and grounds maintenance, and equipment servicing.

3.5 Services performed by individuals requiring professional qualifications, such as certified public accountants, attorneys, architects, registered engineers, plant physicians, and nurses will be contracted for as specified in normal procurement and other applicable procedures. Legal services will be contracted for in accordance with CPS-701, Performance of Legal Activities. Purchases of outside accounting and related services, and all consulting services from Lockheed Martin's independent accountants will be

contracted for in accordance with CPS-419, Control of Accounting Operations, and Controller's Manual Statement CMS-010, Purchase of Outside Accounting and Related Services.

#### 4.0 Restrictions

4.1 No consultant will be a government official or an official of a political party or a candidate for political office.

4.2 No consultant will be an officer, director, employee, or "affiliate" (as that term is defined under the Securities Act of 1933) of any customer, unless such dual activity is permissible in the country involved and is approved in writing by the chief executive officer of such customer. The Director Consultant Services will maintain such written approval.

Note: The criteria set forth in 4.1 and 4.2 above apply to the owners, principal shareholders, officers, and active representatives of a consultant organization, or anyone in receipt of compensation from a consultant organization.

4.3 No payments to or agreements with any consultant will be made in violation of applicable US law, the law of the affected foreign country, or the Code.

4.4 No payment will be made and no other thing of value will be given to any consultant if there is reason to believe that, in connection with the consultant's performance under its agreement with Lockheed Martin or on Lockheed Martin's behalf, all or any portion of the payment or other thing of value will be offered, given or promised, directly or indirectly, to any government official or any political party or official thereof, or any candidate for political office. This prohibition will not apply to:

(a) Reasonable provision for facilitating or expediting payments of money, gifts, or other things of value to government officials (except for US federal, state, or local officials) whose duties are essentially non-discretionary or clerical, where such payments or gifts are necessary to ensure or expedite performance of the official's duties (e.g., as specified in the FCPA, facilitating or expediting payments for routine governmental actions such as payments for expediting shipments through Customs or overseas phone calls, or to ensure police protection or mail delivery) and are not for the purpose of obtaining or retaining business for Lockheed Martin or directing business to any person. Such expediting payments are discouraged and may only be made where necessary to secure adequate performance of a service or action that Lockheed Martin is entitled to have performed in any case and that is necessary to the conduct of its business and where the conditions set forth in CPS-730, Exhibit B, Operational Directions, have been satisfied, or

(b) Furnishing meals, refreshments, entertainment, or transportation of reasonable value, or furnishing pictures, models of Lockheed Martin products of little or no intrinsic value, or other items of small dollar value marked with the Lockheed Martin logo that are distributed for advertising or commemorative purposes, where the conditions set forth in CPS-730, Exhibit E, Hospitality Guidelines, have been satisfied.

## 5.0 Preliminary Legal Determination

5.1 The Legal department of the element desiring to retain the prospective consultant, in conjunction with the corporate Legal department, is responsible for determining the legality of contracting with the prospective consultant.

5.2 The requester also must coordinate with the Director Consultant Services to ascertain whether the prospective consultant is already under agreement with the Corporation.

## 6.0 Approval Procedure

The actions required for the initial appointment or renewal of any international consultant are provided below. Actions that are optional for renewal of a consultant are marked with an asterisk (\*).

### Procedure

Element requesting the consultant services

1. No later than 90 days prior to the desired appointment/renewal date, submit an appointment/renewal package to the proposed consultant with the following enclosures:

(a) Form C-704-1, Application for International Consultant Appointment, or form C-704-2, Application for International Consultant Renewal, as applicable

(b) \*The Code, which in appropriate cases should be provided in the native language of the consultant

(c) \*Form C-704-3, International Consultant Letter of Appointment (optional)

(d) \*Form C-704-4, Disclaimer Letter, and

(e) \*Exhibit A, Lockheed Martin International Consultant Agreement, or Exhibit B, Lockheed Martin International Representative Agreement (collectively, "the Agreement"), as applicable, provided for information purposes only.

2. Prepare form C-704-6, Regional President's Recommendation - New International Consultant, or form C-704-7, Regional President's Recommendation - Renewal of International Consultant or Change in Product Coverage (collectively, "the Recommendation") as applicable, and submit it to the cognizant Regional President.

Cognizant Regional President

3. Review, complete, and approve the Recommendation, ensuring that it fully justifies the retainer and/or commission recommended.

4. \*Perform a preliminary due diligence by meeting with the proposed consultant, visiting the proposed consultant's offices in the country where services would be performed, and obtaining an International Company Profile (ICP) from the US Embassy in that country (when available) or otherwise obtaining the US Embassy's evaluation of the consultant.

5. Submit the completed Recommendation and ICP (or US Embassy evaluation), and other information deemed relevant or appropriate to the requesting element.

Requesting element's Legal department

6. Review the due diligence. Obtain legal opinions from competent outside counsel (or use existing legal opinions that are deemed applicable and current [less than two years old]) that address the following:

(a) Whether the proposed agreement, including the proposed activities of the consultant as set forth in the Agreement, complies with local law

(b) Whether the specific compensation to be paid complies with local law and does not seem unreasonable or excessive

(c) Whether the proposed relationship with the consultant gives rise to concerns under local anti-bribery statutes and the FCPA, and

(d) Whether the proposed consultant could be considered to be a government official in that territory.

7. \*Check references listed by the consultant. As appropriate, consult with external companies working with the proposed consultant in the same or a related industry as an additional background check and to avoid potential conflicts of interest.

8. Initiate form C-704-8, International Consultant Approval ("the Approval").

9. \*If the proposed consultant is a former Lockheed Martin employee, obtain the signature of the element's senior Human Resources executive or designee on the Approval. This approval verifies that there is no potential for improper employment practice and that the provisions of CPS-524, Re-employing or Obtaining the Services of Retired Salaried Personnel, are observed when applicable.

10. Provide the Approval and the appointment package to the Director Consultant Services, who will review the package for completeness and forward the completed package to the Assistant General Counsel-International.

Assistant General Counsel-International

11. Coordinate with the requesting element's Legal department to complete the due diligence background check on the proposed consultant, including:

(a) Reviewing the legal opinion from outside counsel, confirming that the Agreement with the proposed consultant is lawful and that the proposed level of compensation is reasonable, given the expected norms for the product and country

(b) Reviewing the relevant corporate policies and procedures to confirm that retention of the proposed consultant would be in compliance with corporate direction

(c) Reviewing legal compliance in order to confirm that retention of the proposed consultant would be consistent with the FCPA and other applicable US and local law requirements, including disclosure requirements such as those in Part 130 of the International Traffic in Arms Regulations (ITAR)

(d) Evaluating the character of the proposed consultant to confirm that the consultant appears to be of high integrity and is likely to comply with the requirements of the Code. This evaluation will include a personal interview with and briefing of the consultant to ensure that the consultant fully understands and agrees to comply with the Code, the FCPA, and other applicable US and foreign legal requirements. At the conclusion of the briefing, have the consultant sign form C-704-9, International Consultant Compliance Acknowledgment, with respect to such requirements, and

(e) Reviewing the Corporation's standard terms and conditions with the proposed consultant, including contract negotiation as required.

Corporate Director Consultant Services

12. Obtain the signatures of the following corporate staff or designees on the Approval form:

(a) Director Industrial Participation, if the proposed consultant services will involve or affect offset/countertrade agreements.

(b) Vice President Washington Operations, if the consultant will interface with Lockheed Martin's Washington DC-based customer community as described in CPS-045, Washington Operations.

(c) Treasurer, if the consultant will provide customer financing.

(d) Assistant General Counsel-International.

(e) Vice President International Operations.

(f) Vice President Business Development.

#### Assistant General Counsel-International

13. Upon satisfactory completion of the due diligence, and any necessary coordination with the element's Legal department, prepare the Agreement, using Exhibit A when compensation will be by retainer, or Exhibit B when compensation will be by commission.

Note: All Agreements with consultants will be written in the name of Lockheed Martin Overseas Corporation (LMOC). The Assistant General Counsel-International will ensure that the Agreement is in accordance with the applicable corporate policies and procedures.

#### CRB Executive Director

14. Submit any Agreement that exceeds the thresholds set forth in the CRB/CRC Guidelines for the review and approval of the CRB or CRC as required.

Note: The Assistant General Counsel-International or corporate Vice President International Operations also may elect to refer any proposed Agreement (including those under CRB/CRC thresholds) for CRB/CRC review for any reason. The CRB Executive Director will notify the appropriate business area Vice President and General Counsel of any proposed Agreement that will be submitted to the CRB/CRC.

#### Corporate Director Consultant Services

15. Forward the Agreement to the proposed consultant for signature and, upon return, to the LMOC President or delegatee for execution.

Corporate Vice President Business Development or designee

16. Notify the designated agreement monitor of his or her duties and responsibilities. Give the monitor a copy of Exhibit D, Agreement Monitor Guidelines.

#### 7.0 Terms of Agreement

7.1 Statement of Work and Agreement Monitor. The Agreement must set forth a precise statement of work, including deliverable items such as documented analyses, reports, or other materials. The Agreement will identify the Lockheed Martin employee who has been designated by the element to serve as the agreement monitor.

7.2 Consultant Compensation. Compensation for services to be performed by the consultant must be reasonable and consistent with compensation for similar work within the industry or field of technology in the country where such services are to be performed and must be permissible under local law. The total corporate commitment for retainer fees and expenses or commissions to any entity or individual for consulting services will be approved in accordance with the CRB/CRC Guidelines.

7.3 Consultant Expense Reimbursement. The Agreement must require that the agreement monitor personally approve in writing in advance any extraordinary expenditures, such as travel by the consultant to a facility in the US. The consultant's travel and subsistence expense records must be documented with an explanation of each trip's purpose and itinerary with pre-authorization to travel. Reimbursement for domestic air and rail travel is limited to economy coach accommodations. Reimbursement for international air travel is limited to business class. The consultant is required to attach receipts for such expenditures to invoices in a form satisfactory to the agreement monitor and to the LMOC Controller. The consultant must strictly observe the applicable prohibitions relating to the entertainment of military and government officials and the prohibitions against giving anything of value to such officials.

7.4 Ethics. The Director Consultant Services will retain the Code acknowledgment card in the consultant's file. If the Code is revised at any time during the term of the Agreement, a copy of the revised Code will be furnished to the consultant. A clause in the Agreement must state that by execution of the Agreement the consultant warrants that the consultant has received a copy of, and will comply with, the Code.

7.4.1 Further, it is the Corporation's policy, to the extent reasonably possible, that the consultant will receive at least one hour of training concerning the Code and associated business conduct policies by an authorized representative of the Corporation on an annual basis. This training will be as directed by the corporate Vice President Ethics and Business Conduct. The agreement monitor will ensure the consultant has received such annual ethics training as evidenced by a signed acknowledgment form forwarded to the Director Consultant Services for filing.

7.5 Duration of Agreement and Expiration or Termination. The Agreement will state its duration in terms of a commencement date and an ending date, for a term not to exceed two years, unless otherwise approved by the CRC or CRB. The Agreement must contain a clause permitting Lockheed Martin to terminate the Agreement without cause and with 60 days or less notice, and limit Lockheed Martin's liability to fees earned and expenses incurred to the date of termination. The Agreement also must contain a clause stating that the Agreement will terminate immediately and all payments that are due or have been made under the Agreement will be forfeited if, in the rendering of services, illegal payments are made, or any part of the fee or expenses payable under the Agreement is used for an illegal purpose, or paid to a third party with the knowledge that the money will be used for an illegal purpose, or conduct is engaged in that is in violation of local foreign law or the laws of the US, including specifically the FCPA, the ITAR, and the US antiboycott laws. In this regard, the consultant will be required upon execution of the Agreement to furnish representations and warranties that:

(a) No payments or gifts have been or will be made, offered, or promised to improperly influence foreign officials

(b) No foreign official has any legal or beneficial interest in such business or in any commission or payment Lockheed Martin makes

(c) The consultant will disclose to Lockheed Martin any payment of, or offer to pay, political contributions, fees, or commissions pursuant to Part 130.12 of the ITAR, and

(d) The consultant is fully qualified to assist Lockheed Martin under US and applicable foreign law and has complied with any applicable registration and licensing requirements.

Breach of any such warranties will be cause for termination of the Agreement.

7.6 Independent Contractor. All Agreements will contain a provision making the consultant an independent contractor and clearly prohibiting the consultant from making any binding commitments on behalf of Lockheed Martin.

7.7 Consultant Certifications. The Agreement will contain the following:

(a) A clause to the effect that the consultant has not been convicted of, or within the past five years charged with, any felony offense in any jurisdiction or country, and is not presently listed by any government agency as debarred, suspended, proposed for debarment, or otherwise ineligible for government procurement programs. If the consultant is a firm, the representations and certifications will apply not only to the individual(s) who will be performing the consulting services but also to the principal officers and owners of the firm



(b) A clause where the consultant agrees that in performance of the Agreement he or she will comply with applicable laws and regulations of the US and the Territory (except to the extent inconsistent with US laws and regulations), and will not make or permit to be made or knowingly allow a third party to make any improper payments, or to perform an unlawful act. To that end, the consultant will execute the Consultant Certifications attached to the Agreement, and agree to furnish such further certifications as may be required from time to time. Failure or refusal to promptly furnish any required certificate or disclosure upon request from Lockheed Martin will be the basis for immediate termination of the Agreement, and

(c) Such other terms and conditions as are required and approved by the Assistant General Counsel-International or the element's Legal department.

## 8.0 Payment of Fees and Expenses

The actions required for the authorization and payment of consulting fees, commissions, and/or reimbursable expenses are provided below. No element may make any payment to a consultant without LMOC authorization as described below.

### Procedure

#### Consultant

##### 1. Submits the following to the Agreement Monitor:

(a) An invoice substantially in the form as set forth in form C-704-11, International Invoice for Retainer/Fees/Expenses, or form C-704-12, International Invoice for Commission/Success Fee

(b) Required receipts, and

(c) Form C-704-13, International Consultant Activity Report (the "Activity Report") that correlates work product with payment requested. Even though activities may involve highly classified or highly sensitive matters, a meaningful non-classified Activity Report is required in order to substantiate payment.

Agreement Monitor (or individual delegated this authority in writing for purposes of approving invoices)

2. Review the Activity Report, invoice, and receipts to verify that services have been properly rendered, documented, and supported. Upon satisfactory completion of these verifications, sign the Activity Report, signifying approval for payment, and provide the Activity Report, invoice, and receipts to Consultant Services.

Consultant Services (on behalf of LMOC)

3. Verify that: (a) the Activity Report and invoice bear the signature of the consultant and have agreement monitor approval; and (b) the name and address on the invoice, bank/wire transfer instructions, and period of performance are consistent with the Agreement. Upon satisfactory completion of these verifications, authorize payment of the invoice.

Lockheed Martin element retaining the consultant services

4. Upon receipt of authorization from Consultant Services, pay the consultant through the element's normal disbursement channels.

Note: All payments to a consultant will be made by check or wire transfer to an account in the name of the consultant in the country where a substantial portion of the related services are performed or the country from which the consultant normally conducts business, except where specifically approved in writing by the Assistant General Counsel-International or the CRB.

9.0 Administration

9.1 The corporate Vice President Internal Audit will ensure that the international consultant review and approval process is audited at least annually.

9.2 The Director Consultant Services will maintain the International Consultant Administration Manual.

9.3 The Regional President, agreement monitor, and Vice President Washington Operations or designee (if the consultant has contact with Congress or the Washington DC-based Executive Branch) must, on at least an annual basis, provide a written evaluation of the consultant, using form C-704-10, International Consultant Evaluation. These Evaluations will be reviewed by the corporate Vice President Business Development and the Assistant General Counsel-International.

9.4 The following documents will be retained for six years from the date of final payment under the Agreement or until audit activities are completed, whichever is later:

Documents -----	Retained by -----
Signed original Agreement, certifications, disclosures, and forms	Corporate Director Consultant Services
Consultant payment information, invoices, and supporting documents	Lockheed Martin element retaining the consultant services
Consultant work product, including	Agreement Monitor

reports, presentations, and  
related documents

9.5 It is the continuing responsibility of the agreement monitor to be aware of all Agreement terms and conditions (including the stated expiration date of the Agreement), and all applicable provisions of this policy. If it is intended to renew or extend the Agreement, the monitor must begin this process in a timely manner to avoid the possibility of the consultant having to stop work until the Agreement extension or renewal contract is finalized.

/s/ Frank H. Menaker, Jr.  
General Counsel

Corporate Headquarters  
Corporate Policy Statement CPS-730  
Revision: 2  
Effective: September 3, 2002  
Copyright 2002 Lockheed Martin Corporation  
Current policies and procedures are on the Lockheed Martin Intranet

Compliance with the Foreign Corrupt Practices Act

Exhibit A, Description of the Foreign Corrupt Practices Act | Exhibit B, Operational Directions | Exhibit C, Financial and Accounting Directions | Exhibit D, Internal Certification to the Vice President and Controller - Compliance with the Foreign Corrupt Practices Act | Exhibit E, Hospitality Guidelines | General Applicability Statement

## 1.0 Policy

Lockheed Martin Corporation will conduct every international business transaction with integrity, regardless of differing local manners and traditions, and will comply with:

- (a) The laws and regulations of the United States, particularly the provisions of the Foreign Corrupt Practices Act (FCPA)
- (b) The laws and regulations of each foreign country in which the Corporation operates (except to the extent inconsistent with US law)
- (c) The Consent Decree dated April 13, 1976, entered into between Lockheed Corporation and the Securities and Exchange Commission
- (d) The Consent Order dated June 23, 1978, between Lockheed Corporation and the Federal Trade Commission, and
- (e) The Corporation's Code of Ethics and Business Conduct, Setting the Standard.

If there is a real or apparent inconsistency between the requirements of US and foreign law, the matter will be resolved by the Assistant General Counsel-International.

## 2.0 General

2.1 This policy applies to all officers and employees of the Corporation and its wholly-owned subsidiaries, both within and outside the US, and, by written agreement, flowing down all appropriate provisions to all distributors, and to all consultants, agents, representatives, brokers or other persons or firms of US or any other nationality who have or are likely to have contact with a foreign customer and are hired or otherwise retained by the Corporation to provide services directly related to obtaining, retaining, or facilitating business or business opportunities, including offset/countertrade commitments to foreign governments, in or with any foreign country or foreign firm ("consultants"), as defined in section 2.0 of CPS-704, International Consultants.

2.2 With respect to entities controlled (but not wholly-owned) by the Corporation (normally an ownership interest in excess of 50%), the Assistant General Counsel-International will ensure that policies substantially similar to this policy are adopted. With respect to entities in which the Corporation has a substantial (but not controlling) ownership interest, (i.e., 20%-50%), the Assistant General Counsel-International will ensure that such entities have adopted appropriate controls and are taking the steps necessary to effect compliance with the FCPA by all of their officers, employees, distributors, and consultants.

### 3.0 Implementation

3.1 A brief description of the FCPA is set forth in Exhibit A, Description of the Foreign Corrupt Practices Act. Instructions designed to ensure that the Corporation and its personnel comply fully with both the spirit and the letter of the FCPA are provided in Exhibit B, Operational Directions. Exhibit C, Financial and Accounting Directions, is designed to ensure compliance with the accounting provisions of the FCPA. Exhibit D, Internal Certification to the Vice President and Controller - Compliance with the Foreign Corrupt Practices Act, provides a certification to be signed annually by the individual in charge of each Lockheed Martin element (the "Responsible Officer"). Exhibit E, Hospitality Guidelines, provides direction with respect to the furnishing of hospitality to foreign officials.

3.2 It is the individual responsibility of each officer, employee, and consultant of the Corporation, by action and supervision as well as continuous review, to ensure strict compliance with this policy. The Corporation may take severe disciplinary action, up to and including dismissal, against any officer, employee, or consultant who violates this directive.

3.3 Any officer or employee who suspects or becomes aware of any violation of this policy must report the violation to the Responsible Officer, who will immediately advise the element's Legal Counsel, who will cause an investigation of the reported matter to be conducted. A consultant who suspects or becomes aware of any such violation must immediately inform the Agreement Monitor, who will report the violation to the Responsible Officer. The Responsible Officer, upon receiving any such report, will immediately advise the element's Legal Counsel, who will cause an investigation to be conducted. The Responsible Officer also will report any such violation in writing to the

Assistant General Counsel-International. In the alternative, any officer, employee, or consultant who suspects or becomes aware of any violation of this policy may report it directly to the corporate Vice President Ethics and Business Conduct or the element's ethics officer (anonymously, if desired), or the Assistant General Counsel-International.

3.4 The Assistant General Counsel-International is responsible for furnishing advice with respect to the interpretation and application of the FCPA and of this policy. He or she also will assist each business area Vice President and General Counsel and Executive Vice President in ensuring that affected personnel are fully informed of the prohibitions of the FCPA and the requirements of this policy.

3.5 Each business area Vice President and General Counsel and Executive Vice President is responsible for ensuring that all affected business area personnel are fully informed of the prohibitions of the FCPA and the requirements of this policy. In addition, he or she is responsible for adopting and enforcing appropriate controls and taking the steps necessary to effect compliance with this policy by all officers, employees, distributors, and consultants of the Corporation in the business area.

3.6 Exceptions to this policy must have prior written approval of the General Counsel or the Assistant General Counsel-International. Exceptions will not be granted unless legal opinions have been obtained from outside counsel that the conduct for which approval is sought does not violate applicable US or foreign law.

/s/ Frank H. Menaker, Jr.  
General Counsel

Description of the Foreign Corrupt Practices Act  
Exhibit A of CPS-730, Compliance with the Foreign Corrupt Practices Act  
(September 2002)

## 1.0 Accounting and Recordkeeping Controls Requirements

The FCPA requires certain US companies, including Lockheed Martin, to establish accounting and recordkeeping controls that will prevent the use of "slush funds" and "off-the-books" accounts which have been used in the past by some companies as a means of facilitating and concealing questionable foreign payments. In particular, the FCPA requires companies to establish and keep books, records, accounts, and controls which accurately and fairly reflect their transactions and disposition of their assets.

## 2.0 Anti-Bribery Provisions (Prohibitions)

The FCPA, as amended in 1998, prohibits US persons (and non-US persons while in the United States) from corruptly offering or giving money or anything of value, directly or indirectly through agents or intermediaries, to foreign officials to assist the US (or non-US) person in "obtaining or retaining business." Specifically, the FCPA prohibits any act corruptly done in furtherance of an offer, payment, promise to pay, gift, promise to give, or authorization of the giving of "anything of value" to:

- (a) Any foreign official (see paragraph 6.1)
- (b) Any foreign political party or official thereof or any candidate for foreign political office, or
- (c) Any person (including any consultant), while knowing (or being aware of a high probability) (see paragraph 6.3 for the FCPA's knowledge standard) that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to any foreign official, any foreign political party or official thereof, or any candidate for foreign political office for purposes of:
  - (i) Influencing any act or decision in his, her, or its official capacity (or in the case of a foreign official, inducing him or her to do or omit to do any act in violation of that official's lawful duty)
  - (ii) Inducing him, her, or it to use his, her, or its influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality, or
  - (iii) Securing any improper advantage (e.g., obtaining a special tax exemption or operating permit for a factory which otherwise would not qualify)

in order to assist in obtaining or retaining business for or with, or directing business to, any person.

### 3.0 Limited Exceptions and Affirmative Defenses

The FCPA contains certain limited exceptions and affirmative defenses to the prohibitions set forth in section 2.0 above. These limited exceptions and affirmative defenses may not be used or relied upon except in accordance with the Operational Directions set forth in Exhibit B of this policy.

#### 3.1 Facilitating Payments

3.1.1 The FCPA provides that the prohibitions referred to in section 2.0 above do not apply to any facilitating or expediting payment to any foreign official, political party, or party official, "the purpose of which is to expedite or secure performance of a routine governmental action."

3.1.2 Examples of such "routine governmental action(s)" include actions ordinarily and commonly performed by a foreign official in:

- (a) Obtaining permits, licenses, or other official documents to qualify a person to do business in a foreign country
- (b) Processing governmental papers such as visas and work orders
- (c) Providing police protection, mail pickup and delivery, or scheduling inspections associated with contract performance or inspections related to transit of goods across country
- (d) Providing phone service, power and water supply, loading and unloading cargo, or protecting perishable products or commodities from deterioration, or
- (e) Actions of a similar nature.

3.1.3 The term "routine governmental action" does not include any decision by a foreign official on whether, or on what terms, to award new business to or continue business with a particular party, or any action taken by a foreign official involved in the decision-making process to encourage a decision to award new business or to continue business with a particular party.

3.2 Affirmative Defenses. The FCPA also contains two affirmative defenses for:  
(a) "reasonable and bona fide" expenditures, such as travel and lodging expenses, incurred by or on behalf of a foreign official, party, party official, or candidate that are directly related to the promotion, demonstration, or explanation of products or services or the execution or performance of a contract with a foreign government or agency thereof; or



(b) payments to foreign officials that are lawful under the written laws and regulations of the foreign official's country.

#### 4.0 Penalties - Fines and Imprisonment

The FCPA's penalties for violation of the anti-bribery provisions include fines of up to \$2,000,000 per violation for companies and fines of up to \$100,000 and/or imprisonment for up to five years per violation for individuals. The FCPA prohibits a company from reimbursing a director, officer, employee, or consultant for the amount of the fine involved. Individuals are subject to criminal liability under the FCPA regardless of whether the company has been found guilty or prosecuted for a violation.

#### 5.0 Applicability

5.1 As amended in 1998, the jurisdictional reach of the FCPA extends to "any person," including any foreign person or firm, that commits a prohibited act in the United States. The FCPA thus applies to foreign nationals, foreign corporations (including foreign subsidiaries of US companies), and other foreign entities whose directors, officers, employees, or agents commit a corrupt act while in the United States.

5.2 The FCPA, as amended, also applies to US nationals and US companies that commit prohibited acts outside the United States, regardless of the use of any instrumentality of interstate commerce. Thus, a US company may be held liable for the acts of its directors, officers, employees or agents (including its foreign subsidiaries) outside the United States, regardless of the nationality of the person taking the action and regardless of the use of an instrumentality of interstate commerce.

5.3 A US company may be held vicariously liable under the FCPA for the corrupt conduct of its foreign subsidiaries outside the United States if the US company authorized or participated in the conduct. Any US national who is a director, officer, employee or agent of a foreign subsidiary may also be held liable under the FCPA for acts in furtherance of the bribery of a foreign official, whether or not such acts are performed within or outside the territory of the United States.

#### 6.0 Key Terms

6.1 As used in this policy, "foreign official" means any officer or employee of a foreign government, its armed forces, or any department, agency, or instrumentality thereof, or any person acting in an official capacity for or on behalf of such government or department, agency, or instrumentality, or any official, employee or person acting on behalf of a public international organization such as the World Bank or the European Community.

6.2 The prohibition against payments to foreign officials extends to the offering or giving of "anything of value" where the requisite criminal intent and business purpose are present. The thing of value given can be of any kind, not just money, and there is no

minimum amount or threshold of value which must be exceeded before the gift becomes illegal.

6.3 The FCPA specifically defines the degree of knowledge necessary for a violation. Under the FCPA, "knowing" conduct requires an awareness or a firm belief that the agent, representative, or other third party is making a corrupt payment, or a substantial certainty that this will occur. The FCPA knowledge standard is also met where there is awareness of a high probability that the corrupt payment will be made, unless there is actual belief to the contrary. Willful ignorance (sticking one's head in the sand) is not excused. There may be circumstances in which a director, officer, employee, or consultant of the Corporation becomes aware of facts which, while in and of themselves do not cause the individual either to know or believe that a foreign official will be the ultimate recipient of a bribe, should cause suspicion. In these circumstances, if the individual fails to take steps to allay that suspicion, he or she may risk prosecution under the FCPA, as the director, officer, employee, or consultant may be accused of having had the requisite knowledge for a violation.

6.4 Although the FCPA does not define "instrumentality" of a foreign government, the term should be construed to include entities which are wholly- or partially-owned by a foreign government, such as the Saudi Arabian Airlines Corporation (Saudia) or a specially chartered private corporation entrusted with quasi-governmental functions, as well as organizations such as ARABSAT, because the majority of the membership of those organizations is composed of foreign governments and quasi-governmental entities. An entity partially-owned by a foreign government will be deemed to be an "instrumentality" for FCPA purposes under this policy when the foreign government holds the majority of the entity's subscribed capital, controls the majority of the votes attached to the shares issued by the entity, or can appoint the majority of the entity's administrative or managerial body or supervisory board. An entity also will be deemed to be an "instrumentality" under this policy where the foreign government has a significant ownership interest representing less than a majority but is the single largest shareholder, has the power to appoint board members (less than a majority), combined with negative veto powers, and has the power to exercise effective or de facto control.

## Operational Directions

Exhibit B of CPS-730, Compliance with the Foreign Corrupt Practices Act  
(September 2002)

### 1.0 Application

1.1 These Operational Directions apply to Lockheed Martin Corporation and its wholly-owned subsidiaries, both within and outside the US. These Directions will control even though local law or custom may permit business standards that are less exacting. With respect to any entity controlled (but not wholly-owned) by the Corporation (normally an ownership interest in excess of 50%), the Assistant General Counsel-International will ensure that policies substantially similar to these Operational Directions are adopted. With respect to any entity in which the Corporation has a substantial (but not controlling) ownership interest, (i.e., 20%-50%), the Assistant General Counsel-International will ensure that such entity has adopted appropriate controls and is taking the steps necessary to effect compliance with the FCPA by all of its officers, employees, distributors, and consultants.

1.1.1 The corporate Vice President Strategic Development, in the case of corporate acquisitions, or the business area Executive Vice President or designee, in the case of other acquisitions (including interests in joint ventures), will ensure that the Assistant General Counsel-International is advised, prior to acquiring any ownership interest of 20% or more in any entity, of the controls that will be implemented to ensure compliance with this policy.

1.2 At times, observance of the directions may place the Corporation in a noncompetitive position. However, strict compliance with the directions and their underlying policies and goals is of greater value to the Corporation than any business which may be lost.

### 2.0 Specific Prohibitions and Requirements

2.1 Except as provided herein, no offer, payment, promise to pay, or authorization to pay or provide any money, gifts, or anything of value will be made by or on behalf of the Corporation to:

(a) Any foreign official, including any member of the armed forces, and including any official, employee, or person acting on behalf of a public international organization.

(b) Any foreign political party or official thereof or any candidate for foreign political office.

(c) Any person, while knowing or being aware of a high probability that all or a portion of any payment will be offered, given or promised, directly or indirectly, to any of the above.

2.2 Except in exigent or urgent circumstances that make it impractical to seek prior approval, and subject to the conditions set forth in paragraph 2.3, no facilitating or expediting payment will be made without the prior approval of business unit or business area Legal Counsel or, alternatively, the Assistant General Counsel-International.

2.3 In exigent or urgent circumstances that make it impractical to seek prior approval, a facilitating or expediting payment may be made without the prior approval required under paragraph 2.2 provided that all of the following conditions are satisfied:

(a) The payment does not exceed \$100

(b) The payment is for a "routine governmental action" as described by the following list:

(i) Obtaining permits, licenses, or other official documents that qualify a person to do business in a foreign country

(ii) Processing governmental papers such as visas and work orders

(iii) Providing police protection, mail pickup and delivery, or scheduling inspections associated with contract performance or inspections related to transit of goods across country

(iv) Providing phone service, power and water supply, loading and unloading cargo, or protecting perishable products or commodities from deterioration, or

(v) Actions of a similar nature.

(c) The payment is not for any decision by a foreign official whether, or on what terms, to award new business to or continue business with a particular party, or for any action taken by a foreign official involved in the decision-making process to encourage a decision to award new business or to continue business with a particular party, and

(d) Within seven days, the payment is reported in writing to the element's Legal Counsel and the Assistant General Counsel-International and on an expense report to reflect accurately the amount paid, the recipient, the purpose of the payment, and the exigent or urgent nature of the circumstances.

2.4 Except for hospitality provided in accordance with paragraph 2.7, no officer, employee or consultant of the Corporation may rely on either of the FCPA's affirmative

defenses, as described in Exhibit A, Description of the Foreign Corrupt Practices Act, without the prior written approval of the Assistant General Counsel-International.

2.5 Use of corporate aircraft to transport foreign officials is prohibited, except with the written consent of the General Counsel, Assistant General Counsel-International, or the Associate General Counsel-Litigation & Compliance. Consent will not be granted absent review and approval by business unit and business area Legal Counsel. Any request must be accompanied by a legal opinion of outside counsel.

2.6 The above prohibitions apply to payments and gifts on behalf of the Corporation, whether or not they involve the use of corporate resources.

2.7 Provision of hospitality, transportation, meals, models, or mementos of reasonable value will be in accordance with guidelines issued by the Assistant General Counsel-International. The guidelines are set forth in Exhibit E, Hospitality Guidelines. Where the hospitality to be given by the Corporation is clearly within the guidelines (including the Hospitality Rules for Foreign Officials as defined in Exhibit E), no prior written approval is required. Otherwise, the prior written approval of the element's Legal Counsel must be obtained.

2.8 Questions as to whether government-owned or controlled commercial enterprises are government instrumentalities for purposes of this policy will be referred to the Assistant General Counsel-International for resolution.

Financial and Accounting Directions  
Exhibit C of CPS-730, Compliance with the Foreign Corrupt Practices Act  
(September 2002)

The Vice President and Controller (the "Controller") ensures that the accounting and recordkeeping activities of the Corporation adhere to the highest standards and conform to this policy. Yet, with regard to ethics, legality, and propriety, each officer and employee involved with financial and accounting functions has an obligation which transcends normal reporting requirements. Each such individual must be alert to possible violations of the following Financial and Accounting Directions and will report suspected violations to the Controller and the element's Legal Counsel:

1.0 All cash, bank accounts, investments, and other assets of the Corporation must always be recorded accurately on the official books of the Corporation. In accordance with CPS-011, Internal Control, and the Corporate Controller's Manual, personnel responsible for the Corporation's financial books, records, and internal accounting controls will periodically review such books, records, and controls to ensure their compliance with the requirements of the FCPA. Bank accounts should be opened or closed only upon the prior written approval of the Vice President and Treasurer or an Assistant Treasurer of Lockheed Martin Corporation. Anonymous ("numbered") accounts will not be maintained.

2.0 Payments will not be made into anonymous bank accounts or other accounts not in the name of the payee or of an entity known to be controlled by the payee.

3.0 Except for regular, approved cash payroll payments and normal disbursements from petty cash supported by signed receipts or other appropriate documentation, payments will not be made in cash. Checks will not be drawn to the order of "cash," "bearer," or similar designations.

4.0 Fictitious invoices, over-invoices, or other misleading documentation will not be used.

5.0 Fictitious entities, sales, purchases, services, loans, or financial arrangements will not be used.

6.0 Check requests will be in writing and contain a complete explanation of the purpose and authority for the payment. The explanation will accompany all documents submitted in the course of the issuing process. The explanation must be kept on file at the paying location.

7.0 No expenses relating to foreign business will be reimbursed to persons or companies assisting the Corporation in obtaining or retaining such business unless such expenses are supported by reasonable written documentation.

8.0 No payment to any consultant will be made outside of either the country where a substantial portion of the related services are performed or the country from which the person performing such services normally conducts business, except where specifically approved in writing by the Assistant General Counsel-International or the Consultant Review Board (CRB).

9.0 Payments for any services rendered to the Corporation by a foreign official or an officer or official of a foreign government-owned or -controlled commercial enterprise, including honorarium payments and reimbursement of expenses, will be made solely to the foreign government agency or instrumentality employing the individual. Such payments will be made by check directly to the foreign government agency or instrumentality, or by wire to its named bank account within the foreign government agency's or instrumentality's country, or by wire through its duly authorized correspondent bank within the US. No such payment shall be made without the prior written approval of the business area Vice President and General Counsel or, alternatively, the Assistant General Counsel-International.

10.0 Receipts, whether in cash or checks, will be deposited promptly in a bank account of the Corporation. Any officer or employee who suspects the possibility that a bribe, kickback, or over-invoice is associated with a particular receipt or that an understanding exists that all or a portion of a receipt will be rebated, refunded or otherwise paid in contravention of the laws of any jurisdiction, will immediately report that suspicion to the Responsible Officer, the chief financial officer of the element, and the element's Legal Counsel. Consultants will report such suspicions to the applicable Agreement Monitor (whose responsibilities are set forth in CPS-704, International Consultants), who will immediately refer the matter to the Responsible Officer, the chief financial officer of the element, and the element's Legal Counsel. The Responsible Officer will report any such violation in writing to the Assistant General Counsel-International.

11.0 Within 90 days after the end of each calendar year, each Responsible Officer will prepare a report, which will be submitted to the Controller, with respect to all remuneration (including hospitality offered to foreign officials exceeding the limits set forth in Exhibit E, Hospitality Guidelines) and facilitating payments made in connection with his or her element's operations in foreign countries during that year. The Responsible Officer will certify in such report that, to the best of his or her knowledge, the information contained therein is accurate and that all transactions during such year complied with this policy. The chief financial officer of each element will assist the Responsible Officer in the preparation of such report, which should include an Internal Certification to the Vice President and Controller - Compliance with the Foreign Corrupt Practices Act, a sample of which is set forth in Exhibit D.

12.0 Within 150 days after the end of each calendar year, the Controller will prepare a report, which will be submitted by the Chief Financial Officer to the Audit & Ethics Committee of the Board of Directors of Lockheed Martin Corporation at its next scheduled meeting, with respect to all commissions, other remuneration (including hospitality offered to foreign officials exceeding the limits set forth in Exhibit E,

Hospitality Guidelines), and facilitating payments made in connection with operations in foreign countries during that year. The Chief Financial Officer will certify in such report that, to the best of his or her knowledge, the information contained therein is accurate and that all transactions during such year complied with this policy. The chief financial officer of each element will assist the Controller in the preparation of such report.



Internal Certification to the Vice President and Controller -  
Compliance with the Foreign Corrupt Practices Act  
Exhibit D of CPS-730, Compliance with the Foreign Corrupt Practices Act  
(September 2002)

Key Responsibilities

It is the individual responsibility of each officer and employee of the Corporation and its wholly-owned subsidiaries, by action and supervision, as well as continuous review, to ensure strict compliance with CPS-730, Compliance with the Foreign Corrupt Practices Act (FCPA). The Corporation may take severe disciplinary action against any officer or employee who violates this directive. In summary, the FCPA specifically prohibits: (1) payments or offers of anything of value made corruptly to influence foreign officials or to secure any improper advantage in order to obtain or retain business for the Corporation; (2) maintaining undisclosed/unrecorded funds or assets; and (3) making entries in the books and records of the Corporation for anything other than the purpose described. Any officer or employee who suspects or becomes aware of any violation of CPS-730 must report the violation immediately to the individual in charge of the element involved (Responsible Officer), who will advise the element's Legal Counsel and cause an investigation of the reported matter to be conducted. The Responsible Officer will report any such violation in writing to the Assistant General Counsel-International.

Any officer or employee who suspects the possibility that a bribe, kickback, or over-invoice is associated with a particular receipt or payment or that an understanding exists that all or a portion of a receipt or payment will be rebated, refunded, or otherwise paid in contravention of the laws of any jurisdiction, will immediately report that suspicion to the Responsible Officer, the chief financial officer of the element, and the element's Legal Counsel. The Responsible Officer will report any such violation in writing to the Assistant General Counsel-International.

Certification

I, the undersigned, do hereby affirm, to the best of my knowledge and belief, that the operations for which I am assigned responsibility: (1) are in compliance with CPS-730 and the FCPA; (2) have not made any unlawful or irregular payments; (3) have no undisclosed/unrecorded funds or assets; and (4) have no entries in the books or records for other than the purpose described.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_  
[Name of Responsible Officer]

Hospitality Guidelines  
Exhibit E of CPS-730, Compliance with the Foreign Corrupt Practices Act  
(September 2002)

(To be followed for activities involving officials or employees of foreign governments or agencies or instrumentalities thereof in all countries)

1.0 All hospitality offered on behalf of the Corporation must be directly related to Lockheed Martin business, i.e., the sale of its products and services, or otherwise directly in support of Lockheed Martin's business interests. Hospitality in all cases must be reasonable in amount; must be offered in good faith only in connection with the promotion, demonstration, or explanation of company products or services or the execution or performance of a contract with a foreign government or agency or instrumentality thereof; must be lawful under applicable local law, and must be appropriate under the circumstances so as not to create an appearance of impropriety. In no event may any hospitality be offered or provided in return for any favor or benefit to Lockheed Martin or to influence improperly any official decision. Unless otherwise provided in the Hospitality Rules for Foreign Officials or approved by the element's Legal Counsel in writing, expenses for hospitality meals should not exceed the following US dollar amount per person: Breakfast - \$50.00; Lunch - \$100.00; Dinner - \$150.00. Refreshments should not exceed \$50.00 per person.

1.1 Higher amounts may be appropriate in a specific country and may be approved by the element's Legal Counsel, provided a written legal opinion is obtained from outside counsel that such higher amounts are in accordance with such country's laws and regulations and are not unreasonable or excessive.

Note: The frequency of hospitality must be carefully monitored, as the cumulative effect of frequent hospitality may give rise to the appearance of impropriety. Hospitality for an individual should not exceed 12 events in any calendar year. Where additional hospitality is anticipated, the element's Legal Counsel will be consulted and prior written approval will be obtained.

2.0 Unless otherwise provided in the Hospitality Rules for Foreign Officials, in the case of plant visits or similar activities by foreign government officials or employees which will involve Lockheed Martin paying airfare or lodging expenses for such officials, elements will send invitations or itineraries, or both, to the foreign officials to inform them, to enable consultation with superiors, and to afford them the option to decline. Elements also will obtain prior written approval or confirmation from the invitee's superior or other authorized official or prepare a file memorandum of relevant conversations in this regard. If this is not practicable in connection with very senior invitees, the element's Legal Counsel will obtain a written legal opinion from outside counsel that specifically addresses the particular circumstances of the visit. In the case of plant visits that are specifically required by the terms of a contract with a foreign

government customer, prior written approval or confirmation from the invitee's superior or other authorized official is not required, but all hospitality expenses related to any such visit will be subject to these Guidelines. In no case will payment or reimbursement be made directly to the individual official incurring the expense. Such payment or reimbursement will be made to the foreign government or agency involved.

3.0 Refreshments, meals, or mementos of reasonable value and otherwise in accordance with these Guidelines which are furnished in connection with trade shows, association meetings, official governmental functions, or ceremonial, commemorative, or celebratory functions such as ship launchings, airplane rollouts, deliveries, or demonstrations are permissible. For such events or occasions to which foreign government officials or employees from three or more countries are invited, the element's Legal Counsel and outside counsel opinions will not be required with respect to the foreign government officials' or employees' participation, provided the refreshments, meals, or mementos to be offered are of reasonable value and otherwise strictly in accordance with these Guidelines and the Hospitality Rules for Foreign Officials, and are not offered improperly to influence any official decision. However, notification of such events will be made in writing to the element's Legal Counsel at least 15 days in advance of such event. The notification will generally describe the event, the per person cost of the refreshments, meals, and mementos offered, and any other relevant aspects of the event.

4.0 Cash gifts to foreign officials are not permitted under any circumstances. Per diem payments are similarly prohibited, except where expressly provided for in a written contract with a foreign government customer. In such case, per diem payments will be paid strictly in accordance with the contract requirements. Any such payment will be made by check, rather than cash. Whenever feasible, the check for per diem payments should be made payable to the foreign government customer, rather than to any individual foreign official. Any such per diem payment always will be accompanied by appropriate documentation accurately recording the amount and nature of the payment in accordance with the contract requirement.

5.0 Unless otherwise provided in the Hospitality Rules for Foreign Officials, product models or pictures of little or no intrinsic value bearing the company logo or other items of small dollar value (less than US \$100) that are distributed for advertising or commemorative purposes are permitted. Gifts valued at \$100 or more must have the prior written approval of the element's Legal Counsel, provided the element's Legal Counsel obtains from outside counsel a written opinion that any such higher amount complies with the foreign country's law and regulations. The element's Legal Counsel will consult with the element's Ethics Officer prior to granting any such approval. In no event will an item having a cost in excess of \$1,000 (regardless of intrinsic value) be given without the prior written approval of the Assistant General Counsel-International. Whenever appropriate, a gift should be made to the customer organization, and not to an individual.

6.0 Use of Lockheed Martin corporate aircraft to transport foreign officials is prohibited unless prior written authorization is obtained from the General Counsel, Assistant General Counsel-International, or the Associate General Counsel-Litigation &

Compliance. Consent will not be granted absent review and approval by business unit and business area Legal Counsel. Any such request must be accompanied by a legal opinion of outside counsel. Other transportation may be approved, after legal review, on a case-by-case basis.

7.0 Prior written approval by the element's Legal Counsel is required for any hospitality offered to the spouse and/or children of a foreign official.

8.0 The Responsible Officer will ensure that quarterly written reports of all hospitality offered to foreign officials exceeding the limits set forth in these Hospitality Guidelines are provided to the element's Legal Counsel within 30 days of the end of the calendar quarter. This reporting requirement applies even if the element's Legal Counsel has granted approval and, where applicable, obtained a written opinion from outside counsel. Such reports will specify the names and titles of recipients, country(ies) represented, expenses incurred, and type and business purpose of the hospitality. This reporting requirement is in addition to and separate from any reports required to be made to any element finance organization. The element's Legal Counsel will review such quarterly written reports and will prepare a written report to the appropriate business area Vice President and General Counsel and the Assistant General Counsel-International. This report will identify any hospitality exceeding the limits set forth in these Hospitality Guidelines for which the element's Legal Counsel has granted approval and, where applicable, has obtained a written opinion from outside counsel. This report also will identify any instance of noncompliance or violation of these Hospitality Guidelines and the corrective action taken or to be taken.

9.0 The Hospitality Rules for Foreign Officials are approved by the Assistant General Counsel-International and will be updated from time-to-time. No hospitality will be authorized under these Guidelines unless it is in accordance with the specific requirements of the Hospitality Rules for Foreign Officials, or has been approved by the element's Legal Counsel based upon a written opinion of outside counsel that the hospitality complies with the foreign country's laws and regulations.

10.0 Because foreign legal opinions can in some instances take many days to obtain, counsel should be consulted as early as possible, but in no event later than five business days before the event.