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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) - February 11, 1999

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.)
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6801 Rockledge Drive, Bethesda, Maryland
(Address of principal executive offices)

20817
(Zip Code)

(301) 897-6000
(Registrant's telephone number, including area code)

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

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Item 5. Other Events

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 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) 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 Corporation Corporate Policy Statement 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 Lockheed Martin Corporation Corporate Policy Statement CPS-730 pertaining to certain additional procedures relating to the Foreign Corrupt Practices Act.

Lockheed Martin proposes to amend CPS-704 pertaining to international consultants. Consequently, Lockheed Martin is filing this Current Report on Form 8-K on behalf of its former subsidiary Lockheed and has included as an exhibit to this filing the revision to CPS-704.

Item 7. Financial Statements

A. Financial Statements

None.

B. Exhibits

Exhibit No.

Description

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Lockheed Martin Corporation Corporate Policy Statement No:
CPS-704 (International Consultants), 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/ MARIAN S. BLOCK

Marian S. Block
Vice President, Associate General
Counsel and Assistant Secretary

February 16, 1999

Corporate Policy Statement CPS-704

Revision No: 1

Issued: February 27, 1999

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A hard copy of this policy may not be current.

The current version is on the Lockheed Martin Intranet

International Consultants

1.0 Policy | 2.0 Definitions | 3.0 Exclusions | 4.0 Restrictions | 5.0 Preliminary Legal Determination | 6.0 Approval Process | 7.0 Terms of Agreement | 8.0 Payment of Fees and Expenses | 9.0 Administration | General Applicability Statement | Distribution Notice

All Exhibits and Forms required by this CPS are contained 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) (refer to 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 shall 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 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 CPS until a written agreement, approved as provided in this CPS, has been executed by both parties. Refer to CMS-550, Accounting for Consultant Commissions and Other Costs, for appropriate accounting policy and procedures.

1.4 Violation of this policy, or the making of any commitment in violation of this policy, can result in severe disciplinary action, including termination of employment.

1.5 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 shall ensure that policies substantially similar to this CPS 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 shall ensure that such entities have adopted appropriate controls and are taking the steps necessary to effect compliance with the requirements of this CPS 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.

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

Consultant Review Committee (CRC) - The CRC is responsible for reviewing and approving proposed consultant arrangements which exceed the thresholds set forth in the CRB/CRC Guidelines. The CRC has additional responsibility 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 shall be the Chief Financial Officer, Senior Vice President and General Counsel, and corporate Vice President of Business Development. A Sector President will participate on a rotating, non-conflict basis.

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 The services of domestic business development consultants 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, rather than a consultant, and falls outside the scope of this CPS. The determination that a distributor relationship is bona fide, and is not in reality 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, rather than 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, from 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 CMS-010, Purchase of Outside Accounting and Related Services.

4.0 RESTRICTIONS

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

4.2 No consultant shall 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, which written approval shall be maintained by the corporate Manager of Consultant Services.

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 shall be made in violation of applicable US law, the law of the affected foreign country, or the Code.

4.4 No payment shall be made and no other thing of value shall 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 shall not apply to:

- . 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 Foreign Corrupt Practices Act, 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 which Lockheed Martin is entitled to have performed in any case and which 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
- . 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 (refer to CPS-730, Exhibit E, Hospitality Guidelines).

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 must also coordinate with the corporate Manager of Consultant Services to ascertain whether the prospective consultant is already under agreement with the Corporation.

6.0 APPROVAL PROCESS

The actions required for the initial appointment or renewal of any international consultant are as follows. Actions which are optional for renewal of a consultant are marked with an asterisk (*).

6.1 No later than 90 days prior to the desired appointment/renewal date, the element desiring to retain the services of the consultant will submit an appointment package to the proposed consultant with the following enclosures:

- . Application for International Consultant Appointment, Form No. C-704-1, or Application for International Consultant Renewal, Form No. C-704-2 (collectively, "Application"), as applicable;
- . (*) The Code which, in appropriate cases, should be provided in the native language of the consultant;
- . (*) International Consultant Letter of Appointment, Form No. C-704-3 (optional);
- . (*) Disclaimer Letter, Form No. C-704-4; and
- . (*) Exhibit A, Lockheed Martin International Consultant Agreement - Consultant, or Exhibit B, Lockheed Martin International Consultant Agreement -Representative (collectively, "Agreement"), provided for information purposes only.

6.2 The cognizant Regional President will:

6.2.1 (*) 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 (where available) or otherwise obtaining the evaluation of the US Embassy relative to the consultant.

6.2.2 Prepare a Regional President's Recommendation - New International Consultant, Form No. C-704-6, or Regional President's Recommendation - Renewal of International Consultant or Change in Product Coverage, Form No. C-704-7 (collectively, "Recommendation") as applicable, ensuring that the Recommendation fully justifies the retainer and/or commission recommended.

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

6.3 The element's Legal department will:

6.3.1 Review the due diligence and obtain legal opinions from competent outside counsel that address the following: (a) whether the proposed agreement, including the proposed activities of the consultant as set forth therein, 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.

6.3.2 Check references listed by the consultant and, 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.

6.3.3 Initiate an International Consultant Approval, Form No. C-704-8 ("Approval").

6.3.4 (*) 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, signifying that the potential for improper employment practice does not exist. (Refer to CPS-524, Rehire of Retired Salaried Personnel.)

6.3.5 Provide the Approval and the appointment package to the corporate Manager of Consultant Services, who will review the package for completeness and forward the completed package to the Assistant General Counsel-International.

6.4 The Assistant General Counsel-International will coordinate with the requesting element's Legal department in order to complete the due diligence background check on the proposed consultant, including:

6.4.1 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;

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

6.4.3 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);

6.4.4 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, the consultant will sign an International Consultant Compliance Acknowledgment, Form No. C-704-9, with respect to such requirements; and

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

6.5 The corporate Manager of Consultant Services will obtain the signatures of the following individuals or their designees on the Approval form:

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

6.5.2 Vice President of Washington Operations, if the consultant will be based in Washington, DC.

6.5.3 Vice President and Treasurer, if the consultant will provide customer financing.

6.5.4 Assistant General Counsel-International.

6.5.5 Vice President of International Operations.

6.5.6 Corporate Vice President of Business Development.

6.6 Upon satisfactory completion of the due diligence, the Assistant General Counsel-International will coordinate with the element's Legal department to prepare the consultant agreement, using the Agreement at Exhibit A when compensation will be by retainer, or the Agreement at Exhibit B when compensation will be by commission. 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 consultant agreement is in accordance with the applicable corporate policies and procedures.

6.7 The CRB Executive Director will submit any agreement which exceeds the thresholds set forth in the CRB/CRC Guidelines for the review and approval of the CRB or CRC as required. The Assistant General Counsel-International or the Vice President of International Operations may also 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 sector Vice President and General Counsel of any proposed consultant agreement which will be submitted to the CRB/CRC.

6.8 The corporate Manager of Consultant Services will forward the agreement to the proposed consultant for signature and, upon return, to the LMOC President or designee for execution.

6.9 The corporate Vice President of Business Development or designee will notify the designated agreement monitor of the duties and responsibilities, providing the monitor with a copy of Exhibit D, Agreement Monitor Guidelines.

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

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.

7.1.1 The Regional President, agreement monitor and Vice President of Washington Operations or designee (if the consultant is Washington, DC-based) must, on at least an annual basis, provide a written evaluation of the consultant, using the International Consultant Evaluation, Form No. C-704-10. These evaluations will be reviewed by the corporate Vice President of Business Development and the Assistant General Counsel-International.

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 unless otherwise specified in the agreement. Reimbursement for international air travel is limited to business class unless otherwise specified in the agreement. 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 corporate Manager of 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 Vice President of 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 corporate Manager of 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 must also 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:

- . No payments or gifts have been or will be made, offered, or promised to improperly influence foreign officials;
- . No foreign official has any legal or beneficial interest in such business or in any commission or payment Lockheed Martin makes;
- . 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
- . 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:

7.7.1 A clause to the effect that the consultant has not been convicted of or pleaded guilty to an offense involving fraud, corruption or moral turpitude and is not currently listed by any government agency as debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for government procurement programs. If the consultant is a corporation, partnership or other form of business organization, 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 business organization;

7.7.2 A clause wherein the consultant agrees that in performance of the agreement, the consultant 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

7.7.3 Such other terms and conditions as are required and approved by the Assistant General Counsel-International or the element Legal department.

8.0 PAYMENT OF FEES AND EXPENSES

8.1 Consulting fees, commissions, or reimbursable expenses will be paid only through normal LMOC disbursement channels after receipt of an invoice from the consultant, substantially in the form as set forth in International Consultant Invoice for Retainer/Fees/Expenses, Form No. C-704-11, or International Consultant Invoice for Commission/Success Fee, Form No. C-704-12. The invoice will be accompanied by receipts as required, and a completed International

Consultant Activity Report, Form No. C-704-13, ("Activity Report") which 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.

8.2 Prior to the payment by LMOC of a consultant invoice, the agreement monitor (or individual delegated this authority in writing for purposes of approving invoices) will review the Activity Report, invoice and receipts submitted by the consultant to verify that services have been properly rendered, documented and supported. If so, the agreement monitor will sign the Activity Report and the invoice, signifying approval for payment, and provide the Activity Report with invoice and receipts to the corporate Manager of Consultant Services.

8.3 The corporate Manager of Consultant Services will verify that the name and address on the invoice, bank/wire transfer instructions, and period of performance are consistent with the agreement, and that the Activity Report and invoice bear the signatures of the consultant and agreement monitor. Upon satisfactory completion of these verifications, the corporate Manager of Consultant Services will authorize the payment of the invoice and provide the invoice, receipts and activity report to LMOC. LMOC will make payment and invoice applicable consultant costs to the appropriate elements.

8.4 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 Manager of Consultant Services will develop and maintain the International Consultant Administration Manual and make it available electronically.

9.2 The following will be retained for a period of eight years from the date of final payment under the agreement or until audit activities are completed:

9.2.1 The signed original consultant agreement, certifications, disclosures and forms will be retained by the corporate Manager of Consultant Services.

9.2.2 Consultant payment information, invoices and supporting documentation will be retained by LMOC.

9.2.3 Consultant work product (including reports, presentations and related documents) will be retained by the agreement monitor.

9.3 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 CPS. 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.
Senior Vice President and General Counsel