

LOCKHEED MARTIN AERONAUTICS COMPANY

PRIME SUPPLEMENTAL FLOWDOWN DOCUMENT (PSFD)

**ADDITIONAL TERMS AND CONDITIONS FOR SUBCONTRACTS/PURCHASE ORDERS
UNDER**

Germany C-130 DIRCM

Contract Q/L2AB/KA098/1A387

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The following are the supplemental terms and conditions to be incorporated, in addition to those other terms and conditions from the applicable CorpDoc 1 into subcontracts issued under the Prime Contract Q/L2AB/KA098/1A387 Germany C-130 DIRCM.

The Terms and Conditions listed below are incorporated by reference and made a part of this Contract. Unless otherwise limited in this Contract, each document applies in its entirety.

In the event of a conflict between the version or date of a clause set forth in this document and the version or date of a clause set forth in the identified CorpDocs, the version or date of the clauses set forth in this document shall take precedence.

To the extent that any clause included in this document is inapplicable to the performance of this Contract, the parties shall consider such clauses to be self-deleting and they shall not impose any obligations upon SELLER.

The following clauses are added:

SECTION H- SPECIAL PURCHASE ORDER REQUIREMENTS

§ 2: Usage Rights

- (1) Except for the express license grant set forth in subsection (2) below, the Seller retains all rights, title, and interest in and to the intellectual property of all works and work products created, developed, or delivered by it or its subsidiaries or subcontractors in the course of fulfilling this Contract.
- (2) (a) License to Foreground Deliverable (FD) Intellectual Property. The Seller grants Lockheed Martin and Lockheed Martin's Customer a non-exclusive, transferable, sub-

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Original**

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licensable usage right that is not restricted in time or place and which may be exercised by third parties on behalf of Lockheed Martin and Lockheed Martin's customer to the intellectual property contained in CDRLs identified as "Foreground Deliverable" or "FD" listed in the Contract Data Requirements List of this Contract. This usage right includes the right and ability to copy, modify, make derivative works, and distribute the Foreground Deliverable. To the extent any Foreground Deliverable is software, the usage right is limited to use of the software in executable form only. Further, Lockheed Martin and Lockheed Martin's customer agrees it shall not (and shall not authorize others to) reverse engineer, decompile, disassemble, prepare derivative works based on or otherwise modify the software, in whole or in part.

(b) License to Pre-Existing Deliverable (PED) Intellectual Property. The Seller grants Lockheed Martin and Lockheed Martin's customer a non-exclusive, non-transferable, non-sub-licensable limited right to use the intellectual property contained in the CDRLs identified as "Pre-Existing Deliverable (PED)" or "PED" listed in the Contract Data Requirements List of this Contract, solely for the purpose of operating and maintaining aircraft owned and operated by the German armed forces and the French armed forces only, and only for governmental, non-commercial purposes. Subject to first obtaining express written consent from the Seller, the usage right set forth herein may also be exercised by third parties on behalf of Lockheed Martin and Lockheed Martin's customer. For clarification, the usage right contained in this subsection (2)(b) includes in particular the right to duplicate, process, and transform (e.g., translate, revise, and incorporate into other documents) subject to the limitations contained in this subsection (2)(b). The Seller's consent is not required for this purpose. To the extent any Pre-Existing Deliverable is software, the usage right is limited to use of the software in executable form only solely for the purpose of operating and maintaining aircraft owned and operated by the German armed forces and the French armed forces only, and only for governmental, non-commercial purposes. Further, Lockheed Martin and Lockheed Martin's customer agrees it shall not (and shall not authorize others to) reverse engineer, decompile, disassemble, prepare derivative works based on or otherwise modify the software, in whole or in part.

(c) License to Mix of FD and PED Intellectual Property. To the extent a CDRL listed in the Contract Data Requirements List of this Contract is identified as "Mix of FD and PED", then Seller shall be required to utilize portion-marking to identify the applicable portion(s) of the CDRL at issue as "Foreground Deliverable Intellectual Property" or as "FD IP" so to indicate which portion(s) of the Mix of FD and PED CDRL is subject to the license scope identified in subsection 2(a) of this § 2, Usage Rights. All other portion(s) of the CDRL are subject to the license scope identified in subsection 2(b) of this § 2, Usage Rights.

- (3) The Seller shall notify Lockheed Martin of any inventions arising during the execution of the Contract for which the Seller applies for patent or utility model protection, immediately or later, by sending a copy of the application documents to Lockheed Martin without undue delay following the application. This also applies to the registration of designs and trademarks if the trademark is used to designate the subject matter of the Contract.
- (4) The Seller shall use commercially reasonable efforts to obtain the necessary license rights for Lockheed Martin and Lockheed Martin's customer to exercise the license grant set forth in subsection (2) above as it relates to third-party intellectual property.
- (5) Insofar as the Seller is not itself the owner of the rights required for this purpose and the license conditions of the rights of owner conflict with a granting of rights in favor of Lockheed Martin and Lockheed Martin's customer, the license conditions of the rights of owner shall prevail. If the implementation of the Contract or the contractual use of the contracted service is endangered or becomes impossible as a result, the Seller must realize and enable the implementation of the Contract and the contractual use at its own expense by means of suitable replacement measures.
- (6) By signing this Contract, the Seller confirms that it is not aware of any third-party rights that conflict with Lockheed Martin's or Lockheed Martin's customer's usage right and which could prevent the provision of the contractual services. The Seller shall assume, in accordance with the requirements stipulated in the statutory provisions, the liability towards third parties for infringement of third party intellectual property rights and copyrights, provided that the goods are used by Lockheed Martin and Lockheed Martin's customer as intended under this Contract. This does not apply for documents or information that Lockheed Martin has provided to the Seller.
- (7) If Lockheed Martin provides the Seller with materials (such as source documents) and if these become part of the materials to be provided by the Seller without change, the Seller shall not be liable in accordance with the above provisions if the Seller was unaware of the existence of third-party rights to such materials.
- (8) The information and documents made available to the Seller by Lockheed Martin within the framework of this Contract may only be used for the purpose of fulfilling this Contract (which includes the Seller being able to disclose same to its subsidiaries and subcontractors for their use in performing of their contractual obligations) and must be returned after Seller's completion of the Contract. Any use for other purposes is prohibited. The documents are to be treated as confidential consistent with Seller's protection of information systems unless they are accessible to the public or expressly released for use.

§ 9 Seller's Personnel

- (1) The Seller shall, in accordance with the specifications, only employ sufficiently qualified personnel in sufficient numbers to be able to properly and fully comply with its obligations under this Contract at all times. The employees of the Seller or subcontractors hired by it shall not enter into any employment relationship with Lockheed Martin or Lockheed Martin's customer, even if they work on Lockheed Martin's or Lockheed Martin's customer's properties and premises. The right to give instructions shall in any case remain with the Seller and/or subcontractors hired by the Seller. This task is conducted exclusively by the Seller or the subcontractors hired by the Seller.
- (2) The Seller will observe the opening and closing hours while visiting Lockheed Martin's or Lockheed Martin's customer's respective facilities.
- (3) Stating substantiating reasons in writing, Lockheed Martin and/or Lockheed Martin's customer may request the exchange of personnel involved in contract performance if the Seller's personnel repeatedly and severely violated any material contractual obligations. The costs arising from the exchange will be borne by the Seller, subject to a period of thirty (30) days to replace such personnel.

§ 12 Identification, Storage and Packaging

- (1) The Seller agrees to pack the items requiring packaging listed in the Statement of Work in a manner customary in the trade and in a suitable manner.
- (2) The packaging shall become the property of Lockheed Martin.
- (3) The identification of the delivered items as well as the packaging shall be made by the Seller in accordance with MIL-STD 2073 and MIL-STD-129.
- (4) When packing dangerous materials, the Seller shall observe the requirements of the dangerous materials regulations (e.g. ADR - European Agreement concerning the International Carriage of Dangerous Goods by Road) applicable to the corresponding packaging and applicable to the various modes of transport (road, rail, air, sea, inland waterways).

§ 15 Quality Assurance

- (1) The Seller must provide the contractually required services using the following standards:
 - a. AQAP 2310, NATO-QUALITY ASSURANCE REQUIREMENTS FOR AVIATION, SPACE AND DEFENSE SUPPLIERS, Edition B Version 1, DECEMBER 2017;
 - b. AQAP-2105, NATO REQUIREMENTS FOR DELIVERABLE QUALITY PLANS, Edition C, Version 1, January 2019;

- c. AQAP-2210 NATO SUPPLEMENTARY SOFTWARE QUALITY ASSURANCE REQUIREMENTS TO AQAP-2110 OR AQAP-2310, Edition A, Version 2, September 2015;
 - d. Software development standard RTCA-DO 178B for aircraft on-board software;
 - e. Certification of the Seller's QM system according to AS 9100 or its national translations must be presented when the Contract is signed and maintained during the term of the Contract.
- (2) In accordance with Allied Quality Assurance Publication (AQAP) 2310, these quality assurance measures shall be established in a quality assurance plan (QAP) in accordance with the Statement of Work. The scope and depth of these measures shall be based on the risks associated with the contractual services. The quality assurance plan includes, among other things, a test procedure plan which defines the sequence of the verification tests and the test documents. The quality assurance plan must be presented to Lockheed Martin before starting the provision of the service and must be agreed upon with Lockheed Martin.
- (3) The Seller shall apply the following note to all copies of the delivery note, bearing the signature of the quality management representative and the applicable date:

"This is to confirm that the required inspections have been performed and that the products/services conform to the contractual requirements."

§ 16 Quality Control / Official Quality Assurance

- (1) Lockheed Martin and/or Lockheed Martin's customer shall have the right at any time, giving a reasonable advance notice in writing and taking into account trade secrets and proprietary information, to inspect the status of the contractual products/services at the facilities of the Seller. The Seller and Lockheed Martin shall agree on the dates and times prior to any inspection. Lockheed Martin's and/or Lockheed Martin's customer's audit team shall comply with all applicable facility access requirements, including but not limited to security procedures, health and safety protocols, and any other reasonable requests made by the Seller to ensure a safe and orderly audit process.
- (2) For the quality inspection, the Seller shall inspect the products/services for contractual quality and document the result, as well as observe other quality assurance requirements of this Contract. Upon reasonable advance notice, Lockheed Martin and/or Lockheed Martin's customer may elect to witness Seller's scheduled quality inspections during their performance without impacting the ongoing work activities or to review Seller's quality inspection records at an agreed upon location. The Contract Price includes Seller's quality inspection and, if elected, Lockheed Martin and/or Lockheed Martin's customer witnessing of scheduled quality inspections.

- (3) Lockheed Martin and/or Lockheed Martin's customer is entitled to commission third parties to witness Seller's scheduled quality inspections. The accuracy of test equipment measurements must be timely verified at the reasonable request of Lockheed Martin.

§ 21 Security

- (1) In case of visits being required to Lockheed Martin's premises in the United States or Lockheed Martin's customer's premises in Germany, the Seller's personnel will provide timely notification to the security officer responsible for the facility to be visited and acquaint themselves with the regulations to be observed.
- (2) The Seller undertakes to meet the requirements established by the responsible national security authority, Lockheed Martin and Lockheed Martin's customer with respect to security and secrecy and IT security and, at their request, to exclude certain personnel from participation in contract performance in accordance with §9.

§ 25 Claims for Defects

The limitation period for claims for material, workmanship and design defects is 24 months from the date of Lockheed Martin's customer's acceptance of the corresponding DIRCM integration.