

LOCKHEED MARTIN CORPORATION

PRIME SUPPLEMENTAL FLOWDOWN DOCUMENT (PSFD)

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

JAPAN F-35 FINAL ASSEMBLY AND CHECK OUT (FACO) C-4 Contract

Generated using the Lockheed Martin CorpDocs 2013 Version

17 January 2019

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.

For all subcontracts issued under the subject effort, incorporate the following terms and conditions, applicable as noted, in addition to those other terms and conditions (CorpDocs, etc.) to be used for subcontracts issued under the Prime Contract.

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

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

1. Add the following clause(s):

PACKING AND SHIPMENT:

CorpDocs delivery point is confirmed to be FOB Place of Shipment.

WARRANTY:

SELLER warrants that all Work furnished pursuant to this Contract shall strictly conform to applicable specifications, drawings, samples, descriptions, and other requirements of this Contract and be free from defects in design, material, and workmanship. This warranty shall begin upon final acceptance and extend for a period of **thirty (30) months**. If any nonconforming Work is identified within the warranty period, SELLER, at LOCKHEED MARTIN's option, shall promptly repair, replace, or reperform the Work. Transportation of replacement Work, return of nonconforming Work, and reperformance of Work shall be at SELLER's expense. If repair, or replacement, or reperformance of Work is not timely, LOCKHEED MARTIN may elect to return, reperform, repair, replace, or reprocure the non-conforming Work at SELLER's expense. All warranties shall run to LOCKHEED MARTIN and its customers.

AMENDMENT REQUIRED BY LOCKHEED MARTIN'S CONTRACT WITH ITS CUSTOMER:

SELLER agrees that upon the request of LOCKHEED MARTIN it will negotiate in good faith with LOCKHEED MARTIN relative to amendments to this Contract to incorporate additional provisions herein or to change provisions hereof, as LOCKHEED MARTIN may reasonably deem necessary in order to comply with the provisions of the applicable LOCKHEED MARTIN Contract with its Customer or with the provisions of amendments to such Contract. If any such amendment to this Contract causes an increase or decrease in the cost of, or the time required for, performance of any part of the Work under this Contract, an equitable adjustment shall be made pursuant to the "Changes" clause of this Contract.

Insurance:

1) This clause only applies if Sellers are performing work inside the country of Japan.

2) Employers Liability and Workers Compensation Insurance – In respect of claims for personal injury to or the death of any employee of Seller arising out of and in the course of such person's employment, each Party must comply with all applicable legislation. If Employers Liability is not required by legislation, then limits of liability of U.S. \$1,000,000.00 per occurrence is required. This clause applies to the extent that physical work associated with the FACO Stand-Up on or about project site or caused by their physical movement about the project site is performed by Seller or Seller's subcontractors.

3) Policy Requirements. Seller agrees to secure respective insurance coverages referenced in this Clause from a reputable insurance company or companies authorized to do business in Japan.

3.1 Seller's obligation to maintain the insurance policies under this Clause shall not (i) release Seller from its obligations under any indemnity provisions set forth in this Contract, or (ii) be limited by reason of any insurance which may be maintained by the Seller.

3.2 Upon request, Seller shall deliver to the Lockheed Martin certificates of insurance evidencing the insurance coverages required under this Clause. All Certificates of insurance shall state that Seller and its insurers shall provide to Lockheed Martin 30 days' notice of policy cancellation or material change to such policies of insurance.

3.3 All policies required to be maintained under this Clause shall be from reputable insurance companies licensed to provide insurance in Japan having the equivalent of an AM Best A-rating.

3.4 Seller shall maintain such insurance coverage until completion, or termination of this Contract

Access to Facilities:

In the event that a Party's employees, agents, or subcontractors (collectively the Entering Parties) enter the site(s) of the other parties or their subcontractors or customers for any reason in connection with this Contract, then the Entering Parties employees, agents, or subcontractors shall comply with all of the other parties' security, safety, rules of conduct, badging and personal identity, and related requirements while on the other parties premises. In addition, prior to entry of the other parties' premises, the Entering Parties shall gain approval of the other parties. The Entering Parties shall provide information reasonably required by the other parties to ensure proper identification of personnel, including but not limited to verification of citizenship, lawful permanent resident status, protected individual or other status. The other parties may, at their sole discretion, have the Entering Parties remove any specified employee(s) of the



Entering Parties from the other parties' premises and direct that such employee(s) not be reassigned to any of the other parties' premises in performance of this Contract. The Entering Parties shall be responsible for all costs incurred which are not specifically reimbursable while on the site of the other parties.