

LOCKHEED MARTIN AERONAUTICS COMPANY
PRIME SUPPLEMENTAL FLOWDOWN DOCUMENT (PSFD)
ADDITIONAL TERMS AND CONDITIONS
FOR SUBCONTRACTS/PURCHASE ORDERS UNDER
F-35 FY17 ANNUALIZED
PRIME CONTRACT NUMBER N00019-17-C-0045

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ORIGINAL: 02 MARCH 2017

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.¹

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.

PART I. DELETIONS: The following clauses are deleted in their entirety from the applicable CorpDocs incorporated into this Contract:

RESERVED

PART II. MODIFICATIONS: The dates or versions of the following FAR, DFARS, and other agency clauses are modified as follows and are incorporated into the Contract:

¹ This original contains provisions in the FY17 Annualized Undefined Contract issued by the U.S. Government's F-35 Joint Strike Fighter Program Office (JSFPO) and are subject to modification once definitized prime contract terms and conditions between Lockheed Martin Aeronautics Co. and the JSFPO have been executed.

RESERVED.

PART III. ADDITIONS: The following FAR, DFARS, and other agency clauses are incorporated into this Contract in addition to those set out in the applicable CorpDocs:

DFARS 252.203-7002 (SEP 2013) Requirement to Inform Employees of Whistleblower Rights

DFARS 252.203-7004 (JAN 2015) Display of Hotline Posters (Contact the Lockheed Martin Authorized Procurement Representative for the identity of the location specified in subparagraph (b)(2) of the clause.)

DFARS 252.211-7005 (NOV 2005) Substitutions for Military or Federal Specifications and Standards

DFARS 252.211-7006 (SEP 2011) Passive Radio Frequency Identification

DFARS 252.211-7007 (AUG 2012) Reporting of Government-Furnished Property (Applies if Seller will be in possession of Government property for the performance of this contract.)

DFARS 252.211-7008 (SEP 2010) Use of Government-Assigned Serial Numbers

DFARS 252.219-7004 (OCT 2014) Small business subcontracting plan (test program)

DFARS 252.234-7002 (MAY 2011) Earned Value Management System ("Government" means "Lockheed Martin and Government." Paragraphs (i) and (j) are deleted. The blanks in k(1) and k(2) are completed as follows (1): LM MST, NGC, (2): BAE Systems, LM FTO, LM MST-Owego.)

DFARS 252.234-7004 ALT I (NOV 2014) Alternate I - Cost and Software Data Reporting System (Applies if contract value equal to or greater than \$20 million. In paragraph (b), "Government" means Lockheed Martin.)

DFARS 252.243-7002 (DEC 2012) Requests for Equitable Adjustment. "Government" means "Lockheed Martin.")

DFARS 252.245-7001 (APR 2012) Tagging, Labeling, and Marking of Government-Furnished Property (Applies where items will be subject to serialized tracking.)

DFARS 252.245-7004 (MAR 2015) Reporting, Reutilization, and Disposal (Contracting Officer" means Lockheed Martin.)

DFARS 252.246-7000 (MAR 2008) Material Inspection and Receiving Report (Applies if this contract requires delivery of Items directly to the Government.)

FAR 52.203-8 (MAY 2014) Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity

FAR 52.204-14 (JAN 2014) Service Contract Reporting Requirements (Applies if this Contract exceeds the thresholds in FAR 4.1703 except does not apply if the prime contract is funded by the Department of Defense. "Contractor" means "Lockheed Martin." The reports referred to in paragraph (f)(1) shall be furnished by Seller to Lockheed Martin by October 8 of each year. In paragraph (f)(2) the words "The Contractor shall advise the subcontractor" are changed to "Lockheed Martin advises Seller".)

FAR 52.211-5 (AUG 2000) Material Requirements ("Contracting Officer" means "Lockheed Martin.")

FAR 52.215-23 ALT I (OCT 2009) Alternate I - Limitations on Pass-Through Charges (Applies if this is a cost-reimbursement subcontract in excess of \$150,000, except if the prime contract to which this contract relates is with DoD, then the clause applies to both cost-reimbursement subcontracts and fixed-price subcontracts, except those identified in 15.408(n)(2)(i)(B)(2), that exceed the threshold for obtaining cost or pricing data in accordance with FAR 15.403-4.)

FAR 52.222-17 (MAY 2014) Nondisplacement of Qualified Workers (Applies if this Contract is for services in excess of \$150,000. Does not apply to Commercial Items as defined in FAR 2.101.)

FAR 52.228-3 (Jul 2014) Workers' Compensation Insurance (Defense Base Act) (Applies if Seller will perform work subject to the Defense Base Act 42 U.S.C. 1651 et seq.)

FAR 52.228-4 (APR 1984) Workers' Compensation and War-Hazard Insurance Overseas

FAR 52.229-8 (MAR 1990) Taxes Foreign Cost-Reimbursement Contracts (In paragraph (b), "Contracting Officer" and "Government of the United States" mean "Lockheed Martin." The blank is completed with <td>. Does not apply to Commercial Items as defined in FAR 2.101.)

FAR 52.232-17 (MAY 2014) Interest (Applies if this Contract contains FAR clauses which expressly refer to an Interest clause, e.g. fixed price incentive subcontracts containing FAR 52.216-16 or FAR 52.216-17. Does not apply to Commercial Items as defined in FAR 2.101. "Government" means "Lockheed Martin.")

FAR 52.232-39 (JUN 2013) Unenforceability of Unauthorized Obligations

FAR 52.243-2 ALT II (APR 1984) Alternate II - Changes-Cost-Reimbursement. (Applies if this Contract is a cost reimbursable. "Contracting Officer" and "Government" mean "Lockheed Martin." In paragraph (a) add as subparagraph (4) "Delivery schedule." In paragraph (d) the reference to the disputes clause is deleted.)

FAR 52.245-9 (APR 2012) Use and Charges (Communications with the Government under this clause will be made through Lockheed Martin.)

FAR 52.246-11 (DEC 2014) Higher-Level Contract Quality Requirement

FAR 52.246-15 (APR 1984) Certificate of Conformance (Applies if Seller will make shipments under this contract directly to the Government.)

FAR 52.247-64 (FEB 2006) Preference for Privately Owned U.S.-Flag Commercial Vessels (In the last sentence of paragraph (c) "Subcontractor" means "Seller and lower term subcontractor." "Contracting Officer" means "Lockheed Martin.")

FAR 52.247-68 (FEB 2006) Report of Shipment (REPSHIP) (Applies if Seller will make shipments under this contract directly to the Government.)

NAVAIR 5252.247-9508 (JUN 1998) PROHIBITED PACKING MATERIALS (NAVAIR) (JUN 1998) (Applies if Seller will make shipments under this contract directly to the Government.)

The use of asbestos, excelsior, newspaper or shredded paper (all types including waxed paper, computer paper and similar hydroscopic or non-neutral material) is prohibited. In addition, loose fill polystyrene is prohibited for shipboard use.

NAVAIR 5252.247-9509 (JUL 1998) PRESERVATION, PACKAGING, PACKING AND MARKING (NAVAIR) (JUL 1998) (Applies if Seller will make shipments under this contract directly to the Government. In subparagraph (b), "Contract Number" means "Lockheed Martin's prime contract number and the number assigned to this contract.")

(a) Preservation, packaging and packing shall conform to prevailing industry standards for the type of commodity purchased under this contract.

(b) All packages will be clearly marked with applicable contract number/delivery order number, and will contain appropriate packing slip. All deliveries will be marked for and/or consigned as follows:

[Insert specific instructions]

(c) In the event of any discrepancy in material shipped (overage, technical rejection, damage), the contractor shall, immediately upon request of the Contracting Officer, furnish disposition instructions. Normally, such disposition instruction shall be a properly completed Commercial Bill of Lading which includes, but is not limited to, the mode of shipment, routing, special handling, and so forth.

(d) If the contractor is required to install equipment upon delivery, then the contractor shall inform the Government of the date of shipment from the contractor's facilities and the anticipated date of arrival at the site. This report shall be made no later than the actual date that the shipment is made from the contractor's facilities. The report may be made by facsimile or e-mail, to the point of contact listed in Section G. All transportation, rigging, drayage, packing, unpacking, and handling necessary to accomplish the installation shall be the responsibility of the contractor.

NAVAIR 5252.247-9510 (OCT 2005) PRESERVATION, PACKAGING, PACKING AND MARKING FOR FOREIGN MILITARY SALES (FMS) REQUIREMENTS (NAVAIR) (OCT 2005) (Applies if Seller will make shipments under this contract directly to the Government.)

(a) Unless specified elsewhere in the contract, packing and packaging shall comply with MIL-STD-129. Packing and packaging materials shall provide protection from abuse during handling and from environmental, magnetic, and electrical damage during handling and subsequent future storage, possibly under less than desirable conditions.

(b) Marking: All unit and exterior containers/packs shall as a minimum be marked as follows:

(1) FMS Case Number.

(2) Part Number (with CAGE Code).

(3) For - the organization/address the material is shipped to.

(4) The applicable MILSTRIP number (identified separately for each line item of the contract/delivery order)

(5) Project Code number.

(6) Project Directive Line Item (PDLI) Number.

(7) Requisition Serial Number (RSN).

(8) Quantity.

(9) From - the contractor's address shipped from.

(10) Ship to - the shipping address provided in the contract.

(11) Transportation Priority

(12) Required Delivery Date

(c) The contractor shall affix labels to the outside of each external pack warning all handlers that fragile, delicate, etc., equipment is contained within and to warn against particular improper handling and storage procedures/conditions as may be applicable to the item(s) ordered.

NAVAIR 5252.204-9504 (JAN 2007) DISCLOSURE OF CONTRACT INFORMATION (NAVAIR) (JAN 2007) (Applies if Seller will make shipments under this contract directly to the Government.)

(a) The Contractor shall not release to anyone outside the Contractor's organization any unclassified information (e.g., announcement of contract award), regardless of medium (e.g., film, tape, document), pertaining to any part of this contract or any program related to this contract, unless the Contracting Officer has given prior written approval.

(b) Requests for approval shall identify the specific information to be released, the medium to be used, and the purpose for the release. The Contractor shall submit its request to the Contracting Officer at least ten (10) days before the proposed date for release.

(c) The Contractor agrees to include a similar requirement in each subcontract under this contract. Subcontractors shall submit requests for authorization to release through the prime contractor to the Contracting Officer.

Part IV. SECTION H –PRIME CONTRACT SPECIAL PROVISIONS

For purposes of this Section H, “Government” means the United States Government. The following Section H clauses are incorporated into the Contract in full-text:

H-1 5352.204-9000 NOTIFICATION OF GOVERNMENT SECURITY ACTIVITY AND VISITOR GROUP SECURITY AGREEMENTS (AFFARS) (MAR 2012)

This contract contains a DD Form 254, DOD Contract Security Classification Specification, and requires performance at a government location in the U.S. or overseas. Prior to beginning operations involving classified information on an installation identified on the DD Form 254, the contractor shall take the following actions:

(a) At least thirty days prior to beginning operations, notify the Information Protection Office shown in the distribution block of the DD Form 254 as to:

(1) The name, address, and telephone number of this contract company’s representative and designated alternate in the U.S. or overseas area, as appropriate;

(2) The contract number and military contracting command;

(3) The highest classification category of defense information to which contractor employees will have access;

(4) The Air Force installations in the U.S. (in overseas areas, identify only the APO number(s)) where the contract work will be performed;

(5) The date contractor operations will begin on base in the U.S. or in the overseas area;

(6) The estimated completion date of operations on base in the U.S. or in the overseas area; and,

(7) Any changes to information previously provided under this clause.

This requirement is in addition to visit request procedures contained in DOD 5220.22-M, National Industrial Security Program Operating Manual.

(b) Prior to beginning operations involving classified information on an installation identified on the DD Form 254 where the contractor is not required to have a facility security clearance, the contractor shall

enter into a Visitor Group Security Agreement (or understanding) with the installation commander to ensure that the contractor's security procedures are properly integrated with those of the installation. As a minimum, the agreement shall identify the security actions that will be performed:

(1) By the installation for the contractor, such as providing storage and classified reproduction facilities, guard services, security forms, security inspections under DOD 5220.22-M, classified mail services, security badges, visitor control, and investigating security incidents; and

(2) Jointly by the contractor and the installation, such as packaging and addressing classified transmittals, security checks, internal security controls, and implementing emergency procedures to protect classified material.

H-5 PRESERVATION OF RIGHTS FOR TECHNICAL DATA, COMPUTER SOFTWARE, AND COMPUTER SOFTWARE DOCUMENTATION ACCESSED, DELIVERED, OR PROVIDED ELECTRONICALLY

Information, whether delivered pursuant to the Supplier Data Requirements List (SDRL) or provided in response to any other requirement contained in this contract, which would be deemed "technical data" under DFARS 252.227-7013, Rights in Technical Data–Noncommercial Items (FEB 2012), or "computer software" and "computer software documentation" under DFARS 252.227-7014, Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (FEB 2012), if it were delivered in written form, shall not lose its status as technical data, computer software, or computer software documentation solely because access by the Government, delivery by the Contractor, or provision by the Contractor is by electronic means. The rights of the parties shall be as specified in DFARS 252.227-7013 and DFARS 252.227-7014.

H-6 MATERIAL SAFETY DATA SHEET (MSDS) (NAVAIR 5252.223-9501) (APR 2009)

- (a) The contractor shall forward an electronic copy of the Material Safety Data Sheet (MSDS) required under FAR Clause 52.223-3, "Hazardous Material Identification and Material Safety Data", to Mar-navyhmirs@med.navy.mil and the Naval Inventory Control Point (NICP) at wraps.prime.fct@navy.mil.
- (b) One copy of the MSDS shall be enclosed with the shipping documents. If the shipment is received without an attached copy of the MSDS, the Government has the right to refuse receipt.

H-8 DISCLOSURE, USE AND PROTECTION OF PROPRIETARY INFORMATION (NAVAIR 5252.227-9511) (FEB 2009)

(a) During the performance of this contract, the Government may use an independent services contractor (ISC), who is neither an agent nor employee of the Government. The ISC may be used to conduct reviews, evaluations, or independent verification and validations of technical documents submitted to the Government during performance.

(b) The use of an ISC is solely for the convenience of the Government. The ISC has no obligation to the prime contractor. The prime contractor is required to provide full cooperation, working facilities and access to the ISC for the purposes stated in paragraph (a) above.

(c) Since the ISC is neither an employee nor agent of the Government, any findings, recommendations, analyses, or conclusions of such a contractor are not those of the Government.

(d) The prime contractor acknowledges that the Government has the right to use ISCs as stated in paragraph (a) above. It is possible that under such an arrangement the ISC may require access to or the use of information (other than restricted cost or pricing data), which is proprietary to the prime contractor.

(e) To protect any such proprietary information from disclosure or use, and to establish the respective rights and duties of both the ISC and prime contractor, the prime contractor agrees to enter into a direct agreement with any ISC as the Government requires. A properly executed copy (per FAR 9.505-4) of the agreement will be provided to the Procuring Contracting Officer.

H-11 5252.211- 9510 CONTRACTOR EMPLOYEES (NAVAIR)(MAY 2011)

(a) In all situations where contractor personnel status is not obvious, all contractor personnel are required to identify themselves to avoid creating an impression to the public, agency officials, or Congress that such contractor personnel are Government officials. This can occur during meeting attendance, through written (letter or email) correspondence or verbal discussions (in person or telephonic), when making presentations, or in other situations where their contractor status is not obvious to third parties. This list is not exhaustive. Therefore, the contractor employee(s) shall:

(1) Not by word or deed give the impression or appearance of being a Government employee;

(2) Wear appropriate badges visible above the waist that identify them as contractor employees when in Government spaces, at a Government-sponsored event, or an event outside normal work spaces in support of the contract/order;

(3) Clearly identify themselves as contractor employees in telephone conversations and in all formal and informal written and electronic correspondence. Identification shall include the name of the company for whom they work;

(4) Identify themselves by name, their company name, if they are a subcontractor the name of the prime contractor their company is supporting, as well as the Government office they are supporting when participating in meetings, conferences, and other interactions in which all parties are not in daily contact with the individual contractor employee; and

(5) Be able to provide, when asked, the full number of the contract/order under which they are performing, and the name of the Contracting Officer's Representative.

(b) If wearing a badge is a risk to safety and/or security, then an alternative means of identification maybe utilized if endorsed by the Contracting Officer's Representative and approved by the Contracting Officer.

(c) The Contracting Officer will make final determination of compliance with regulations with regard to proper identification of contractor employees.