

LOCKHEED MARTIN CORPORATION

PRIME SUPPLEMENTAL FLOWDOWN DOCUMENT (PSFD)

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

CONTRACT NUMBER N00383-09-G-002H through P00002

For Use with 2011 (and later Version) Lockheed Martin CorpDocs

12 September 2011

The following are the provisional supplemental terms and conditions to be incorporated, in addition to those other terms and conditions (e.g., CorpDoc 3, CorpDoc 3a, CorpDoc 4, etc.), into subcontracts issued under the NAVICP Basic Ordering Agreement Prime Contract N00383-09-G-002H (the Prime Contract). Unless specifically altered by a specific delivery order, these supplemental terms and conditions apply equally, in full and force and effect to all delivery orders issued under the prime contract.

1. The dates of the following FAR and DFARS clauses are modified as follows:

a. FAR 52.209-6 PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (Dec 2010) is replaced with FAR 52.209-6 PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (Jul 1995).

b. DFARS 252.247-7023 TRANSPORTATION OF SUPPLIES BY SEA (May 2002) is replaced with DFARS 252.247-7023 TRANSPORTATION OF SUPPLIES BY SEA (Mar 2000). (Applies in lieu of FAR 52.247-64 in all Contracts for ocean transportation of supplies. In the first sentence of paragraph (g), insert a period after "SELLER" and delete the balance of the sentence. Paragraph (f) and (g) shall not apply if this Contract is at or below \$150,000. Notes 1 and 2 apply to paragraph (g).)

2. The following FAR and DFARS clauses are added:

a. FAR 52.227-3 PATENT INDEMNITY (Apr 1984) where all references to 'Contractor' means 'Subcontractor', 'Vendor', 'Supplier' and 'Seller', collectively and severally, and all references to 'Government' means Lockheed Martin.

b. FAR 52.230-4 CONSISTENCY IN COST ACCOUNTING PRACTICES (Aug 1992) where FAR 52.230-2 COST ACCOUNTING STANDARDS or FAR 52.230-3 DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES is made applicable to the Purchase Order.

c. FAR 52.232-17 INTEREST (Jun 1996) where all references to 'Contractor' means 'Subcontractor', 'Vendor', 'Supplier' and 'Seller', collectively and severally, and all references to 'Government' means Lockheed Martin.

d. FAR 52.239-1 PRIVACY OR SECURITY SAFEGUARDS (Aug 1996) applicable only if this Purchase Order is for information technology, requires security of information technology, and/or is for the design, development, or operation of a system of records using commercial information technology services or support services.

e. FAR 52.246-24 LIMITATION OF LIABILITY – HIGH VALUE ITEMS (Apr 1984). This clause applies only when the unit cost of any single item exceeds \$100K. Prior Contracting Officer approval is required prior to flowdown. Contact Contracts prior to issuing any purchase order requiring this clause. When used, all references to ‘Contractor’ means ‘Subcontractor’, ‘Vendor’, and ‘Supplier’, collectively and severally, and all references to ‘Government’ means Lockheed Martin. Reference to Government acceptance shall mean ‘acceptance by the Government of the prime contract end item containing Seller’s items’.

f. DFARS 252.211-7006 RADIO FREQUENCY IDENTIFICATION (Feb 2007). Applies to this Purchase Order only if the Subcontract either a) specifically calls for or b) the Subcontractor is subsequently authorized to make or cause to have made any direct shipment to the Government that meets the criteria set forth in FAR 211.275-2.

g. DFARS 252.225-7012 PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES (Aug 2000). Applies to this Purchase Order only if delivering any of the supplies/commodities specified in the clause. All references to ‘Contractor’ means ‘Subcontractor’, ‘Vendor’, ‘Supplier’ and ‘Seller’, collectively and severally, and all references to ‘Government’ means Lockheed Martin.

h. DFARS 252.225-7023 RESTRICTION ON THE ACQUISITION OF VESSEL PROPELLERS (Sep 2006). Applies to this Purchase Order only if it specifically calls for the delivery of vessel, ship or submarine propellers or components and where all references to ‘Contractor’ means ‘Subcontractor’, ‘Vendor’, ‘Supplier’ and ‘Seller’, collectively and severally, and all references to ‘Government’ means Lockheed Martin.

i. DFARS 252.225-7025 RESTRICTION ON ACQUISITION OF FORGINGS (Jun 1997). Applies to this Purchase Order only for items containing the forgings restricted in the clause.

j. DFARS 252.217-7026 IDENTIFICATION OF SOURCES OF SUPPLY (Nov 1995). Applies to this Purchase Order only if the Subcontractor will be furnishing any item(s) acquired by the Subcontractor from a lower tier subcontractor without added value. The information required by the table in the clause is limited to the identification of those items procured from lower tier sources where the Subcontractor will provide those items to Lockheed Martin as separate end items. Items which are included as components of end items delivered by the Subcontractor to Lockheed Martin do not need to be identified.

k. DFARS 252.225-7028 EXCLUSIONARY POLICIES AND PRACTICES OF FOREIGN GOVERNMENTS (Dec 1991) where the phrase ‘person, partnership, corporation or other entity’ includes the Subcontractor, its employees and lower tier subcontractors.

l. DFARS 252.225-7036 BUY AMERICAN ACT – NORTH AMERICAN FREE TRADE AGREEMENT IMPLEMENTATION ACT – BALANCE OF PAYMENTS PROGRAM (Mar 1998) where all references to ‘Contractor’ means ‘Subcontractor’, ‘Vendor’, ‘Supplier’ and ‘Seller’, collectively and severally, and all references to ‘Government’ means Lockheed Martin’.

m. DFARS 252.225-7036 ALT I BUY AMERICAN ACT – NORTH AMERICAN FREE TRADE

AGREEMENT IMPLEMENTATION ACT – BALANCE OF PAYMENTS PROGRAM (Mar 1998) where all references to ‘Contractor’ means ‘Subcontractor’, ‘Vendor’, ‘Supplier’ and ‘Seller’, collectively and severally, and all references to ‘Government’ means Lockheed Martin’.

n. DFARS 252.225-7038 RESTRICTION ON ACQUISITION OF AIR CIRCUIT BREAKERS (Jun 2005) Applies to this Purchase Order only if it specifically calls for the delivery of air circuit breakers for naval vessels, ships or submarines and where all references to ‘Contractor’ means ‘Subcontractor’, ‘Vendor’, ‘Supplier’ and ‘Seller’, collectively and severally, and all references to ‘Government’ means Lockheed Martin.

o. DFARS 252.227-7017 IDENTIFICATION AND ASSERTION OF USE, RELEASE, OR DISCLOSURE RESTRICTIONS (Jun 1995) where “Offeror means ‘Subcontractor’, “Supplier”, ‘Vendor” and “Seller”, both collectively and severally. All references to ‘Contractor’ means ‘Subcontractor’, ‘Vendor’, ‘Supplier’ and ‘Seller’, collectively and severally, and all references to ‘Government’ means Lockheed Martin’. All references to the term “Contracting Officer” means “Lockheed Martin” and the US Contracting Officer, both collectively and severally. In paragraphs (a) and (b), the references to the SBIR data rights clause are deleted.

3. The following Section H is added:

SECTION H – SPECIAL PURCHASE ORDER REQUIREMENTS

For purposes of this Section H, “Government” means the United States Government.

H03 CONTRACT SECURITY CLASSIFICATION SPECIFICATION

This clause and FAR 52.204-2 SECURITY REQUIREMENTS shall apply to any purchase order only when DD254 is attached to the Purchase Order at which time FAR 52.204-2 shall be considered incorporated into the Purchase Order by reference with the same force and effect as though spelled out. The Subcontractor shall, upon completion of final delivery hereunder, promptly notify Lockheed Martin in writing and shall request a final military security requirements checklist (DD254). If DD254 is not attached to this purchase order this clause does not apply.