

## LOCKHEED MARTIN CORPORATION

### APPENDIX IS (INTERNATIONAL SUPPLIERS)

#### 1. SHIPPING METHOD

(a) Notwithstanding the shipping terms set forth elsewhere in this Contract, international shipments shall be **FCA (Supplier Dock)** unless expressly stated otherwise on the face of this Contract.

(b) If articles are packaged in containers intended to be reused for subsequent shipments (other than carrier owned containers), SELLER shall include on the commercial invoice: 1) the value, 2) the Country of Origin, and 3) the construction material of the container.

(c) SELLER shall either conspicuously mark the Country of Origin of each article or mark the container to indicate the Country of Origin of the articles. The marking shall be legible and as permanent as the nature of the article permits.

#### 2. CARRIER, SERVICE LEVEL AND SHIPPING DOCUMENTATION

SELLER shall use the Transportation Management System (TMS) which identifies the carrier, method of shipment, service level, and ship to address, unless otherwise direct in writing by the LOCKHEED MARTIN Procurement Representative.

#### 3. USE OF FOREIGN CHARTERS

Foreign Charters shall be utilized as directed by the LOCKHEED MARTIN Procurement Representative in instances where the urgent delivery for oversized shipments by normal ocean transportation will not meet LOCKHEED MARTIN's schedule requirements.

#### 4. INVOICE REQUIREMENTS

(a) SELLER shall include a commercial invoice on all shipments. The commercial invoice shall be in English (or have an English translation) and shall be signed by the SELLER or SELLER's authorized agent. The commercial invoice shall be prepared in accordance with Sections 141.86 through 141.89 of Title 19 Code of Federal Regulations (CFR), the "Customs Regulations" governed by the U.S. Customs and Border Protection (CBP).

(b) As applicable, the following U.S. Government agency specific data and statements confirming compliance with the U.S. Government regulating agency requirements shall be provided with the commercial invoice at the time of shipment:

1. Federal Drug Agency (FDA) Requirements: Medical device, food, food additive, cosmetic, laser or light emitting diode, radiation-emitting device shall include the manufacturer's address, any registration numbers, and any accession codes or reasons why product is exempt from FDA requirements.

2. Environmental Protection Agency (EPA) Toxic Substances Control Act (TSCA): SELLER shall provide Safety Data Sheets (SDS) for substance, whether contained in an apparatus, soaked into a product or container, or by itself in appropriate shipping or storage packaging, appearing in the TSCA inventory list or a statement by chemical's manufacturer providing the equivalent information.

3. Federal Communication Commission (FCC): For a deliverable that emits radio waves, SELLER shall include the FCC Identification Number, if assigned, and confirmation of conformance with the FCC requirements for import.

(c) The invoice shall contain the following information, in accordance with the Tariff Act of 1930:

1. Buyer and SELLER as defined in the Contract. If SELLER address code does not contain LOCKHEED MARTIN, then SELLER shall include one of the following on the commercial invoice:

(a) LOCKHEED MARTIN Aeronautics, C/O "address code information"

(b) Importer of Record: LOCKHEED MARTIN Aeronautics (address);

2. The U.S. Port of Entry indicating the US Port of Entry where the article is destined (e.g., Los Angeles (LAX), Atlanta (ATL), Dallas/Fort Worth (DFW), etc.);

3. A detailed description of the article, quantity and part numbers, and the net weight or measure contained in each individual package. The description of the article should be at least as detailed as that shown in this Contract;

4. Total purchase price paid or payable, in U.S. dollars or currency of this Contract. If the articles are not purchased, the value of what the goods would be sold for in the ordinary course of trade;

5. All additional charges not included in the purchase price, (e.g., assists, freight, insurance, export charges, etc.), in U.S. dollars or currency of this Contract;

6. Contract (purchase order) number and line item;

7. The Country of Origin of original manufacture. For Canada Country of Origin, the province shall also be included;

8. Seal numbers affixed to all loaded containers;

9. If applicable, reference U.S. Department of State or Department of Commerce ITAR or EAR license numbers as set forth on the face of this Contract;

10. If kits or piece parts are being delivered, the invoice shall contain an itemized list of each part and include the part number, quantity, value per unit, and County of Origin;

11. See purchase document header text for duty free entry under DoD prime contract requirements. Please contact your Lockheed Martin procurement representative for questions.

An example of a commercial invoice for use can be found at:  
[http://csg.lmtas.com/docs/commercial\\_invoice.doc](http://csg.lmtas.com/docs/commercial_invoice.doc)

## 5. DELIVERY VERIFICATION CERTIFICATES (DVC)

(a) If SELLER requires a Delivery Verification Certificate (DVC), SELLER shall complete the DVC with the following information and send the DVC with the other shipping documents: exporter, importer, U.S. Dept. of Commerce International Import Certificate Number, description of goods, quantity, and value. The remainder of the DVC will be completed by LOCKHEED MARTIN's Freight Forwarder and Customs Broker. The Customs Broker will have this form stamped and signed by U.S. Customs when the Import Entry is presented to Customs. It will be sent back to the freight forwarder at origin for delivery to SELLER, unless SELLER provides a specific contact and address where these forms should be returned.

(b) SELLER shall make a conspicuous notation on its commercial invoices to the freight forwarder that **“Delivery Verification Certificate is Required.”**

The Delivery Verification Certificate can be found at:

<https://www.bis.doc.gov/index.php/documents/just-licensing-forms/805-bis-647p-delivery-verification-certificate-1>

## 6. CERTIFICATE OF ORIGIN

Article eligible for duty-free entry under a U.S. Free Trade Agreement shall include the appropriate documentation that certifies origin and free trade eligibility. (Shipments from Canada and Mexico are the most common countries that will have eligible articles).

(a) Indicate duty-free entry on the shipping documents.

(b) Certificate must be completed on a yearly basis for eligible articles.

Examples of a certificate of origin can be found at: North America Free Trade Agreement Certificate of Origin:

<https://www.cbp.gov/trade/nafta/nafta-certificate-origin>

## 7. TEMPORARY EXPORTS

Any article that is a Defense Article, as defined by the International Traffic in Arms Regulations (ITAR) and is temporarily exported on a DSP-73 temporary export license, such as tooling or articles to be repaired, shall be returned to the U.S. prior to the license expiration date. At the time of import, the applicable license number and the original value as indicated at the time of export from the U.S. shall be clearly indicated on SELLER's invoice in order to close out the license entry.

## 8. TEMPORARY IMPORTS

Any article that is a Defense Article, as defined by the ITAR, and is to be temporarily imported and returned to the origin country requires a DSP-61 Temporary Import License or an appropriate ITAR exemption. At the time of import, the applicable license or exemption number shall be clearly indicated on SELLER's invoice.

## 9. IN-TRANSIT ARTICLES

Any article that is a Defense Article, as defined by the ITAR, that will enter the U.S. on its way to a third country, other than the country from which the shipment originated, will require a DSP-61 In-Transit License. At the time of import, the applicable license number shall be clearly indicated on the SELLER's invoice.

## 10. CIVIL AIRCRAFT ENTRY

For contracts where the intended use is on a "civil aircraft," SELLER shall comply with the following statement and shall include this statement on the commercial invoice: "These articles are intended for use in civil aircraft and are approved for such use by the Federal Aviation Administration or by the air-worthiness authority in the country of exportation."

## 11. REPAIRED ARTICLES

When SELLER is returning articles after repair, in addition to the invoice requirements set forth in section 4, the following information shall be included on the commercial invoice:

- (a) Original value, in U.S. dollars or currency of this Contract, as indicated at the time of **export from the U.S.** (This value can be found on the export documentation, such as the export invoice or export declaration.);
- (b) Value of repairs performed, in U.S. dollars or currency of this Contract. This shall be an accurate value of material and labor provided, or in the case of a non-warranty repair, the amount that will be billed to LOCKHEED MARTIN;
- (c) An indication as to whether the repairs were conducted as Warranty or Non-warranty;
- (d) DSP-73 license number as indicated on the face of this Contract;
- (e) ITAR category or ECCN Number (If unknown contact the LOCKHEED MARTIN Procurement Representative or a representative from the LOCKHEED MARTIN International Trade Compliance Office);
- (f) A declaration, on the invoice or on a separate document, as set forth in Exhibit A of this Appendix IS, on articles returned for repair.

## 12. ARTICLES RETURNED WITHOUT IMPROVEMENT

- (a) Articles returned that have not advanced in value or improved in condition may receive duty-free treatment.
- (b) SELLER shall provide a declaration, on the invoice or on a separate document, as set forth in Exhibit B of this Appendix IS, on articles returned that have not advanced in value or improved in condition.

### **13. DEPARTMENT OF DEFENSE - DUTY FREE ENTRY**

See purchasing document header text "Duty Free Entry" for requirements. If you do not have the entitlement number listed in the header text, please contact your LOCKHEED MARTIN Procurement Representative to obtain the entitlement number(s).

### **14. ARTICLES RETURNED WITH NO CHARGE**

When SELLER is furnishing articles at no charge, a value for customs purposes must be shown on SELLER's commercial invoices. The value declared must be an accurate representation of the actual value of the article. The invoice shall **not** include a declaration that the value is for customs purposes only.

### **15. MANUFACTURING LICENSE AGREEMENT ANNUAL REPORT OF SALES OR OTHER TRANSACTIONS**

(a) SELLER shall provide a separate Annual Sales Report (ASR) to the LOCKHEED MARTIN Procurement Representative for each Manufacturing License Agreement (MLA) issued by the U.S. Department of State under the Contract. The ASR shall include sales or other transfers pursuant to the MLA of licensed articles, by quantity, type, U.S. dollar value, and purchaser or recipient.

(b) SELLER shall submit the ASR to the LOCKHEED MARTIN Procurement Representative on or before February 28<sup>th</sup> of each year.

### **16. CLASSIFIED INFORMATION**

All classified information and material furnished or generated under this Contract shall be protected as follows:

(a) The recipient will not release the information or material to a third-country government, person, or firm without the prior approval of the releasing government.

1. The recipient will afford the information and material a degree of protection equivalent to that afforded it by the releasing government; and

2. The recipient will not use the information and material for other than the purpose for which it was furnished without the prior written consent of the releasing government.

(b) Classified information and material furnished or generated under this Contract shall be transferred through government channels or other channels specified in writing by the Governments of the United States and (insert applicable country) and only to persons who have an appropriate security clearance and an official need for access to the information in order to perform on the Contract.

(c) Classified information and material furnished under this Contract will be remarked by the recipient with its government's equivalent security classification markings.

(d) Classified information and material generated under this Contract must be assigned a security classification as specified by the Contract security classification specifications provided with this Contract.

(e) All cases in which it is known or there is reason to believe that classified information or material furnished or generated under this Contract has been lost or disclosed to unauthorized persons shall be reported promptly and fully by the contractor to its government's security authorities.

(f) Classified information and material furnished or generated pursuant to this Contract shall not be further provided to another potential contractor or subcontractor unless:

1. A potential contractor or subcontractor which is located in the United States or (insert applicable country) has been approved for access to classified information and material by U.S. or (insert applicable country) security authorities; or,

2. If located in a third country, prior written consent is obtained from the United States Government.

(g) Upon completion of the Contract, all classified material furnished or generated pursuant to the Contract will be returned to the U.S. contractor or be destroyed.

(h) The recipient contractor shall insert terms that substantially conform to the language of these provisions, including this one, in all subcontracts under this Contract that involve access to classified information furnished or generated under this Contract.

(i) SELLER shall include this clause or equivalent provisions in lower tier subcontract for Work performed under this Contract.

**EXHIBIT A – REPAIR ARTICLE DECLARATION**

I, \_\_\_\_\_, declare that the articles herein specified are the articles which, in the condition in which they were exported from the United States, were received by me (us) on \_\_, \_\_, 20XX, from (name and address of owner or exporter in the United States); that they were received by me (us) for the sole purpose of being repaired or altered; that only the repairs or alterations described below were performed by me (us); that the full cost or (when no charge is made) value of such repairs or alterations are correctly stated below; and that no substitution whatever has been made to replace any of the articles originally received by me (us) from the owner or exporter thereof mentioned above.

Marks and numbers	Description of articles and of processing	Full cost or (when no charge is made) value of processing (see subchapter II, Chapter 98 HTSUS)	Total value of articles after processing
(Date)			
(Address)			
(Signature)			
(Capacity)			

**EXHIBIT B – ARTICLES RETURNED WITHOUT IMPROVEMENT DECLARATION ARTICLES RETURNED WITHOUT IMPROVEMENT DECLARATION**

<p>I, -----, declare that, to the best of my knowledge and belief, the articles herein specified were exported from the United States, from the port of ----- on or about -----, 20 , and that they are returned without having been advanced in value or improved in condition by any process of manufacture or other means.</p>				
Marks	Number	Quantity	Description	Value, in U.S. Dollars
(Date)		(Signature)		
(Address)		(Capacity)		