

LOCKHEED MARTIN CORPORATION
PRIME SUPPLEMENTAL FLOWDOWN DOCUMENT (PSFD)
ADDITIONAL TERMS AND CONDITIONS FOR SUBCONTRACTS/PURCHASE ORDERS
UNDER

LRIP 10
F-35 Production
Prime Contract Number N00019-15-C-0003

Generated using of Lockheed Martin CorpDocs 2014 Version

Revision 1 August 18, 2014

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 entirety¹.

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. This document includes clauses that flow-down LOCKHEED MARTIN's U.S. Government regulatory and customer obligations. 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.

The Terms and Conditions set forth herein are based on the F-35 LRIP 9 Prime Contract N00019-14-C-0002. 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 LRIP 10 Prime Contract or with the provisions of amendments to such Prime Contract. If any such amendment to this

DFARS 252.211-7005 Substitutions for Military or Federal Specifications and Standards. Nov. 2005

(The clause is only applicable where a

DFARS 252.239-7016 Telecommunications Security Equipment, Devices, Techniques, and Services. **Dec. 1991**

(Applicable to the Seller only if the contract involves non-commercial items requiring secure telecommunications.)

DFARS 252.243-7002 Requests for Equitable Adjustment.

Dec. 2012 non-oaA-3.9(b 2

and (i) of the clause where it means "Lockheed Martin and

FAR 52.247-68 Report of Shipment (REPSHIP).

FEB 2006

(Applicable to contracts involving any item(s) shipped directly to the U.S. Government, with Lockheed Martin's authorization.)

FAR 52.227-3 Patent Indemnity. (APRIL 1984)

NAVAIR 5252.204-9501 NATIONAL STOCK NUMBERS (NAVAIR) (MAR 2007)

(The clause is applicable to non-commercial item contracts only; however, the clause is not applicable to items that will be incorporated into higher level assemblies where the item is not separately purchasable (such as for spares) and where the item loses its individual identity in the higher level assembly.)

- (a) Export of information contained herein, which includes release to foreign nationals within the United States, without first obtaining approval or license from the Department of State for items controlled by the International Traffic in Arms Regulations (ITAR), or the Department of Commerce for items controlled by the Export Administration Regulations (EAR), may constitute a violation of law.
- (b) For violation of export laws, the contractor, its employees, officials or agents are subject to:

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. Except as otherwise provided by separate agreement between the ISC and the prime contractor, the ISC has no obligation to the Seller or LOCKHEED MARTIN. The Seller is required to provide full cooperation, reasonable 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 or Lockheed Martin, any findings, recommendations, analyses, or conclusions of such a contractor are not those of the Government or Lockheed Martin.

(d) The Seller 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, which is proprietary to the Seller in addition to third party proprietary data that the prime contractor is authorized to disclose.

(e) To protect any such proprietary information from unauthorized disclosure or use, and to establish the respective rights and duties of both the ISC and prime contractor, the Seller agrees to enter into a direct agreement with any ISC as the Government requires. The ISC will be responsible for initiating contact with the Seller sufficiently in advance of any work that may require facility access, cooperation from Seller, or access to proprietary information belonging to the Seller or to third parties who may have authorized the Seller to disclose such data to enable the Seller to arrange for such access and cooperation and to obtain the necessary agreements. A properly executed copy of the agreement will be provided to the Government through Lockheed Martin.

H-9 5252.228-9501 ~~LABOR INSURANCE~~ (d) (b) (aci.6(illp(VAR 9(m)1AT.228e) 9(m2(O0.5)5(N1..9(e)-1.6(r

passports/visas/etc., and security clearances. All contractor personnel required to perform work on any U.S. Navy vessel shall obtain boarding authorization from the Commanding Officer of the vessel before boarding.

(b) Travel Policy. The Government will reimburse the contractor for allowable travel costs incurred by the contractor in performance of the contract in accordance with FAR Subpart 31.2.

Consistent with FAR Subpart 31.2, all costs incurred for lodging, meals and incidental expenses required for tasks assigned under this contract shall be considered reasonable and allowable only to the extent that they do not exceed on a daily basis the maximum per diem rates in effect at the time of travel as set forth in the Federal Travel Regulations, prescribed by the General Services Administration for travel in the 3(st)8.2(r)9(at)-2.6(

performed beyond the normal commuting distance from the contractor's facilities. Car rental for a team on TDY at one site will be allowed for a minimum of four (4) persons per car, provided that such number or greater comprise the TDY team.

(f) Per Diem. The contractor shall not be paid for per diem for contractor personnel who reside in the metropolitan areas in which the tasks are being performed. Per Diem shall not be paid on services performed within a fifty-

H-24 AUTHORIZATION TO DELIVER ITEMS CONTAINING HEXAVALENT CHROMIUM IN EXCESS OF LIMITS SET FORTH IN DFARS 252.223-7008 – PROHIBITION OF HEXAVALENT CHROMIUM (JUNE 2013)

In accordance with paragraph (c) of DFARS 252.223-7008, “Prohibition of Hexavalent Chromium” (JUN 2013) and paragraph (a) of DFARS 223.7304, the Government has considered the factors contained in paragraph (a) of DFARS 223.7305 and has determined that alternatives to Hexavalent Chromium are either not available or in the Government’s interest for the applications listed below in Table H-8a, “Hexavalent Chromium Applications Used in the Manufacture of the F-35 Air System.” Therefore, items using the applications listed below in Table H-8a may be delivered by the Contractor and accepted by the Government even though they contain Hexavalent Chromium in a concentration greater than 0.1 percent by weight in any homogenous material or require the removal or reapplication of Hexavalent Chromium materials during subsequent sustainment phases of the deliverable or construction material. DFARS 252.223-7008, “Prohibition of Hexavalent Chromium” (JUN 2013) applies to all other items delivered under this contract.

Table H-8a:

Hexavalent Chromium Applications Used in the Manufacture of the F-35 Air System

- Fuel tank coating to AMS-C-27725 Type 2
- Sealant to LMA-MU065
- Sealant primer to LMA-MR058 Form 1
- Adhesive bonding primer to LMA-MD007 Type 2 or 2ZZZ00002 Type 2
- General structural primer to MIL-PRF-23377
- Non-Curing Corrosion Resistant Sealing Compound

PERFORMANCE BASED PAYMENTS

- (a) Performance-based payments shall form the basis for contract financing payments, if such payments are provided under this contract. The Performance Based Payments schedule set forth in this Contract describes the basis for payment, to include identification of the individual payment events, evidence of completion, and amount of payment due upon completion of each event.
- (b) At no time shall cumulative performance-based payments exceed cumulative contract cost. To ensure compliance with this requirement, the SELLER shall, in addition to providing the information required by FAR 52.232-32 (Performance-Based Payments (APR 2012)), submit the required certificate, modified to include Item (6), as set forth below on or in conjunction with each invoice:

I certify to the best of my knowledge and belief that—

- (1) This request for performance-based payment is true and correct; this request (and attachments) has been prepared from the books and records of the Contractor, in accordance with the contract and the instructions of LOCKHEED MARTIN;
- (2) (Except as reported in writing on _____[insert date if applicable]), all payments to subcontractors and suppliers under this contract have been paid, or will be paid, currently, when due in the ordinary course of business;

