

LOCKHEED MARTIN CORPORATION

PRIME SUPPLEMENTAL FLOWDOWN DOCUMENT (PSFD)

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

PRIME CONTRACT FA8615-05-C-6002

F-16 Peace Onyx III (Turkey)

Common Configuration Implementation Program (CCIP) UCA Contract

Supplement to Appendix A – 27th Series

Generated using Lockheed Martin CorpDocs 2004 Version

27 September 2005

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.

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 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.

For all subcontracts issued under the subject Prime Contract, incorporate the following terms and conditions, applicable as noted, in addition to those other terms and conditions (the 27th Series, etc.) to be used for subcontracts issued under such Prime Contract. The language of the incorporated clause(s) should be modified so that "Government" and "Contracting Officer" mean Buyer, "Contractor" means Seller, "Contract" means Purchase Order, and "Subcontractor" means Seller's Subcontractors.

Add or modify the following FAR clauses:

1. Add the following after FAR 52.215-10 AND 52.215-11:
“If Buyer is subject to any liability or expense, including without limitation Government withholding of payments, as the result of: 1) Seller’s or its lower tier subcontractors’ submission and/or certification of alleged or actual defective cost or pricing data, as set forth in this clause or 2) their furnishing, as prospective subcontractors, alleged or actual defective cost or pricing data, which data was certified or required to be certified by Buyer to be accurate, complete and current as of the date specified by Buyer in its Certificate of Current Cost or Pricing Data, and which data Seller was given timely notice by Buyer to furnish and/or update prior to such date specified in such certificate; or 3) the Government Contracting Officer’s rejection of Seller’s or Seller’s lower-tier subcontractor’s claim for exception from submission of certified cost or pricing data on

the basis that the price offered by the Seller or lower-tier subcontractor, as such price is established in an established catalog or market price of a commercial item sold in substantial quantities to the general public, is a price set by law or regulation, is a commercial item; or, on any other basis set forth in FAR 15.804-1 (or FAR 15.403-1, as applicable) or other pertinent law or regulation; or 4) their furnishing data of any description that is allegedly or actually inaccurate as set forth in this clause (or 52.215-11, as applicable), then Seller agrees to indemnify and hold Buyer harmless to the full extent of any damage or expense resulting from such action.

2. FAR 52.222-39, "NOTIFICATION OF EMPLOYEE RIGHTS CONCERNING PAYMENT OF UNION DUES OR FEES" (DEC 2004).
3. With reference to Paragraph 12, Appendix A, 27th Series, the following FAR clauses related to patents, rights in data, and computer software are incorporated in the Prime Contract:

FAR 52.227-1, "AUTHORIZATION AND CONSENT" (JUL 1995)

FAR 52.227-2, "NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT" (AUG 1996)

FAR 52.227-21, "TECHNICAL DATA DECLARATION, REVISION AND WITHHOLDING OF PAYMENT – MAJOR SYSTEMS (JAN 1997). Contracting Officer" means "Lockheed Martin." "Government" means "Lockheed Martin" in paragraph (b)(2) and "Lockheed Martin or Government" in paragraph (d).

4. FAR 52.228-3, "WORKERS' COMPENSATION INSURANCE (DEFENSE BASE ACT)" (APR 1984).
5. FAR 52.243-3, "CHANGES –TIME-AND-MATERIALS OR LABOR-HOURS" (SEP 2000).
6. FAR 52.245-5, "GOVERNMENT PROPERTY (COST-REIMBURSEMENT, TIME-AND-MATERIAL, OR LABOR-HOUR CONTRACTS)" (DEVIATION) (MAY 2004).
7. FAR 52.246-6, "INSPECTION – TIME-AND-MATERIAL AND LABOR-HOUR" (MAY 2001).
8. FAR 52.249-6, "TERMINATION (COST-REIMBURSEMENT)" (MAY 2004).

Add or modify the following DFARS and AFMC clauses:

1. DFARS 252.211-7003, "ITEM IDENTIFICATION AND VALUATION" (APR 2005). Paragraph (c)(1)(iii) – "TBD". Suppliers shall be specifically notified that this provision is applicable to the Purchase Order.

2. DFARS 252.225-7006***, “QUARTERLY REPORTING OF PERFORMANCE OUTSIDE THE UNITED STATES” (APR 2005).
3. DFARS 252-225-7021, “TRADE AGREEMENTS” (JUN 2005).
4. DFARS 252.225-7027, “RESTRICTION ON CONTINGENT FEES FOR FOREIGN MILITARY SALES” (APR 2003). For purposes of subparagraph (b)(1), Countries listed in the Prime Contract are the following: Turkey.
5. DFARS 252.225-7036, “BUY AMERICAN ACT – FREE TRADE AGREEMENTS – BALANCE OF PAYMENTS PROGRAM” (JUNE 2005) – ALTERNATE I (JAN 2005).
6. DFARS 252.225-7043, “ANTITERRORISM/FORCE PROTECTION FOR DEFENSE CONTRACTORS OUTSIDE THE UNITED STATES” (JUNE 1998). Paragraph (c): TBD.
7. With reference to Paragraph 12, Appendix A, 27th Series, the following DFARS clauses related to patents, rights in data, and computer software are incorporated in the Prime Contract:

252.227-7013, “RIGHTS IN TECHNICAL DATA – NONCOMMERCIAL ITEMS” (NOV 1995);

252.227-7016, “RIGHTS IN BID OR PROPOSAL INFORMATION” (JUN 1995);

252.227-7030, “TECHNICAL DATA – WITHHOLDING OF PAYMENT” (MAR 2000); and

252.227-7037***, “VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA” (SEP 1999).
8. AFMC 5352.227-9000 “EXPORT-CONTROLLED DATA RESTRICTIONS (AFMC)” (JUL 1997):

“CO” means “Buyer”

(a) For purposes of this clause,

(1) Foreign person is any person who is not a citizen or national of the U.S. or lawfully admitted to the U.S. for permanent residence under the Immigration and Nationality Act, and includes foreign corporations, international organizations, and foreign governments;

(2) Foreign representative is anyone, regardless of nationality or citizenship, acting as an agent, representative, official, or employee of a foreign government, a foreign-owned or influenced firm, corporation or person;

(3) Foreign sources are those sources (vendors, subcontracts, and suppliers) owned and controlled by a foreign person.

(b) The Contractor shall place a clause in subcontracts containing appropriate export

control restrictions, set forth in this clause.

(c) Nothing in this clause waives any requirement imposed by any other U.S. Government agency with respect to employment of foreign nationals or export controlled data and information.

(d) Equipment and technical data generated or delivered under this contract are controlled by the International Traffic and Arms Regulation (ITAR), 22 CFR Sections 121 through 128. An export license is required before assigning any foreign source to perform work under this contract or before granting access to foreign persons to any equipment and technical data generated or delivered during performance (See 22 CFR Section 125). The Contractor shall notify the Contracting Officer and obtain written approval of the Contracting Officer prior to assigning or granting access to any work, equipment, or technical data generated or delivered under this Contract to foreign persons or their representatives. The notification shall include the name and country or origin of the foreign person or representative, the specific work, equipment, or data to which the person will have access, and whether the foreign person is cleared to have access to technical data (DoD 5220.22-M, National Industrial Security Program Operating Manual (NISPOM)).

9. DFARS 252.242-7005, "COST/SCHEDULE STATUS REPORT" (MAR 1998).
Applicable only if other than firm fixed price, 12 months or longer in duration and item has been designated as critical.
10. DFARS 252.246-7000, "MATERIAL INSPECTION AND RECEIVING REPORT" (MAR 2003).
11. AFMC 5352.247-9006 "MARKING OF WARRANTED ITEMS (AFMC)" (JUL 1997).

Special Clauses:

1. YPK-H006 "USE OF OTHER GOVERNMENT PROPERTY" (OCT 2003):
 - a. In the performance of the requirements under this Contract, the Contractor may use and may authorize its subcontractors to use, on a no-charge basis, the Government-owned Special Tooling such as jigs, dies, fixtures, special gauges, other manufacturing aids and Special Test Equipment, heretofore acquired or manufactured or authorized for acquisition or manufacture by the Contractor and/or its subcontractors or heretofore furnished to the Contractor and/or its subcontractors as Government Furnished Property and presently in its or their possession which shall have been determined by the appropriate Administrative Contracting Officer (ACO) to be available for the performance of the work called for by this Contract in accordance with FAR 52.245-02 of Section I of this Contract entitled, "Government Property (Fixed-Price Contracts)" and/or FAR 52.245-5 entitled "Government Property (Cost-Reimbursement, Time-and- Material or Labor-Hour Contracts)", as appropriate. It is however, hereby provided that use of the foregoing shall not interfere with the proper performance of work under the Contract(s) for which they were originally produced, acquired or furnished.

b. Subject to the provisions of Paragraph (a) above, any of the Special Tooling and/or Special Test Equipment presently in the possession of the Contractor and/or subcontractors may be modified as necessary for the performance of this Contract as approved by the ACO.

2. YPK-H007 "LIMITED RISK OF LOSS" (JAN 2005): The Contractor may authorize, without any requirement for additional approval, the flow down to its subcontractors the Limited Risk of Loss provisions of FAR 52.245-02, Alternate I (MAY 2004) or FAR 52.245-5 (MAY 2004), as applicable. Such authorization shall be limited to subcontractors having a current USG- approved Property Control System.

*** Provision does not apply to commercial items.