

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

UNDER

JSF LRIP 6 CONTRACT NUMBER N00019-11-C-0083

Generated using Lockheed Martin CorpDocs 2012 Version
July 10, 2012

Revision 2

The Terms and Conditions listed below are incorporated by reference and made a part of this Contract, Purchase Order or Schedule Agreement. Unless otherwise limited in this Contract, Purchase Order or Schedule Agreement each document applies in its entirety.

In the event of a conflict between the version or date of a clause set out in this document and the version or date of a clause set out in the identified CorpDocs, the version or date of the clauses set out 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.

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

RESERVED

2. The following FAR and DFARS clauses are added:

FAR 52.211-15 Defense Priority and Allocation Requirements (Apr 2008)

Subcontracts that are issued under a rated prime contract must carry the rating of the prime contract.

FAR 52.216-16 Incentive Price Revision- Firm Target (Oct 1997)

Applicable to subcontracts with firm targets (i.e. Fixed Price Incentive Fee or Cost Plus Incentive Fee type contracts). The subcontract must incorporate the appropriate target price, ceiling price, and percentages. The blank in paragraph (c) should be completed with an appropriate number of days, consistent with the requirements of the prime contract. "Contracting Officer," "contract administrative office" and "Government" mean "Lockheed Martin." Paragraph (i) is deleted. The blanks in the clause are completed with the amounts specified in the contract.

FAR 52.216-26 PAYMENT OF ALLOWABLE COSTS BEFORE DEFINITIZATION (DEC 2002)

Applies to letter contracts. (Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

FAR 52.222-2 Payment for Overtime Premiums (Jul 1990)

Paragraph (a), insert: \$0 (Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

FAR 52.223-7 Notice of Radioactive Materials (Jan 1997)

Applies if this contract is for radioactive materials. "Contracting Officer" and "Government" means "Lockheed Martin." The blank in paragraph (a) is replaced with "180 days."

FAR 52.229-8 TAXES -- FOREIGN COST-REIMBURSEMENT CONTRACTS (MAR 1990)

In paragraph (b), "Contracting Officer" and "Government of the United States" mean "Lockheed Martin." The blank in the clause will be completed by separate notice from the Lockheed Martin buyer as governments are identified in the clause in the prime contract. (Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

FAR 52.232-16 Progress Payments (Aug 2010)

"Contracting Officer" means "Lockheed Martin" except in paragraph (g) where it means "Lockheed Martin or Contracting Officer." "Government" means "Lockheed Martin" except: (1) in paragraphs (d), (e) and (j)(5) where the term is unchanged and (2) in paragraphs (g) and (i) where it means "Lockheed Martin and the Government." (Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

FAR 52.232-17 Interest (Oct 2010)

Applies if subcontract contains FAR clauses which expressly refer to an Interest clause, e.g. FAR 52.216-16 or FAR 52.216-17. "Government" means "Lockheed Martin" (Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

FAR 52.242-2 Production Progress Reports (Apt 1991)

Applies if production progress reports are desired. "Contracting Officer" means "Lockheed Martin." (Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

FAR 52.243-2 Alt II Changes- Cost Reimbursement- Alternate II (Apr 1984)

"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. (Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

FAR 52.243-7 Notification of Changes (Apr 1984)

Paragraph (b), insert 7; Paragraph (d), insert 30 (Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

FAR 52.244-6 Alt 1 Subcontracts for Commercial Items (Dec 2010)

FAR 52.245-9 Use and Charges (Aug 2010)

Applies when Government Property is provided. Communications with the Government under this clause will be made through Lockheed Martin.

FAR 52.246-15 Certificate of Conformance (Aug 1984)

Applies if shipping is direct to the Government.

FAR 52.247-64 Alt 1 Preference for Privately Owned U.S.- Flag Commercial Vessels (Apr 2003)

In the last sentence of paragraph (c) "Subcontractor" means "Seller and lower term subcontractor." "Contracting Officer" means "Lockheed Martin." (Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

FAR 52.247-68 Report of Shipment (RESHIP) (Feb 2006)

Appropriate shipping instructions should be included in subcontracts, including shipping supplies directly to the Government.

FAR 52.252-2 Clauses Incorporated by Reference (Feb 1998)

Insert: [http:// www.arnet.gov/far](http://www.arnet.gov/far) (Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

FAR 52.252-6 Authorized Deviations In Clauses (Apr 1984)

Paragraph (b), insert: DFARS (48 CFR Chapter 2) (Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

DFARS 252.203-7004 DISPLAY OF FRAUD HOTLINE POSTER(S) (SEP 2011)

Applies to all subcontracts in excess of \$5M except subcontracts performed entirely outside the United States. (Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

DFARS 252.211-7005 Substitutions for Military or Federal Specifications and standards (Nov 2005)

Applies if subcontractor Single Process Initiative block changes have been approved for use under a subcontract.

DFARS 252.211-7006 PASSIVE RADIO FREQUENCY IDENTIFICATION (SEP 2011)

Applies to subcontracts where the subcontractor will make direct shipments meeting the criteria at DFARS 211.275-2 (Radio Frequency Identification (RFID) shipments policy) to the Government of items covered by the clause.

DFARS 252.211-7008 Use of Government- Assigned Serials Numbers (Sep 2010)

Applies if the supplier will be in the possession of Government property for the performance of the subcontract.

DFARS 252.219-7004 Small Business Subcontracting Plan (Test Program) (Jan 2011)

Applicable for participants in the DoD Test Program for the Negotiation of Comprehensive Small Business Subcontracting Plans. (Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

DFARS 252.222-7006 Restrictions on the Use of Mandatory Arbitration Agreements (May 2010)

Applies if contract exceeds \$1,000,000 that will be funded in whole or part with Fiscal Year 2010 appropriated funds. The certification in paragraph (b)(2) applies to both Seller in its own capacity and to Seller's covered subcontractors. (Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

DFARS 252.223-7008 Prohibition of Hexavalent Chromium (May 2011)

Applies if subcontract is for supplies, maintenance and repair services, or construction materials.

DFARS 252.225-7012 Preference for Certain Domestic Commodities (Jun10)

Applies if Seller is furnishing any of the items covered by this clause.

DFARS 252.228-7001 Ground and Flight Risk (Jun 2010)

In paragraph (a)(1)(i) "this contract" means "the prime contract." The following is added at the beginning of the clause: "Communications between Seller and the Government shall be made through Lockheed Martin. Any equitable adjustment provided for this clause shall be implemented in this contract to the extent such adjustment is implemented in the prime contract." Subparagraphs (d)(2)(ii), (d)(3)(ii) and the

last sentence of subparagraph (j)(2) are deleted. (Does not apply if contract as defined in FAR Part 2.101)

DFARS 252.234-7004 Cost and Software Data Reporting System (Nov 2010)

Applies to subcontracts in excess of \$50,000,000. In paragraph (b), "Government" means Lockheed Martin. (Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

DFARS 252.239-7016 Telecommunications Security Equipment, Devices, Techniques, and Services (Dec 1991)

Applies if this contract requires securing telecommunications. (Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

DFARS 252.243-7002 Requests for Equitable Adjustment (Mar 1998)

"Government" means "Lockheed Martin." (Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

DFARS 252.245-7001 Tagging, Labeling, and Marking of Government-Furnished Property (Feb 2011)

Applies to subcontracts where the items furnished by the subcontractor will be subject to serialized tracking.

DFARS 252.245-7004 REPORTING, REUTILIZATION, AND DISPOSAL (APR 2012)

Applies if Government property is authorized for use in the performance of the subcontract.

DFARS 252.246-7000 MATERIAL INSPECTION AND RECEIVING REPORT (MAR 2008)

Applies if direct shipments are made by the subcontractor to the Government.

AFFARS 5352.223-9001 Health and Safety on Government Installations (Jun 1997)

Applies if Seller will perform work under this contract on a government installation. "Contracting Officer" means "Lockheed Martin." (Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

AFFARS 5352.242-9000 Contractor Access to Air Force Installations (Aug 2007)

Applies if Seller will perform work on a Government installation. "Contracting Officer" means "Lockheed Martin." In paragraph (e) "the prime contractor" means "Seller." (Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

AFFARS 5352.242-9001 Common Access Cards (CACs) for Contractor Personnel (Aug 2004)

Applies if Seller will perform work on a Government installation. All communication with the government required by this clause shall be conducted through Lockheed Martin. (Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

AFMC FARS 5352.245-9004 BASE SUPPORT (Alt 1) (AFMC) (JUL 1997)

Should be flowed down as Alternate 1 is included. (Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

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

Applies if subcontractor proprietary information may be accessed by government support contractors, this clause should be included in subcontracts. The term "prime contractor" means "Seller."

**NAVAIR 5252.246-9513 INSPECTION AND ACCEPTANCE OF TRA
(NAVAIR) (OCT 2007) (Does not apply if contract is for a COMMERCIAL Item as defined in FAR
Part 2.101)**

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.

H-1 5252.204-9504 DISCLOSURE OF CONTRACT INFORMATION (NAVAIR) (JAN 2007)

(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 twenty (20) 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.

(d) Communications with the Contracting Officer shall be made through Lockheed Martin

H-2 5252.227-9501 INVENTION DISCLOSURES AND REPORTS (NAVAIR) (MAY 1998)

(a) In accordance with the requirements of the Patent Rights clause of this contract, the contractor shall submit “Report of Inventions and Subcontracts” (DD Form 882) along with written disclosure of inventions to the designated Contract Administrator.

(b) The Contract Administrator will forward such reports and disclosures directly to the appropriate Patent Counsel, designated below, for review and recommendations, after which the reports will be returned to the Contract Administrator.

Name and address of Patent Counsel:

John Gladstone Mills
COMNAVAIRSYSCOM
47123 Buse Road, Unit IPT
Patuxent River, MD 20670-1547
(301) 757-0573

(c) The above designated Patent Counsel will represent the Procurement Contracting Officer with regard to invention reporting matters arising under this contract.

(d) A copy of each report and disclosure shall be forwarded to the Procuring Contracting Officer.

(e) The contractor shall furnish the Contracting Officer a final report within three (3) months after completion of the contracted work listing all subject inventions or certifying that there were no such inventions, and listing all subcontracts at any tier containing a patent rights clause or certifying that there were no such subcontracts.

(Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

H-5 5252.232-9509 REIMBURSEMENT OF TRAVEL, PER DIEM, AND SPECIAL MATERIAL COSTS (NAVAIR) (OCT 2006) (APPLICABLE TO COST REIMBURSEMENT CONTRACTS and/ or Line Items ONLY)

(a) Area of Travel. Performance under this contract may require travel by contractor personnel. If travel, domestic or overseas, is required, the contractor is responsible for making all necessary arrangements for its personnel. These include but are not limited to: medical examinations, immunizations, 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) RESERVED

(c) Travel. Travel and subsistence are authorized for travel beyond a fifty-mile radius of the contractor's office whenever a task assignment requires work to be accomplished at a temporary alternate worksite. No travel or subsistence shall be charged for work performed within a fifty-mile radius of the contractor's office. The contractor shall not be paid for travel or subsistence for contractor personnel who reside in the metropolitan area in which the tasks are being performed. Travel performed for personal convenience, in conjunction with personal recreation, or daily travel to and from work at the contractor's facility will not be reimbursed.

(1) For travel costs other than described in paragraph (c) above, the contractor shall be paid on the basis of actual amount paid to the extent that such travel is necessary for the performance of services under the contract and is authorized by the Contracting Officer Representative in writing.

(2) When transportation by privately owned conveyance is authorized, the contractor shall be paid on a mileage basis not to exceed the applicable Government transportation rate as contained in the Federal Travel Regulation, Joint Travel Regulation or SR. Authorization for the use of privately owned conveyance shall be indicated in the basic contract. Distances traveled between points shall be shown on invoices as listed in standard highway mileage guides. Reimbursement will not exceed the mileage shown in the standard highway mileage guides.

(3) The contractor agrees, in the performance of necessary travel, to use the lowest cost mode commensurate with the requirements of the mission as set forth in the basic contract and in accordance with good traffic management principles. When it is necessary to use air or rail travel, the contractor agrees to use coach, tourist class, or similar accommodations to the extent consistent with the successful and economical accomplishment of the mission for which the travel is being performed.

(4) RESERVED

(d) RESERVED

(e) RESERVED

(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-mile radius of the contractor's home office or the contractor's local office. Per

Diem is authorized for contractor personnel beyond a fifty-mile radius of the offices whenever a task assigned requires work to be done at a temporary alternate worksite. Per Diem shall be paid to the contractor only to the extent that overnight stay is necessary and authorized under this contract. The authorized per diem rate shall be the same as the prevailing per diem in the worksite locality. These rates will be based on rates contained in the Federal Travel Regulation, Joint Travel Regulation, or SR. The applicable rate is authorized at a flat seventy-five (75%) percent on the day of departure from contractor's home or local office, and on the day of return. Reimbursement to the contractor for per diem shall be limited to actual payments to per diem defined herein. The contractor shall provide actual payments of per diem defined herein. The contractor shall provide supporting documentation for per diem expenses as evidence of actual payment.

(g) RESERVED

(h) RESERVED

(Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

H-9 MANAGEMENT OF SUPPLIERS

Notwithstanding any direction to the contrary herein, SELLER is required under this Contract to manage any and all lower tier subcontractors.

SELLER shall not use a subcontractor's status as an agreed or directed source as a performance excuse or basis for equitable adjustment.

H-11 INVESTMENT

Any decision by SELLER at, or prior to, the date of award of this Contract or at or prior to the date of execution of any modification to this Contract to (i) incur costs, by reason of investment or otherwise, that are not expressly included in writing in the SELLER's bid, offer, or proposal to LOCKHEED MARTIN, agreed to by LOCKHEED MARTIN, and incorporated into this Contract's price, (ii) forego profit on costs, or (iii) apply a management decrement, is made at the sole risk of SELLER. SELLER acknowledges that the price of this Contract shall not be increased by any portion of incurred costs, foregone profit, or management decrement, for any reason, including, but not limited to, a termination for convenience of this Contract, notwithstanding any provisions of this Contract or applicable regulations governing termination for convenience settlements of purchase orders under United States Government prime contracts, unless LOCKHEED MARTIN expressly agrees in writing to pay such portion. LOCKHEED MARTIN, as set forth in the clause of this Contract entitled "Termination for Convenience (Fixed Price)," or "Termination (Cost Reimbursement)" may terminate this Contract for any reason if LOCKHEED MARTIN determines that it is in the LOCKHEED MARTIN's interest to do so. The term "any reason" includes, but is not limited to, termination of the LOCKHEED MARTIN's prime contract with the U.S. Government on any basis, convenience or default. A termination for default of this Contract is justified at any time where the circumstances provided in the clause of this Contract entitled "Default" apply.

H-12 PRESERVATION OF RIGHTS FOR TECHNICAL DATA AND SOFTWARE PROVIDED ELECTRONICALLY

Information, whether delivered under any CDRL or contractor equivalent fi response to any other requirement contained in this contract shall be provided via the JSF Virtual Enterprise that would be deemed Technical Data under DFARS 252.227-7013, “Rights In Technical Data—Noncommercial Items,” or Software and Software Documentation under DFARS 252.227-7014, “Rights in Noncommercial Software and Noncommercial Software Documentation,” if it were delivered in written form, shall not lose its status as technical data, software or software documentation solely because access by the Government or delivery 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-14 ISSUANCE OF CONTRACTS TO NEW SUBCONTRACTORS

The Contractor shall notify the Lockheed Martin Aeronautics reasonably in advance of placing any subcontract or modification over \$10,000,000 to subcontractors that have not been previously awarded contracts prior to 1 July 2010. Such notification shall not be required for competitively award subcontracts in which the lowest bidder has been selected. The contractor’s notification shall identify the proposed subcontractor and shall include a description of the supplies or services to be subcontracted and an explanation of how the proposed subcontract offers best value to the government.

H-15 TECHNICAL DATA AND COMPUTER SOFTWARE IDENTIFICATION IN ENGINEERING CHANGE PROPOSALS (ECPs) (5252.227-9505) (NAVAIR) (AUG 1987)

Each Engineering Change Proposal (ECP) submitted by the Contractor shall identify each item of technical data and computer software delivered by the Contractor under any prior Navy contract required to be revised as a result of the proposed change and shall include an estimated price and cost proposal to furnish the revisions.

(Does not apply if contract is for a COMMERCIAL Item as defined in FAR Part 2.101)

H-16 COMMERCIAL ITEM TECHNICAL DATA

(a) The Contractor and applicable subcontractors asserts for the persons identified below that the following items to be delivered or otherwise provided under this contract are commercial items as defined in FAR 2.101, “Definitions.”

Vendor	Part Number	Part Description
TBD*	TBD*	TBD*

The Government reserves the right to review and validate any assertions of commerciality under FAR 2.101, “Definitions.”

(b) Subject to the Government’s right to review and validate assertions of commerciality, the Contractor is not required to include DFARS 252.227-7013, Rights in Technical Data–Noncommercial Items (NOV 1995), or DFARS 252.227-7015, Technical Data–Commercial Items (NOV 1995), in subcontracts for the

items listed in paragraph (a) above. However, the Contractor shall require (a) above to deliver or otherwise provide technical data, as defined in DFARS 252.227-7015, Technical Data–Commercial Items (NOV 1995), under this contract for those items listed in paragraph (a) above. Such technical data shall be those technical data customarily provided to the public with the commercial item. In addition, such technical data shall include the following technical data regardless of whether such data are customarily provided to the public:

- (1) Form, fit, and function data as defined in DFARS 252.227-7015, Technical Data–Commercial Items (NOV 1995);
- (2) Data required for repair or maintenance of commercial items, or for the proper installation, operating, or handling of a commercial item, either as a stand alone unit or as a part of a military system, when such data customarily provided to commercial users are not sufficient for military purposes; and
- (3) Data describing the modifications made at Government expense to a commercial item in order to meet the requirements of this contract.

(c) In the event an item set forth in paragraph (a) above is determined after award to be other than a commercial item, technical data for that item shall be subject to DFARS 252.227-7013, Rights in Technical Data–Noncommercial Items (NOV 1995), notwithstanding paragraph (b) above.

(d) In addition to the assertions made in paragraph (a) above, other assertions may be identified after award when based on new information or inadvertent omissions, unless the inadvertent omissions would have materially affected the decision to award this contract. Such identification and assertion shall be submitted to the Contracting Officer as soon as practicable prior to the scheduled date for delivery or provision of the data, in the form specified in paragraph (a) above, and signed by an official authorized to contractually obligate the Contractor. Such submittals by the Contractor shall not constitute an amendment to this clause; updates to this clause after contract award shall be via bilateral modifications.

*List shall be provided by the Contractor upon the LRIP 6 Production proposal submission.

Revision actions for July 10, 2012 release of PSFD.

1. The following FAR & DFAR regulations added:

FAR 52.246-15
DFAR 252.246-7000

2. Document re-formatted to numerically align the various regulations
3. Duplications removed.