

LOCKHEED MARTIN CORPORATION
PRIME SUPPLEMENTAL FLOWDOWN DOCUMENT (PSFD)
ADDITIONAL TERMS AND CONDITIONS FOR SUBCONTRACTS/PURCHASE ORDERS UNDER
RAF C-130J Enabling Arrangement
REV. 1: 27 JULY 2017

In addition to the terms and conditions in the CORPDOC, the following terms and conditions are added to this contract:

A. DEFINITIONS

The following additional terms shall have the meanings set forth below:

"Prime Contract" means the contract between LOCKHEED MARTIN and its customer under which this PO is issued

"Government" and "Her Majesty's Government" mean "government of the United Kingdom" except in the phrase "U.S. Government" where it means the "government of the United States of America"

"Authority" means LOCKHEED MARTIN's customer, the United Kingdom Secretary of State for Defence; "MoD" means "United Kingdom Ministry of Defence" "UK" means the "United Kingdom of Great Britain."

B. WARRANTY

In addition to the warranty terms stated in the applicable CorpDoc, if the Work delivered under this PO is, or is to be, incorporated in an end (item(s) to be delivered to LOCKHEED MARTIN's customer(s), SELLER's obligation under this clause shall be extended to one year after delivery of such Work to such customer(s).

C. INCORPORATION OF DEFCON CLAUSES

The United Kingdom Ministry of Defence Acquisition Regulation Clauses (DEFCONs) referenced below are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable, including any notes following the clause citation, to this Contract. If the date or substance of any of the clauses listed below is different from the date or substance of the clause actually incorporated in the Prime Contract referenced by number herein, the date or substance of the clause incorporated by said Prime Contract shall apply instead.

D. AMENDMENTS REQUIRED BY PRIME CONTRACT

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 applicable Prime Contract or with the provisions of amendments to such Prime Contract. If

any such amendment to this Contract causes an increase or decrease in the cost of, or the time required for, performance of any part of the Work under this Contract, an equitable adjustment shall be made pursuant to the "Changes" clause of this Contract.

E. DEFCON FLOWDOWN CLAUSES

The following DEFCON clauses apply to this Contract:

DEFCON 68 (END 09/97) Control of Dangerous Articles and Substances.

Applies in any subcontract where hazardous material may be delivered and shall otherwise be deemed self-deleting and impose no obligation on SELLER. Change Clause 1 to read as follows: "The SELLER shall provide information about any hazardous materials or substances to be supplied under the Contract to LOCKHEED MARTIN."

DEFCON 76 (Edn 10/04) Contractor's Personnel at Government Establishments.

Applies if Contractor will be accessing U.K. Government facilities.

DEFCON 117 (Edn 08/02) Supply of Documentation for NATO Codification Purposes. Communications between SELLER and the Authority under this clause shall be made through LOCKHEED MARTIN.

DEFCON 501 (Edn 04/04) Definitions and Interpretations.

Applies to the extent that any DEFCON included in this contract contains any of the defined terms. The provisions of this clause are in addition to any definitions included elsewhere in this contract. The following is added after "instrument" at the end of Clause 3: "in effect at Contract award." The following definitions are incorporated:

"Days" shall mean calendar days unless otherwise specified.

DEFCON 513 (Edn 09/97) Value Added Tax.

DEFCON 624 (Edn 04/00) Use of Asbestos in Arms, Munitions or War Materials. Applies if SELLER will be furnishing parts or material under this Contract.

DEFCON 643 (Edn 10/02) Price Fixing Part I of the Appendix to the Condition applies. "The Contractor" means "Lockheed Martin." Price Fixing. For the purposes of Clauses 3(4) and (6) only of DEFCON 643 (Price Fixing) [and Clauses 3 and 4 of Part I and Part II of Appendix to DEFCON] the relevant officials of the Government of USA or the UK Government shall be the authorized representatives of the Authority

DEFCON 654 (Edn 10/98) Government Reciprocal Audit Arrangements. The overseas government referred in the clause refers to the United States Government.

DEFCON 656 (Edn 10/04) Break.

For purposes of this DEFCON, the required notice period is at least three (3) months. "Authority" means "Lockheed Martin." The indemnity referred to in paragraph (c) shall apply to the extent Lockheed Martin is indemnified by its customer in connection with this contract.

F. SUPPLY OF INFORMATION ABOUT SUBSTANCES REFERRED TO IN THE MONTREAL PROTOCOL.

(a) As a signatory to the Montreal Protocol on Substances that deplete the Ozone Layer, Her Majesty's Government is committed to the reduction of the production and consumption of those Substances controlled under the Protocol. SELLER shall supply a list specifying:

- (1) All substances listed at paragraph (b) below contained in the items (including packaging thereof, whether or not specified in this PO,
- (2) The quantity of each of the substances at paragraph (b) below contained in these items;
- (3) Where in the items (including packaging) the substances listed at paragraph (b) below are contained; or
- (4) Any designs to be procured under the PO, which would include any of the controlled substances.
- (5) Or confirm that none of the substances listed at paragraph (b) below are contained in or have been used in the supply of the items.

(b) Protocol Substances:

MONTREAL PROTOCOL SUBSTANCES			
CFCs – Production of CFCs has stopped			
CFC-11 (Trichlorofluoromethane)		CFC-211	
CFC-12 (Dichlorodifluoromethane)	CFC-13	CFC-212	
CFC-111		CFC-213	
CFC-112		CFC-214	
CFC-113 (Trichlorotrifluoroethane)	CFC-114	CFC-215	
(Dichlorotetrafluoroethane)	CFC-115	CFC-216	
(Chloropentafluoroethane)		CFC-217	
The above substances are also used in Blends. e.g.:-			
CFC-500 (CFC-12/HFC-152a) CFC-502 (CFC-115/HCFC-22)			
HALONS – The production of controlled Halons has stopped			
Halon-1211 (Bromochlorodifluoromethane - BCF)			
Halon-1301 (Bromotrifluoromethane - BTM) Halon 2402			
HBFCs - No production after 31st December 1995			
CHBr ₂	C ₃ H ₂ F ₆ Br	C ₂ H ₂ F ₄ Br	C ₃ H ₂ F ₅ Br
CHF ₂ Br	C ₃ H ₂ F ₅ Br	C ₂ H ₂ F ₃ Br	C ₃ H ₃ F ₄ Br
CH ₂ FBr	C ₃ H ₃ F ₂ Br ₃	C ₂ H ₄ FBr	C ₃ H ₄ F ₂ Br ₂
C ₂ H ₂ F ₂ Br ₂	C ₃ H ₃ F ₃ Br ₂	C ₃ H ₂ F ₆ Br	C ₃ H ₄ F ₃ Br
C ₂ H ₂ F ₃ Br	C ₃ H ₃ F ₄ Br	C ₃ H ₂ F ₅ Br	C ₃ H ₅ F ₂ Br ₂
C ₂ H ₃ F ₂ Br ₂	C ₃ H ₄ F ₃ Br	C ₃ H ₃ F ₄ Br	C ₃ H ₅ F ₂ Br
C ₂ H ₃ F ₂ Br	C ₂ H ₂ F ₄ Br	C ₃ H ₂ F ₂ Br ₄	C ₃ H ₆ FBr
C ₃ H ₄ F ₃ Br	C ₂ H ₂ F ₃ Br	C ₃ H ₂ F ₃ Br ₃	
C ₃ H ₅ F ₂ Br	C ₂ H ₂ F ₃ Br ₂	C ₃ H ₂ F ₄ Br ₂	
HCFCs - Production to be run down and phased out by 2015 (Certain use controls apply)			
HCFC-21	HCFC-141	HCFC-225ca	HCFC-243
HCFC-22	HCFC-141b	HCFC-225cb	HCFC-244
HCFC-31	HCFC-142	HCFC-226	HCFC-251
HCFC-121	HCFC-142b	HCFC-231	HCFC-252

HCFC-122	HCFC-151	HCFC-232	HCFC-253
HCFC-123	HCFC-221	HCFC-233	HCFC-261
HCFC-124	HCFC-222	HCFC-234	HCFC-262
HCFC-131	HCFC-223	HCFC-235	HCFC-271
HCFC-132	HCFC-224	HCFC-241	
HCFC-133	HCFC-225	HCFC-242	
Carbon Tetrachloride (CCl ₄) - production has stopped			
1,1,1-Trichloroethane (C ₂ H ₃ Cl ₃) - No production after 1 st December 1995			
Methyl Bromide (CH ₃ Br) - Production limits apply			

G. PRICE FIXING (APPLICABLE TO FIXED PRICE CONTRACTS)

(a) For the purpose of estimating the costs of production of the Items to be furnished under the prime contract, and prior to issuance of a firm fixed price Contract to SELLER, SELLER shall, at all times before prices for those articles have been finally fixed, afford such facilities as LOCKHEED MARTIN or the Authority may reasonably require for their representatives to visit SELLER’s premises and examine any or all of the processes involved in, and the plans for, the manufacture of the Items to be furnished under this PO.

(b) In this Article, the expression "the prime contract" means the contract between LOCKHEED MARTIN and the Authority in connection with which, or for the purposes of which, this PO has been made.

H. INDEMNITY

SELLER hereby agrees to indemnify the Authority against any claim, action or proceeding arising relating to use or infringement or alleged use or infringement (whether by manufacture, use, sale or otherwise) of any patent, registered design, copyright, or other intellectual property arising in or out of the performance of the Contract or the supply or provision of Work to the Authority or the use by the Authority of any article, drawing, document or other information or service provided under the Prime Contract, and SELLER undertakes to be responsible for dealing with and settling, at his own expense, any such claim, action or proceeding. SELLER shall keep the Authority fully informed of the progress of any such claim, action or proceeding and shall not conclude any settlement thereof without first advising the Authority of the terms proposed. The Authority reserves the right to intervene or assume responsibility at any time for the conduct of any such action or proceeding or consequent settlement. In such event, the Authority will bear any additional cost that arises beyond that which should have been reasonably incurred by SELLER in such action, proceeding or settlement. The Authority’s remedy and SELLER’S obligation and liability therefore under this section I are expressly conditioned upon the Hercules IPT furnishing within 30 days of receipt written notice to SELLER of any actual or threatened claims or suits against the Authority alleging such infringement.

I. COPYRIGHT, SOFTWARE AND DESIGN RIGHTS

- (a) This section J shall apply to all copyright, including software and design right works generated under the Contract, or delivered to the Authority under the provisions of the Prime Contract.
- (b) For the purpose of this section J, “copy” in relation to “design right” shall be interpreted as in the Copyright, Designs and Patents Act 1988 at Section 226 (2).
- (c) SELLER shall use all reasonable endeavors to ensure that copyright and design right in any work generated under the Contract shall be the property of and vest in SELLER, subject to the rights of third parties in pre-existing works.

- (d) The Authority shall have, in respect of any copyright and/or design right work to which this Condition applies, a free license:
1. to copy the work and to circulate and use the work or any copy thereof within any of the Authority's Government Department (which term includes the Authority's Armed Forces) provided that no part of the work nor any copy thereof shall, except with the prior written permission of SELLER or pursuant to paragraph J.(d)2 of this section J, be made available to any third party;
 2. to issue the work or any part of the work or any copy of the work or any part thereof to any contractor for the purpose of use only in connection with a contract for the Authority's Government for the study, management, evaluation, certification, qualification, airworthiness, and/or assessment of the work provided that such contractor is placed under an obligation, which shall be entered into directly between SELLER and such contractor if required by SELLER, which restricts disclosure and use of such work to the said purposes. If the contractor requests to enter into a direct confidentiality agreement, this will be in the form of DEFFORM 94.
 3. to issue the work or any part of the work or any copy of the work to any contractor for the purpose of repair, maintenance and installation only in connection with aircraft owned and operated by the Authority, provided that such contractor is placed under an obligation, which shall be entered into directly between SELLER and such contractor if required by SELLER, which restricts disclosure and use of such work to the said purposes. If the contractor requests to enter into a direct confidentiality agreement, this will be in the form of DEFFORM 94.
 4. SELLER may mark or include in any copyright work to which this section J applies a copyright notice provided that such copyright notice acknowledges the Authority's rights under this section J. Any such notice shall be perpetuated in any copies of such work made by the Authority or any other Authority Government Department or its agents or contractors.
 5. In respect of copyright, section J shall constitute an "agreement to the contrary" for the purposes of Section 48 of the Copyright, Design and Patents Act 1988.

In this section J "copyright work" shall be understood to include any works, data or other materials in which a database right subsists.

J. INVENTIONS

- (a) This Condition applies to any invention or registerable design first wholly made by an employee of SELLER as a direct result of a work assignment in performance of the Contract.
- (b) SELLER shall notify the Authority of any patent or like application or any application for registration of any design made during the performance of the Contract within three months of the date upon which such application is filed.
- (c) Where any such patent or like application or any application for registration of design is made subject of restriction on ground of national security by the examining Patent Office the notification shall be made as soon as the restriction permits.
- (d) The notification shall identify the application by its date, application number, and the country(ies) of filing and shall be accompanied by a copy of the patent or like specification or a copy of any application for registration of the design and the reference of the Contract/sub-Contract under which the invention or the design was made.
- (e) The Authority and any person authorized by the Authority may in any part of the world do in relation to the invention (or any patent or patent application resulting from such invention) any act or thing or use of the design for the Authority's defense purposes.
- (f) SELLER shall not be entitled to any payment whatsoever in respect of anything done in accordance

with paragraph K(e) above (whether by the Authority or any person whomsoever) and if any national security restrictions are given in respect of any invention (or any patent or patent application) or design application or registration SELLER/subcontractor shall not have any claim for compensation.