

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

**Advanced Pilot Training (APT) Program
Contract Number FA8617-17-R-6219
Generated using Lockheed Martin CorpDocs 2016 Version**

**REV. 2-FEB 10, 2017
REV. 1-- 10 JAN 2017
ORIGINAL--17 NOV 2016**

THE TERMS SET FORTH HEREIN ARE BASED ON THE FA8617-16-R-6219 PRIME CONTRACT SOLICITATION. BOTH PARTIES AGREE TO NEGOTIATE IN GOOD FAITH ANY CHANGES RESULTING FROM THE FA8617-17-R-6219 PRIME CONTRACT DEFINITIZATION

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 dates of a clauses set out in this documents 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 precedent.

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 they shall not impose any obligations upon the SELLER.

PART I MODIFICATIONS:

The dates or versions of the following FAR, DFARS, and other agency clauses are modified as follows and are incorporated into the Contract:

FAR 52.203-13 CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT from (APR 2010) to (OCT 2015)

FAR 52.204-10 REPORTING EXECUTIVE COMPENSATION AND FIRST-TIER SUBCONTRACT AWARDS from (JUL 2013) to (OCT 2015)

FAR 52.209-6 PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT from (AUG 2013) to (OCT 2015)

FAR 52.222-21 PROHIBITION OF SEGREGATED FACILITIES from (FEB 1999) to (APR 2015)

FAR 52.222-26 EQUAL OPPORTUNITY from (MAR 2007) to (APR 2015)

FAR 52.222-50 COMBATING TRAFFICKING IN PERSONS from (FEB 2009) to (MAR 2015) (Note 2 applies. In paragraph (e) Note 3 applies.)

FAR 52.222-54 EMPLOYMENT ELIGIBILITY VERIFICATION from (AUG 2013) to (OCT 2015)

FAR 52.230-2 COST ACCOUNTING STANDARDS from (MAY 2014) to (OCT 2015)

FAR 52.230-4 DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES FOR CONTRACTS AWARDED TO FOREIGN CONCERNS from (MAY2014) to (OCT 2015)

DFARS 252.225-7021 TRADE AGREEMENTS from (NOV 2014) to (OCT 2015)

DFARS 252.225-7043 ANTI-TERRORISM/FORCE PROTECTION POLICY FOR DEFENSE CONTRACTORS OUTSIDE THE UNITED STATES from (MAR 2006) to (JUN 2015)

PART II

Reserved.

PART III. ADDITIONS

The following FAR, DFARS, AFFARs, & AFMC clauses are incorporated into this Contract in addition to those set out in the applicable CorpDocs:

FAR 52.203-16 Preventing Personal Conflicts of Interest (DEC 2011) (Applicable to all subcontracts exceeding \$150,000 in which employees will perform acquisition functions closely associated with inherently governmental functions. (Not applicable to Commercial Items as defined in FAR 2.101)

FAR 52.204-21 Basic Safeguarding of Covered Contractor Information Systems (JUN 2016) (Applicable to all subcontracts in which the subcontractor may have Federal contract information residing in or transiting through its information system.)

FAR 52.209-6 Protecting the Governments Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (AUG 2013) (Applies if this contract exceeds \$30,000. Does not apply if this contract is for commercial off the shelf items. Copies of notices provided by Seller to the Contracting Officer shall be provided to Lockheed Martin.)

FAR 52.219-9 - Small Business Subcontracting Plan (DEVIATION) (AUG 2016) (Applies if this contract exceeds \$700,000. Does not apply if Seller is a small business concern. "Contracting Officer" means "Lockheed Martin" in paragraph (c). Seller's subcontracting plan is incorporated herein by reference. Not applicable to Commercial Items as defined in FAR 2.101)

FAR 52.222-44 Fair Labor Standards Act and Service Contract Labor Standards-Price Adjustment (MAY 2014) (Applies if FAR 52.222-41 applies to this contract. "Contracting Officer" means "Lockheed Martin and the Contracting Officer" except in paragraph (e) where it means "Lockheed Martin." The notice period in paragraph (e) is changed to twenty (20) days. Adjustments made to this contract shall not be made unless or until the Contracting Officer make appropriate adjustments to Lockheed Martin's prime contract.)

FAR 52.222-56 Certification Regarding Trafficking in Persons Compliance Plan (MAR 2015) (Applies to solicitations for subcontracts for supplies, other than commercially available off-the-shelf items, acquired outside the United States, or services to be performed outside the United States; and where the subcontract is estimated to exceed \$500,000. In paragraph (d) "Contracting Officer" means "Contracting Officer and Lockheed Martin." In paragraph (e), "Government" means "Lockheed Martin.")

FAR 52.222-99 Establishing a Minimum Wage for Contractors (DEVIATION 2014-O0017) (JUN 2015) ("Contracting Officer" means "Lockheed Martin.")

FAR 52.230-4 Disclosure and Consistency of Cost Accounting Practices--Foreign Concerns (OCT 2015) ("Government" as used in the second and third sentences means "Government or Lockheed Martin." Applicable to

subcontracts awarded to a foreign subcontractor unless the subcontractor is otherwise exempt from CAS. Not applicable to Commercial Items as defined in FAR 2.101)

FAR 52.246-15 Certificate of Conformance (APR 1984) (Applies to subcontracts where subcontractors will make direct shipments to the Government and there is no intervening acceptance by Lockheed Martin.)

FAR 52.249-3 Termination for Convenience of the Government (Dismantling, Demolition, or Removal of Improvements) (APR 2012) ("Government" and "Contracting Officer" mean "Lockheed Martin" except in paragraph (n) where "Government" means "Lockheed Martin and the Government" and "Contracting Officer" means "Lockheed Martin or the Contracting Officer." In paragraph (c) "120 days" is changed to "60 days." In paragraph (d) "15 days" is changed to "30 days," and "45 days" is changed to "60 days." In paragraph (e) "1 year" is changed to "six months." In paragraph (l) "90 days" is changed to "45 days." Paragraph (j) is deleted. Settlements and payments under this clause may be subject to the approval of the Contracting Officer. Not applicable to Commercial Items as defined in FAR 2.101)

DFARS 252.204-7008 COMPLIANCE WITH SAFEGUARDING COVERED DEFENSE INFORMATION CONTROLS (DEVIATION 2016-O0001) (OCT 2015)

DFARS 252.204-7012 SAFEGUARDING COVERED DEFENSE INFORMATION AND CYBER INCIDENT REPORTING (OCT 2016) (Applies if this Contract is for operationally critical support or for which subcontract performance will involve covered defense information Seller shall furnish Lockheed Martin copies of notices provided to the Contracting Officer at the time such notices are sent.)

DFARS 252.204-7015 Notice of Authorized Disclosure of Information for Litigation Support (May 2016)

DFARS 252.219-7003 SMALL BUSINESS SUBCONTRACTING PLAN (DOD CONTRACTS) (DEVIATION) (AUG 2016) (Does not apply to Commercial Items as defined in FAR 2.101).

DFARS 252.234-7002 EARNED VALUE MANAGEMENT SYSTEM (DEVIATION 2015-O0017) (SEP 2015) (The blank in paragraph (k) is completed as follows: TBD; Does not apply to Commercial Items as defined in FAR 2.101).

DFARS 252.239-7017 Notice of Supply Chain Risk (Nov 2013) (Applicable to solicitations for subcontracts that involve the development or delivery of any information technology whether acquired as a service or as a supply. "Government" means "Lockheed Martin and the Government")

AFFARS 5352.223-9000 Elimination of Use of Class I Ozone Depleting Substances (ODS) (Nov 2012) (The blank in paragraph (d) is completed with "None." In paragraph (d) "Contracting Officer" means "Lockheed Martin." Not applicable to Commercial Items as defined in FAR 2.101)

AFMC 5352.227-9000 Export-Controlled Data Restrictions (Jul 1997) ("Contracting Officer" means "Lockheed Martin.")

LCMC/WLZ-H-001 - DELIVERY AND LICENSE RIGHTS FOR TECHNICAL DATA AND SOFTWARE NECESSARY FOR OPERATION, MAINTENANCE, INSTALLATION AND TRAINING (OMIT) (DEC 2016)

(a) Definitions. As used in this special contract requirement and associated PO line items:

OMIT Data" is defined for the purposes of this contract as all technical data, computer software, computer software documentation, computer data bases and graphics pertaining to the APT aircraft system, GBTS, and support equipment required to successfully conduct all operation, maintenance, installation and training activities, regardless of whether such activities are performed by Air Force, military, civilian, or contract personnel..

A. OPERATION

"Operation" includes all procedures, guidance, and instructions for ground and inflight operating, handling, testing, emergency, utilization, familiarization, and functional use of the Aircraft, Engine(s), Support Equipment (SE), Aircrew Training Devices (ATDs), and Ground Training Devices (GTDs) to perform their intended functions. Operation also includes all data to identify, catalog, stock, source, acquire, procure, replenish, package, handle, store, and transport of the APT aircraft system and GBTS; and their subsystems, assemblies, subassemblies, components, parts, and pieces..

B. MAINTENANCE

"Maintenance" includes all scheduled and unscheduled organizational, intermediate, and depot-level maintenance and repair capabilities to maintain, inspect, test, service, adjust, troubleshoot, analyze, remove, replace, repair, install, disassemble, reassemble, and overhaul to maintain in, or restore to, a serviceable condition the APT aircraft system and GBTS; and their subsystems, assemblies, subassemblies, components, parts, and pieces (whether hardware or software). Maintenance includes sustainment of the OMIT data itself.

C. INSTALLATION

"Installation" includes infrastructure such as facility planning, site surveys, hangers, maintenance facilities, supply chain management, hush houses, test cells, test stands and benches, runways, ramps, wash racks, fueling/defueling stations, tools, SE, communications, data links, security, data information technology, and all other data and planning necessary for the initial standup and continued operations, training, sustainment, and maintenance at all operational sites as well as organizational, intermediate, and depot-level maintenance requirements in support of the APT aircraft system and GBTS; and their subsystems, assemblies, subassemblies, components, parts, and pieces..

D. TRAINING

"Training" includes Type 1 training and all other formal and informal classroom, flight line, hanger, simulation, ground operation, and inflight supervised and unsupervised instruction in the flight of, operation of, use of, testing of, supply chain management of, and the organizational, intermediate, and depot-level repair and overhaul maintenance of the APT aircraft system and GBTS; and their subsystems, assemblies, subassemblies, components, parts, and pieces..

1. The term "depot-level maintenance" as used in this contract-

A. Includes, but is not limited to-

- (i) Installation, inspection, localization, isolation, disassembly, interchange, repair, reassembly, alignment, checkout; and
- (ii) Maintenance performed, including modification, testing and reclamation, on material requiring repair, major overhaul, or complete rebuild of parts, assemblies, subassemblies, and end items; and
- (iii) Software maintenance; and
- (iv) Maintenance performed for continuous airworthiness.

B. Does not include the manufacture of new items.

3. Other terms used in this special contract requirement defined in the following clauses have the same meaning as set forth in those clauses:

A. DFARS 252.227-7013;

B. DFARS 252.227-7014; and

C. DFARS 252.227-7015.

(b) Delivery Requirements. The Seller shall deliver all technical data, computer software documentation, computer databases, computer software and graphics that are necessary or required to support OMIT and having the characteristics (e.g., content, format, and delivery medium) necessary for OMIT..

1. General. The Government requirements for such technical data, computer software documentation, computer databases, graphics, and computer software include--

A. No less information or detail than industry standards, nor less than Lockheed Martin typically requires or uses to perform OMIT activities; and

B. Additional information or detail necessary for military purposes related to OMIT.

2. Depot-Level OMIT Data. Depot-level OMIT data includes a complete package of technical data, computer software documentation, computer databases, graphics and computer software necessary for installation and deinstallation, and disassembly and reassembly, at the lowest practicable segregable level. Examples of technical data and computer programs that are needed to perform depot-level maintenance include, but are not limited to, the following:

A. Detailed airframe technical data and information regarding all systems;

B. Depot-level maintenance technical data and information regarding all systems, subsystems, and components; and

C. Interface Control Documents (ICDs).

(c) License Rights. Contractor hereby grants or shall obtain for the Government unlimited rights in all technical data, computer software, computer databases, graphics, and computer software documentation necessary for OMIT. Any exceptions to this grant for computer software shall be identified and asserted as a restriction on computer software pursuant to LCMC/WLZ - H002 and shall include any assertions for commercial computer software required for OMIT, which shall be subject to a commercial license consistent with DFARS 227.7202-1(a).

(d) Subcontractors and Suppliers. The contractor's obligations in this special contract requirement shall apply to all technical data, computer software documentation, computer databases, graphics and computer software, including all technical data developed, delivered, or otherwise provided by subcontractors and suppliers at any tier; regardless of whether the OMIT data is, or relates to, commercial items or noncommercial items. The contractor shall include these requirements in its subcontracts or other contractual or legal instruments with its subcontractors and suppliers at any tier. The contractor shall ensure all subcontractors and suppliers at any tier replicate this clause.

(e) Validation of Asserted Restrictions and Restrictive Markings. Nothing in this special contract requirement limits or otherwise affects the parties' rights or obligations specified in DFARS 252.227-7019 or 252.227-7037. The Contracting Officer reserves the right to validate any asserted restriction or restrictive marking, at a later date, in accordance with the procedures of these clauses.

LCMC/WLZ--H002 IDENTIFICATION AND ASSERTION OF RESTRICTIONS ON TECHNICAL DATA AND COMPUTER SOFTWARE (DEC 2016)

(a) Definitions. Terms used in this Special Contract Requirement (SCR) that are defined in the following clauses and SCR have the same meaning as set forth in those clauses:

1. DFARS 252.227-7013;

2. DFARS 252.227-7014;

3. DFARS 252.227-7015;

4. DFARS 252.227-7017; or

5. LCMC/WLZ--H001 Delivery And License Rights For Technical Data and Software Necessary For Operation Maintenance, Installation and Training (OMIT) (DEC 2016)

(b) Identification and Assertion of Restrictions. The Seller shall not deliver or otherwise provide to the Government any technical data or computer software with restrictive markings (or otherwise subject to restrictions on access, use, modification, reproduction, release, performance, display, or disclosure) unless the technical data or computer software has been identified in accordance with the following requirements:

1. Pre-Award Identification and Assertion. The Seller (including its subcontractors or suppliers, or potential subcontractors or suppliers, at any tier) identified all technical data and computer software that it proposed to be delivered or otherwise provided with less than unlimited rights as follows:

A. Noncommercial Technologies. Noncommercial technical data and noncommercial computer software was identified pursuant to DFARS 252.227-7017.

B. Commercial Technologies. The Seller also identified and asserted any restrictions for all commercial computer software and commercial technical data (i.e., technical data pertaining to a commercial item) by providing the same types of information, using a similar format, and following the same procedures and requirements as specified at DFARS 252.227-7017.

2. Post-Award Updates to the Pre-Award Identification and Assertions. Except as provided in this paragraph the Seller (including its subcontractors or suppliers at any tier) shall not supplement or revise the pre-award Identification and Assertions after contract award.

A. Noncommercial Technologies. Post-award identification and assertion of restrictions on noncommercial technical data and noncommercial computer software are governed by paragraph (e) of DFARS 252.227-7013 and DFARS 252.227-7014, respectively.

B. Commercial Technologies. The Seller may supplement or revise its pre-award identification and assertion of restrictions on commercial computer software and commercial technical data only if such an expansion or revision would be permitted for noncommercial computer software or noncommercial technical data pursuant to paragraph b.2.A of this clause (i.e., based on new information, or inadvertent omissions that would not have materially affected source selection).

C. Upon request by the Contracting Officer, the Seller shall provide sufficient information to enable the Contracting Officer to evaluate any listed assertions.

(c) Specific Identification of Technical Data and Computer Software. When identifying and asserting restrictions on technical data and computer software pursuant to paragraph (b) of this clause, the Seller shall—

1. Ensure that the technical data and computer software are identified by specific reference to the requirement to deliver or provide that technical data or computer software in the contract, for example, by referencing the associated PO line items or paragraphs in the statement of work.

2. Include the relevant information for all technical data and computer software that are or may be required to be delivered or otherwise provided under the contract, online or remote access to information, and firmware or other computer software to be embedded in hardware deliverables.

3. Specifically address source code, object code, executable code, documentation, software support tools, S/SEE (software/systems engineering environment) documentation, Systems/Software Requirement Documents, Interface

Control Documents, etc., regarding any computer software that is modified or developed either exclusively or partially at Government expense.

(d) Copies of Negotiated, Commercial, and Other Non-Standard Licenses. The Seller shall provide copies of all proposed specially negotiated licenses, commercial licenses, and any other asserted restrictions other than Government purpose rights; limited rights; restricted rights; Small Business Innovation Research (SBIR) Program data rights for which the protection period has not expired; or Government's minimum rights as specified in the clause at 252.227-7015.

AFMC STD - H005 (AFMC STD-5) IMPLEMENTATION OF PATENT RIGHTS CLAUSE (DEC 2016)

(a) Interim or final Invention Reports (1) listing subject invention(s) and stating that all subject inventions have been disclosed, or (2) stating that there are no such inventions, shall be sent to both the Administrative Contracting Officer, and to AFMC LO/JAZ, WRIGHT PATTERSON AFB, OH 45433 within the timeframes specified in the Patent Rights clause of this contract.

(b) Contractors are highly encouraged to use DD Form 882, Report of Invention and Subcontracts, to submit these reports. The DD Form 882 may also be used for the notification of an award of any subcontract(s) for experimental, developmental or research work which contain a "Patent Rights" clause.

(c) All other notifications required by the contract shall also be sent to the addresses in paragraph (a). This provision also constitutes the request for the following information for any subject invention for which the contractor has retained ownership (1) the filing date, (2) serial number and title, (3) a copy of the patent application, and (4) patent number and issue date. Submittal shall be to (insert contact information for person(s) at the procuring contract office who will handle patent administration, e.g., name and/or position, email, phone numbers, etc.)).

AFMC STD - H006 (AFMC STD-8) COMMERCIAL COMPUTER SOFTWARE LICENSE (DEC 2016)

In accordance with the present clause, the Contractor shall provide license agreement information for all COMMERCIAL computer software licenses to be obtained on behalf of or transferred to the US Government under this contract. In this arrangement, the Government may ultimately become the Licensee in certain COMMERCIAL computer software licenses, which software is specifically defined at DFARS 252.227-7014(a)(1). In order to permit the Government to become a Licensee in the COMMERCIAL computer software licenses, the Contractor shall first pre-review the COMMERCIAL computer software licenses intended for transfer to the Government to verify compliance with Alternate II, as shown below.

License agreements shall be provided to the Government Contracting Officer concurrent with proposal submission to ensure compliance with the terms and conditions shown below (Alternate II only) to the extent known at the time an offer is submitted to the Government. For any COMMERCIAL computer software licenses which are not reasonably identifiable concurrent with proposal submission, such license shall be first pre-approved by the Government Contracting Officer prior to their incorporation into a system deliverable to ensure compliance with the terms and conditions shown below (Alternate II only). This obligation to obtain pre-approval by the Government Contracting Officer, as described above, continues throughout contract administration. In view of the above, it should be understood that the Government will not execute a DD Form 250 for the COMMERCIAL computer software deliverables under the present contract until the Contractor satisfies Alternate II as described below.

This clause does not apply to open source software.

Alternate II:

1. Add the clause described below to all third party COMMERCIAL computer software licenses with advance notice to and/or consent of applicable third party software vendors of said computer software licenses, for which said licenses are intended to be transferred to the Government:

"The Government agrees to the provisions of the present Software License, as set forth above and affixed as an attachment to this Government Contract No. _____, to the extent that the provisions of the Software License are consistent with Federal procurement law(s) and at least the Department of Defense Federal Acquisition Regulation Supplement (DFARS)

section 227.7202 and said contract. In the event that any of the provisions of the present Software License are determined to be inconsistent with Federal procurement law(s); DFARS section 227.7202 and/or said contract, the parties to the present Software License hereby agree that said provision(s) shall be null and void. In the event that any of said provision(s) are rendered null and void, as described hereinabove, the remaining provision(s) of said License shall remain in full force and effect.

Notwithstanding the above, the Government reserves the right to inspect or test any software, software documentation and/or service associated with the present Software License and tendered in performance of this contract for compliance therewith. In the event that said software, software documentation and/or service are deemed non-compliant, the government shall be entitled to replacement, refund and/or equitable relief"

2. Contractor shall provide a listing of license renewal dates and associated fees/costs if applicable.
3. Contractor shall provide a listing and copies of all commercial computer software licenses related to the above described Government Contract.
4. Contractor shall provide documentation to clearly correlate or map software license(s) to:
 - a) Contract Line Item Numbers (CLINS);
 - b) Contract Deliverables (CDRLS);
 - c) Paragraphs in the statement of work (SOW); and/or
 - d) Portions of any functional block diagrams and/or system architecture diagrams, so that it can be readily determined where certain COMMERCIAL computer software corresponding to certain software license agreement(s) are physically located on the system to be delivered under the contract

Summary of Changes

REV 1—added H005 and H006; modified H001

REV 2—added 252.204-7012 OCT 2016 Version; added 'Modifications' Section 1; modified H001 and H006