

LOCKHEED MARTIN CORPORATION

PRIME SUPPLEMENTAL FLOWDOWN DOCUMENT (PSFD)

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

PRIME CONTRACT FA8615-08-C-6050
F-16 MOROCCO UCA
Supplement to Appendix A – 27th Series

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7 July 2008

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, the following terms and conditions, applicable as noted, are incorporated by reference 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.

Delete the following clauses:

1. FAR 52.222-38, "COMPLIANCE WITH VETERANS' EMPLOYMENT REPORTING REQUIREMENTS"
2. FAR 52.237-8, "RESTRICTION ON SEVERANCE PAYMENTS TO FOREIGN NATIONALS"
3. FAR 52.245-2, "GOVERNMENT PROPERTY"
4. FAR 52.245-17, "SPECIAL TOOLING"
5. FAR 52.245-18, "SPECIAL TEST EQUIPMENT"
6. DFARS 252.209-7000, "ACQUISITION FROM SUBCONTRACTORS SUBJECT TO ON-SITE INSPECTION UNDER INTERMEDIATE-RANGE NUCLEAR FORCES (INF) TREATY"
7. DFARS 252.225-7003, "REPORT OF INTENDED PERFORMANCE OUTSIDE THE UNITED STATES"

8. DFARS 252.225-7015, “PREFERENCE FOR DOMESTIC HAND OR MEASURING TOOLS”
9. DFARS 252.225-7030, “RESTRICTION ON ACQUISITION OF CARBON, ALLOY, AND ARMOR STEEL PLATE”
10. DFARS 252.225-7033, “WAIVER OF UK LEVIES.”

Add or modify the following FAR clauses as directed below:

1. In Appendix A – 27th Series, paragraph 1, “Definitions,” delete the reference to “FAR 52.202-1” and replace it with “FAR 2.101.”
2. FAR 52.203-6, “RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT” (SEP 2006). In the note accompanying this clause in Appendix A – 27th Series, delete “\$100,000” and replace it with “the FAR simplified acquisition threshold, as defined in FAR 2.101.”
3. FAR 52.203-12, “LIMITATION TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS” (SEP 2005). Delete the last sentence in the note accompanying this clause in Appendix A – 27th Series and replace it with the following: “Seller’s disclosure forms and those of Seller’s lower tier subcontractors will be provided to Lockheed Martin.”

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, of 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 is based on 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 15.403-1 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, **then Seller agrees to indemnify and hold Buyer harmless to the full extent of any damage or expense resulting from such action.**”

FAR 52.219-9, “SMALL BUSINESS SUBCONTRACTING PLAN.” In the note accompanying this clause in Appendix A – 27th Series, replace “\$500,000” with “\$550,000.”

FAR 52.222-35, “EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE

VETERANS” (SEP 2006). In the note accompanying this clause in Appendix A – 27th Series, replace “\$25,000” with “\$100,000.”

FAR 52.222-37, “EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS” (SEP 2006). In the note accompanying this clause in Appendix A – 27th Series, replace “\$25,000” with “\$100,000.”

FAR 52.222-39, “NOTIFICATION OF EMPLOYEE RIGHTS CONCERNING PAYMENT OF UNION DUES OR FEES” (DEC 2004). Applies to all subcontracts that exceed the FAR simplified acquisition threshold, as defined in FAR 2.101.

FAR 52.222-50, COMBATTING TRAFFICKING IN PERSONS (AUG 2007)

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), with its ALT I (APR 1984)

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).

FAR 52.233-3, “PROTEST AFTER AWARD” (AUG 1996). "Protest" means "protest under the prime contract," and "Contracting Officer" and "Government" mean "Lockheed Martin." "30 days" is changed to "20 days."

FAR 52.243-3, “CHANGES –TIME-AND-MATERIALS OR LABOR-HOURS” (SEP 2000).

FAR 52.244-6, “SUBCONTRACTS FOR COMMERCIAL ITEMS” (JUN 2007).

FAR 52.245-1 “GOVERNMENT PROPERTY” (JUN 2007). "Contracting Officer" means "Lockheed Martin" except in the definition of Property Administrator and in paragraphs (h)(1)(iii) and where it is unchanged, and in paragraphs (c) and (h)(4) where it includes Lockheed Martin. "Government" is unchanged in the phrases "Government property" and "Government furnished property" and where elsewhere used except in paragraph (d)(1) where it means "Lockheed Martin" and except in paragraphs (d)(2) and

(g) where the term includes "Lockheed Martin." The following is added as paragraph (n) "Seller shall provide to Lockheed Martin immediate notice of any disapproval, withdrawal of approval, or non-acceptance by the Government of Seller's property control system."

Add or modify the following DFARS and AFMC clauses:

1. DFARS 252.211-7003, "ITEM IDENTIFICATION AND VALUATION" (JUN 2005). Applicable if this Contract requires the Items to contain unique item identification. Paragraph (c)(1)(iii) – "TBD". In (c)(3)(i), (c)(4)(i), (d), (e), and (f) "Contractor" shall mean "Subcontractor"; all reports required to be submitted under this clause shall be submitted to Lockheed Martin at a location to be identified; delete paragraph (g) and insert the following in lieu thereof: (g) Lower-Tier Subcontracts. Seller shall include this clause, including this paragraph (g), in all lower tier subcontracts issued under this Subcontract for the acquisition of components identified herein as requiring UID.
2. DFARS 252.225-7004, "REPORTING OF INTENDED CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES – SUBMISSION AFTER AWARD" (MAY 2007). Applies if this PO exceeds \$550,000.
3. DFARS 252.225-7006***, "QUARTERLY REPORTING OF ACTUAL CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES" (MAY 2007). Applies if this PO exceeds \$550,000. Paragraph (f) is deleted.
4. DFARS 252-225-7021, "TRADE AGREEMENTS" (OCT 2006).
5. DFARS 252.225-7043, "ANTITERRORISM/FORCE PROTECTION FOR DEFENSE CONTRACTORS OUTSIDE THE UNITED STATES" (MARCH 2006). Paragraph (d): information and guidance pertaining to DoD antiterrorism/force protection can be obtained from HQ AFSFC/SFPA: telephone(210) 925-7035/36.

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);

252.227-7014, "RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION" (JUN 1995);

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

252.227-7019, "VALIDATION OF ASSERTED RESTRICTIONS – COMPUTER SOFTWARE" (JUN 1995);

252.227-7025, “LIMITATIONS ON THE USE OR DISCLOSURE OF GOVERNMENT-FURNISHED INFORMATION MARKED WITH RESTRICTIVE LEGENDS” (JUN 1995);

252.227-7027, “DEFERRED ORDERING OF TECHNICAL DATA AND COMPUTER SOFTWARE” (APR 1988);

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

252.227-7037***, “VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA” (SEP 1999).

DFARS 252.243-7002, “REQUESTS FOR EQUITABLE ADJUSTMENT” (MAR 1998) Applies to POs over \$100,000. COMMERCIAL COMPONENTS (DOD COONTRACTS)(JAN 2007)

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 of

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)).

AFFARS 5352.223-9000, "ELIMINATION OF USE OF CLASS I OZONE DEPLETING SUBSTANCES (ODS)" (APR 2003).

AFFARS 5352.227-9002, "VISIT REQUESTS BY FOREIGN-OWNED OR CONTROLLED FIRMS (AFMC)" (JUL 1997).

Special Clauses:

1. YPK-H-006 "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 52.245-1 "Government Property.", 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 aforementioned items of 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.

*** Provision does not apply to commercial items.