

LOCKHEED MARTIN AERONAUTICS COMPANY
PRIME SUPPLEMENTAL FLOWDOWN DOCUMENT (PSFD)
ADDITIONAL TERMS AND CONDITIONS
FOR SUBCONTRACTS/PURCHASE ORDERS UNDER
FA8615-19-C-6050 GREECE UPGRADE PROGRAM
Generated using Lockheed Martin CorpDocs 2018 Version

Revision 3: July 28, 2022

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 document 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 SELLER.

PART I. DELETIONS: The following clauses are deleted in their entirety from the applicable CorpDocs incorporated into this Contract:

RESERVED

PART II. 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 52.215-12 Subcontractor Certified Cost or Pricing Data (MAY 2018)

FAR 52.230-2 Cost Accounting Standards (MAY 2018)

FAR 52.244-6 Subcontracts for Commercial Items (JUL 2018)

DFARS 252.246-7008 Sources of Electronic Parts (MAY 2018)

PART III. ADDITIONS: The following FAR, DFARS, and other agency clauses are incorporated into this Contract in addition to those set out in the applicable CorpDocs:

FAR 52.203-15 Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009 (JUN 2010)

FAR 52.203-16 Preventing Personal Conflicts of Interest (DEC 2011) (Applies if this Contract exceeds the simplified acquisition threshold in FAR 2.101 and Seller's employees will perform acquisition functions closely associated with inherently governmental functions.)

FAR 52.229-8 Taxes-Foreign Cost-Reimbursement Contracts (MAR 1990) (Applies if this is a cost reimbursement type contract which will be performed wholly or partly in a foreign country. In paragraph (b), "Contracting Officer" and "Government of the United States" mean "Lockheed Martin.")

FAR 52.232-16 Progress Payments (DEVIATION 2020-O0010) (MAR 2020) (Applies if Seller shall receive progress payments during the performance of this Contract. "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 terms is unchanged and (2) in paragraphs (g) and (i) where it means "Lockheed Martin and the Government.")

FAR 52.232-17 Interest (MAY 2014) ("Government" means "Lockheed Martin.")

FAR 52.232-39 Unenforceability of Unauthorized Obligations (JUN 2013) (Applies if software or services provided under this Contract will be retransferred to the Government.)

FAR 52.245-9 Use and Charges (APR 2012) (Applies if Government property will be provided for the performance of this Contract. Communications with the Government under this clause will be made through Lockheed Martin.)

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

DFARS 252.208-7000 Intent to Furnish Precious Metals as Government-Furnished Material (DEC 1991) (Applies if this Contract involves precious metals.)

DFARS 252.209-7010 Critical Safety Items (AUG 2011) (Applies if Seller shall furnish a critical safety item during the performance of this Contract.)

DFARS 252.211-7007 Reporting of Government Property (AUG 2012) (Applies if Seller will be in possession of Government property for the performance of this Contract.)

DFARS 252.211-7008 Use of Government-Assigned Serial Numbers (SEP 2010) (Applies if Seller will be in possession of Government property for the performance of this Contract.)

DFARS 252.219-7003 Small Business Subcontracting Plan (DoD Contracts) (DEVIATION 2018-O0007) (DEC 2017) (Applies if FAR 52.219-9 is included in this Contract. Paragraph (g) is deleted.)

DFARS 252.219-7004 Small Business Subcontracting Plan (Test Program) (APR 2018) (Applies if Seller is a participant in the DoD Test Program for the Negotiation of Comprehensive Small Business Subcontracting Plans.)

DFARS 252.225-7015 Restriction on Acquisition of Hand or Measuring Tools (JUN 2005) (Applies if Seller shall deliver hand or measuring tools during the performance of this Contract.)

DFARS 252.225-7027 Restriction on Contingent Fee for Foreign Military Sales (APR 2003) (The reference to the clause in paragraph (a) means FAR 52.203-5. The blank in paragraph (b)(1) is completed with “any Government.” Subparagraph (b)(2) is deleted.)

DFARS 252.225-7028 Exclusionary Policies and Practices of Foreign Governments (APR 2003)

DFARS 252.225-7047 Exports By Approved Community Members in the Performance of the Contract (JUNE 2013) (Applies if this Contract requires exports or transfers of qualifying defense articles.)

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. The provision of this clause relating to assumption of risk by the Government are not applicable to Seller unless this contract includes language stating the Government has agreed to assume such risk of loss.)

DFARS 252.234-7004 Cost and Software Data Reporting System (NOV 2014) (Applies if this Contract is in excess of \$50,000,000. In paragraph (b), “Government” means “Lockheed Martin.”)

DFARS 252.237-7010 Prohibition on Interrogation of Detainees by Contractor Personnel (JUN 2013) (Applies if Seller’s personnel may be required to interact with detainees during the performance of this Contract.)

DFARS 252.243-7002 Requests for Equitable Adjustment (DEC 2012) (Applies if this Contract exceeds the simplified acquisition threshold. “Government” means “Lockheed Martin.”)

DFARS 252.245-7001 Tagging, Labeling, and Marking of Government-Furnished Property (APR 2012) (Applies if Seller is required to tag, label, or mark Government-furnished property.)

DFARS 252.245-7004 Reporting, Reutilization, and Disposal (DEC 2017) (Applies if Government property will be located at Seller’s facility for the performance of this Contract. “Contracting Officer” means “Lockheed Martin.”)

DFARS 252.246-7001 Warranty of Data (MAR 2014) (Applies Seller shall provide data during the performance of this Contract.)

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.”)

AFFARS 5352.223-9001 Health and Safety on Government Installations (NOV 2012) (Applies if Seller will perform work under this Contract on a government installation. “Contracting Officer” means “Lockheed Martin.”)

AFFARS 5352.242-9000 Contractor Access to Air Force Installations (NOV 2012) (Applies if Seller will perform work on a Government installation. “Contracting Officer” means “Lockheed Martin.” In paragraph (e) “the prime contractor” means “Seller.”)

Part IV. SECTION H – PRIME CONTRACT SPECIAL PROVISIONS

H001 AFLCMC/YPK-001 CUSTOMER DIRECTED SUBCONTRACT (DEC 2018)

1. Through its Letter of Offer and Acceptance (LOA), the Government of Greece (hereafter referred to as the Customer) has directed the Contractor to subcontract with Hellenic Aerospace Industry (HAI) to provide modification installation and related in-country tasks. HAI tasks will be detailed in the subcontract between the Contractor and HAI.

2. This Customer direction shall not lessen the Contractor responsibility to manage its subcontractor, however, if (1) there are actions or inactions by the Customer, or restrictions enacted by the Customer, that negatively impact HAI's subcontract cost or schedule execution; or (2) after subcontract management, HAI-caused situations remain that cannot be mitigated without negatively impacting the Contractor's cost or schedule execution, then the Contractor may seek remedy in accordance with DFARS 252.243-7002.

AFLCMC/WWMK H-002 CONTRACT SCHEDULE ADJUSTMENT PROCESS (APR 2020)

1. The Statement of Work for this contract contains a requirement for Over & Above (O&A) work, as required, during the Greece Viper Upgrade Program. Execution of O&A efforts may cause schedule and associated cost impacts to the Upgrade Program. This clause details the notice and adjudication process for those schedule and associated cost impacts.

2. The contractor has the requirement to manage the upgrade program, to include the schedule. As the baseline aircraft modification schedule does not include specific time spans for O&A, a Joint Schedule Adjudication Board (the Board) will be established to agree upon and document the incremental program disruption and delay from O&A activity. The Board shall be composed of members of the program from LM Aero, the USG SPO, and DCMA. At a minimum, members will include Program Management and Contracting representatives from each of these organizations. The purpose of the Board is to:

- a) Assess the impact to the Upgrade Program for any aircraft that has or will have O&A schedule impacts
- b) Reach agreement on a program schedule impact on a by-aircraft basis.

3. LM Aero shall provide the Board with notice of an impact assessment for any aircraft that it contends has or will experience O&A schedule impacts that are beyond the control and without the fault or negligence of LM Aero or its installation subcontractor, HAI. This notice shall satisfy the notice requirements of this contract. The LM Aero O&A Manager will provide the Initial Impact Assessment, including the Aircraft Induction Report, approximately thirty calendar days after aircraft transfer from HAF de-population dock. This assessment shall include: (1) an estimate of the aircraft-level schedule impact, and (2) supporting analysis justifying the aircraft schedule impact.

This may include data from sources such as the modification management software tool, as well as data from critical path simulations.

a) Updates to an aircraft's Initial Impact Assessment will be submitted as LM Aero deems necessary or the Government requests. The change in the delivery schedule associated with O&A impacts shall take into account relevant LM Aero/HAI-caused delays. The Final Impact Assessment will be submitted no later than 30 calendar days after aircraft completion (DD-250).

b) Upon each aircraft induction per Joint Operating Procedure (JOP) 8001, an aircraft modification schedule will be provided to the Board within 5 working days to establish the baseline modification schedule, to include demarcation of phase milestones, for the inducted aircraft. This schedule will be used as the basis for the Interim and Final Assessments.

4. The Final Impact Assessment will be reviewed by the Board for agreement on the aircraft-level schedule impact. After agreement of the Final Impact Assessment, the Procurement Contracting Officer and LM Aero Contracting personnel will execute a bilateral contract modification, recognizing the revised aircraft completion date due to O&A impacts, as necessary. Any dispute arising from this impact assessment shall be resolved in accordance with the Contract Disputes Clause.

5. The Contractor shall maintain a Schedule Impact Log throughout the Upgrade Program. No later than 12 months prior to the baseline schedule completion, the Board will review the accumulated aircraft-level impacts on the total program schedule and determine if additional funds are required for any costs arising from impacts of the O&A work.

6. Any dispute arising from this clause shall be resolved in accordance with the provisions of this contract's Disputes Clause.

(End of Clause)

AFLCMC/WWMK H-003 SUBCONTRACT RE-OPENER SAVINGS CLAUSE (MAR 2020)

a. As of the date of price agreement for this contract, there is one outstanding procurement issue associated with the Hellenic Aerospace Industries (HAI) subcontract which provides modification installation and related in-country tasks for the Viper Upgrade. HAI has provided a total proposed price to prime contractor Lockheed Martin Aeronautics Company (LM Aero). The Government and LM Aero have agreed to the Not-to-Exceed (NTE) amount of \$136,321,712 for purposes of this clause. This amount is specifically broken out as follows:

Subcontract Value Wrap Rate Burdened NTE Value

CLIN 0001A \$22,777,160 1.23% \$ 28,015,906

CLIN 0010 \$ 7,474,455 1.25% \$ 9,343,069

CLIN 0011 \$79,170,190 1.25% \$ 98,962,737

Total Subcontract Value: \$109,421,804 Total Clause NTE: \$136,321,712

The NTE subcontract value represents the total subcontract price prior to the application of the prime contractors burdens and profit. The downward only adjustment will be calculated using the above wrap rates. The NTE was used in the negotiated prime contract cost and price but will be revised in accordance with processes defined in the paragraphs below.

b. This clause is incorporated for the specific purpose of providing for an adjustment (downward only) to the contract FA8615-19-C-6050 Contract Line Item Number (CLIN) 0001AS, 0010 and 0011 prices as set forth in Section B of the contract. The contract price, including any and all applicable burdened costs and profit which make up that contract CLIN price, are subject to downward adjustment only based on the results of the contractors negotiations for the procurement item identified in paragraph a. above. If an updated HAI proposal is received prior to definitization of the HAI subcontract, a mutually agreed upon increase (only) in the NTE value that accounts for HAIs updated proposal will be incorporated into this clause.

c. Even though contract FA8615-19-C-6050 is no longer an unpriced action, subcontract consent for HAI is still required due to the subcontract complexities and issues noted by DCMA in its review of HAIs estimating system. The process and content for subcontract consent shall follow the requirements in FAR 52.244-02 Subcontracts (Oct 2010) with the further requirement that subcontract consent be granted prior to LM Aero entering definitization negotiations with HAI.

d. After definitization of the HAI subcontract value, LM Aero shall submit to the Contracting Officer a complete record of the settlement (including all proposals, audits, PCAMs [as required by Truthful Cost and Pricing Data] and price negotiation memorandums) within 30 days of the final agreement; however the time period for submitting all records of settlement shall not exceed 120 calendar days after the issuance of the contract specified above. The data submitted by the contractor shall be detailed by cost element and be fully compliant with the contractor's approved accounting system, utilizing the wrap rates detailed above. The data submitted must detail how the negotiated settlement resolved DCAA audit findings and cost analysis report recommendations or explains in detail the reason for finding audit recommendations unreasonable. Once the record of settlement is received, the Contracting Officer will determine if a downward adjustment is necessary and will issue any required bilateral modification adjusting the price (total price and applicable CLIN/SubCLIN price) of this contract. The downward only adjustment, if necessary, will be Total NTE Price of \$136,321,712 less the negotiated HAI subcontract value using agreed upon wrap rates, as noted above.

If the Contractor fails to submit the required information as detailed or should there be no agreement as to the amount of the price adjustment contemplated by this clause prior to delivery of the first aircraft on CLIN 0010, then the Contracting Officer may make a unilateral determination and modify the contract.

The contractor may dispute the unilateral determination in accordance with the Disputes clause of this contract.

e. If the Contractor does not provide the Contracting Officer the notice contemplated in subparagraph (d) above for the identified subcontractor within 120 calendar days after this contract is awarded, the Contracting Officer may extend, at the Contractors written request, the Contractors deadline for concluding

subcontractor negotiations (and providing the required notification) by up to thirty (30) additional calendar days.

f.No proposal preparation cost may be applied to this contract requirement as it relates to this clause.

g.Any modification to this contract for downward adjustment, as a result of this clause, shall be accomplished by bilateral modification. All other terms and conditions of the contract shall remain in full effect.

h.Any dispute arising under or related to the terms and/or procedures set forth in this clause shall be resolved in accordance with the provisions of this contracts Disputes clause.

(End of Clause)