



**LOCKHEED MARTIN CORPORATION**

**PRIME SUPPLEMENTAL FLOWDOWN DOCUMENT (PSFD)**

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

**UNDER F-35 / JSF LRIP 8 Production**

**(Combines Prime Contract #: N00019-13-C-0008, N00019-13-C-0013 and N00019-13-C-0014)**

**REFERENCE: 2013 Lockheed Martin CorpDocs or later versions.**

**27 JANUARY 2014 (ORIGINAL)**

**4 APRIL 2014 (REVISED)**

The Terms and Conditions listed below are incorporated by reference and made a part of this Contract. Unless otherwise limited in this Contract, each contractual 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 Supplement is inapplicable to the performance of this Contract, the parties shall consider such clause to be self-deleting and it shall not impose any obligations upon the SELLER. The applicability of each clause may be clarified by a statement immediately following each clause. These supplemental terms and conditions are subject to revision as prime contract terms, conditions, and requirements are modified between the U.S. Government and Lockheed Martin.

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

RESERVED

**PART 2.** The following FAR, DFARS, and other Agency clauses are incorporated into the Contract:

**FAR 52.211-15 – Defense Priority and Allocation Requirement (April 2008)**

(The Contract shall govern the applicability of this provision and required DPAS rating).

**FAR 52.227-3 Patent Indemnity (APR 1984) Alt II** This patent indemnification shall apply to Commercial Item (as defined in FAR 2.101) included within the end item deliverable.

**FAR 52.228-3 – Workers Compensation Insurance (Defense Based) (April 1984)**

(Applies if Seller will perform work subject to the Defense Base Act 42 U.S.C. 1651 et seq.)

**FAR 52.229-8 - Taxes-Foreign Cost Reimbursement Contracts (Mar 1990)**

(Applies to cost reimbursement contracts involving non-commercial items. In paragraph (b), "Contracting Officer" and "Government of the United States" means "Lockheed Martin." If

work will be delivered or performed outside of the United States, the blanks in this clause shall be construed by the Parties to include the name of the foreign government and name of country in which the work shall be delivered or performed.)

**FAR 52.232-16 – Progress Payments (April 2012)**

(Applies to suppliers paid by means of progress payments)

("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.")

**FAR 52.232-32 – Performance Based Payments (April 2012)**

(Applies to suppliers paid by means of performance based payments. "Contracting Officer" and "Government" mean "Lockheed Martin" except with respect to title for property where the references to the Government shall be unchanged. (Subparagraph (c)(2) of the provision is deleted.)

**FAR 52.245-9 – Use and Charges (April 2012)**

(Applicable to contracts involving non-commercial items where government furnished property shall be provided through Lockheed Martin to the Seller. Communications with the Government under this clause shall be made by the Seller through Lockheed Martin.)

**FAR 52.247-64 Alt 1 – Preference for Privately Owned U.S. Flag Commercial Vessels**

**(April 2003)** (Applies to all subcontracts for non-commercial items. In the last sentence of paragraph (c) "Subcontractor" means "Seller and lower term subcontractor." "Contracting Officer" means "Lockheed Martin.")

**FAR 52.247-67 - Submission of Transportation Documents for Audit (Paragraph C enter DCMA) (Feb 2006)** (Applies to cost reimbursement contracts for non-commercial items.)

**DFARS 252.211-7007 - Reporting of Government-Furnished Equipment in the DoD Item Unique Identification (IUID) Registry (Aug 2012)**

(Applies to contracts wherein the Seller shall perform their own markings.)

**DFARS 252.211-7008 - Use of Government Assigned Serial Numbers (Sept 2010)**

(Applies to contracts wherein the Seller shall perform their own markings.)

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

(Applicable to contracts involving the procurement of non-commercial items wherein the Seller is a participant of the "DoD Test Program for the Negotiation of Comprehensive Small Business Subcontracting Plans".)

**DFARS 252.222-7006 - Restrictions on the Use of Mandatory Arbitration (Dec 2010)**

(Applies to subcontracts for non-commercial items that exceed \$1,000,000. However, the clause does not apply if all of the Seller's employees performing work under the contract will be located outside of the United States.)

**DFARS 252.223-7002 - Safety Precautions for Ammunition and Explosives (May 1994)**

(Applies if this Contract involves non-commercial ammunition or explosive items.

"Contracting Officer" means "Lockheed Martin" except in paragraph (c)(4) where it means "Contracting Officer" as it relates to government personnel. "Government" means "Lockheed Martin and the Government.")

**DFARS 252.223-7003 - Change in Place of Performance—Ammunition and Explosives (Dec 1991)**

(Applies if this Contract involves non-commercial ammunition or explosive items. "Contracting Officer" means "Lockheed Martin." "Government" means "Lockheed Martin and the Government.")

**DFARS 252.223-7006 - Prohibition on Storage and Disposal of Toxic and Hazardous Materials (April 2012)**

(Applies if the Contract is for non-commercial items. "Government" means "Lockheed Martin and Government.")

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

("Contracting officer" means "Lockheed Martin.")

**DFARS 252.225-7027 Restriction on Contingent Fees for Foreign Military Sales (April 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 from the provision.)

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

(Applicable to contracts for non-commercial items only)

**DFARS 252.228-7001 - Ground and Flight Risk (June 2012)**

(Applicable to contracts for non-commercial items only. 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 JSFPO 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.)

**DFARS 252.229-7006 – Value Added Tax Exclusion (UK) (Dec 2011)**

(Applicable only to contracts involving non-commercial items with United Kingdom suppliers to ensure the value added tax is not included in the total contract price).

(Applies if Seller is a United Kingdom firm. "This contract" means "the prime contract.")

**DFARS 252.234-7002 - Earned Value Management System (May 2011)** (Applies to cost reimbursement contracts. "Government" means "Lockheed Martin and Government." Paragraphs (i) and (j) are deleted.)

**DFARS 252.239-7016 - Telecommunications Security Equipment, Devices, Techniques, and Services (Dec 1991)** (Applies to contracts for non-commercial items requires securing telecommunications.)

**DFARS 252.243-7002 – Request for Equitable Adjustment (Dec 2012)**  
(Applicable only to contracts for non-commercial items in excess of \$150,000. "Government" means "Lockheed Martin.")

**DFARS 252.244-7000 - Subcontracts for Commercial Items and Commercial Components (Mar 2013)**

**DFARS 252.245-7001 - Tagging, Labeling and Marketing of GFP (April 2012)**  
(Applies to contracts where the items furnished by the contractor will be subject to serialized tracking, should the Statement of Work or another document in the solicitation identify such items subject to serialized tracking.)

**DFARS 252.245-7004 - Reporting, Reutilization and Disposal (April 2012)**  
(Applicable to contracts involving items indicated in this DFAR clause only. "Contracting Officer" means Lockheed Martin.)

**NAVAIR 5252.247-9508 - Prohibited Packaging Materials (June 1998)**  
(Applies if the Seller is shipping non-commercial items directly to USG)

**NAVAIR 5252.247-9509 - Preservation, Packaging, Packing and Marking (Jul 1998)**  
(Applies if the Seller is shipping non-commercial items directly to USG.)

**NAVAIR 5252.247-9510 - Preservation, Packaging, Packing and Marking for Foreign Military Sales Requirements (Oct 2005)**  
(Applies if the Seller is shipping non-commercial items directly to USG).

**PART 3.** The following DFARS and other Agency clauses are incorporated into the contract in full-text:

**252.229-7003 TAX EXEMPTIONS (ITALY) (MAR 2012)** (Applicable to work performed with respect to CLIN 1010; otherwise the following clause is inapplicable.)

(a) The Seller represents that the contract price, including the prices in subcontracts awarded under this contract, does not include taxes from which the United States Government is exempt.

(b) The United States Government is exempt from payment of Imposta Valore Aggiunto (IVA) tax in accordance with Article 72 of the IVA implementing decree on all supplies and services sold to United States Military Commands in Italy.

(1) The Seller shall include the following information on invoices submitted to LOCKHEED MARTIN:

(i) The contract number.

(ii) The IVA tax exemption claimed pursuant to Article 72 of Decree Law 633, dated October 26, 1972.

(iii) The following fiscal code(s): 80156020630 for Navy

91000190933 for Air Force

(2)(i) Upon receipt of the invoice, the paying office will include the following certification on one copy of the invoice:

"I certify that this invoice is true and correct and reflects expenditures made in Italy for the Common Defense by the United States Government pursuant to international agreements. The amount to be paid does not include the IVA tax, because this transaction is not subject to the tax in accordance with Article 72 of Decree Law 633, dated October 26, 1972."

An authorized LOCKHEED MARTIN staff member will approve the copy of the invoice containing this certification.

(ii) The payment will not include the amount of the IVA tax.

(iii) The Seller shall retain the certified copy to substantiate non-payment of the IVA tax.

(3) The Seller may address questions regarding the IVA tax through LOCKHEED MARTIN to the Ministry of Finance, IVA Office, Rome (06) 520741.

(c) In addition to the IVA tax, purchases by LOCKHEED MARTIN in Italy are exempt from the following taxes:

(1) Imposta di Fabbricazione (Production Tax for Petroleum Products).

(2) Imposta di Consumo (Consumption Tax for Electrical Power).

(3) Dazi Doganali (Customs Duties).

(4) Tassa di Sbarco e d'Imbarco sulle Merci Transportate per Via Aerea e per Via Maritima (Port Fees).

(5) Tassa de Circolazione sui Veicoli (Vehicle Circulation Tax).

(6) Imposta di Registro (Registration Tax).

(7) Imposta di Bollo (Stamp Tax).

**5252.204-9504 DISCLOSURE OF CONTRACT INFORMATION (NAVAIR) (JAN 2007) - VARIATION** (Applicable to all contracts)

(a) The Seller shall not release to anyone outside the Seller's organization any information (e.g., announcement of contract award), regardless of medium (e.g., film, tape, document), pertaining to any part of this contract or any effort directly related to the F-35 Lightning II Joint Strike Fighter (JSF) Program unless—

- (1) The JSFPO has given prior written approval through LOCKHEED MARTIN;
- (2) The information is otherwise in the public domain before the date of release; or
- (3) The information is being released to associate contractors, subcontractors, suppliers, or vendors who require the information for execution of work under an F-35 Lightning II JSF contract.

(b) Requests for approval shall identify the specific information to be released, the medium to be used, and the purpose for the release. "Information" includes, but is not limited to, news releases, articles, manuscripts, brochures, advertisements, still and motion pictures, speeches, trade association meetings, symposia, and professional papers to be published. The Seller shall submit the original and 1 copy of the information proposed for release to LOCKHEED MARTIN. Where practicable, requests and the specific information may be provided to LOCKHEED MARTIN using an electronic medium appropriate for the security level of the information being transmitted. The Seller shall submit its request to LOCKHEED MARTIN at least 25 working days before the proposed date for release.

(c) RESERVED

(d) The Seller agrees to include a similar requirement in each subcontract or purchase order under this contract. Seller's subcontractors, suppliers, and vendors shall submit requests for authorization to release through the Seller to LOCKHEED MARTIN.

**H-15 5252.228-9501 LIABILITY INSURANCE (NAVAIR) (MAR 1999)** (Applicable to cost reimbursement contracts only. Insurance coverage minimums specified elsewhere in the Contract documents that exceed those below shall govern in lieu of the following clause.)

The following types of insurance are required in accordance with the clause entitled FAR 52.228-7, "Insurance--Liability to Third Persons" and shall be maintained in the minimum coverage amounts shown:

- (a) Comprehensive General Liability: \$200,000 per person and \$500,000 per accident for bodily injury.
- (b) Automobile Insurance: \$200,000 per person and \$500,000 per accident for bodily injury and \$500,000 per accident for property damage.

(c) Standard Workman's Compensation and Employer's Liability Insurance (or, where maritime employment is involved, Longshoremen's and Harbor Worker's Compensation Insurance) in the minimum amount of \$100,000.

(d) Aircraft public and passenger liability: \$200,000 per person and \$500,000 per occurrence for bodily injury, other than passenger liability; \$200,000 per occurrence for property damage. Passenger bodily injury liability minimum coverage of \$200,000 per passenger, multiplied by the number of seats or number of passengers, whichever is greater.

#### **H-18 WORK SHARE AGREEMENTS**

The Seller shall not enter into any new work share agreements with any subcontractors that specify that a subcontractor will receive a certain amount of business based solely on a dollar amount or percentage of contract or program cost as of the effective date of this contract.

#### **H-24 5252.246-9526 PROVISIONAL ACCEPTANCE UNDER SPECIAL CONDITIONS (NAVAIR) (OCT 2005)**

(a) Acceptance under Special Conditions. LOCKHEED MARTIN may finally or provisionally accept any supply prior to completion of work on such supply in the following situations:

(1) When the Seller, despite the exercise of due diligence, encounters unavoidable delay in securing Seller furnished property;

(2) When LOCKHEED MARTIN-furnished property suitable for installation in any supply to be furnished hereunder is not delivered to the Seller in sufficient time to permit installation by the Seller prior to the date the supply is scheduled for delivery; or,

(3) When defects or deficiencies are known to exist in the supply, but when correction of the defects or deficiencies is not practicable within the delivery schedule set forth in the contract.

(b) Pending completion of any supply provisionally accepted under this provision, LOCKHEED MARTIN shall withhold an amount from the contract price that represents the estimated value of the work remaining to be performed. The withhold will be released after final acceptance.

#### **H-11 5252.227-9511 DISCLOSURE, USE AND PROTECTION OF PROPRIETARY INFORMATION (NAVAIR) (FEB 2009) (VARIATION)** (The clause is applicable in the event subcontractor proprietary information may be required by government support contractors.)

(a) During the performance of this contract, the Government may use an independent services contractor (ISC), who is neither an agent nor employee of the Government. The ISC may be used to conduct reviews, evaluations, or independent verification and validations of technical documents submitted to the Government during performance.

(b) The use of an ISC is solely for the convenience of the Government. Except as otherwise provided by separate agreement between the ISC and the prime contractor, the ISC has no obligation to the Seller or LOCKHEED MARTIN. The Seller is required to provide full cooperation, reasonable working facilities and access to the ISC for the purposes stated in paragraph (a) above.

(c) Since the ISC is neither an employee nor agent of the Government or Lockheed Martin, any findings, recommendations, analyses, or conclusions of such a contractor are not those of the Government or Lockheed Martin.

(d) The Seller acknowledges that the Government has the right to use ISCs as stated in paragraph (a) above. It is possible that under such an arrangement the ISC may require access to or the use of information, which is proprietary to the Seller in addition to third party proprietary data that the prime contractor is authorized to disclose.

(e) To protect any such proprietary information from unauthorized disclosure or use, and to establish the respective rights and duties of both the ISC and prime contractor, the Seller agrees to enter into a direct agreement with any ISC as the Government requires. The ISC will be responsible for initiating contact with the Seller sufficiently in advance of any work that may require facility access, cooperation from Seller, or access to proprietary information belonging to the Seller or to third parties who may have authorized the Seller to disclose such data to enable the Seller to arrange for such access and cooperation and to obtain the necessary agreements. A properly executed copy of the agreement will be provided to the Government through Lockheed Martin.