



LOCKHEED MARTIN AERONAUTICS COMPANY

PRIME SUPPLEMENTAL FLOWDOWN DOCUMENT (PSFD)

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

F-35/JSF LRIP 9

ANNUALIZED and NON-ANNUALIZED SUSTAINMENT

PRIME CONTRACT NUMBER N00019-14-R-1031 and N00019-14-R-0026 and N00019-15-C-0114

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2 JUNE 2016 (REVISION 5)

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.

This document includes clauses that flow-down LOCKHEED MARTIN's U.S. Government regulatory and customer obligations. 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.

PART I. The dates of the following FAR and DFARS clauses are modified as follows and are incorporated into the Contract:

DFAR 252.227-7013 Rights in Technical Data –Noncommercial Items (FEB 2014)

DFARS 252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (FEB 2014)

FAR 52.222-4 Contract Work Hours and Safety Standards-Overtime Compensation (MAY 2014)
(Applies if this contract requires or involves the employment of laborers and mechanics. Does not apply for Commercial Items as defined in FAR 2.101.)

FAR 52.222-41 Service Contract Labor Standards (MAY 2014)

(Applies if this contract is subject to the Service Contract Act. The clause does not apply if this contract has been administratively exempted by the Secretary of Labor or exempted by 41 U.S.C. 356, as interpreted in Subpart C of 29 CFR Part 4. Seller shall be responsible for all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorneys' fees, all expenses of litigation and/or settlement, and court costs, arising from any act or omission of Seller officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this clause.)

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

DFARS 252.211-7007 Reporting of Government-Furnished Property (AUG 2012)

(Applicable to Seller if Seller is provided Government Furnished Property)

DFARS 252.211-7005 Substitution of Military or Federal Specifications and Standards (NOV 2005)

(The clause is only applicable where a management or manufacturing process has been accepted previously by the Department of Defense under the Single Process Initiative (SPI) for use in lieu of a specific military or Federal specification or standard).

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

(Not applicable to the Seller when Lockheed Martin has expressly assumed responsibility for marking the property itself elsewhere in the Contract; otherwise, the clause obligates the Seller to perform their own markings if Seller will be in possession of Government property for the performance of this contract.)

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

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

DFARS 252.225.7030 Restriction on Acquisition of Carbon, Alloy, and Armor Steel (DEC 2006)

(Applies if this order is if for carbon, alloy, and armor steel plate in Federal supply class 9515, or described by American Society for Testing Materials (ASTM) or American Iron and Steel Institute (AISI) specifications. Does not apply for Commercial Items as defined in FAR 2.101.)

DFARS 252.225-7048 Export-Controlled Items (JUN 2013)

DFARS 252.227-7015 Technical Data-Commercial Items (FEB 2014)

DFARS 252.228-7001 Ground and Flight Risk (JUN 2010)

(In paragraph (a)(1)(i) of the clause, "this contract" shall mean "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) of the clause are deleted.)

DFARS 252.234-7004 Alternate I - Cost and Software Data Reporting System (NOV 2010)

(The clause is only applicable to Seller's under contracts in excess of \$50,000,000 for non-commercial items. In paragraph (b) of the clause, "Government" shall mean Lockheed Martin.)

DFARS 252.239-7000 Protection Against Compromising Emanations (JUN 2004)

(Applicable to the Seller where it will perform classified work, unless the requirements of this clause are included in the DD254 provided by Lockheed Martin to the Seller.

"Contracting Officer" shall mean "Lockheed Martin." "Government" shall mean "Lockheed Martin and the Government" in paragraphs (c) and (d).)

DFARS 252.239-7016 Telecommunications Security Equipment, Devices, Techniques, and Services (DEC 1991) (Applicable to the Seller only if the contract involves non-commercial items requiring secure telecommunications.)

DFARS 252.243-7002 Requests for Equitable Adjustment (DEC 2012)

(Applicable only to contracts for non-commercial items in excess of \$150,000. "Government" shall mean "Lockheed Martin.")

DFARS 252.245-7001 Tagging, Labeling, and Marking of Government-Furnished Property (APR 2012)

(Applicable to the Seller in 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 252.225-7027 Restriction on Contingent Fees 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) shall be deemed to be completed with "any Government." Subparagraph (b)(2) of the clause is deleted.)

DFARS 252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System (MAY 2014) Paragraph (6) is modified: "Contracting Officer" shall mean "Lockheed Martin".

FAR 52.203-7 Anti-Kickback Procedures (OCT 2010)

(Applies to all subcontracts in excess of \$150,000. Paragraph (c)(1) does not apply.)

FAR 52.204-2 Security Requirements (AUG 1996)

FAR 52.215-23 Alternate I - Limitations on Pass-Through Charges (OCT 2009)

(Applicable to the Seller under both cost-reimbursement subcontracts and fixed-price subcontracts, except those identified in 15.408(n)(2)(i)(B)(2), that exceed \$700,000. As prescribed in 15.408(n)(2)(iii), substitute the following paragraph (b) for paragraph (b) of the basic clause: "(b) General. The Government will not pay excessive pass-through charges. The Contracting Officer has determined that there will be no excessive pass-through charges, provided the Contractor performs the disclosed value-added functions." Insert "or LOCKHEED MARTIN" after "Government" throughout this clause. Insert "and LOCKHEED MARTIN" after "Contracting Officer", throughout the clause.)

FAR 52.222-42 Statement of Equivalent Rates for Federal Hires (MAY 2014)

(Applies if this subcontract is subject to FAR 52.222-41 and if the information contained in the blanks of this clause is specified elsewhere in this contract.)

FAR 52.222-44 Fair Labor Standards and Service Contract Act – Price Adjustment (SEP 2009)

(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 52.228-3 Workers' Compensation Insurance (Defense Base Act) (APR 1984)

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

FAR 52.228-4 Workers' Compensation and War-Hazard Insurance Overseas (APR 1984)

(Applies to the Seller if it will perform work subject to the Defense Base Act 42 U.S.C. 1651 et seq., unless Lockheed Martin specifies greater minimum insurance coverages than specified in this clause or Lockheed Martin has obtained a waiver that has been flowed down to the Seller elsewhere in the contract.)

FAR 52.245-9 Use and Charges (APR 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 52.246-2 Inspection of Supplies Fixed-Price (ALT I) (JUL 1985)

("Government" in the clause shall mean "Lockheed Martin and the Government" except in paragraphs (f), (j), and (l) where it shall mean "Lockheed Martin." "Contracting Officer" shall mean "Lockheed Martin.")

FAR 52.247-64 Alternate I - Preference for Privately Owned U.S.-Flag Commercial Vessels (APR 2003)

(The Government has provided Lockheed Martin in its prime contract an earlier version of this clause than what has been published and included in the CorpDocs. The April 2003 version shall govern instead. Applicable to all contracts for non-commercial items. Applicable to commercial item contracts only if paragraph (e)(4) of the clause applies.)

NAVAIR 5252.204-9504 Disclosure of Contract Information (JAN 2007)

(Communications with the Contracting Officer shall be made through Lockheed Martin. In paragraph (b), 10 days is changed to 20 days.)

(a) The Contractor shall not release to anyone outside the Contractor's organization any unclassified information (e.g., announcement of contract award), regardless of medium (e.g., film, tape, document), pertaining to any part of this contract or any program related to this contract, unless the Contracting Officer has given prior written approval.

(b) Requests for approval shall identify the specific information to be released, the medium to be used, and the purpose for the release. The Contractor shall submit its request to the Contracting Officer at least ten (10) days before the proposed date for release.

(c) The Contractor agrees to include a similar requirement in each subcontract under this contract. Subcontractors shall submit requests for authorization to release through the prime contractor to the Contracting Officer.

NAVAIR 5252.204-9501 National Stock Numbers (MAR 2007)

(The clause is applicable to non-commercial item contracts only; however, the clause is not applicable to items that will be incorporated into higher level assemblies where the item is not separately purchasable (such as for spares) and where the item loses its individual identity in the higher level assembly. The clause is also not applicable to contracts where the item(s) purchased will not be delivered to the Government. "Contracting Officer" shall mean "Lockheed Martin.")

(a) This clause applies to supplies that are stock numbered under Federal Catalog System procedures.

(b) Unless otherwise authorized by the Contracting Officer, in writing, the Contractor shall not deliver any supplies until the supplies have been marked with a National Stock Number. All available National Stock Numbers will be furnished by the Government. If National Stock Numbers are not furnished by the Government in time to meet the delivery schedule for the supplies, the Contractor may present the supplies that are scheduled for delivery to the Contracting Officer for acceptance. The Contracting Officer may accept such supplies without National Stock Numbers and the Government will pay the Contractor therefore, provided that title to the supplies is vested in the Government.

(c) The term "Federal Stock Number" (FSN), which may be referred to in the specifications of this contract or elsewhere in this contract, shall mean "National Stock Number" (NSN), and the term "Federal Item Identification Number", wherever it appears, shall mean "National Item Identification Number".

(As used in the foregoing clause, the term "Contracting Officer" shall mean the "Administrative Contracting Officer" (ACO) with respect to provisioned items and other supplies ordered by the ACO.)
(End of clause)

NAVAIR 5252.247-9508 PROHIBITED PACKING MATERIALS (JUN 1998)

(Applicable to the Seller if it is shipping non-commercial items directly to U.S. Government, with Lockheed Martin's authorization.)

The use of asbestos, excelsior, newspaper or shredded paper (all types including waxed paper, computer paper and similar hydroscopic or non-neutral material) is prohibited. In addition, loose fill polystyrene is prohibited for shipboard use.

(End of clause)

NAVAIR 5252.247-9509 PRESERVATION, PACKAGING, PACKING AND MARKING (JUL 1998)

(Applicable to the Seller if it is shipping non-commercial items directly to U.S. Government, with Lockheed Martin's authorization. In subparagraph (b), "Contract Number" shall mean "Lockheed Martin's prime contract number and the number assigned to this contract.")

(a) Preservation, packaging and packing shall conform to prevailing industry standards for the type of commodity purchased under this contract.

(b) All packages will be clearly marked with applicable contract number/delivery order number, and will contain appropriate packing slip. All deliveries will be marked for and/or consigned as follows:
[Insert specific instructions]

(c) In the event of any discrepancy in material shipped (overage, technical rejection, damage), the contractor shall, immediately upon request of the Contracting Officer, furnish disposition instructions. Normally, such disposition instruction shall be a properly completed Commercial Bill of Lading which includes, but is not limited to, the mode of shipment, routing, special handling, and so forth.

(d) If the contractor is required to install equipment upon delivery, then the contractor shall inform the Government of the date of shipment from the contractor's facilities and the anticipated date of arrival at the site. This report shall be made no later than the actual date that the shipment is made from the contractor's facilities. The report may be made by facsimile or e-mail, to the point of contact listed in

Section G. All transportation, rigging, drayage, packing, unpacking, and handling necessary to accomplish the installation shall be the responsibility of the contractor.
(End of clause)

NAVAIR 5252.247-9510 PRESERVATION, PACKAGING, PACKING AND MARKING FOR FOREIGN MILITARY SALES (FMS) REQUIREMENTS (OCT 2005)

(Applicable to the Seller if it is shipping non-commercial items directly to U.S. Government, with Lockheed Martin’s authorization.)

(a) Unless specified elsewhere in the contract, packing and packaging shall comply with MIL-STD-129. Packing and packaging materials shall provide protection from abuse during handling and from environmental, magnetic, and electrical damage during handling and subsequent future storage, possibly under less than desirable conditions.

(b) Marking: All unit and exterior containers/packs shall as a minimum be marked as follows:

- (1) FMS Case Number.
- (2) Part Number (with CAGE Code).
- (3) For - the organization/address the material is shipped to.
- (4) The applicable MILSTRIP number (identified separately for each line item of the contract/delivery order)
- (5) Project Code number.
- (6) Project Directive Line Item (PDLI) Number.
- (7) Requisition Serial Number (RSN).
- (8) Quantity.
- (9) From - the contractor’s address shipped from.
- (10) Ship to - the shipping address provided in the contract.
- (11) Transportation Priority
- (12) Required Delivery Date

(c) The contractor shall affix labels to the outside of each external pack warning all handlers that fragile, delicate, etc., equipment is contained within and to warn against particular improper handling and storage procedures/conditions as may be applicable to the item(s) ordered.

(End of clause)

PART III. SECTION H –PRIME CONTRACT SPECIAL PROVISIONS

For purposes of this Part III, Section H, “Government” shall mean the United States Government and the “Contracting Officer” shall mean the Government’s Contracting Officer. The following Section H clauses are incorporated into the Contract in full-text:

H-4 5252.245-9500 GOVERNMENT PROPERTY FOR THE PERFORMANCE OF THIS CONTRACT (NAVAIR) (MAY 2012)

(a) Authorization is granted to use the Government property identified below without rental charge in the performance of this contract and subcontracts of any tier issued hereunder (see FAR 45.201(a) for further information regarding identification requirements):

- (1) Government property currently accountable and managed under the following contracts:

Contract Number
N00019-97-C-0038
N00019-02-C-3002

N00019-06-C-0291
N00019-07-C-0097
N00019-08-C-0028
N00019-09-C-0010
N00019-10-C-0002
N00019-11-C-0083
N00019-12-C-0004
N00019-15-C-0031

(2) Government furnished property to be provided under this contract is denoted in Attachment 27:

(3) Government furnished material, as defined in FAR 45.101, to be provided under this contract:

Nomenclature/ Description	Part Number	Mfg	Unit of Issue	Quantity	As Is: Yes/No	Unit Acq Cost	
N/A							

(4) If authority has been granted in accordance with FAR 51.102, Contractor access to Government supply sources is authorized for the following items. Paragraph (b) does not apply to purchases under the NMCI/CoSC contract.

Schedule/Sourc e	Nomenclatur e/ Description	Part Number	Mf g	Unit of Issue	Quantity Authorized	Unit Acq Cost	
N/A							

(b) The contractor shall prepare requisition documentation for the items listed in paragraph (a)(4) above, if any, in accordance with the “Military Standard Requisitioning and Issue Procedures (MILSTRIP) for Defense Contractors”, DoD 4000.25-1- M, Chapter 11, which is available at <http://www.dtic.mil/whs/directives> under publications. The contractor shall submit all requisitions for material from the supply system to the Material Control Activity specified in Section G of this contract.

(c) Government property provided above (except for special tooling and special test equipment as defined in FAR 2.101) shall not be installed or constructed or otherwise affixed to property not owned by the Government in such a fashion as to be nonseverable unless written authorization has been obtained from the Contracting Officer.

(d) The contractor is responsible for scheduling the use of all property covered by this clause and the Government shall not be responsible for conflicts, delays, or disruptions to any work performed by the contractor due to use of any or all such property, either under this contract or any other contracts under which use of such property is authorized.

H-6 PRESERVATION OF RIGHTS FOR TECHNICAL DATA, COMPUTER SOFTWARE, AND COMPUTER SOFTWARE DOCUMENTATION ACCESSED, DELIVERED, OR PROVIDED ELECTRONICALLY

Information, whether delivered pursuant to the Subcontract Data Requirements List (SDRL) or provided in response to any other requirement contained in this contract, which would be deemed “technical data” under DFARS 252.227-7013, Rights in Technical Data–Noncommercial Items (FEB 2014), or “computer software” and “computer software documentation” under DFARS 252.227-7014, Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (FEB 2014), if it were delivered in written form, shall not lose its status as technical data, computer software, or computer software documentation solely because access by the Government or LOCKHEED MARTIN, delivery by the Seller, or provision by the Seller is by electronic means. The rights of the parties shall be as specified in DFARS 252.227-7013 and DFARS 252.227-7014.

H-9 NOTICE REGARDING THE DISSEMINATION OF EXPORT-CONTROLLED TECHNICAL DATA (NAVAIR 5252.227-9507) (OCT 2005)

(The following clause applies only to contracts where Lockheed Martin is acquiring non-commercial items).

- (a) Export of information contained herein, which includes release to foreign nationals within the United States, without first obtaining approval or license from the Department of State for items controlled by the International Traffic in Arms Regulations (ITARs), or the Department of Commerce for items controlled by the Export Administration Regulations (EAR), may constitute a violation of law.
- (b) For violation of export laws, the Seller, its employees, officials or agents are subject to:
 - (1) Imprisonment and/or imposition of criminal fines; and
 - (2) Suspension or debarment from future Government contracting actions.
- (c) Neither the Government nor LOCKHEED MARTIN shall be liable for any unauthorized use or release of export-controlled information, technical data or specifications in this contract.
- (d) The Seller shall include the provisions or paragraphs (a) through (c) above in any of its subcontracts awarded under this contract.

H-12 DISCLOSURE, USE AND PROTECTION OF PROPRIETARY INFORMATION (NAVAIR 5252.227-9511) (FEB 2009)

(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. The ISC has no obligation to the prime contractor. The prime contractor is required to provide full cooperation, 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, any findings, recommendations, analyses, or conclusions of such a contractor are not those of the Government.

(d) The prime contractor 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 (other than restricted cost or pricing data), which is proprietary to the prime contractor.

(e) To protect any such proprietary information from disclosure or use, and to establish the respective rights and duties of both the ISC and prime contractor, the prime contractor agrees to enter into a direct agreement with any ISC as the Government requires. A properly executed copy (per FAR 9.505-4) of the agreement will be provided to the Procuring Contracting Officer.

H-15 CONTRACTOR EMPLOYEES (NAVAIR 5252.211-9510) (MAY 2011 - VARIATION)

(a) In all situations where Seller personnel status is not obvious, Seller's personnel are required to identify themselves to avoid creating an impression to the public, agency officials, or Congress that such Seller personnel are Government officials. This can occur during meeting attendance, through written (letter or email) correspondence or verbal discussions (in person or telephonic), when making presentations, or in other situations where their contractor status is not obvious to third parties. This list is not exhaustive. Therefore, the Seller's employee(s) shall:

- (1) Not by word or deed give the impression or appearance of being a Government employee;
- (2) Wear appropriate badges visible above the waist that identify them as Seller's employees when in Government spaces, at a Government-sponsored event, or an event outside normal work spaces in support of the contract/order;
- (3) Clearly identify themselves as Seller's employees in telephone conversations and in all formal and informal written and electronic correspondence. Identification shall include the name of the company for whom they work;
- (4) Identify themselves by name, their company name, the name of the prime contractor their company is supporting, as well as the Government office they are supporting when participating in meetings, conferences, and other interactions in which all parties are not in daily contact with the individual contractor employee; and
- (5) Be able to provide, when asked, the full number of the contract/order under which they are performing.

(b) If wearing a badge is a risk to safety and/or security, then an alternative means of identification may be utilized if endorsed by the Contracting Officer's Representative and approved by the Contracting Officer, through LOCKHEED MARTIN.

(d) The Contracting Officer, through LOCKHEED MARTIN, will make final determination of compliance with regulations with regard to proper identification of contractor employees.

PART IV: Summary of Changes-

- Removed Work Share Agreements
- Removed Base Support
- Removed Partnering with Military Service Depots
- Added FY16 and 9A references in the footers and on the cover page
- Scope of PSFD expanded to include Prime Contract N00019-14-R-1031
- 9NA was definitized 31 August 2015 and clauses were added/removed during negotiations; scope of PSFD expanded to include N00019-15-C-0114