

**ADDITIONAL TERMS AND CONDITIONS OF PURCHASE  
SUBCONTRACTOR COST OR PRICING DATA**

As used in the following clauses, "Subcontractor" shall mean "Seller", "Subcontract" shall mean "Purchase Order". Where a clause incorporates a FAR clause, "Contractor" and "Subcontractor" shall mean "Subcontractor" and "Lower-Tier Subcontractor", respectively. The meaning of the phrases "Government" and "Contracting Officer" shall not change.

**15-1 COST OR PRICING DATA**

**A. SUBMISSION OF COST OR PRICING DATA**

1. The clauses at FAR 52.215-24 and 52.215-25 are incorporated herein by reference with the same force and effect as if included in full text.

2. Subcontractor will assure that cost or pricing data submitted to Subcontractor by any lower-tier Subcontractor in accordance with the provisions of these clauses will be available for submission to Lockheed upon request by Lockheed.

3. Cost or pricing data, whether for the initial award of this subcontract or modifications, will be submitted to Lockheed on Standard Form 1411 in accordance with the instructions contained in Table 15.2 of FAR 15.804-6. Factual data will be clearly distinguished from estimated costs and projections. Subcontractor shall certify in substantially the form prescribed in subsection 15.804-4 of the Federal Acquisition Regulation (FAR) that, to the best of their knowledge and belief, such cost or pricing data were accurate, complete and current as of the date of agreement on the negotiated price of the subcontract or subcontract modification. Subcontractor shall update such data when changes occur prior to final price negotiation.

**B. PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA**

The clause at 52.215-23 is incorporated herein by reference with the same force and effect as if included in full text. If the Subcontractor was required to submit cost or pricing data for the initial award of this subcontract, the clause at FAR 52.215-22 is also incorporated herein by reference with the same force and effect as if included in full text.

**C. REDUCTION OF DOLLAR THRESHOLDS**

1. If the Contracting Officer of the Government prime contract, or Lockheed at its discretion, determines that a lower dollar threshold shall apply, the \$500,000 threshold set forth in the FAR clauses cited above shall be reduced to the dollar amount so determined and stated in this subcontract.

2. The reduced dollar amount shall be incorporated in all lower-tier subcontracts in which the clauses are inserted.

**D INDEMNIFICATION**

In addition to any other remedies provided by law or under this Subcontract, if Lockheed is subjected to any liability as the result of Subcontractor's or its lower-tier Subcontractors' failure to comply with the requirements of the FAR clauses above, then Subcontractor agrees to indemnify and hold Lockheed harmless to the full extent of any loss, damage or expense (excluding Lockheed's overhead and profit markups,) resulting from such failure. With respect to Subcontractor's agreement to indemnify Lockheed, Lockheed shall be entitled to reduce the price of this Subcontract immediately upon the reduction of the price of its contract with the Government or higher-tier Subcontract, and, in the event funds remaining to be paid under this Subcontract are insufficient to cover the amount of the price reduction, Subcontractor shall, within thirty (30) days of notice of the price reduction, reimburse Lockheed the full amount of the price reduction.

**E. DISPUTES (cost or pricing data only)**

1. In the event the Government Contracting Officer of the prime contract makes a determination pertaining to price reduction for defective cost or pricing data under the prime contract and such determination, in turn, relates to or affects this subcontract or any lower-tier subcontract, such determination by the Contracting Officer shall, except as provided in paragraph 2. below, be final and binding as between the parties hereto.

2. If the Subcontractor a) timely requests Lockheed to appeal from such determination under the "Disputes" clause of the prime contract, and b) timely furnishes to Lockheed grounds for taking such appeal that Lockheed determines to be reasonable, then Lockheed agrees, to the extent the prime contract allows and at the Subcontractor's expense, to appeal from such determination in Lockheed's name and on Subcontractor's behalf pursuant to the "Disputes" clause of the prime contract. The decision rendered on any such appeal shall be final and binding as between the parties hereto.

**15-2 PRICING BASED ON EXEMPTION FROM COST OR PRICING DATA**

A. This clause is applicable if certified cost or pricing data was not required due to a representation by the Subcontractor that the items being procured qualified for an exemption from submission of certified cost or pricing data.

B. In pricing this subcontract Lockheed relied on Subcontractor's representation that the items being procured are standard commercial items qualifying for an exemption from submission of certified cost or pricing data. If, however, the Contracting Officer of the Government prime contract determines that such price was

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not in fact based upon established catalog or market prices, and by reasons thereof, the Contracting Officer reduces amounts otherwise paid or payable to Lockheed under the prime contract, then the price of this subcontract shall be reduced accordingly and the subcontract modified in writing as may be necessary to reflect such reduction.