

**ADDITIONAL INSTRUCTIONS AND TERMS AND CONDITIONS OF PURCHASE
ENCLOSURE FO1 DUTY-FREE ENTRY (FOREIGN PURCHASES)**

INSTRUCTIONS TO SELLER: Lockheed Martin Missiles & Space (LMMS) delivery terms on procurements from foreign suppliers entitled to "Duty-Free" entry through U.S. Customs are stated in the Alterations and Special Provisions section of the Subcontract, or for a Purchase Order, are shown in the "FOB" block and may be further defined in the "INSTRUCTIONS TO SELLER" block. Although the terms differ, the documentation required from the Seller is identical and is prepared in accordance with instructions in the DOCUMENTATION section below. The terms are:

FDF: FOB Origin City - Duty- Free by Government Agreement. Route via _____

Note: Seller must ship via the carrier specified in the Purchase Order or Subcontract since title passes on delivery thereto and LMMS becomes responsible for freight charges and transit risk thereafter. DO NOT DECLARE ANY VALUATION on airbill or bill of lading unless carrier's rate is predicated thereon; in such cases, declare a value that protects carrier's lowest rate.

FDP: FOB Our Plant- Duty-Free by Government Agreement

NOTE: Seller is responsible for delivery in good condition at seller's risk, free of freight cost.

DOCUMENTATION

1. Seller must consign shipment to:

Defense Logistics Agency
Defense Contract Management Command
Lockheed Martin - Sunnyvale
C/O Lockheed Martin Corporation

All exterior containers must show the above markings.

2. Then route:

Air Shipment To: San Francisco International Airport (SFO), or San Jose International Airport (SJC), marked "HOLD FOR PICKUP".

Truck Shipment To: 1111 Lockheed Martin Way, Sunnyvale, CA 94089, Receiving Dock # _____
(as specified on Purchase Order/Subcontract). Route via carrier specified in procurement document or if carrier is seller's choice, LMMS recommends Consolidated Freightways, San Jose, CA or Yellow Freight System, Milpitas, CA.

Other To: _____

Via: _____

3. Seller must furnish carrier with an envelope marked "Shipping Documents For The District Director of Customs at United States Port of Entry" and containing:
- a. Two copies of the invoices of shipment.
 - b. Two memorandum copies of the bill of lading or airbill.
4. Supplier must airmail a complete set of above documents to LMMS's Transportation Management Services, Orgn. 48-40, Bldg. 142, P.O. Box 3504, Sunnyvale, CA 94088-3504.
5. All supplier documents, including bills of lading and airbills, shall bear the following:
- a. Government prime contract number, plus delivery order, if applicable.
 - b. Purchase Order or Subcontract number.
 - c. Identification of carrier.

ADDITIONAL INSTRUCTIONS AND TERMS AND CONDITIONS OF PURCHASE

ENCLOSURE F01 (continued)

- d. The notation: (Date) _____

"United States Government, Department of Defense Duty-Free Entry to be claimed pursuant to Schedule 8, Part 3, Item No. 832.00, Tariff Schedules of the United States. Upon arrival of shipment at the appropriate port of entry, District Director of Customs, please release shipment under 19 CFR 142 and notify:

SAN FRANCISCO BAY AREA U.S. PORTS OF ENTRY

The Myers Group (US), Inc.

165 Mitchell Avenue

(415) 952-1611

So. San Francisco, CA 94080-2906

Telex No. WU 34499

OTHER U.S. PORTS OF ENTRY

Schenkers International Forwarders

124 W. Bay Street

P.O. Box 2889 (912) 234-5644

Savannah, Georgia 31401

Telex No. 804707

for execution of Customs Forms 7501, 7501A or 7506 and any required duty-free entry certificates." (DFARS 52.225-7008(f)(iv) (FAR 52.225-10)

- e. Gross weight in pounds (if freight is based on space tonnage, state cubic feet in addition to gross shipping weight).
- f. Estimated value in United States dollars.
- g. Activity address number of the Contract Administration Office (CAO)

Note: Supplier must follow the procedure outlined for annotation and supply of documents. Failure to do so will establish liability for debit of any customs duty required on entry through United States Customs.