

LOCKHEED MARTIN CORPORATION
PRIME SUPPLEMENTAL FLOWDOWN DOCUMENT (PSFD)
ADDITIONAL TERMS AND CONDITIONS FOR SUBCONTRACTS/PURCHASE ORDERS
UNDER
GLD-14-C130-0002 LM-100J AIRCRAFT AND SUPPORT SALES CONTRACT

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October 12, 2015

Revision 1

1. Federal Aviation Administration (FAA) Type Certificate Aircraft

SELLER acknowledges the Work procured for this Contract is for an FAA type certificated aircraft (the 382 aircraft also known as the LM-100J).

2. FAA Regulations

SELLER shall comply with the regulations in Title 14 of the Code of Federal Regulations (14 CFR) Part 21 and Part 25.

14 CFR is located at the following link: http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title14/14tab_02.tpl

3. FAA Regulations - Maintenance

If SELLER provides maintenance Work, SELLER shall comply with 14 CFR Part 43 and Part 145 as applicable. For an FAA FAR Part 145 Repair Station:

- (a) SELLER shall provide and maintain a Quality System that is compliant to FAR Part 145 requirements approved by the regional FSDO or higher level FAA office.
- (b) SELLER shall maintain a type rating on the FAA Part 145 certificate applicable to the LM-100J airframe.

14 CFR is located at the following link: http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title14/14tab_02.tpl

4. Quality Appendix QX

SELLER shall comply with the following notification requirements:

- (a) Notification in Section 1.1 is changed from ten (10) days to twenty-four (24) hours.
- (b) Notification in Section 1.1 is changed from thirty (30) days to twenty-four (24) hours.
- (c) Notification in Section 2.2 is changed from five (5) working days to twenty-four (24) hours.
- (d) For QX Rev 8, time period in Section 1.6.a.2 is changed from three (3) years to ten (10) years; and in Section 1.6.a.3 from seven (7) years to ten (10) years.
- (e) For QX Rev 7, time period in Section 1.5.b is changed from three (3) years to ten (10) years; and in Section 1.5.c from seven (7) years to ten (10) years.

Appendix QX is located at the following link:

http://www.lockheedmartin.com/us/aeronautics/materialmanagement/scm-quality/scm-quality_qualityappendices.html

5. Quality Appendix Q1R

SELLER shall comply with requirements of the most recent version of Appendix Q1R (Commercial Conformity Certifications). SELLER shall coordinate FAA conformity requirements through the LOCKHEED MARTIN AERONAUTICS Procurement Representative (Applies only if SELLER'S Work for this Contract requires FAA Conformity Inspection under FAA Order 8110.4.)

Appendix Q1R (Commercial Conformity Certifications) is located at the following link:

http://www.lockheedmartin.com/us/aeronautics/materialmanagement/scm-quality/scm-quality_clauses.html

6. Shipping Instructions

SELLER shall comply with requirements of the PC-205 Commercial Items SUPPLEMENT in PM-5010 (PACKAGING, LABELING, AND SHIPPING GUIDELINES). (Applies only if prior written consent is given by LOCKHEED MARTIN for Direct shipment of LOCKHEED MARTIN procured Work from SELLER locations to LOCKHEED MARTIN AERONAUTICS'S Commercial Customer locations.)

PM-5010 (PACKAGING, LABELING, AND SHIPPING GUIDELINES) is located at the following link:

http://www.lockheedmartin.com/us/aeronautics/materialmanagement/scm-shipping/scm-shipping_shippinginstructions.html

7. Records Retention

SELLER shall maintain, on file at SELLER's facility, quality records traceable to the conformance of product/part numbers delivered to LOCKHEED MARTIN. SELLER shall make such records available to regulatory authorities and LOCKHEED MARTIN's authorized representatives. SELLER shall retain such records for a period of not less than ten (10) years from the date of shipment under each applicable Purchase Order for all product/part numbers unless otherwise specified on the Purchase Order. SELLER shall maintain all records related to the current first article inspection for ten (10) years past final delivery of the last product covered by the first article inspection.

At the expiration of such period set forth above and prior to any disposal of records, SELLER shall notify LOCKHEED MARTIN of records to be disposed of and LOCKHEED MARTIN reserves the right to request delivery of such records. In the event LOCKHEED MARTIN chooses to exercise this right, SELLER shall promptly deliver such records to LOCKHEED MARTIN at no additional cost on media agreed to by both Parties.

8. Rights in SELLER Data

(1) In addition to and notwithstanding any other Contract provisions providing LOCKHEED MARTIN and/or LOCKHEED MARTIN's customers rights in SELLER Data (as defined below) delivered to LOCKHEED MARTIN, SELLER further grants to LOCKHEED MARTIN a world-wide, perpetual, royalty-free, irrevocable, nonexclusive right and license:

(a) to utilize, copy, modify, make derivative works thereof or perform, and authorize others to do all or some of the foregoing on LOCKHEED MARTIN's behalf, any SELLER Data previously delivered to LOCKHEED MARTIN in performance of a subcontract for the C-130J and its variants currently in LOCKHEED MARTIN's possession and SELLER Data delivered under this Contract for use in connection with development, manufacturing, marketing, sales, training and support of LM-100J (382 Series) aircraft;

(b) with the right to grant sublicenses to LOCKHEED MARTIN's customers, partners, team members and/or suppliers, to utilize, copy, modify, make derivative works thereof or perform, and have utilized on behalf of LOCKHEED MARTIN or LOCKHEED MARTIN's customer, any of SELLER Data previously delivered to LOCKHEED MARTIN in performance of a subcontract for the C-130J and its variants currently in LOCKHEED MARTIN's possession to the limited extent necessary for the operation, maintenance, support, repair, and modification of LM-100J aircraft, including any and all form, fit and function data; and

(c) disclose any SELLER Data previously delivered to LOCKHEED MARTIN in performance of a subcontract for the C-130J and its variants currently in LOCKHEED MARTIN's possession and SELLER Data delivered under this Contract to a third party solely in furtherance of LOCKHEED MARTIN's exercise of the license grant in (1)(a) and (1)(b) above subject to such disclosure being under a confidentiality agreement with terms no less restrictive than those incorporated in or attached to this Contract.

(2) “Data” as used in this clause (1) means all recorded information regardless of form or the method of recording. Data includes, but is not limited to, all technical data, databases, computer software in both executable or source code, and copyrightable works.

Revision 1 for October 12, 2015 Release

1. **1) Sections 1. Federal Aviation Administration (FAA) Type Certificate Aircraft, 2. Federal Aviation Administration (FAA) Regulations, 3. FAA Regulations - Maintenance, 4. Quality Appendix QX, 5. Quality Appendix Q1R, 6. Shipping Instructions, and 7. Records Retention are added. 2) Section 8. Rights in Seller Data is updated.**