



LOCKHEED MARTIN CORPORATION

PRIME SUPPLEMENTAL FLOWDOWN DOCUMENT (PSFD)

ADDITIONAL TERMS AND CONDITIONS FOR SUBCONTRACTS/PURCHASE ORDERS UNDER

F-35/JSF OMNIBUS Basic Ordering Agreement Prime Contract N00019-14-G-0020

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ORIGINAL: 16 FEBRUARY 2015

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.

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:

RESERVED

PART II. The following FAR, DFARS, and other Agency clauses are added:

	CITATION	DATE	TITLE	NOTES
FAR	52.203-8	Jan-97	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity.	
FAR	52.215-23 ALT I	Oct-09	Alternate I - Limitations on Pass-Through Charges.	Applies if this is a cost-reimbursement subcontract in excess of \$150,000, except if the prime contract to which this contract relates is with DoD, then the clause applies to both cost-reimbursement subcontracts and fixed-price subcontracts, except those identified in 15.408(n)(2)(i)(B)(2), that exceed the threshold for obtaining cost or pricing data in accordance with FAR 15.403-4.
FAR	52.216-16	Oct-97	Incentive Price Revision Firm Target.	"Contracting Officer," "contract administrative office" and "Government" mean "Lockheed Martin." Paragraph (i) is deleted. The blanks in the clause are completed with the amounts specified in the contract.

FAR	52.227-1 ALT I	Apr-84	Authorization and Consent.	
FAR	52.228-3	Apr-84	Workers' Compensation Insurance (Defense Base Act).	Applies if Seller will perform work subject to the Defense Base Act 42 U.S.C. 1651 et seq.)
FAR	52.229-8	Mar-90	Taxes Foreign Cost-Reimbursement Contracts.	In paragraph (b), "Contracting Officer" and "Government of the United States" mean "Lockheed Martin." The blank is completed with information specified elsewhere in the contract.
FAR	52.232-32	Apr-12	Performance-Based Payments.	"Contracting Officer" and "Government" means "Lockheed Martin" except with respect to title for property where the references to the Government shall be unchanged. Subparagraph (c)(2) is deleted.
FAR	52.232-40	Dec-13	Providing Accelerated Payments to Small Business Subcontractors.	Applies if Seller is a small business concern. "Government" means "Lockheed Martin." This clause does not apply if Lockheed Martin does not receive accelerated payments under the prime contract. Not all agencies provide accelerated payments.
FAR	52.239-1	Aug-96	Privacy or Security Safeguards.	
FAR	52.243-1 ALT V	Apr-84	Alternate V - Changes-Fixed-Price.	"Contracting Officer" and "Government" mean "Lockheed Martin." In paragraph (a) add as subparagraph (4) "Delivery schedule." In paragraph (e) the reference to the disputes clause is deleted.
FAR	52.243-2 ALT I	Apr-84	Alternate I - Changes-Cost-Reimbursement.	"Contracting Officer" and "Government" mean "Lockheed Martin." In paragraph (a) add as subparagraph (4) "Delivery schedule." In paragraph (d) the reference to the disputes clause is deleted.
FAR	52.243-2 ALT II	Apr-84	Alternate II - Changes-Cost-Reimbursement.	"Contracting Officer" and "Government" mean "Lockheed Martin." In paragraph (a) add as subparagraph (4) "Delivery schedule." In paragraph (d) the reference to the disputes clause is deleted.
FAR	52.246-1	Apr-84	Contractor Inspection Requirements.	"Government" means "Lockheed Martin."
FAR	52.246-2 ALT I	Jul-85	Alternate I - Inspection of Supplies Fixed-Price.	"Government" means "Lockheed Martin and the Government" except in paragraphs (f), (j), and (l) where it means "Lockheed Martin." "Contracting Officer" means "Lockheed Martin."

FAR	52.246-8	May-01	Inspection of Research and Development Cost-Reimbursement.	"Government" means "Lockheed Martin" except (1) in paragraphs (b), (c) and (d) where it means "Lockheed Martin and the Government." and (2) in paragraph (k) where the term is unchanged.
FAR	52.247-64 ALT I	Apr-03	Alternate I - Preference for Privately Owned U.S.-Flag Commercial Vessels.	In the last sentence of paragraph (c) "Subcontractor" means "Seller and lower term subcontractor." "Contracting Officer" means "Lockheed Martin."
FAR	52.249-9	Apr-84	Default (Fixed-Price Research and Development).	"Government" and "Contracting Officer" mean "Lockheed Martin" except in paragraph (c) where the term "Government" is unchanged.
FAR	52.246-15	Apr-84	Certificate of Conformance.	
FAR	52.232-17	Oct-10	Interest.	"Government" means "Lockheed Martin."
FAR	52.228-4	Apr-84	Workers' Compensation and War-Hazard Insurance Overseas.	
FAR	52.232-39	Jun-13	Unenforceability of Unauthorized Obligations.	
FAR	52.245-9	Apr-12	Use and Charges.	Communications with the Government under this clause will be made through Lockheed Martin.

DFARS	252.203-7002	Sep-13	Requirement to Inform Employees of Whistleblower Rights.	
DFARS	252.203-7004	Dec-12	Display of fraud hotline poster(s).	Contact the Lockheed Martin Authorized Procurement Representative for the identity of the location specified in subparagraph (b)(2) of the clause.
DFARS	252.204-7012	Nov-13	Safeguarding of Unclassified Controlled Technical Information	In paragraph (b)(1)(ii) "Contracting Officer" means "Lockheed Martin." In paragraph (d)(5) "Contracting Officer" means "Lockheed Martin and the Contracting Officer." Copies of all reports made to the Government under this clause shall be provided to Lockheed Martin at the time such reports are submitted.
DFARS	252.219-7004	Jan-11	Small Business Subcontracting Plan (Test Program).	
DFARS	252.223-7008	Jun-13	Prohibition of Hexavalent Chromium.	"Contracting officer" means "Lockheed Martin."

DFARS	252.225-7012	Feb-13	Preference for Certain Domestic Commodities.	Applies if Seller is furnishing any of the items covered by this clause.
DFARS	252.225-7015	Jun-05	Restriction on Acquisition of Hand or Measuring Tools.	
DFARS	252.225-7027	Apr-03	Restriction on Contingent Fees for Foreign Military Sales.	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.
DFARS	252.225-7028	Apr-03	Exclusionary Policies and Practices of Foreign Governments.	
DFARS	252.228-7001	Jun-10	Ground and Flight Risk.	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 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) are deleted.
DFARS	252.234-7002	May-11	Earned Value Management System.	"Government" means "Lockheed Martin and Government." Paragraphs (i) and (j) are deleted.
DFARS	252.234-7004	Nov-10	Cost and Software Data Reporting System	In paragraph (b), "Government" means Lockheed Martin.
DFARS	252.234-7004 ALT I	Nov-10	Alternate I - Cost and Software Data Reporting System	In paragraph (b), "Government" means Lockheed Martin.
DFARS	252.239-7016	Dec-91	Telecommunications Security Equipment, Devices, Techniques, and Services.	Applies if this contract requires securing telecommunications.
DFARS	252.243-7002	Dec-12	Requests for Equitable Adjustment.	"Government" means "Lockheed Martin."
DFARS	252.244-7000	Jun-13	Subcontracts for Commercial Items.	
DFARS	252.211-7006	Sep-11	Passive Radio Frequency Identification.	
DFARS	252.246-7000	Mar-08	Material Inspection and Receiving Report.	Applies if this contract requires delivery of Items directly to the Government.

DFARS	252.246-7001	Dec-91	Warranty of Data.	"Government" means "Lockheed Martin or the Government." "Contracting Officer" means "Lockheed Martin." The last sentence in paragraph (b) is changed to read as follows: The warranty period shall extend for three years after completion of delivery of the data to Lockheed Martin, or if the data is delivered to the Government, either by Lockheed Martin or Seller, the warranty period shall extend for three years after delivery to the Government."
DFARS	252.211-7005	Nov-05	Substitutions for Military or Federal Specifications and Standards.	
DFARS	252.211-7008	Sep-10	Use of Government-Assigned Serial Numbers	
DFARS	252.217-7028	Dec-91	Over and Above Work.	"Administrative Contracting Officer," "Contracting Officer," and "Government" mean Lockheed Martin. Paragraph (f) is deleted.
DFARS	252.222-7006	Dec-10	Restrictions on the Use of Mandatory Arbitration Agreements	The certification in paragraph (b)(2) applies to both Seller in its own capacity and to Seller's covered subcontractors.
DFARS	252.245-7001	Apr-12	Tagging, Labeling, and Marking of Government-Furnished Property.	
DFARS	252.245-7004	May-13	Reporting, Reutilization, and Disposal.	"Contracting Officer" means Lockheed Martin.
DFARS	252.228-7003	Dec-91	Capture and Detention.	

NAVAIR	5252.247-9507	Oct-05	PACKAGING AND MARKING OF REPORTS (NAVAIR) (OCT 2005)	
NAVAIR	5252.247-9508	Jun-98	PROHIBITED PACKING MATERIALS (NAVAIR) (JUN 1998)	Applies if Seller will make shipments under this contract directly to the Government.
NAVAIR	5252.247-9509	Jul-98	PRESERVATION, PACKAGING, PACKING AND MARKING (NAVAIR) (JUL 1998)	Applies if Seller will make shipments under this contract directly to the Government. In subparagraph (b), "Contract Number" means "Lockheed Martin's prime contract number and the number assigned to this contract."

NAVAIR	5252.247-9510	Oct-05	PRESERVATION, PACKAGING, PACKING AND MARKING FOR FOREIGN MILITARY SALES (FMS) REQUIREMENTS (NAVAIR) (OCT 2005)	Applies if Seller will make shipments under this contract directly to the Government.
NAVAIR	5252.246-9528	Oct-05	INSPECTION AND ACCEPTANCE (SPECIAL CONDITIONS) (NAVAIR) (OCT 2005)	
NAVAIR	5252.232-9529	Dec-12	INCURRED COST REPORTING AND PROGRESS REPORTING FOR SERVICES (NAVAIR)(DEC 2012)	
NAVAIR	5252.211-9510	May-11	CONTRACTOR EMPLOYEES (NAVAIR) (MAY 2011)	
NAVAIR	5252.227-9507	Oct-05	NOTICE REGARDING THE DISSEMINATION OF EXPORT-CONTROLLED TECHNICAL DATA (NAVAIR) (OCT 2005)	
NAVAIR	5252.228-9501	Mar-99	LIABILITY INSURANCE (NAVAIR) (MAR 1999)	Applies if Seller will be performing work on a Government installation. The blank coverage minimum requirements in the clause are completed with information provided elsewhere in the solicitation and contract documents.
NAVAIR	5252.204-9501	Mar-07	NATIONAL STOCK NUMBERS (NAVAIR) (MAR 2007)	"Contracting Officer" means "Lockheed Martin."

PART III. The following Special Contract Requirements (H clauses) are added:

H-1 SMALL BUSINESS SUBCONTRACTING CLAUSES

Given that the SELLER has an approved comprehensive subcontracting plan, FAR 52.219-9, Small Business Subcontracting Plan (Deviation 2013-O0014) (AUG 2013), and DFARS 252.219-7003, Small Business Subcontracting Plan (DoD Contracts) (Deviation 2013-O0014) (AUG 2013), are not incorporated into this contract. Nevertheless, the SELLER shall flow down both clauses to applicable subcontractors.

H-2 CONSENT TO ISSUE CONTRACTS TO NEW SUBCONTRACTORS

The SELLER shall notify and receive consent from the Contracting Officer through LOCKHEED MARTIN reasonably in advance of placing any subcontract or modification over \$10 Million to subcontractors that

have not been previously awarded contracts prior to the date of the SELLER's Certificate of Current Cost or Pricing Data, if required. Such notification shall not be required for competitively awarded subcontracts in which the lowest bidder has been selected. The SELLER's notification shall identify the proposed subcontractor and shall include a description of the supplies or services to be subcontracted and an explanation of how the proposed subcontract offers best value to the Government.

H-7 PRESERVATION OF RIGHTS FOR TECHNICAL DATA, COMPUTER SOFTWARE, AND COMPUTER SOFTWARE DOCUMENTATION ACCESSED, DELIVERED, OR PROVIDED ELECTRONICALLY

Information, whether delivered pursuant to the Contract Data Requirements List (CDRL) 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 (JUN 2013), or "computer software" and "computer software documentation" under DFARS 252.227-7014, Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (MAY 2013), 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-8 TECHNICAL DATA AND COMPUTER SOFTWARE IDENTIFICATION IN ENGINEERING CHANGE PROPOSALS (ECPs) (NAVAIR 5252.227-9505) (AUG 1987) (VARIATION)

Each Engineering Change Proposal (ECP) submitted by the SELLER shall identify each item of technical data and computer software delivered by the SELLER under any prior Government contract required to be revised as a result of the proposed change and shall include an estimated price and cost proposal to furnish the revisions.

H-10 DISCLOSURE OF INFORMATION (NAVAIR) (JAN 2007) (VARIATION)

(a) The SELLER shall not release to anyone outside the SELLER's organization any information (e.g., announcement of contact 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 F-35 Joint Program Office (JPO) 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 the JSFPO, through LOCKHEED MARTIN.

Where practicable, requests and the specific information may be provided to the Public Affairs Officer through LOCKHEED MARTIN using an electronic medium appropriate for the security level of the information being transmitted. The SELLER shall submit its request to the Public Affairs Officer at least 15 working days before the proposed date for release.

(c) The SELLER shall include a statement indicating the project or effort depicted was or is sponsored by:

F-35 Joint Program Office
Arlington, VA 22202

(d) The SELLER agrees to include a similar requirement in each subcontract or purchase order under this contract. Subcontractors, suppliers, and vendors shall submit requests for authorization to release through the prime contractor to the Public Affairs Officer, through LOCKHEED MARTIN.

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

(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 SELLER, the ISC has no obligation to SELLER. 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, any findings, recommendations, analyses, or conclusions of such a contractor are not those of the Government.

(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 prime contractor 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 Procuring Contracting Officer, through LOCKHEED MARTIN.

H-13 REIMBURSEMENT OF TRAVEL, PER DIEM, AND SPECIAL MATERIAL COSTS (NAVAIR 5252.232-9509) (MAY 2012) (VARIATION) (APPLICABLE TO COST-REIMBURSEMENT CONTRACT

LINE ITEMS ONLY)

(a) Area of Travel. Performance under this contract may require travel by contractor personnel. If travel, domestic or overseas, is required, the contractor is responsible for making all necessary arrangements for its personnel. These include but are not limited to: medical examinations, immunizations, passports/visas/etc., and security clearances. All contractor personnel required to perform work on any U.S. Navy vessel shall obtain boarding authorization from the Commanding Officer of the vessel before boarding.

(b) Travel Policy. The Government, through LOCKHEED MARTIN, will reimburse the SELLER for allowable travel costs incurred by the contractor in performance of the contract in accordance with FAR Subpart 31.2.

Consistent with FAR Subpart 31.2, all costs incurred for lodging, meals and incidental expenses required for tasks assigned under this contract shall be considered reasonable and allowable only to the extent that they do not exceed on a daily basis the maximum per diem rates in effect at the time of travel as set forth in the Federal Travel Regulations, prescribed by the General Services Administration for travel in the conterminous 48 United States, (hereinafter the FTR); Joint Travel Regulation, Volume 2, DoD Civilian Personnel, Appendix A, prescribed by the Department of Defense, for travel in Alaska, Hawaii, The Commonwealth of Puerto Rico, and territories and possessions of the United States (hereinafter JTR); and Standardized Regulations (Government Civilians, Foreign Areas), Section 925, "Maximum Travel Per Diem Allowances for Foreign Areas," prescribed by the Department of State, for travel in areas not covered in the FTR or JTR (hereinafter the SR).

(c) Travel. Travel and subsistence are authorized for travel beyond a fifty-mile radius of the SELLER's office whenever a task assignment requires work to be accomplished at a temporary alternate worksite. No travel or subsistence shall be charged for work performed within a fifty-mile radius of the contractor's office. The SELLER shall not be paid for travel or subsistence for contractor personnel who reside in the metropolitan area in which the tasks are being performed. Travel performed for personal convenience, in conjunction with personal recreation, or daily travel to and from work at the SELLER's facility will not be reimbursed.

(1) For travel costs other than described in paragraph (c) above, the SELLER shall be paid on the basis of actual amount paid to the extent that such travel is necessary for the performance of services under the contract and is authorized by the COR, through LOCKHEED MARTIN, in writing.

(2) When transportation by privately owned conveyance is authorized, the SELLER shall be paid on a mileage basis not to exceed the applicable Government transportation rate as contained in the FTR, JTR or SR. Authorization for the use of privately owned conveyance shall be indicated in the basic contract. Distances traveled between points shall be documented in the contractor's records as listed in standard highway mileage guides. Reimbursement will not exceed the mileage shown in the standard highway mileage guides.

(3) The SELLER agrees, in the performance of necessary travel, to use the lowest cost mode commensurate with the requirements of the mission as set forth in the basic contract and in accordance with good traffic management principles. When it is necessary to use air or rail travel, the SELLER agrees to use coach, tourist class, or similar accommodations to the extent consistent with the successful and economical accomplishment of the mission for which the travel is being performed.

(4) The SELLER shall retain receipts or other evidence substantiating actual costs incurred for authorized travel as required by FAR Subpart 4.7, Contractor Records Retention, and FAR 52.215-2, Audit and Records – Negotiation (OCT 2010). In no event will such payments exceed the rates of common carriers.

(d) Vehicle and/or Truck Rentals. The SELLER shall be reimbursed for actual rental/lease of special vehicles and/or trucks (i.e., of a type not normally used by the SELLER in the conduct of its business) only if authorized in the basic contract or upon approval by the COR. Reimbursement of such rental shall be made based on actual amounts paid by the contractor. Use of rental/lease costs of vehicles and/or

trucks that are of a type normally used by the SELLER in the conduct of its business are not subject to reimbursement.

(e) Car Rental. The SELLER shall be reimbursed for car rental, exclusive of mileage charges, as authorized in the basic contract or upon approval by the COR, through LOCKHEED MARTIN, when the services are required to be performed beyond the normal commuting distance from the SELLER's facilities. Car rental for a team on TDY at one site will be allowed for a minimum of four (4) persons per car, provided that such number or greater comprise the TDY team.

(f) Per Diem. The SELLER shall not be paid for per diem for contractor personnel who reside in the metropolitan areas in which the tasks are being performed. Per Diem shall not be paid on services performed within a fifty-mile radius of the contractor's home office or the contractor's local office. Per Diem is authorized for SELLER personnel beyond a fifty-mile radius of the contractor's home or local offices whenever a task assigned requires work to be done at a temporary alternate worksite. Per Diem shall be paid to the contractor only to the extent that overnight stay is necessary and authorized under this contract. The authorized per diem rate shall be the same as the prevailing per diem in the worksite locality. These rates will be based on rates contained in the FTR, JTR or SR. The applicable rate is authorized at a flat seventy-five (75%) percent on the day of departure from SELLER's home or local office, and on the day of return. Reimbursement to the SELLER for per diem shall be limited to actual payments to per diem defined herein. The SELLER shall provide actual payments of per diem defined herein. The SELLER shall provide supporting documentation for per diem expenses as evidence of actual payment.

(g) Shipboard Stays. Whenever work assignments require temporary duty aboard a Government ship, the contractor will be reimbursed at the per diem rates identified in paragraph C8101.2C or C81181.3B(6) of the Department of Defense Joint Travel Regulations, Volume II.

(h) Special Material. "Special material" includes only the costs of material, supplies, or services which is peculiar to the ordered data and which is not suitable for use in the course of the contractor's normal business. It shall be furnished pursuant to specific authorization approved by the COR, through LOCKHEED MARTIN. The SELLER will be required to support all material costs claimed by its costs less any applicable discounts. "Special materials" include, but are not limited to, graphic reproduction expenses, or technical illustrative or design requirements needing special processing.