



LOCKHEED MARTIN CORPORATION
SUPPLEMENTAL TERMS AND CONDITIONS FOR
F-35 LRIP 6 CONTRACT NUMBER N00019-11-C-0083

For Use with the latest Version of the Lockheed Martin Corpdocs

November 16, 2011

The Terms and Conditions listed below are incorporated by reference and made a part of this Contract, Purchase Order or Schedule Agreement. Unless otherwise limited in this Contract, Purchase Order or Schedule Agreement each document applies in its entirety.

In the event of a conflict between the version or date of a clause set out in this documents and the version or date of a clause set out in the identified CorpDocs, the version or date of the clauses set out in this document shall take precedence.

These supplemental terms and conditions are provisional and subject to revision as prime contract terms, conditions, and requirements develop.

The following FAR and DFARS clauses are added:

52.211-15 Defense Priority and Allocation Requirements (Apr 2008)

Subcontracts that are issued under a rated prime contract must carry the rating of the prime

52.222-2 Payment for Overtime Premiums (Jul 1990)

Paragraph (a), insert: \$0

52.223-7 Notice of Radioactive Materials (Jan 1997)

Applies if this contract is foadioact (A)2(pdi)4(oactc2actc2af1v)9(erm7(i)-7(al)-77m)-4(6c2af1al(o))TJ [.f)-"4(6c means "Lockheed Martin." The blank in paragraph (a) is replaced with "180 days."

52.232-16 Progress Payments (Aug 2010)

Applies if SELLER receives Progress Payments . "Contracting Officer" means "Lockheed Martin" except in paragraph (g) where it means "Lockheed Martin or Contracting Officer." "Government" means "Lockheed Martin" except: (1) in paragraphs (d), (e) and (j)(5) where the term is unchanged and (2) in paragraphs (g) and (i) where it means "Lockheed Martin and the Government."

52.232-32 Performance-Based Payments (Aug 2010)

Applies if SELLER receives Performance Based Payments "Contracting Officer" and "Government" means "Lockheed Martin." Subparagraph (c)(2) is deleted.



52.232-17 Interest (Oct 2010)

Applies if subcontract contains FAR clauses which expressly refer to an Interest clause, e.g. FAR 52.216-16 or FAR 52.216-17. "Government" means "Lockheed Martin"

52.229-8 Taxes--Foreign Cost-Reimbursement Contracts (Mar 1990)

Applies if Cost-Reimbursement subcontract. In paragraph



252.211-7008 Use of Government- Assigned Serials Numbers (Sep 2010)

Applies if the supplier will be in the possession of Government property for the performance of the subcontract.

252.222-7006 Restrictions on the Use of Mandatory Arbitration Agreements (May 2010)

Applies if contract exceeds \$1,000,000 that will be funded in whole or part with Fiscal Year 2010 appropriated funds. The certification in paragraph (b)(2) applies to both Seller in its own capacity and to Seller's covered subcontractors.

252.223-7008 Prohibition of Hexavalent Chromium (May 2011)

Applies if subcontract is for supplies, maintenance and repair services, or construction materials.

252.225-7012 Preference for Certain Domestic Commodities (Jun10)

Applies if Seller is furnishing any of the items covered by this clause.

252.228-7001 Ground and Flight Risk (Jun 2010)

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.

252.234-7002 Earned Value Management System (May 2011)

Applies if SELLER is required to provide Earned Value data or reports. In paragraph (e)
"



5352.223-9001 Health and Safety on Government Installations (Jun 1997) Applies if Seller will perform work under this contract on a government installation. "Contracting Officer" means "Lockheed Martin."

5352.242-9000 Contractor Access to Air Force Installations (Aug 2007)
Applies if Seller will perform work on a Government installation. "Contracting Officer" means "Lockheed Martin." In paragraph (e) "the prime contractor" means "Seller."

5352.242-



(b) The Contract Administrator will forward such reports and disclosures directly to the appropriate Patent Counsel, designated below, for review and recommendations, after which the reports will be returned to the Contract Administrator.

Name and address of Patent Counsel:

John Gladstone Mills
COMNAVAIRSYSCOM
47123 Buse Road, Unit IPT
Patuxent River, MD 20670-1547
(301) 757-0573

(c) The above designated Patent Counsel will represent the Procurement Contracting Officer with regard to invention reporting matters arising under this contract.

(d) A copy of each report and disclosure shall be forwarded to the Procuring Contracting Officer.

(e) The contractor shall furnish the Contracting Officer a final report within three (3) months after completion of the contracted work listing all subject inventions or certifying that there were no such inventions, and listing all subcontracts at any tier containing a patent rights clause or certifying that there were no such subcontracts.

H-3 NOTICE REGARDING THE DISSEMINATION OF EXPORT-CONTROLLED TECHNICAL DATA (NAVAIR)(5252.227-9507) (OCT 2005)

- (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 contractor, 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) Lockheed Martin or the Government shall not be liable for any unauthorized use or release of export-controlled information, technical data or specifications in this contract.
- (d) The contractor shall include the provisions or paragraphs (a) through (c) above in any subcontracts awarded under this contract.



H-4 5252.228-9501 LIABILITY INSURANCE (NAVAIR) (MAR 1999)

The following types of insurance are required in accordance with the clause entitled, "FAR 52.228-5, "Insurance--Work on a Government Installation"" or "52.228-7, "Insurance--Liability to Third Persons"" and shall be maintained in the minimum amounts shown:

- (a) Comprehensive General Liability: \$200,000 per person and \$500,000 per accident for bodily injury.
- (b) Automobile Insurance: \$200,000 per person and \$500,000 per accident for bodily injury and \$500,000 per accident for property damage.
- (c) Standard Workman's Compensation and Employer's Liability Insurance (or, where maritime employment is involved, Longshoremen's and Harbor Worker's Compensation Insurance) in the minimum amount of \$100,000.
- (d) Aircraft public and passenger liability: \$200,000 per person and \$500,000 per occurrence for bodily injury, other than passenger liability; \$200,000 per occurrence for property damage. Passenger bodily injury liability limits of \$200,000 per passenger, multiplied by the number of seats or number of passengers, whichever is greater.

H-5 5252.232-9509 REIMBURSEMENT OF TRAVEL, PER DIEM, AND SPECIAL MATERIAL COSTS (NAVAIR) (OCT 2006) (APPLICABLE TO COST REIMBURSEMENT CONTACTS and/ or 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) RESERVED
- (c) Travel. Travel and subsistence are authorized for travel beyond a fifty-mile radius of the contractor'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 contractor 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 contractor's facility will not be reimbursed.



(1) For travel costs other than described in paragraph (c) above, the contractor 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 Contracting Officer Representative in writing.

(2) When transportation by privately owned conveyance is authorized, the



H-6 AUTHORIZATION TO INCORPORATE CONCURRENCY CHANGES



(7) Post-Acceptance Concurrency Action – For purposes of this clause, “Post-Acceptance Concurrency Action” means a Concurrency Change that the Contractor incorporates in an LRIP 4 Air System after acceptance of the Air System (via DD250) via a Contractor-supplied post-acceptance installation kit.

(8) Point of Discovery – For purposes of this clause, “Point of Discovery” means the date on which a meeting is convened by the Contractor’s Chief Engineer to discuss the resolution of a reported deficiency in the Air System configuration, which, if left unresolved, may result in the Contractor’s failure to provide the capabilities described in the Capabilities and Configuration Description Document, Attachment (2) of Section J, or achieve the requirements stated in the JSF Air System Contract Specification (JCS), Attachment (2) of JSF SDD Contract N00019-02-C-3002. The Chief Engineer shall convene a meeting of cognizant Contractor and Government personnel as soon as practical, but not later than 60 days after the deficiency is reported. Deficiencies may be reported by either Government or Contractor personnel.

(9) Point of Discovery Cut-Off Date – For purposes of this clause, “Point of Discovery Cut-Off Date” means the date appearing in Block 21a of the DD250 for the last LRIP 4 Air System delivered under this contract. The Contractor is not obligated to incorporate Concurrency Changes discovered after the Point of Discovery Cut-Off Date.

(10) Preliminary Engineering Change Proposal (PECP) – For the purposes of this clause, “Preliminary Engineering Change Proposal (PECP)” means an Engineering Change Proposal (DD1692) that does not contain certified cost and pricing data and the Certificate of Current Cost or Pricing Data required by FAR 15.406-2 but does include a not-to-exceed estimate of the proposed change with supporting cost information.

(c) Contractor Responsibility to Incorporate Changes

(1) Material or Workmanship Deficiencies: Concurrency Changes do not include material and workmanship deficiencies. SELLER is obligated to correct material or workmanship deficiencies in accordance with the terms of the Contract.

(2) For any Concurrency Change that does not involve a deficiency in material or workmanship, SELLER will support the LM Concurrency process by a Not to Exceed (NTE) proposal for the recurring effort, as delineated in CM 2YZA00017 Rev C. In the event LOCKHEED MARTIN and its Customer agree to proceed with incorporation of the Concurrency Change, whether by Pre-Acceptance Concurrency Action or Post-Acceptance Concurrency Action, LOCKHEED MARTIN will notify SELLER and SELLER will incorporate the Concurrency Change into LRIP production. Cost and schedule impacts of the Concurrency Change will be negotiated between the Parties consistent with SELLER’s NTE proposal. In no event will a Concurrency Change action under this provision exceed the Truth in



Negotiation Act (TINA) threshold. For any action that exceeds the TINA threshold, the Parties will proceed as delineated in the Changes clause of this Contract. Whether any change to the LRIP baseline is a Concurrency Change will be determined by LOCKHEED MARTIN.

For purposes of Concurrency Changes hereunder, non-recurring costs are borne under the SDD contract pursuant to the term of that contract.

H-7 PROVISIONAL ACCEPTANCE UNDER SPECIAL CONDITIONS

(a) Acceptance under Special Conditions. LOCKHEED MARTIN may, at the discretion of the Authorized Procurement Representative, finally or provisionally accept any supply prior to completion of work on such supply in the following situations:

(1) When the SELLER, despite the exercise of due diligence, encounters unavoidable delay in securing SELLER-furnished property;

(2) When Lockheed Martin or Government-furnished property suitable for installation in any supply to be furnished hereunder is not delivered to the SELLER in sufficient time to permit installation by the SELLER prior to the date the supply is scheduled for delivery; or,

(3) When defects or deficiencies are known to exist in the Item, but when correction of the defects or deficiencies is not practicable within the delivery schedule set forth in the contract.

(c) Provisional Acceptance of WORK with Unverified or Deficient Requirements.

(1) Due to the concurrent nature of SDD Contract and this Contract, acceptance of



withhold shall be fully released after LOCKHEED MARTIN inspection and approval that the deficiency against which the withhold was taken has been corrected.

b. If a PECP to correct the deficiency has not been authorized, a withhold shall be taken at the time of provisional acceptance. The withhold amount, subject to mutual agreement, shall be negotiated between LOCKHEED MARTIN and the SELLER.

(d) Nothing in this clause shall restrict LOCKHEED MARTIN's rights to withhold acceptance or provisional acceptance of the Items due to defects or deficiencies in materials or workmanship or with non-conformances unrelated to the materials and workmanship.

H-8 ALTERNATIVE DISPUTE RESOLUTION

Alternative Dispute Resolution is the preferred approach for settling Contract disputes. Accordingly, the parties confirm their mutual commitment to consider the use of Alternative Dispute Resolution (ADR) processes to avoid or resolve disputes under this Contract. Notwithstanding the foregoing, nothing herein limits the Parties' rights and remedies under the "Disputes" clause in Section I of this Contract.

H-9 MANAGEMENT OF SUPPLIERS

Notwithstanding any direction to the contrary herein, SELLER is required under this Contract to manage any and all lower tier subcontractors.

SELLER shall not use a subcontractor's status as an agreed or directed source as a performance excuse or basis for equitable adjustment.

H-10 INDUSTRIAL PARTICIPATION

(a) It is anticipated that LOCKHEED MARTIN will be involved in a number of foreign industrial participation arrangements in various countries in connection with the sale of LOCKHEED MARTIN's products to foreign countries. SELLER agrees to cooperate with LOCKHEED MARTIN in fulfillment of such industrial participation obligations.

(b) LOCKHEED MARTIN encourages SELLER to develop a plan for creating industrial participation opportunities in many countries, including the following: Australia, Canada, Denmark, The Netherlands, Norway, Italy, Turkey, and the United Kingdom. Any industrial participation credit value resulting from SELLER's procurements, investments or technology transfers related to work to be performed under this Contract shall accrue solely to the benefit of LOCKHEED MARTIN for its use.

(c) In addition, SELLER agrees to provide to LOCKHEED MARTIN, at no additional cost, a report every six (6) months during the performance of this Contract summarizing, by country,





(a) Government Property currently accountable under the following contracts
TBD

(b) Government-Furnished Property provided under this contract:
TBD

The Seller is responsible for scheduling the use of all property covered by this clause and the Government shall not be responsible for Sellercaused



inadvertent omissions would have materially affected the decision to award this contract. Such identification and assertion shall be submitted to the Contracting Officer as soon as practicable prior to the scheduled date for delivery or provision of the data, in the form specified in paragraph (a) above, and signed by an official authorized to contractually obligate the Contractor. Such submittals by the Contractor shall not constitute an amendment to this clause; updates to this clause after contract award shall be via bilateral modifications.

*List shall be provided by the Contractor upon the LRIP 6 Production proposal submission.