

LOCKHEED MARTIN CORPORATION

PRIME SUPPLEMENTAL FLOWDOWN DOCUMENT (PSFD)

**ADDITIONAL TERMS AND CONDITIONS FOR SUBCONTRACTS/PURCHASE ORDERS
UNDER**

JSF LRIP 5
CONTRACT NUMBER N00019-10-C-0002

Generated using Lockheed Martin CorpDocs 2011 Version

12 December 2011

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.

1. The dates of the following FAR and DFARS clauses are modified as follows: RESERVED
2. 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 contract.

52.215-21 Alt II Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data -- Modifications (Oct 1997) - Alternate II

52.222-39 Notification of Employee Rights Concerning Payment of Union Dues or Fees (Dec 2004)
Applies if this contract exceeds \$100,000.

52.223-7 Notice of Radioactive Materials (Jan 1997) Applies if this contract is for radioactive materials. "Contracting Officer" and "Government" means "Lockheed Martin." The blank in paragraph (a) is replaced with "180 days."

52.227-11 Alt I Patent Rights--Ownership by the Contractor (Dec 2007) Alternate I (Jun 1989)
Paragraph (d)(2), insert: JSF SDD and PFSD MOUs

52.229-8 Taxes -- Foreign Cost-Reimbursement Contracts (Mar 1990) Paragraph (a), insert: any country in which the contractor or any of its subcontractors performs work under this contract

52.232-16 Progress Payments (Jun 2009) "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."

52.242-2 Production Progress Reports (Apr 1991) "Contracting Officer" means "Lockheed Martin." Flowdown is not expressly required by the clause, but it may be included in subcontracts where production progress reports are desired. As an alternative to using this clause, appropriate requirements for production progress reports may be included in the statement of work or subcontract data requirements list.

52.243-2 Changes -- Cost-Reimbursement (Aug 1987) - Alternate II (Apr 1984) "Contracting Officer" and "Government" mean "Lockheed Martin." Iree desGApek5.1(G)4d3(a)9.2(a)TJ 0.004 Tc8(c)-1.6-1.6(sbp6.3(i)6.2(na

items furnished by the subcontractor will be subject to serialized tracking. Note that the subcontract Statement of Work or other document will need to identify the items subject to serialized tracking.

5252.204-9504 Disclosure of Contract Information (NAVAIR) (Jan 2007) Communications with the Contracting Officer shall be made through Lockheed Martin. In paragraph (b), 10 days is changed to 20 days.

5352.242-9000 Contractor Access to Air Force Installations (Aug 2007)

5352.242-9001 Common Access Cards (CACs) for Contractor Personnel (Aug 2004) Applies for Cost Reimbursement Contract Line Items Only

52.215-21 Requirements for Certified Cost or Pricing Data or Information Other Than Certified Cost or Pricing Data - Modifications (Alt I - Oct2010 for FPIF line items) "Contracting Officer" means "Lockheed Martin." Alternate I can be used if it is desired to specify a format for cost or pricing data other than the format required by FAR Part 15.

52.243-2 Changes -- Cost-Reimbursement (AUG 1987) - Alternate II (Apr-84) "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 -

(4) The contractor's invoices shall include receipts or other evidence substantiating actual costs incurred for authorized travel. In no event will such payments exceed

CORPORATION, Lockheed Martin Aeronautics Company Concerning Use of Alternative Dispute Resolution Processes.” The Agreement affirms the use of Alternative Dispute Resolution as the preferred approach in settling contract disputes. In recognition of the foregoing, the parties confirm the mutual commitment to consider the use of Alternative Dispute Resolution processes in accordance with the principles set forth in the Memorandum of Understanding to avoid/resolve disputes under this contract.

H-4 WORK SHARE AGREEMENTS

Subcontractors shall not enter into any new work share agreements with any subcontractors that specify that a subcontractor will receive a certain amount of business based solely on a dollar amount or percentage of contract or program cost as of the effective date of this contract.

H-5 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) 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-6 SMALL BUSINESS SUBCONTRACTING CLAUSES

Given that the Contractor has an approved comprehensive subcontracting plan, FAR 52.219-9, Small Business Subcontracting Plan (JAN 2011), and DFARS 252.219-7003, Small Business Subcontracting Plan (DoD Contracts) (OCT 2010), are not incorporated into this contract. Nevertheless, the Contractor shall flow down both clauses to applicable subcontractors.

H-7 5252.227-9511 - DISCLOSURE, USE AND PROTECTION OF PROPRIETARY INFORMATION (NAVAIR)(FEB 2009)(DEVIATION)

(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 the seller, the ISC has no obligation to the seller. The 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 seller in addition to third party proprietary data that the seller 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 seller, 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 LM, 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.

H-8 5252.228-9501 LIABILITY INSURANCE (NAVAIR) (MAR 1999)

(APPLICABLE TO COST-REIMBURSEMENT CONTRACT LINE ITEMS ONLY)

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:

**H-10 5252.211-9502 GOVERNMENT INSTALLATION WORK SCHEDULE (NAVAIR) (OCT
2005)**

(a)

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

(1) Due to the concurrent nature of SDD Contract and this Contract, acceptance of WORK delineated shall not be contingent upon completion of all verification requirements under SDD Contract. All unverified requirements shall be listed on the CoC. No amounts shall be withheld at the acceptance or provisional acceptance of the Item due to the fact that the requirements listed on the Unverified

are not expressly included in writing in the SELLER's bid, offer, or proposal to LOCKHEED MARTIN, agreed to by LOCKHEED MARTIN, and incorporated into this Contract's price, (ii) forego profit on costs, or (iii) apply a management decrement, is made at the sole risk of SELLER. SELLER acknowledges that the price of this Contract shall not be increased by any portion of incurred costs, foregone profit, or manageme