

LOCKHEED MARTIN CORPORATION

PRIME SUPPLEMENTAL FLOWDOWN DOCUMENT (PSFD)

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

PRIME CONTRACT FA8224-08-G-0001

F-16 Spares

Supplement to Appendix A – 28th Series

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4 November 2008

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.

For all subcontracts issued under the subject Prime Contract, the following terms and conditions, applicable as noted, are incorporated by reference in addition to those other terms and conditions (the 28th Series, etc.) to be used for subcontracts issued under such Prime Contract. The language of the incorporated clause(s) should be modified so that "Government" and "Contracting Officer" mean Buyer, "Contractor" means Seller, "Contract" means Purchase Order, and "Subcontractor" means Seller's Subcontractors.

1. With reference to Paragraph 12, Appendix A, 28th Series, the following FAR and DFAR clauses related to patents, rights in data, and computer software are incorporated in the Prime Contract:

FAR 52.227-1, AUTHORIZATION AND CONSENT (DEC 2007). Applicable except when complete performance and delivery are outside the United States.

FAR 52.227-2, NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT (DEC 2007)

252.227-7013, Rights in Technical Data – Noncommercial Items (NOV 1995);

252.227-7016, Rights in Bid or Proposal Information (JUN 1995);

252.227-7030, Technical Data – Withholding of Payment (MAR 2000);

252.227-7037**** VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA (SEP 1999).

2. Add the following FAR and DFARS Clauses:

52.225-8 Duty Free Entry (FEB 2000). Applies if supplies will be imported into the Customs Territory of the United States. Contracting Officer" means "Lockheed Martin" except in paragraphs (d) and (h). In subparagraph (b)(1) "20 days" is changed to "30 days." In subparagraph (b)(2), replace the fifth word "determines" with "has been notified." Communication/notification required under this clause from/to the Seller to/from the Contracting Officer shall be through Lockheed Martin.

52.246-15 Certificate of Conformance (APR 1984).

52.247-68 Report of Shipment (RESHIP) (Feb 2006) Applicable when Seller will be shipping directly to USG and when advance notice of shipment is required for safety or security reasons, or where carload or truckload shipments will be made to DoD installations or, as required, to civilian agency facilities

252.204-7005 Oral Attestation of Security Responsibilities (NOV 2001).

252-225-7036 Buy American Act-Free Trade Agreements-Balance of Payments Program (MAR 2007).

252.243-7002 Requests for Equitable Adjustment (MAR 1998) Applies to POs over \$100,000.

3. AFFARS 5352.223-9000, Elimination of Use of Class I Ozone Depleting Substances (ODS) (APR 2003).

4. Diminishing Manufacturing Sources or Material Shortages Components

A diminishing manufacturing sources or material shortages component (DMSMS component) is a component or material, intended to be incorporated directly into an end item specified to be delivered under the purchase order that is unavailable from manufacturers known to Seller in the quantity necessary to comply with the delivery terms of the purchase order.

Seller shall promptly notify Buyer in writing whenever Seller believes that one or more of the components or materials intended to be incorporated directly into an end item specified to be delivered under the purchase order is a diminishing manufacturing source or material (DMS). The notice shall identify the part number, national stock number, and nomenclature of each DMS component.

5. If the Seller will be making shipments directly to the Air Force, the following clauses apply:

- 5352.247-9005 Shipping Container Marking (AFMC) (MAR 2003)
- 5352.247-9006 Marking of Warranted Items (AFMC) (JUL 1997).
- 5352.247-9007 Specification Commercial Packaging (AFMC) (JAN 2000)
- 5352.247-9009 Military Packaging and Marking (AFMC) (AUG 2002).

ITEM IDENTIFICATION MARKING AND SHELF LIFE ITEM PROVISIONS (FEB 1998) (IAW AFMCI 23-102 Chapter 6 Paragraph 6.2.7.3.)

Requirements set forth below shall apply to any contract issued thereon and will take precedence over other inconsistent requirements herewith. All standards, bulletins, and publications referenced herein shall be of the issue in effect on the date of this document.

1. PHYSICAL MARKING OF ITEMS:

MIL-STD-130: Items shall be marked in accordance with MIL-STD-130. The National Stock Number (NSN), and when assigned, the Configuration Item Identifier (CII), serial number, and military type designation information shall be marked on major assemblies, units, groups, and sets. Special attention must be given to requirements governing the application of the actual manufacturer's Federal Supply Code for Manufacturers (FSCM) to the physical item.

Items which are excluded in accordance with paragraph 1.1 of MIL-STD-130, Revision M, shall be marked in accordance with the appropriate document.

2. PACKAGE AND CONTAINER MARKING: Shipments will not be made until the NSN has been assigned, unless specifically authorized by the Contracting Officer. MIL-STD-129/ASTM-D-3951:

a. Interior packages and shipping containers shall be marked in accordance with MIL-STD-129 when Military packing is specified and ASTM-D-3951 when commercial packaging is specified. The requirements of paragraph 2.h apply regardless of which packaging is utilized.

(1) Design manufacturer's name, trademark or manufacturer's code (from Cataloging Handbook H4-1 or H4-2), identifying number, and serial number, when applicable, shall be included in the identification marking.

(2) When applicable, the Air Force project designator code shall be included as the last line of the address marking and the project name related to the project code shall be marked in the clear on the exterior shipping container.

b. Tags and labels, when required, shall be contractor's tags or labels conforming to

the requirements of MIL-STD-129 or as approved by the procuring activity, which indicate serviceable condition shall not be any shade of green or red. Labels are authorized to be used on metal containers. Items requiring technical order (T.O.) certification shall be annotated on inner and outer container tags or label with T.O. compliance.

c. When dummy containers are used in a unitized load, the dummy containers shall be clearly marked "DUMMY CONTAINER" and located in the load so that the marking will be plainly visible to receiving and storage personnel.

d. All interior packages and shipping containers for articles and materials classified as hazardous or restricted under provisions of Title 49, Code of Federal Regulations, or AFR 71-4/DLAM 4145.3/TM 38-250/NAVSUP PUB 505/MCO P 4030.19 shall be marked, regardless of exemption for mode of transportation, with proper shipping name of item; flash point of all liquids having a flash point of 200 degrees F. or below; and percentage concentration of acids and corrosive liquids. In addition, the quantity of each hazardous or restricted material included in a container shall be annotated adjacent to the shipping name of the item, e.g., Acetic Acid (80% concentration) -- 1 qt.

e. On shipments of firearms regardless of mode of transportation, selected elements of identification and contractor data markings shall be omitted or obliterated in accordance with the requirements of MIL-STD-129 regarding sensitive items and packing lists shall be placed only inside the containers.

f. Special markings for packages and containers when specified on AFMC Form 158 shall be complied with as a part of MIL-STD-129.

g. All special coated template containers shall be marked with the legend: "CAUTION--DO NOT REUSE AS FOOD CONTAINERS."

h. Bar code markings in accordance with MIL-STD-129 shall apply to all units, intermediate and exterior containers for all items going into stock regardless of package size or levels of package specified (including commercial packaging). In addition to the NSN/NATO stock number, the exterior shipping container shall include the 13 digit contract number (plus, if applicable, the four digit call number). Excluded from Bar Code Marking are:

- (1) Foreign Military Sales.
- (2) Direct Vendor Delivery (DVD)/Government Furnished Equipment (GFE) shipments.
- (3) Multipack Exterior Shipping Containers. (Unit and intermediate containers do require a bar coded NSN/NATO stock number. However, the next container (unit or intermediate) inside the multipack will also require a bar coded NSN/NATO stock number and contract number with call number, if applicable, in the lower right hand corner).
- (4) All unpacked or uncrated items; e.g., vehicles, tires, etc.

- i. Shipments of wheeled items weighing 2,000 pounds or more and scheduled for transportation by military aircraft will be marked with the individual axle weights in accordance with MIL- STD-129.

3. WARRANTED ITEMS: When the contract contains warranty requirements, warranty information shall be applied on containers and items as follows:

a. Container markings shall be as specified in MIL-STD-129. The period or conditions of the warranty shall be specifically stated, i.e., landings, flight hours, operating hours, days from shipping date, etc.

b. Items shall be marked in accordance with requirements of MIL-STD-130. Markings shall be located in a manner so as to be conspicuous to the person removing the item from service. When no deleterious effect or functional degradation is caused, the markings shall be black letters on yellow FED-STD-595 color 13655) background. The marking shall include the same period or condition required on the containers.

4. SHELF LIFE ITEMS

a. MARKING

(1) Shelf life items shall be marked in accordance with MIL-STD-129.

(2) Mark items controlled in MIL-STD-1523, or in specifications furnished as a part of the contract or purchase order, with the cure or assembly dates specified therein.

b. DELIVERY. Unless specified otherwise in the contract, shelf life items shall have a minimum of 90% of the "storage period" remaining at the time of delivery to the Government.

WOODEN LUMBER, WOODEN PALLET AND PACKAGING/CONTAINER STATEMENT (FEB 2007) (IAW AFMC FORM 158)

All wooden lumber, wooden pallets, and wooden containers produced entirely or in part of solid wood packing material (SWPM) shall be constructed from heat- treated (HT) material (HT 56 degrees centigrade or 133 degrees Fahrenheit for 30 minutes). Certification/markings is required by an accredited agency recognized by the American Lumber Standards Committee (ALSC). For reference documentation, see "International Standards for Phytosanitary Measures (ISPM) No. 15." This document can be found at www.ippc.int .