



LOCKHEED MARTIN CORPORATION
PRIME SUPPLEMENTAL FLOWDOWN DOCUMENT (PSFD)
ADDITIONAL TERMS AND CONDITIONS FOR SUBCONTRACTS/PURCHASE ORDERS
UNDER

ISRAEL DCS IWTA RMS19ISRAELWST

Generated Using Lockheed Martin CorpDocs 2019 Version

Dated September 18, 2018

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.

To the extent that any clause included in this Prime Supplemental Flowdown Document 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.

H-1 Foreign Military Financing (FMF) Direct Commercial Sales (DCS)

SELLER shall comply in all respects with the “DSCA [Guidelines For Foreign Military Financing of Direct Commercial Contracts](#)” that is in effect when the contract was signed. Further, should a newer version of the Guidelines be published subsequent to contract award, the Contractor agrees to comply in all respects with the “DSCA Guidelines for Foreign Military Financing of Direct Commercial Contracts” that is in effect when any amendment or modification to such a contract is signed.

If not exempted SELLER shall complete and submit to LOCKHEED MARTIN the [First Tier Sub-Contractor's U.S. Content Certification and Agreement](#).

The following subcontracts with suppliers are exempted from this provision:

- a. Those orders equal to or less than \$100,000 in value.
- b. Those orders in implementation of a sub-contract awarded to the sub-contractor on a competitive lowest responsive bid or best bid/best value basis.
- c. Those orders for common hardware¹ and/or raw materials².
- d. Those orders for commercially available U.S. off-the-shelf items³.
- e. Those orders issued and effective prior to date of the Purchase Agreement between the Prime Contractor and the Purchaser identified above.

In order to prevent any SELLER from excessively passing its costs to its sub-contractors, none of the above exemptions can be relied upon if the more than 70% of SELLER's costs are attributable to its sub-contractors. If more than 70% of SELLER's costs are attributable to its sub-contractors, than notwithstanding any of the above exemptions, the United States will have access to any sub-contractor's directly pertinent books, documents, papers, or other records involving transactions related to the subcontract if the cost of any subcontractor's contract with SELLER's accounts for more than 30% of the SELLER's costs for its agreement with the purchaser.

¹ Common hardware consists of commercially available, off-the-shelf items that do not require custom production or specific manufacture.

² Raw materials are items that are in a natural state, not subject to manufacturing, refining, or finishing processes, and routinely stored without accountability or segregation based on origin.

³ Commercially available off-the-shelf item means a commercial item sold in substantial quantities in the commercial marketplace in the United States and offered to the U.S. Government without modification and in the same form in which it is sold in the commercial marketplace (see 41 USC 431). It does not include bulk cargo such as agricultural products and petroleum products.