

**LOCKHEED MARTIN CORPORATION  
 SUPPLEMENTAL TERMS AND CONDITIONS FOR SUBCONTRACTS/PURCHASE ORDERS UNDER  
 JSF LRIP 5 CONTRACT NUMBER N00019-10-C-0002  
 For Use with 2010 Lockheed Martin Corpdocs  
 October 07, 2010**

The following are the provisional supplemental terms and conditions to be incorporated, in addition to those other terms and conditions (e.g., Corpdoc 3, Corpdoc 3a, Corpdoc 4, etc.), into subcontracts issued under the LRIP 5 prime contract Prime Contract N00019-09-C-0010 (the Prime Contract) and subsequent LRIP prime contracts (the "Prime Contracts"). These supplemental terms and conditions are provisional and subject to revision as prime contract terms, conditions, and requirements develop.

Type	Clause No.	Date	Title
FAR	52.216-10	Mar-97	Incentive Fee.  <u><b>For FPI Purchase Orders,</b></u> replace paragraph (e)(1) with the negotiated Incentive Fee Geometry below: Fixed-Price Incentive (FPI) Fee Geometry Target Cost \$XX,XXX,XXX Ceiling Cost \$XX,XXX,XXX Target Fee X% Incentive Fee Structure - Insert negotiated fee structure  <u><b>For CPI Purchase Orders,</b></u> replace paragraph (e)(1) with the negotiated Incentive Fee Geometry below:  Cost-Plus Incentive (CPI) Fee Geometry  Target Cost \$XX,XXX,XXX Target Fee X% Incentive Fee Structure - Insert negotiated fee structure
FAR	52.216-16	Oct-97	Incentive Price Revision--Firm Target.
FAR	52.227-11 ALT I	Jun-89	Patent Rights--Retention by the Contractor (Short Form).  As prescribed in 27.303(a)(3), add the following sentence at the end of paragraph (b) of the basic clause:  The license shall include the right of the Government to sublicense foreign governments, their nationals and international organizations pursuant to the following treaties or international agreements: _____*  [*Contracting Officer complete with the names of applicable existing treaties or international agreements. The above language is not intended to apply to treaties or agreements that are in effect on the date of the award but are not listed.]

Type	Clause No.	Date	Title
FAR	<b>52.232-17</b>	<b>Oct-08</b>	Interest.
FAR	<b>52.242-2</b>	<b>Apr-91</b>	Production Progress Reports.
FAR	<b>52.243-2 ALT II</b>	<b>Apr-84</b>	Changes--Cost-Reimbursement.
FAR	<b>52.246-15</b>	<b>Apr-84</b>	Certificate of Conformance.
FAR	<b>52.247-67</b>	<b>Feb-06</b>	Submission of Transportation Documents for Audit.
DFAR	<b>252.204-7000</b>	<b>Dec-91</b>	Disclosure of Information. In paragraph (b) "Contracting Officer" means "Lockheed Martin" and "45 days" means "60 days."
DFAR	<b>252.211-7006</b>	<b>Feb-07</b>	Radio Frequency Identification.
DFAR	<b>252.225-7009</b>	<b>Jul-09</b>	Restriction on Acquisition of Certain Articles Containing Specialty Metals. Applies if the Work furnished includes specialty metals. Paragraph (d) is deleted.
DFAR	<b>252.225-7012</b>	<b>Dec-08</b>	Preference for Certain Domestic Commodities.
DFAR	<b>252.225-7025</b>	<b>Dec-09</b>	Restriction on Acquisition of Forgings.
DFAR	<b>252.225-7028</b>	<b>Apr-03</b>	Exclusionary Policies and Practices of Foreign Governments.
DFAR	<b>252.225-7032</b>	<b>Apr-03</b>	Waiver of United Kingdom Levies--Evaluation of Offers.
DFAR	<b>252.227-7017</b>	<b>Jun-95</b>	Identification and Assertion of Use, Release, or Disclosure Restrictions.
DFAR	<b>252.234-7002</b>	<b>Apr-08</b>	Earned Value Management System.
DFAR	<b>252.239-7016</b>	<b>Dec-91</b>	Telecommunications Security Equipment, Devices, Techniques, and Services.
DFAR	<b>252.243-7002</b>	<b>Mar-98</b>	Requests for Equitable Adjustment.
DFAR	<b>252.244-7000</b>	<b>Jan-09</b>	Subcontracts for Commercial Items and Commercial Components (DoD Contracts).
DFAR	<b>252.246-7000</b>	<b>Mar-08</b>	Material Inspection and Receiving Report.
NAVAIR	<b>5252.227-9501</b>	<b>May-98</b>	INVENTION DISCLOSURES AND REPORTS (NAVAIR) (MAY 1998).
NAVAIR	<b>5252.245-9500</b>	<b>Feb-09</b>	Government Property for the Performance of this Contract (NAVAIR).
NAVAIR	<b>5252.246-9526</b>	<b>OCT-05</b>	Acceptance Under Special Conditions (NAVAIR).
NAVAIR	<b>5252.228-9501</b>	<b>MAR-99</b>	LIABILITY INSURANCE (NAVAIR) (MAR 1999).

Type	Clause No.	Date	Title
PRIME	H-5	JUN-10	<p><b>PRESERVATION OF RIGHTS FOR TECHNICAL DATA AND SOFTWARE PROVIDED ELECTRONICALLY</b></p> <p>Information, whether delivered under any CDRL or contractor equivalent form of this contract or in response to any other requirement contained in this contract shall be provided via the JSF Virtual Enterprise that would be deemed Technical Data under DFARS 252.227-7013, 'Rights In Technical Data – Noncommercial Items,' or Software and Software Documentation under DFARS 252.227-7014, 'Rights in Noncommercial Software and Noncommercial Software Documentation,' if it were delivered in written form, shall not lose its status as technical data, software or software documentation solely because access by the Government or delivery by the Contractor is by electronic means. The rights of the parties shall be as specified in DFARS 252.227-7013 and DFARS 252.227-7014.</p>
PRIME	H-26	JUN-10	<p><b>MATERIAL SAFETY DATA SHEET (MSDS) (NAVAIR CLAUSE 5252.223-9501) (APR 2008)</b></p> <p>(a) The contractor shall forward an electronic copy of the Material Safety Data Sheet (MSDS) required under FAR Clause 52.223-3, "Hazardous Material Identification and Material Safety Data", to Mar-navyhmir@med.navy.mil or mail a hard copy to the following address:                      Navy and Marine Corps Public Health Center                      ATTN: HMIRS                      620 John Paul Jones Circle, Suite 1100                      Portsmouth, VA 23708-2103</p> <p>(b) One copy of the MSDS shall be enclosed with the shipping documents. If the shipment is received without an attached copy of the MSDS, the Government has the right to refuse receipt.</p>
PRIME	H-28	JUN-10	<p>Taxes.</p> <p>To facilitate the administration and implementation of prime contract clauses concerning taxes, tariffs, duties, and similar fees, the following clause applies to this subcontract:</p> <p>(a) For purposes of this clause, "applicable Government imposed fees" means all applicable taxes, tariffs, duties, and similar fees, as described in FAR clauses 52.225-8, 52.229-6, and 52.229-8, respectively.</p> <p>(b) Unless this contract specifies otherwise, the price of this contract includes, and Seller shall pay all Government imposed fees. Prices and allowable costs under this contract exclude any Government imposed fees:</p> <p>i. From which the United States Government is exempt by agreement with the Government of any country in which Seller or its subcontractors perform work, or</p>

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			<p>ii. From which Seller or its subcontractors under this contract are exempt under the laws of any country in which Seller or its subcontractors perform work.</p> <p>(c) Seller shall notify Lockheed Martin at the time of its proposal submission (or as soon thereafter as any Government imposed fees becomes applicable) of Government imposed fees for which it plans to invoice to Lockheed Martin or include in its price. If Seller is providing estimates of any Government imposed fees, Seller shall separately indicate which are estimates. Lockheed Martin will establish a separate purchase order line item for any such applicable Government imposed fees. Seller shall invoice and separately identify each such applicable Government imposed fee only on the established purchase order line item. Seller shall include the substance of this clause in subcontracts and purchase orders issued by Seller, and any applicable Government imposed fees paid thereunder shall be similarly invoiced and separately identified. Any such Government imposed fees billed to Lockheed Martin shall be supported by appropriate supporting documentation. In the event that Seller fails to provide appropriate documentation to substantiate such Government imposed fees or bills Buyer for fees that meet the criteria of subparagraphs (b)(i) or (ii) of this clause, Buyer shall be entitled to adjust the subcontract value accordingly.</p> <p>(d) All Government imposed fees levied with respect to or upon any products or Work owned by LOCKHEED MARTIN while in Seller’s possession or control, and for which no exemption is available, shall be borne by Seller.</p>
PRIME	<b>H-30</b>	<b>JUN-10</b>	<p><b>DATA DELIVERY</b></p> <p>All unclassified data and information, including technical data as defined in FAR 52.227-14, generated in the performance of this Purchase Order or Contract shall be delivered electronically to the JSF Virtual Environment (JSF Data Library (JDL) or Product Data Management System (PDM), as applicable).</p>
PRIME	<b>H-31</b>	<b>JUN-10</b>	<p><b>MANAGEMENT OF SUPPLIERS</b></p> <p>Notwithstanding any direction to the contrary herein, SELLER is required under this Purchase Order to manage any and all lower tier subcontractors. SELLER shall not use a LOCKHEED MARTIN established Right to Buy (RTB) subcontractor's status as a performance excuse or basis for equitable adjustment if Seller elects to use such RTB subcontractors in the performance of this Purchase Order.</p>

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PRIME	H-32	JUN-10	<p><b>INFORMATION SECURITY ASSURANCE</b></p> <p>A. SELLER certifies and represents that it has established Information Security Assurance processes sufficient to adequately protect data and information of LOCKHEED MARTIN, its subsidiaries, suppliers, teammates, contractors and agents.</p> <p>B. SELLER shall monitor and update its Information Security Assurance processes as necessary to ensure the data and information of LOCKHEED MARTIN, its subsidiaries, suppliers, teammates, contractors and agents, is and, during the term of this Purchase Order or for longer periods as may be specified in this Purchase Order, continues to be, adequately protected.</p>
PRIME	H-33	JUN-10	<p><b>PNR CERTIFICATION</b></p> <p>Seller certifies that any and all items designated as Production Non-Recurring (PNR) and/or provided under the appropriate prime contract CLINs (whether characterized by Seller as tooling, test equipment, capital equipment or otherwise) that are charged directly to this Contract, including any directly charged PNR tooling or test equipment, are special tooling or special test equipment, as respectively defined in FAR 2.101, and are of such a specialized nature that without substantial modification or alteration their use is limited to the production of the F-35 Joint Strike Fighter aircraft. In addition to any other remedies that may be available, should the Parties discover that any item directly charged to this Contract is not special tooling or special test equipment, as respectively defined by FAR 2.101, shall be removed from the Contract and the Contract cost and fee or price shall be adjusted to reflect its removal.</p>
PRIME	H-34	JUN-10	<p><b>H-10 INVESTMENT</b></p> <p>Any decision by Seller at, or prior to, the date of award of this P.O. or at or prior to the date of execution of any modification to this P.O. to (i) incur costs, by reason of investment or otherwise, that are not expressly included in writing in the Seller’s bid, offer, or proposal to Buyer, agreed to by Buyer, and incorporated into this P.O.’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 P.O. shall not be increased by any portion of incurred costs, foregone profit, or management decrement, for any reason, including, but not limited to, a termination for convenience of this P.O., notwithstanding any provisions of this P.O. or applicable regulations governing termination for convenience settlements of purchase orders under United States Government prime contracts, unless Buyer expressly agrees in writing to pay such portion. Buyer, as set forth in the clause of this P.O. entitled “Termination for Convenience (Fixed Price),” may terminate this P.O. for any reason if Buyer determines that it is in the Buyer’s interest to do so. The term “any reason” includes, but is not limited to, termination of the Buyer’s prime contract with the U.S. Government on any basis, convenience or default. A termination for default of this P.O. is justified at any time where the circumstances provided in the clause of this P.O. entitled “Default” apply.</p>