

LOCKHEED MARTIN

APPENDIX IS (INTERNATIONAL SUPPLIERS)

1. SHIPPING METHOD

- (a) Notwithstanding the Packing and Shipping clause set forth elsewhere in this Contract international shipments shall be **FCA (Supplier Dock)** unless expressly stated otherwise on the face of this Contract.
- (b) Items packaged in containers intended to be reused for subsequent shipments (other than carrier owned containers); shall be listed on the commercial invoice, and shall include the value, the Country of Origin and the material from which the container is made.
- (c) Seller shall conspicuously mark the Country of Origin of each item. The marking shall be legible and as permanent as the nature of the item permits. Any exemption from this direct marking requirement will be communicated in writing through the Lockheed Martin Procurement Representative. If an item is exempt from direct marking then the outer carton, box or packaging shall be marked with the Country of Origin.

2. CARRIER

The following carriers shall be used for as indicated by Lockheed Martin:

Fort Worth

CEVA Logistics (all lanes not covered by Expeditors International, DSV Air & Sea or Yusen; including Australia, Chile, France, Iraq, Italy, Mexico, Singapore, South Africa, Taiwan, Thailand, UAE and United Kingdom)

Expeditors International (Belgium, Canada, Denmark, Luxemburg, Germany, Greece, Korea, Netherlands, Norway, Denmark)

DSV Air & Sea (Turkey, Israel, Italy)

Yusen (Japan)

DHL Express (Iraq)

Marietta **Expeditors International** (As directed by the Lockheed Martin Procurement Representative)

DSV Air & Sea (UK, Turkey, and as directed by the Lockheed Martin Procurement Representative)

Palmdale **Expeditors International**

F-35 Global Sustainment **DSV Air & Sea** [Europe; including Denmark, Italy (Amendola), Netherlands (Leeuwarden), Norway (Orland)], Israel (Nevatim), Turkey (Malatya)

Yusen [Japan (Iwakuni, Misawa)]

CEVA Logistics [UK (Marham) & Australia (Williamtown)]

Expeditors [Korea (Cheongju)]

SELLER SHALL NOT USE THE INTERNATIONAL “DOOR TO DOOR” SERVICES OF FEDEX INTERNATIONAL EXPRESS, DHL, OR UPS WORLDWIDE EXPRESS UNLESS EXPRESSLY AUTHORIZED IN WRITING FROM LOCKHEED MARTIN.

3. SHIPPING DOCUMENTATION

Seller shall complete the following shipping documentation:

(a) Shipments for Lockheed Martin Fort Worth, Texas

Consignee Section of the Carrier Air Way Bill, Bill of Lading and Commercial Invoice:

Lockheed Martin Aeronautics Company
One Lockheed Blvd
Fort Worth, TX 76108

Forwarder, Agent, or Notify Party Section of the Carrier Air Way Bill or Bill of Lading

Seller shall complete the carrier's instruction of the Air Way Bill or Bill of Lading, or both and provide all freight documentation to the approved Lockheed Martin Aeronautics Broker or Forwarder upon entry into the United States.

CEVA Logistics
1901 West Airfield Drive
DFW Airport, TX 75261
Attn: Shaketha Miles or Quinchessia Mitchell
972-947-1557, 972-947-1646 or 972-947-1400
Lockheed.AerospaceDFW@cevalogistics.com

Expeditors International of Washington Inc.
506 East Dallas Rd., Suite 400
Grapevine, TX 76051
Attn: Laurie Boelens
817-305-4004 or 817-305-4000
dfw-lockheed@expeditors.com

DSV Air & Sea Inc.
1300 Minters Chapel Road, Suite 100
Grapevine, TX 76051
Attn: Cortney Conaway, Cortney.conaway@us.dsv.com
Attn: Darius Cox, Darius.Cox@us.dsv.com
817-424-5111 ext 3507, 3504

Yusen Logistics (Americas) Inc.
Dallas Branch
749 Port America Place, Suite 200
Grapevine, TX 76051
Attn: Greg Darter, Greg.Darter@us.yusen-logistics.com
817-481-8411
yusdf-imp@us.yusen-logistics.com

(b) Shipments for Lockheed Martin Marietta, Georgia

Consignee section of the Carrier Air Way Bill, Bill of Lading and Commercial Invoice:

Lockheed Martin Aeronautics Company
Building B-1
86 South Cobb Drive
Marietta, GA 30063

Forwarder, Agent, or Notify Party section of the Carrier Air Way Bill or Bill of Lading

Seller shall complete the carrier's instruction of the Air Way Bill or Bill of Lading, or both and provide all freight documentation to the approved Lockheed Martin Aeronautics Broker or Forwarder upon entry into the United States.

Expeditors International of Washington Inc.
4260 Frontage Road
Atlanta, GA 30354
770-991-9333
770-991-9466 Fax

DSV Air & Sea Inc.
1300 Minters Chapel Road, Suite 100
Grapevine, TX 76051
Attn: Cortney Conaway, Cortney.conaway@us.dsv.com
Attn: Darius Cox, Darius.Cox@us.dsv.com
817-424-5111 ext 3507, 3504

(c) Shipments for Lockheed Martin Aeronautics Company – Palmdale, California

Consignee Section of the Carrier Air Way Bill, Bill of Lading and Commercial Invoice:

Lockheed Martin Aeronautics Company
1011 Lockheed Way
Building 601
Palmdale, California 93550

Forwarder, Agent, or Notify Party section of the Carrier Air Way Bill or Bill of Lading

Seller shall complete the carrier's instruction of the Air Way Bill or Bill of Lading, or both and provide all freight documentation to the approved Lockheed Martin Aeronautics Broker or Forwarder upon entry into the United States.

Expeditors International of Washington Inc.
506 East Dallas Rd., Suite 400
Grapevine, TX 76051
Attn: Laurie Boelens
817-305-4004 or 817-305-4000
dfw-lockheed@expeditors.com

4. ALTERNATE DELIVERY LOCATIONS

Shipments where Lockheed Martin is responsible for U.S. customs clearance as the importer of record shall be consigned to the appropriate Lockheed Martin site as indicated above. Merchandise to be delivered to alternate locations, such as third party warehouses or repair facilities, require additional delivery notations on the bill of lading and commercial invoice.

5. TRANSPORTATION SERVICE LEVELS

Lockheed Martin shipments are via Standard Service (3-5 days) unless otherwise indicated on the Seller's commercial invoice or by Lockheed Martin's Transportation Management System (TMS). Seller's commercial invoice shall conform to the Standard Services unless authorized otherwise by the Lockheed Martin. If urgent shipment is required, at Lockheed Martin direction, Seller shall identify on Seller's commercial invoice either Expedited Service (2-3 days) or Next Flight Out (NFO).

6. USE OF FOREIGN CHARTERS

Foreign Charters may be utilized in instances where the urgent delivery for oversized shipments by normal ocean transportation will not meet Lockheed Martin's schedule requirements. If required, Lockheed Martin Import Export Control and Supply Chain Management will coordinate all importation requirements as follows:

- a) Work with Customs Brokers to get Custom's paperwork processed prior to the arrival of the shipment.
- b) Notify Lockheed Martin Security & Emergency Services (SES) prior to the Foreign Charter shipment arriving into the US. SES will need to know all the personnel that will be travelling with the shipment and the nature of goods being transported, such as if classified.
- c) Notify Flight Line Operations of preparation for Foreign Charter. Flight Line Operation will control the parking of aircraft.
- d) Notify Transportation personnel prior to the Aircraft arriving.
- e) Notify US Department of Agriculture (USDA) where applicable.

7. INVOICE REQUIREMENTS

(a) Seller shall include a commercial invoice on all shipments. The commercial invoice shall be in English (or have an English translation) and shall be signed by the Seller or Seller's agent. The invoice shall be prepared in accordance with Sections 141.86 through 141.89 of Title 19 Code of Federal Regulations (CFR), the "Customs Regulations" governed by the U.S. Customs and Border Protection (CBP). The invoice shall contain the following information, in accordance with the Tariff Act of 1930:

1. Buyer and Seller as defined on contract. If Seller address code does not contain Lockheed Martin, then Seller shall include one of the following on the commercial invoice:
 - a) Lockheed Martin Aeronautics, C/O "address code information"
 - b) Importer of Record: Lockheed Martin Aeronautics (address)
2. The U.S. Port of Entry indicating the US port where the merchandise is destined (e.g. Los Angeles (LAX), Atlanta (ATL), Dallas/Fort Worth (DFW), etc.).
3. A detailed description of the merchandise, quantity and part numbers, and the net weight or measure contained in each individual package. The description of the merchandise should be at least as detailed as that shown on the contract. More detailed information about the material should be provided as available, such as the item description.
4. Total purchase price paid or payable. If the item is not purchased, the value of what the goods would be sold for in the ordinary course of trade.
5. All additional charges not included in the purchase price, (e.g. assists, freight, insurance, export charges, etc.).
6. Contract (purchase order) number and line item.
7. The Country of Origin of the merchandise.
8. If applicable, the DOD contract number for duty-free entry. See section 15 Military Duty Free Entry.
9. If applicable, reference seal numbers affixed to all loaded containers bound for the U.S.
10. If applicable, reference U.S. Department of State or Department of Commerce ITAR or EAR license numbers as set forth on the face of the purchase order.

11. If applicable, alternate delivery locations, such as third party warehouses or repair facilities, if different than Lockheed Martin facility addresses indicated.

An example of a commercial invoice for use can be found at:

http://csg.lmtas.com/docs/commercial_invoice.doc

8. DELIVERY VERIFICATION CERTIFICATES (DVC)

(a) If a Delivery Verification Certificate (DVC) is required, Seller shall complete the DVC with the following information and send the DVC with the other international shipping documents: exporter, importer, U.S. Dept. of Commerce International Import Certificate Number, description of goods, quantity, and value. The remainder of the DVC will be completed by Lockheed Martin's Freight Forwarder and Customs Broker. The Customs Broker will have this form stamped and signed by U.S. Customs when the Import Entry is presented to Customs. It will be sent back to the freight forwarder at origin for delivery to Seller, unless Seller provides a specific contact and address where these forms should be returned.

(b) Seller shall make a conspicuous notation on its commercial invoices to the freight forwarder that **"Delivery Verification Certificate is Required"**

The Delivery Verification Certificate can be found at:

<https://www.bis.doc.gov/index.php/forms-documents/licensing-forms/2-bis-647p-delivery-verification-certificate/file>

9. CERTIFICATE OF ORIGIN

Merchandise eligible for duty-free entry under a U.S. Free Trade Agreement shall include the appropriate documentation that certifies origin and free trade eligibility. Shipments from Canada and Mexico are the most common countries that will have eligible items.

1. Indicate duty-free entry on the shipping documents.
2. Certificate must be completed on a yearly basis for eligible items.

Examples of a certificate of origin can be found at:

North America Free Trade Agreement Certificate of Origin:

https://www.cbp.gov/sites/default/files/documents/CBP%20Form%20434_3.pdf

10. TEMPORARY EXPORTS

Any defense article temporarily exported on a DSP-73 temporary export license (e.g. tooling or items to be repaired) shall be returned to the U.S. prior to the license expiration date. At the time of import, the applicable license number and the original value as indicated at the time of export from the U.S. shall be clearly indicated on Seller's invoice in order to close out the license entry.

11. TEMPORARY IMPORTS

Any defense article that is to be temporarily imported and returned to the origin country requires a DSP-61 Temporary Import License or an appropriate ITAR exemption. At the time of import, the applicable license or exemption number shall be clearly indicated on Seller's invoice.

12. IN-TRANSIT MERCHANDISE

Any defense article that will transit the U.S. to a third country, other than the country from which the shipment originated, will require a DSP-61 In-Transit License. At the time of import, the applicable license number shall be clearly indicated on the Seller's invoice.

13. CIVIL AIRCRAFT ENTRY

For contracts where the intended use is on a "civil aircraft", Seller shall include a statement on the commercial invoice that reads:

"These articles are intended for use in civil aircraft, and are approved for such use by the Federal Aviation Administration or by the air-worthiness authority in the country of exportation."

14. REPAIRED MERCHANDISE

When Seller is returning merchandise after repair, the following information shall be included on the invoice:

1. Original value as indicated at the time of **export from the U.S.** This value can be found on the export documentation, such as the export invoice or export declaration.
2. Value of repairs performed. This shall be an accurate value of material and labor provided, or in the case of a non-warranty repair, the amount that will be billed to Lockheed Martin.
3. An indication as to whether the repairs were conducted as Warranty or Non-warranty.
4. DSP-73 license number as indicated on the U.S. Export documentation.

5. ITAR category or ECCN Number; if unknown contact the Lockheed Martin Procurement Representative or a representative from the Lockheed Martin International Trade Compliance group.
6. Seller shall provide a declaration, on the invoice or on a separate document, as set forth in Exhibit A of this Appendix IS, on articles returned for repair.

15. ARTICLES RETURNED WITHOUT IMPROVEMENT

1. Articles of any origin returned within three years of export from the United States may receive duty-free treatment, provided they have not been advanced in value or improved in condition. Unaltered U.S. articles may receive duty-free treatment regardless of when they were exported.
2. Seller shall provide a declaration, on the invoice or on a separate document, as set forth in Exhibit B of this Appendix IS, on articles returned in substantially the same form as they were received.

16. DEPARTMENT OF DEFENSE - DUTY FREE ENTRY

Lockheed Martin shall notify Seller in the event shipment is entitled to military duty-free entry.

Pursuant to 48 CFR 252.225-7013 all Seller documents, including bills of lading and air waybills, shall include the following on military duty free items:

1. U.S. Government prime contract number. Seller invoice should list the prime contract number for each item.
2. Contract (purchase order) number.
3. The following statement:

“UNITED STATES DEPARTMENT OF DEFENSE DUTY-FREE ENTRY TO BE CLAIMED PURSUANT TO SECTION XXII, CHAPTER 98, SUBCHAPTER VIII, ITEM 9808.00.30, TARIFF SCHEDULE OF THE UNITED STATES. UPON ARRIVAL OF SHIPMENT AT PORT OF ENTRY, DISTRICT DIRECTOR OF CUSTOMS, PLEASE RELEASE SHIPMENT UNDER 19 CFR 142 AND LOCKHEED MARTIN AERONAUTICS SHALL NOTIFY COMMANDER, DEFENSE CONTRACT MANAGEMENT AGENCY (DCMA), NEW YORK, ATTN: CUSTOMS TEAM, DCMAE-GNTE, 207 NEW YORK AVENUE, STATEN ISLAND, NEW YORK, 10305-5013, FOR EXECUTION OF CUSTOMS FORM 7501, 7501-A, OR 7506 AND ANY REQUIRED DUTY FREE ENTRY CERTIFICATES.”

17. ITEMS RETURNED WITH NO CHARGE

When Seller is furnishing merchandise at no charge, a value for Customs purposes must be shown on Seller's commercial invoices. The value declared must be an accurate representation of the actual value of the item. The invoice shall **not** include a declaration that the value is for Customs purposes only.

18. MANUFACTURING LICENSE AGREEMENT ANNUAL REPORT OF SALES OR OTHER TRANSACTIONS

(a) Seller shall provide a separate Annual Sales Report (ASR) to Lockheed Martin for each Manufacturing License Agreement (MLA) issued by the U.S. Department of State under the Contract. The ASR shall include sales or other transfers pursuant to the MLA of licensed articles, by quantity, type, U.S. dollar value, and purchaser or recipient.

(b) Seller shall submit the ASR to Lockheed Martin on or before February 28th of each year.

19. CLASSIFIED INFORMATION

All classified information and material furnished or generated under this contract shall be protected as follows:

(a) The recipient will not release the information or material to a third-country government, person, or firm without the prior approval of the releasing government.

(i) The recipient will afford the information and material a degree of protection equivalent to that afforded it by the releasing government; and

(ii) The recipient will not use the information and material for other than the purpose for which it was furnished without the prior written consent of the releasing government.

(b) Classified information and material furnished or generated under this contract shall be transferred through government channels or other channels specified in writing by the Governments of the United States and (insert applicable country) and only to persons who have an appropriate security clearance and an official need for access to the information in order to perform on the contract.

(c) Classified information and material furnished under this contract will be remarked by the recipient with its government's equivalent security classification markings.

(d) Classified information and material generated under this contract must be assigned a security classification as specified by the contract security classification specifications provided with this contract.

(e) All cases in which it is known or there is reason to believe that classified information or material furnished or generated under this contract has been lost or disclosed to unauthorized persons shall be reported promptly and fully by the contractor to its government's security authorities.

(f) Classified information and material furnished or generated pursuant to this contract shall not be further provided to another potential contractor or subcontractor unless:

(i) A potential contractor or subcontractor which is located in the United States or (insert applicable country) has been approved for access to classified information and material by U.S. or (insert applicable country) security authorities; or,

(ii) If located in a third country, prior written consent is obtained from the United States Government.

(g) Upon completion of the contract, all classified material furnished or generated pursuant to the contract will be returned to the U.S. contractor or be destroyed.

(h) The recipient contractor shall insert terms that substantially conform to the language of these provisions, including this one, in all subcontracts under this contract that involve access to classified information furnished or generated under this contract.

(i) SELLER shall include this clause or equivalent provisions in lower tier subcontract for Work performed under this Contract.

20. OFFSET CREDITS FOR CANADIAN C130J AIRLIFT CAPABILITY PROJECT - TACTICAL (ACP-T)

If this Contract has been entered into in direct support or partial fulfillment of Lockheed Martin's Canadian C-130 Airlift Capability Project (ACP-T) Industrial Regional Benefits (IRB) obligations, then Seller agrees to assist Lockheed Martin in securing appropriate IRB credits for Canadian industry.

EXHIBIT A – REPAIR MERCHANDISE DECLARATION

REPAIR MERCHANDISE DECLARATION

<p>I,-----, declare that the articles herein specified are the articles which, in the condition in which they were exported from the United States, were received by me (us) on -----, 20-----, from----- (name and address of owner or exporter in the United States); that they were received by me (us) for the sole purpose of being repaired or altered; that only the repairs or alterations described below were performed by me (us); that the full cost or (when no charge is made) value of such repairs or alterations are correctly stated below; and that no substitution whatever has been made to replace any of the articles originally received by me (us) from the owner or exporter thereof mentioned above.</p>			
		Full cost or (when no charge is made) value of processing (see subchapter II, Chapter 98 HTSUS)	Total value of articles after processing
Marks and numbers	Description of articles and of processing		
.....
.....
.....
.....
<p>_____ (Date)</p> <p>_____ (Address)</p> <p>_____ (Signature)</p> <p>_____ (Capacity)</p>			

EXHIBIT B – ARTICLES RETURNED WITHOUT IMPROVEMENT DECLARATION

ARTICLES RETURNED WITHOUT IMPROVEMENT DECLARATION

<p>I, -----, declare that, to the best of my knowledge and belief, the articles herein specified were exported from the United States, from the port of ----- on or about -----, 20-----, and that they are returned without having been advanced in value or improved in condition by any process of manufacture or other means.</p>				
Marks	Number	Quantity	Description	Value, in U.S. Dollars
.....
.....
.....
.....
<p>(Date) _____ (Signature) _____</p> <p>(Address) _____ (Capacity) _____</p>				