

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

C5 LRIP FA8625-07-C-6471

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Version 2

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. Add the following DFARS clauses:

252.211-7003, Item Identification and Valuation (JUN 2005). Applicable if this contract requires the Work to contain unique item identification. In (c)(3)(i), (c)(4)(i), (d), (e), and (f) "Contractor" shall mean "Seller"; all reports required to be submitted under this clause shall be submitted to Lockheed Martin at a location to be provided; delete paragraph (g) and insert the following in lieu thereof: (g) Lower-Tier Subcontracts. Seller shall include this clause, including this paragraph (g), in all lower tier subcontracts issued under this Subcontract for the acquisition of components identified herein as requiring UID.

252.211-7005, Substitutions for Military or Federal Specifications and Standards (NOV 2005)

252.211-7006, Radio Frequency Identification (FEB 2007). Applicable if Seller is direct shipping to the US Government.

252.225-7012, Preference for Certain Domestic Commodities (JAN 2007). Applicable if Seller is furnishing any of the items covered by the clause.

252.235-7003, Frequency Authorization (DEC 1991) with its ALT 1 (DEC 1991). Applies if this contract requires the development, production, construction testing or operation of a device for which a radio frequency authorization is required. "Contracting Officer" means "Lockheed Martin."

252.243-7002, Request for Equitable Adjustment (MAR 1988). Applies if this contract is in excess of \$100,000. "Government" means "Lockheed Martin."

252.244-7000, Subcontracts for Commercial Items and Commercial Components (JAN 2007).
Applicable only if subcontract is for commercial items.

2. Add the following Air Force Acquisition Regulation and Supplement Contract Clauses

5352.223-9000, Elimination of Use of Class 1 Ozone Depleting Substances (ODS) (APR 2003) Para (c) List of Class 1 ODS "Halon 1301" In paragraph (d), Contracting Officer" means "Lockheed Martin". The blank in paragraph (d) is completed with "None."

5352.223-9003, Enhanced Security of Products (May 2003). Clause is only applicable for subcontracts for prime contract item(s)1001. Security requirements are specified in prime contract SOW Para 3.1.12.

3. Add the Following Air Force Material Command Federal Acquisition Supplement Clauses:

AFMC FARS 5352.247-9005 SHIPPING CONTAINER MARKING (AFMC) (AUG 2002)

All shipping containers shall be marked meeting the following criteria:

- (a) MIL-STD-129 Current Edition, Standard Practice for Military Marking.
- (b) Bar code format shall conform to bar code symbology Format 3 of 9, Code 39 as specified in MIL STD-129, Current Edition).
- (c) Additional marking and/or bar coding requirements exceeding those of MIL-STD-129, Current Edition, e.g., unit serial numbers, original equipment manufacturer's (OEM) name, or OEM model number, as specified on the AFMC Form 158: None.

5352.247-9006 MARKING OF WARRANTED ITEMS (AFMC) (JUL 1997) The Contractor shall mark the items or otherwise furnish notice with the items to show the existence of the warranty; its substance and duration; and the name, address, and telephone number of the person to notify if the items are defective in accordance with FAR 46.706(b)(5), Warranty terms and conditions.

AFMC FARS 5352.247-9007 SPECIFICATION COMMERCIAL PACKAGING (AFMC) (JAN 2000) (a) Items shall be packaged in accordance with American Society for Testing and Materials (ASTM) Specification D395-98, Standard Practice for Commercial Packaging. Individual shipments exceeding 150 pounds, 108 inches in length, or 130 inches in girth plus length shall be packaged on skidded crates or palletized to allow handling by forklift.

(b) The exterior container shall be marked (readable from 24 inches): "ASTM D 3951 - NOT FOR OUTSIDE STORAGE."

AFMC FARS 5352.247-9008 CONTRACTOR COMMERCIAL PACKAGING (AFMC) (SEP 1998)

(a) Items shall be packaged in accordance with the Contractor's commercial best practice to ensure undamaged arrival at destination. Individual shipments exceeding 150 pounds, 108 inches in length, or 130 inches in girth plus length shall be packaged on skidded crates or palletized to allow handling by forklift.

(b) The exterior container shall be marked (readable from 24 inches): "NOT FOR OUTSIDE STORAGE."

AFMC FARS 5352.247-9011 PACKAGING AND MARKING OF HAZARDOUS MATERIAL (AFMC) (SEP 1998)

Hazardous materials shall be prepared for shipment in accordance with the following applicable regulations for the individual shipment hazard, ultimate destination, and mode of transportation:

- (a) Code of Federal Regulations (CFR) Title 29, Part 1910.1200;
- (b) Code of Federal Regulations (CFR) Title 49;
- (c) Air Force Joint Manual (AFJMAN) 24-204, Preparing Hazardous Materials for Military Air Shipment;
- (d) International Civil Aviation Organization (ICAO) Technical Instructions for the Safe Transport of Dangerous Goods by Air; and
- (e) International Maritime Dangerous Goods (IMDG) Code.

4. Add the Following H Clauses:

H102 ITEM UNIQUE IDENTIFICATION (UID) (DEC 2007)

The Government and Lockheed Martin will define a C-5 Modernization UID Plan that includes the C-5 Low Rate Initial Production (LRIP) program. The UID Plan will follow the guidelines as established by the current version of MIL-STD-130M and will be accomplished in accordance with DFARS 252.211-7003.

Seller shall Unique Item Identifier (UII) mark all parts identified in Supplier's Statement of Work consistent with the UID Plan, including amendments thereto.

H115 WARRANTY (JAN 2008)

In addition to the remedies identified in the applicable CORP DOCS made part of this contract, Lockheed Martin shall be entitled to an equitable adjustment in price if Lockheed Martin does not require repair, rework, or replacement of any non-conforming Work or does not require correction of any defective or non-conforming manuals, drawings, or data. Such equitable adjustment shall be limited to the reasonable cost of repair, rework, or replacement of such Work, manual, drawing, or data had it been performed by Seller, but in no case shall the equitable adjustment exceed the original cost of the non-conforming Work.

Seller agrees to pass through to Lockheed Martin and the Government any supplier warranties that extend beyond the warranty period established in the applicable CORP DOCS.

H124 DIMINISHING MANUFACTURING SOURCES (DMS) (DEC 2007)

For the purpose of this clause, DMS shall be defined as "those instances where the Seller has been notified that it will not be able to procure at some point during this contract period of performance, or cannot currently procure required parts, components, line replacement units (LRUs), and/or subsystems because (a) the source responsible for manufacture of these items intends to or has already phased them out of production and/or (b) the source responsible for the manufacture for required assets intends to or has gone out of business."

Seller shall continuously survey its prospective suppliers using the three-part DMS Checklist (provided to Seller by Lockheed Martin) and will notify Lockheed Martin of a potential DMS situation for Lots IV and beyond immediately upon discovery. Seller shall use the checklist information from prospective suppliers to provide Lockheed Martin with an early assessment of the solution alternatives, including Rough Order of Magnitude estimates.