



**LOCKHEED MARTIN CORPORATION**  
**PRIME SUPPLEMENTAL FLOWDOWN DOCUMENT (PSFD)**  
**ADDITIONAL TERMS AND CONDITIONS FOR SUBCONTRACTS/PURCHASE ORDERS**  
**UNDER**  
**JAPAN F-35 FINAL ASSEMBLY AND CHECK OUT (FACO) RFP YPEP24-050**

**For use with the latest version Lockheed Martin CorpDocs**

**3-July-2013**

**Revision 2**

For all subcontracts issued under the subject effort, incorporate the following terms and conditions, applicable as noted, in addition to those other terms and conditions (CorpDocs, etc.) to be used for subcontracts issued under the Prime Contract. In the event of a conflict between the version or date of a clause set out in this document and the version or date of a clause set out in the identified CorpDocs, the version or date of the clauses set out in this document shall take precedence.

**1. Add the following clause(s):**

**Insurance:**

- 1) This clause only applies if Seller is performing work inside the country of Japan.
- 2) Employers Liability and Workers Compensation Insurance – In respect of claims for personal injury to or the death of any employee of Seller arising out of and in the course of such person's employment, each Party must comply with all applicable legislation. If Employers Liability is not required by legislation, then limits of liability of U.S. \$1,000,000.00 per occurrence is required. This clause applies to the extent that physical work associated with the FACO Stand-Up on or about project site or caused by their physical movement about the project site is performed by Seller or Seller's subcontractors.



3) Policy Requirements. Seller agrees to secure respective insurance coverages referenced in this Clause from a reputable insurance company or companies authorized to do business in Japan.

- 3.1 Seller's obligation to maintain the insurance policies under this Clause shall not (i) release Seller from its obligations under any indemnity provisions set forth in this Contract, or (ii) be limited by reason of any insurance which may be maintained by the Seller.
- 3.2 Upon request, Seller shall deliver to the Lockheed Martin certificates of insurance evidencing the insurance coverages required under this Clause. All Certificates of insurance shall state that Seller and its insurers shall provide to Lockheed Martin 30 days notice of policy cancellation or material change to such policies of insurance.
- 3.3 All policies required to be maintained under this Clause shall be from reputable insurance companies licensed to provide insurance in Japan having the equivalent of an AM Best A-rating.
- 3.4 Seller shall maintain such insurance coverage until completion, or termination of this Contract

**Access to Facilities:**

In the event that a Party's employees, agents, or subcontractors (collectively the Entering Parties) enter the site(s) of the other parties or their subcontractors or customers for any reason in connection with this Contract, then the Entering Parties employees, agents, or subcontractors shall comply with all of the other parties' security, safety, rules of conduct, badging and personal identity, and related requirements while on the other parties premises. In addition, prior to entry of the other parties' premises, the Entering Parties shall gain approval of the other parties. The Entering Parties shall provide information reasonably required by the other parties to ensure proper identification of personnel, including but not limited to verification of citizenship, lawful permanent resident status, protected individual or other status. The other parties may, at their sole discretion, have the Entering Parties remove any specified employee(s) of the Entering Parties from the other parties' premises and direct that such employee(s) not be reassigned to any of the other parties' premises in performance of this Contract. The Entering Parties shall be responsible for all costs incurred which are not specifically reimbursable while on the site of the other parties.



## **2. Summary of Changes:**

**Revision 1:** Removed INCOTERM Delivery Duty Paid (DDP) terms. LOCKHEED MARTIN will accept SELLER's goods EX-Works at SELLER's facilities. LOCKHEED MARTIN will consolidate items from multiple suppliers and then ship to Japan through LOCKHEED MARTIN's freight forwarder.

**Revision 2:** Added Insurance Clause. Added Access to Facilities Clause.