A. INCORPORATION OF THE FEDERAL ACQUISITION REGULATION (FAR) AND THE DEPARTMENT OF DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT (DFARS)

The FAR and DFARS clauses referenced below are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable, including any notes following the clause citation, to this Contract. If the date or substance of any of the clauses listed below is different from the date or substance of the clause actually incorporated in the Prime Contract referenced by number herein, the date or substance of the clause incorporated by said Prime Contract shall apply instead. The Contracts Disputes Act shall have no application to this Contract, and nothing in this Contract grants SELLER a direct claim or cause of action against the U.S. Government. Any reference to a "Disputes" clause shall mean the "Disputes" clause of this Contract. SELLER shall include in each lower-tier subcontract the appropriate flow down clauses as required by the FAR and FAR Supplement clauses included in this Contract.

B. GOVERNMENT SUBCONTRACT

(a) This Contract is entered into by the parties in support of a U.S. Government contract.
(b) As used in the FAR and DFARS clauses referenced below and otherwise in this Contract:
1. "Commercial product" means any such product as defined in FAR 2.101.
2. "Commercial service" means any such service as defined in FAR 2.101.
3. "Commercially available off-the-shelf (COTS) item" means a COTS item as defined in FAR 2.101
4. "Contract" means this contract.
5. "Contracting Officer" shall mean the U.S. Government Contracting Officer for LOCKHEED MARTIN's government prime contract under which this Contract is entered.
6. "Contractor" and "Offeror" means the SELLER, which is the party identified on the face of the Contract with whom Lockheed Martin is contracting, acting as the immediate subcontractor to LOCKHEED MARTIN.
7. "Prime Contract" means the contract between LOCKHEED MARTIN and the U.S. Government or between LOCKHEED MARTIN and its higher-tier contractor who has a contract with the U.S. Government.
8. "Subcontract" means any contract placed by SELLER or lower-tier subcontractors under this Contract.

C. INDEMNITY

SELLER shall indemnify and hold LOCKHEED MARTIN harmless from and against any cost, price reduction, withholding, offset, penalty, interest, claim, demand, determination of unallowability, unallocability or unreasonableness, or any other civil, criminal, or administrative liability, whether arising under statute, regulation, contract or common law, and shall reimburse LOCKHEED MARTIN for all of its damages and associated costs, including reasonable attorney fees and other expenses, if said liability is attributable to the SELLER or SELLER's suppliers' failure to comply with these U.S. Government Provisions and Clauses.

D. AMENDMENTS REQUIRED BY PRIME CONTRACT – RESERVED

E. PROVISIONS OF FAR/DFARS INCORPORATED BY REFERENCE

The FAR/DFARS clauses listed herein are applicable to this Contract if required under the pertinent law or regulation. If the applicability condition(s) in the relevant law or regulation is(are) not met, or LOCKHEED MARTIN does not require information or data from SELLER to satisfy its obligations, the

clause is not applicable to this Contract. The applicability statements, statutory references, and regulatory references set forth in the parentheticals, if any, after each clause below are for convenience only.

Type	Clause No.	Title	Date	Modifications
FAR	52.209-3 ALT II	Alternate II - First Article Approval-Contractor Testing.	Sep-89	
FAR	52.212-4 ALT I	Alternate I -- Contract Terms and Conditions -- Commercial Items.	Jan-17	
FAR	52.219-9 (Deviation)	(DEVIATION 2013-O0014) Small Business Subcontracting Plan	Oct-15	
FAR	52.232-16	Progress Payments.	Nov-21	"Contracting Officer" means "Lockheed Martin" except in paragraph (g) where it means "Lockheed Martin or Contracting Officer." "Government" means "Lockheed Martin" except: (1) inparagraphs (d), (e) and (j)(5) where the term is unchanged and (2) in paragraphs (g) and(i) where it means "Lockheed Martin and the Government."
FAR	52.232-17	Interest.	May-14	"Government" means "LockheedMartin."
FAR	52.232-30	Installment Payments for Commercial Items.	Jan-17	"Contracting Officer" and "Government" means "Lockheed Martin."
FAR	52.232-32	Performance-Based Payments.	Apr-12	"Contracting Officer" and"Government" means "Lockheed Martin" except with respect to title for property where the references to the Government shall be unchanged. Subparagraph (c)(2) is deleted.
FAR	52.232-39	Unenforceability of Unauthorized Obligations.	June-13	
FAR	52.245-9	Use and Charges.	Apr-12	Communications with the Government under this clause will be made through Lockheed Martin.
FAR	52.246-11	Higher-Level Contract Quality Requirement.	Dec-14	
DFARS	252.211-7007	Reporting of Government-Furnished Property.	Aug-12	
DFARS	252.211-7008	Use of Government-Assigned Serial Numbers	Sep-10	
DFARS	252.219-7004	Small Business Subcontracting Plan (Test Program).	Apr-18	
DFARS	252.225-7015	Restriction on Acquisition of Hand or Measuring Tools.	Jun-05	
DFARS	252.225-7025	Restriction on Acquisition of Forgings.	Dec-09	

DFARS	252.234-7004	Cost and Software Data Reporting System.	Nov-14	
DFARS	252.237-7010	Prohibition on Interrogation of Detainees by Contractor Personnel.	Jun-13	
DFARS	252.239-7016	Telecommunications Security Equipment, Devices, Techniques, and Services.	Dec-91	
DFARS	252.243-7002	Requests for Equitable Adjustment.	Dec-12	
DFARS	252.244-7001 ALT I	Alternate I - Contractor Purchasing System Administration.	May-14	
DFARS	252.245-7001	Tagging, Labeling, and Marking of Government-Furnished Property.	Apr-12	
DFARS	252.245-7004	Reporting, Reutilization, and Disposal.	Dec-17	
DFARS	252.246-7001 ALT II	Alternate II - Warranty of Data.	Mar-14	
NAVY	5252.227-9113	GOVERNMENT-INDUSTRY DATA EXCHANGE PROGRAM	Apr-15	

F. GOVERNMENT CONTRACT CLAUSES INCORPORATED BY FULL-TEXT

C-209-H001 FIRST ARTICLE (CONTRACTOR TESTING) (NAVSEA) (OCT 2018)

(a) The First Article shall conform in every respect to the requirements of this contract. The First Article shall be manufactured with tools, materials, and methods which are the same as the tools, material and methods which will be used to manufacture the production units. All items delivered under the contract shall be manufactured under the same conditions and quality established by the First Article. Any changes to tools, material, or methods after the first article approval shall be documented by the contractor and approved by the Contracting Officer before they are used.

(b) The Contractor shall make a record of all data obtained during such tests in a form similar to the guidance provided in MIL-HDBK-831A.

C-223-H003 EXCLUSION OF MERCURY (NAVSEA) (MAR 2019)

(a) Definitions. As used in this text:

Article means a manufactured item other than a fluid or particle: (i) which is formed to a specific shape or design during manufacture; (ii) which has end use function(s) dependent in whole or in part upon its shape or design during end use; and (iii) which under normal conditions of use does not release more than very small quantities, e.g., minute or trace amounts of a hazardous chemical, and does not pose a physical hazard or health risk to employees.

Boundary of containment means a continuous tight seal (barrier) to prevent the release of functional mercury during normal operation and maintenance. Examples include the exterior of a fluorescent lamp, glass capsule of a mercury switch, and container for mercury reagents. A double boundary of containment consists of two independent seals.

Functional mercury means mercury or mercury compound(s) contained in equipment that is

required for the equipment to operate properly, such as that found in mercury switches, fluorescent lamps, flat-panel monitors, thermostats, thermostat probes, small coin type batteries, barometers, and dental amalgams.

Hardware means any article, container, piece of material, individual part, subassembly, assembly, component, or system to which mercury control requirements apply.

Mercury-free means hardware that does not contain functional mercury and is not contaminated by mercury or mercury compounds.

Portable means items that are frequently transported during normal operation. Desk lamps, shop lights, and hand-held instruments are considered portable, while bulbs in stationary light fixtures are not. In general, items that require transport only during maintenance, installation, and removal of the items are not considered portable.

(b) The Contractor, and all subcontractors and vendors, shall ensure that mercury or mercury containing compounds are not intentionally added to, or come in direct contact with, hardware or supplies furnished under this contract.

(1) The Contractor shall ensure that mercury and mercury compounds are not taken onboard naval vessels by Contractor, subcontractor, or vendor personnel except for functional mercury used in batteries, dental amalgams, fluorescent lamps, flat-panel monitors, required instruments, sensors or controls, weapon systems, and chemical analysis reagents specified by the Naval Sea Systems Command (NAVSEA).

(2) Portable fluorescent lamps and portable instruments containing elemental mercury must be shock-proof in accordance with MIL-DTL-901E entitled Requirements for Shock Tests, H.I. (High Impact) Shipboard

Machinery, Equipment, and Systems and have mercury enclosed by a double boundary of containment. Some devices with liquid crystal display (LCD) screens utilize a fluorescent bulb backlight to illuminate the LCD screen. No additional restrictions or controls apply to devices with LCD screens; however, the Contractor shall remove the LCD screen and seal it in plastic following any evidence that the backlight failed.

(3) For Submarines, any use of mercury containing items must be approved as required by the Nuclear Powered Submarine Atmosphere Control Manual (S9510-AB-ATM-010/U) Volume 1.

(4) The Contractor shall ensure that mercury and mercury compounds do not contact hardware surfaces in systems covered by NAVSEA Manual NAVSEA 0989-064-3000 entitled Cleanliness Requirements for Nuclear Propulsion Plant Maintenance and Construction, submarine air systems, level I systems per NAVSEA Publication 0948-LP-045-7010, NAVSEA Material Control Standard, or the submarine safety program (SUBSAFE) surfaces during maintenance or repair. Such hardware is designated as mercury-free. The Contractor shall ensure that all other hardware that could be structurally degraded by contamination with elemental mercury or reactive mercury compounds is separated from it by sufficient distance, or boundaries of containment that effectively prevents contact in all but the most extreme circumstances.

(5) The Contractor shall check any hardware surfaces in the above systems which are known or suspected

to have come in contact with mercury or mercury compounds for evidence of structural degradation and external mercury contamination. The existence of external mercury contamination can be determined following MIL-STD-2041D entitled Control of Detrimental Materials.

(6) The presence of mercury in a product may be determined by checking product labeling on material safety data sheets or safety data sheets. Chemical analysis is not required.

(7) The Contractor shall dispose of any mercury and mercury compounds in accordance with OPNAV Manual (OPNAV M-5090.1) entitled Environmental Readiness Program Manual of 10 January 2014.

(8) If the use of mercury or mercury compounds cannot be avoided, a risk assessment and waiver request, if required, must be performed and submitted per the NAVSEA Hazardous Material Avoidance Process (T9070-ALDPC-020/077-2). For systems covered by the NAVSEA Manual NAVSEA 0989-064-3000 entitled Cleanliness Requirements for Nuclear Propulsion Plant Maintenance and Construction, submit the risk assessment and waiver request, if required to Nuclear Propulsion (NAVSEA 08).

(c) In all cases where mercury or a mercury compound has contacted hardware surfaces required to be mercury-free the Contractor shall immediately provide a report to the NAVSEA Dry Environmental Systems and Hazardous Materials (NAVSEA 05P5) via the cognizant contract administration safety office. Reports concerning systems covered by NAVSEA Manual 0989-064-3000 must include NAVSEA Nuclear Propulsion Directorate (SEA 08) in the distribution. Reports must be in letter form and include the date and details of the contact, the surfaces contacted, the recovery actions taken, and the status of the affected surfaces.

C-227-H010 COMPUTER SOFTWARE AND COMPUTER DATA BASES DELIVERED TO OR RECEIVED

FROM THE GOVERNMENT (NAVSEA) (JAN 2019)

(a) The Contractor agrees to test for viruses, malware, Trojan Horses, and other security threats such as those listed in NIST Special Publication 800-12 Rev 1, An Introduction to Computer Security, The NIST Handbook, Chapter 4, in all computer software and computer data bases (as defined in the clause entitled “Rights In Noncommercial Computer Software and Noncommercial Computer Software Documentation” (DFARS 252.227-7014)), before delivery of that computer software or computer data base in whatever media and on whatever system the computer software or data base is delivered whether delivered separately or imbedded within delivered equipment. The Contractor warrants that when delivered any such computer software and computer data base shall be free of viruses, malware, Trojan Horses, and other security threats such as those listed in NIST Special Publication 800-12 Rev 1.

(b) The Contractor agrees that prior to use under this contract, it shall test any computer software and computer data base received from the Government for viruses, malware, Trojan Horses, and other security threats listed in NIST Special Publication 800-12 Rev 1, An Introduction to Computer Security, The NIST Handbook, Chapter 4.

(c) Any license agreement governing the use of any computer software or computer software documentation delivered to the Government as a result of this contract must be paid-up, irrevocable, world-wide, royalty-free, perpetual and flexible (user licenses transferable among Government employees and personnel under Government contract).

(d) The Contractor shall not include or permit to be included any routine to enable the contractor or its subcontractor(s) or vendor(s) to disable the computer software or computer data base after delivery to the Government.

(e) No copy protection devices or systems shall be used in any computer software or computer data base delivered under this contract with unlimited or Government purpose rights (as defined in DFARS 252.227-7013 and 252.227-7014) to restrict or limit the Government from making copies.

(f) It is agreed that, to the extent that any technical or other data is computer software by virtue of its delivery in digital form, the Government shall be licensed to use that digital-form data with exactly the same rights and limitations as if the data had been delivered as hard copy.

(g) Any limited rights legends or other allowed legends placed by a Contractor on technical data or other data delivered in digital form shall be digitally included on the same media as the digital-form data and must be associated with the corresponding digital-form technical data to which the legend(s) apply to the extent possible. Such legends shall also be placed in human-readable form on a visible surface of the media carrying the digital-form data as delivered, to the extent possible.

C-243-H003 CONFIGURATION MANAGEMENT (NAVSEA) (JAN 2019) (MODIFIED)

(a) Baseline Definition For configuration control purposes, all contractual documentation in effect at the time of contract award shall constitute the Contract Baseline which shall be considered incorporated in the baseline documentation.

(b) General Requirement

The Contractor shall maintain a Configuration Control Program to assure that all detail level work being performed under this contract is in compliance with appropriate baseline documentation. The Contractor shall prepare a Supplier’s Configuration Management Plan IAW the requirements of the contract for approval by the Government (see Contract Data Requirements List (CDRL) A005).

(c) Engineering Change Proposals (ECPs) - ECPs shall be prepared in accordance with the approved configuration management plan and the requirements of the contract. DI-SESS-80639D approved 7 April 2015, EIA-649-1 of Nov 2014 and MIL-HDBK-61A of 7 Feb 2001 apply. An ECP shall be submitted whenever the detail level physical configuration, material quality, operational or functional performance of equipment or installed systems will not be in compliance with baseline design related documents (Specifications, Contract Drawings, etc.), and a change to the baseline document is considered an appropriate means of resolving a design related issue. The contractor shall develop documentation in sufficient detail to enable Government review and evaluation of the merits of the proposed change, including cost and scheduling impact, ship class impact if applicable, and consequences if disapproved. List all existing drawings and technical manuals impacted by the change, including a brief narrative explanation of needed changes to incorporate the ECP if approved. Provide weight and moment data incidental to the change, if applicable. The Contractor shall also prepare applicable baseline document insert sheets, with specific word changes or proposed re write, to facilitate baseline documentation changes. (1) A Class I ECP is defined as a change to approved configuration documentation for which the government is the Current Document Change Authority or that has been included in this contract and:

(i) affects any physical or functional requirement in approved functional or allocated configuration documentation,

(ii) affects any approved functional, allocated or product configuration documentation, and cost, warranties or contract milestones, or

(iii) affects approved product configuration documentation.

(2) A Class II ECP is defined as a change to approved configuration documentation for which the government is the Current Document Change Authority or that has been included in this contract, and which is not a Class I.

(3) The Current Document Change Authority is the authority currently responsible for the content of a drawing, specification, or other document; and which is the sole authority for approval of changes to that document.

(4) A Notice of Revision (NOR) is a document used to define revisions to configuration documentation which require revision after ECP approval.

(5) Potential Class I ECPs shall be reported as part of QPR report, record of meeting minutes IAW CDRL A006. Class II ECPs shall be submitted in accordance with CDRL A030. NORs shall be submitted in accordance CDRL A031.

(6) All Class II ECPs shall be incorporated at no additional cost to the Government.

(7) The Contractor shall not implement any Class II ECP until after receipt of written approval of the Contracting Officer's Representative,

(8) NORs shall be submitted concurrently with the Class II ECP to which they apply.

(d) Deviations and Waivers In the event that a baseline design related document requirement cannot be met, and a change to the baseline document is considered inappropriate, the Contractor shall submit a Request for Variance. DI-SESS-80640D, SAE EIA-649-1, and MIL-HDBK-61A apply. The explanation of need should provide detailed justification and consequences of approval, to include technical details explaining the degree of non-compliance or effect on ship equipment or system operation constraints. In a similar manner, a waiver shall document an "as built" configuration that departs from baseline documentation and should include any proposed corrections or modifications to better meet the intent of the baseline document.

C-244-H002 SUBCONTRACTORS/CONSULTANTS (NAVSEA) (OCT 2018)

Notwithstanding FAR 52.244-2(d) and in addition to the information required by FAR 52.244-2(e) of the contract, the contractor shall include the following information in requests to add subcontractors or consultants during performance, regardless of subcontract type or pricing arrangement:

(1) Impact on subcontracting goals,

(2) Impact on providing support at the contracted value,

(3) IF SEAPORT TASK ORDER - The results of negotiations to incorporate fee rate caps no higher than the lower of

(i) SeaPort-e fee rate caps for the prime contractor, or in the case where the proposed subcontractor is also a SeaPort-eprime, (ii) fee rate caps that are no higher than the subcontractor's prime SeaPort-e contract.

D-211-H001 PACKAGING OF DATA (NAVSEA) (OCT 2018)

Data to be delivered by Integrated Digital Environment (IDE) or other electronic media shall be as specified in the contract.

All unclassified data to be shipped shall be prepared for shipment in accordance with best commercial practice.

Classified reports, data, and documentation shall be prepared for shipment in accordance with National Industrial Security Program Operating Manual (NISPOM), DOD 5220.22-M dated 28 February 2006 incorporating Change 2 dated 18 May 2016.

D-247-H002 PACKAGING OF SUPPLIES—BASIC (NAVSEA) (OCT 2018)

Item(s) 0001, 0031, 0061, 0091, 0101, 0161, 0191, 0201, 0261, 0291, 0301, 0361, 0391, 0401, 0461, 0491, 9600, 9601, 9700, 9701, 9702, 9800, 9801 The supplies furnished hereunder shall be packaged in accordance with ASTM-D-3951-15 approved 1 December 2015, Standard Practice for Commercial Packing.

E-246-H021 COST DATA FOR QUALITY MANAGEMENT SYSTEM (NAVSEA) (JAN 2019)

The contractor shall maintain and use cost data as a management element of the Quality Management System. The specific cost data to be maintained and used will be determined by the contractor. The data shall, on request, be identified and made available for on-site review by the Contracting Officer or designated Government representative.

H-246-H001 CALIBRATION SYSTEM REQUIREMENTS (NAVSEA) (DEC 2018)

(a) Definitions:

(1) Test, Measurement, and Diagnostic Equipment (TMDE). Includes all devices used to measure, calibrate, gage, test, inspect, diagnose, or otherwise examine materials, supplies, and equipment to quantitatively or qualitatively determine compliance with specifications and tolerances, engineering drawings, technical orders, technical manuals, or use requirements and instructions.

(2) Calibration Standard. A measuring instrument or artifact used as a reference to establish and maintain the accuracy of other measuring instruments or artifacts. Calibration standards may be used to calibrate other standards of lesser accuracy or to calibrate test and measurement equipment directly. (3) Calibration. The comparison of a measurement system or device of unverified accuracy with a

measurement system of known and greater accuracy to detect deviation of the unverified measurement system from required performance specifications (of the unverified measurement system or device) and to quantify all measured values to applicable units of the international system of units.

(4) Calibration Service Providers. Commercial calibration activities and other government agencies that provide calibration services to the Navy and Marine Corps as a major line of business.

(5) Commercial Service Providers. Suppliers of Navy test, measurement, and diagnostic equipment, including original equipment manufacturers, who may calibrate their own products but are not engaged in calibration as a major line of business, and other commercial laboratories that provide low volume, model specific, or unique parameter calibration services.

(6) Measurement Traceability. The property of a measurement result that can be related to a national or international measurement standard through a documented, unbroken chain of calibrations, each with a stated measurement uncertainty. Individual measurement results must be traced through an unbroken chain of calibrations to accepted references, such as: U.S. national standards such as, the U.S. Naval Observatory, ratio and consensus standards, natural physical constants, or the national standards of other countries correlated with U.S. national standards as held or directed by National Institute of Standards and Technology and Department of Defense (DoD) approved sources.

(7) The End of Period Measurement Reliability. The probability that all the applicable measurement quantities

of a test, measurement, and diagnostic equipment are within tolerance at the end of the calibration interval assigned to the given test, measurement, and diagnostic equipment.

(8) Calibration Interval. The periodicity between calibrations that is assigned to achieve Navy end of period measurement reliability objectives for test, measurement, and diagnostic equipment.

(9) The Probability of False Acceptance. The probability that a test used to verify that a measurement quantity is within specified tolerances results in an incorrect acceptance decision.

(10) The Probability of False Rejection. The probability that a test used to verify that a measurement quantity is within specified tolerances results in an incorrect rejection decision.

(11) The Test Uncertainty Ratio (TUR). The ratio of the difference between the upper and lower tolerance limits for a measurement quantity subject to calibration, to the difference between the upper and lower 95 percent uncertainty limits for the measurement process used for calibration.

(b) Test, measurement, and diagnostic equipment and automatic test systems are used to monitor and test systems, equipment, devices, and the environmental conditions under which these systems and personnel operate. The accuracy of Navy and Contractor test, measurement, and diagnostic equipment and automatic test systems used for quantitative and qualitative measurements are ensured through measurement traceability. The Contractor is required to ensure that all test, measurement and diagnostic equipment used for quantitative or qualitative measurements is maintained and calibrated in accordance with U.S. national standards ANSI/NCSL Z540.3 Requirements for the Calibration of Measuring and Test Equipment, dated 3 Aug 2006 or ISO/IEC 17025 General Requirements for the Competence of Testing and

Calibration Laboratories (2nd Edition), dated 15 May 2005 or the national standards of other countries correlated with U.S. national standards held by the National Institute of Standards and Technology and designated as an approved source by the Department of the Navy METCAL Executive Agent.

(c) Calibration certification to Navy standard NAVSEA 04-4734B, Navy and Marine Crops Calibration Laboratory Audit/Certification Manual, 1 Dec 2006, is acceptable in place of ANSI/NCSL Z540.3 and ISO/IEC 17025 accreditations. ANSI/NCSL Z540.3 and ISO/IEC 17025 accreditations must be performed by an U.S. headquartered accreditation body that is a signatory of the Navy Calibration Cooperative Agreement. Calibration accreditation must include the parameters required to execute the calibration at appropriate ranges and tolerances. A calibration certificate meeting the requirements of ISO/IEC 17025, ANSI/NCSL Z540.3, or NAVSEA 04-4734B must be provided with the returned calibrated unit. The calibration certificate must be evaluated to confirm that the calibration was performed within the laboratory's accreditation scope or to confirm NAVSEA certification. Calibration intervals that deviate from NAVSEA OD 45845, Metrology Requirements List (METRL), shall reflect TMDE end of period reliability greater than 72%. TMDE reliability data shall be provided upon request. TURs shall be greater than 4:1 or ensure a probability of false acceptance of 2% or less and a probability of false rejections of 15% or less. Calibration procedures and methods used by the contractor shall be provided to the Government upon request.

(d) All calibrations supporting this contract shall meet the requirements of OPNAVINST 3960.16. If the Contractor subcontracts or outsources the initial or reoccurring calibration of test, measurement, and diagnostic equipment, the respective calibration laboratory must also meet the requirements of paragraphs (b) and (c).

(e) Calibration service providers and commercial service providers, and all of their employees, who supply or calibrate Navy test, measurement, and diagnostic equipment, shall be certified or accredited to the requirements of the NAVSEA manual or the ISO or ANSI specifications cited in paragraphs (b) and (c).