

**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. RESERVED**

**E. RESERVED**

**F. SUBCONTRACT CLAUSES INCORPORATED BY FULL-TEXT**

JOINT DIRECT ATTACK MUNITION (JDAM) LOT 28 EFFORT, Contract Number 2664674, Rev 00  
02/12/2025

Type	Clause No.	Title	Date	Modifications
SECTION Q	Q011S	SUPPLEMENTAL QUALITY REQUIREMENTS	9-27-23	
SECTION Q	Q132	COUNTERFEIT PARTS DETECTION AND AVOIDANCE SYSTEM	5-23-23	
SECTION Q	Q227	RETENTION OF RECORDS	10/04/2024	
SECTION Q	Q300	CORRECTIVE ACTION	10/30/2009	
SECTION Q	Q320	SELLERS NOTIFICATION OF ESCAPEMENT	2/13/23	Only Paragraph 1 applies. Replace "within Buyer's Supplier Quality supplier data system ("NoE Submittal")." with "via email".

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Effective: 09/27/2023  
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### SUPPLEMENTAL QUALITY REQUIREMENTS

#### 1. Change in Quality Management Representative

Seller shall promptly notify Buyer's Authorized Procurement Representative and Supplier Quality Representative of intended or actual changes in the management representative with assigned responsibility and authority for its quality management system.

#### 2. Change in Quality Management System

Seller shall promptly notify Buyer's Authorized Procurement Representative and Supplier Quality Representative in writing of intended or actual major change to its quality management system that may affect the conformity of its goods or services. Each change to Seller's quality management system is subject to review by Buyer.

Seller shall include, as part of the written notification of change to its quality management system, a list of changed procedures identified by revision level, a description of the intent of the changes and a signed statement that compliance with Buyer's quality system approval has not been diminished.

#### 3. Change in Manufacturing Line, Facility Location, Technology or Process

Seller shall promptly notify Buyer's Authorized Procurement Representative in writing of intended or actual change to the manufacturing processes and/or technology that may affect the quality of delivered goods and services. This includes changes to Seller's and Seller's subcontractors manufacturing facility location for the contracted goods or services, equipment, technology, or processes for which the product was qualified.

Seller shall promptly notify Buyer's Authorized Procurement Representative in writing of change to its quality control process that may affect the inspection verification of conformity or airworthiness. Notification shall document effect of change to inspection with respect to fit, form, reliability, function, conformity, airworthiness of the Seller's goods or services. Each change to Seller's quality control system is subject to review by Buyer.

#### 4. Natural Disaster Occurrence

Seller shall promptly notify Buyer's Authorized Procurement Representative of any occurrence of natural disaster that diminishes Seller's ability to deliver conforming goods or services.

#### 5. English Language

When specifically requested by Buyer, Seller shall make specified quality data and/or approved design data available in the English language.

Seller shall maintain an English language translation of (1) its quality manual, (2) the operating instructions that implement the quality manual requirements, and (3) an index of Seller's procedures that contain quality requirements. Buyer may require additional

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documentation to be translated, including but not limited to: shop orders, technical specifications, certificates, reports, and nonconformance documents.

### 6. Seller's Subcontractors

Seller shall impose all the aforementioned requirements on Seller's Subcontractors.

### 7. Seller's Change Notification Process

Seller shall document a process for notifying Buyer of intended or actual changes described in the aforementioned requirements.

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### COUNTERFEIT PARTS DETECTION AND AVOIDANCE SYSTEM REQUIREMENTS

Seller shall not furnish Counterfeit Parts, which are defined as unauthorized copies, imitation, substitute or modified parts (e.g. materials, parts, components, subassemblies) which are misrepresented as a specified genuine part(s) of an original or authorized manufacturer. Counterfeit Parts can include, but are not limited to, the false identification of marking or labeling, grade, serial number, lot number, date code, documentation or performance characteristics, including used parts represented as new. Counterfeit and Suspect Counterfeit Parts shall be deemed nonconforming to this Contract. A Suspect Counterfeit Part is a part for which there is objective and credible evidence indicating that it is likely counterfeit.

Seller shall plan, implement and control processes appropriate to the organization and the products for the prevention of Counterfeit or Suspect Counterfeit Part use and their inclusion in Goods. Seller's Counterfeit Parts prevention processes shall address the following:

- (i) Training of appropriate persons in the awareness and prevention of Counterfeit Parts;
- (ii) Application of a parts obsolescence monitoring program;
- (iii) Controls for acquiring externally provided product from original or authorized manufacturers, authorized distributors, or other approved sources;
- (iv) Requirements for assuring traceability of parts and components to their original or authorized.
- (v) Verification and test methodologies to detect counterfeit parts;
- (vi) Monitoring of counterfeit parts reporting from external sources;
- (vii) Quarantine and reporting of suspect or detected counterfeit parts, including preventing reentry into the supply chain.

If Seller provides Electronic, Electrical or Electromechanical (EEE) parts or assemblies containing EEE parts, Seller shall implement a counterfeit electronic parts detection and avoidance system compliant with the requirements of SAE standard AS5553 (revision as of the effective date of this Contract).

If Seller becomes aware or suspects that it has furnished Counterfeit or Suspect Counterfeit Parts to Buyer, Seller promptly, but in no case later than thirty (30) days from discovery, shall notify Buyer and replace, at Seller's expense, such Counterfeit Parts or Suspect Counterfeit Parts with Goods that conform to the requirements of this Contract. For confirmed Counterfeit Parts or Suspect Counterfeit Parts, GIDEP notification shall also be made no later than sixty (60) days after discovery. Seller shall be liable for all costs related to the delivery or replacement of Counterfeit Parts or Suspect Counterfeit Parts including any testing or validation costs necessitated by the installation of Goods in replacement of Counterfeit Parts or Suspect Counterfeit Parts.

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Seller bears responsibility for procuring authentic parts or items from its subcontractors and shall ensure that all such subcontractors comply with the requirements of this Article. Seller shall include the substance of this Article, including this flowdown requirement, in all subcontracts awarded by Seller for work under this Contract.

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### RETENTION OF RECORDS

Seller and Seller's Subcontractors shall maintain records, documented information, that demonstrate conformance to requirements, and shall make such records available on a timely basis to Buyer, Buyer's Customers or Regulatory Agencies, upon request.

Records shall remain legible, readily available, and retrievable for a Period of 10 years after the final payment of that line item unless extended record retention requirements are specified elsewhere in this contract or attachments (e.g. Flight Safety / Critical Item drawings, specifications, Customer Contract requirements). Buyer may request delivery of such records at no additional cost.

Seller's records being destroyed shall be rendered unreadable and unusable.

**IDS Terms and Conditions Guide**  
**Section Q**

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**Effective: 10/30/2009**  
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**CORRECTIVE ACTION**

Seller shall, on request, on forms designated by Buyer, provide statements of corrective action on nonconformities or failures of Seller's goods or services. Corrective action statements, at Buyer's option, may require approval signature by Buyer and customer quality representatives. All rejected articles resubmitted by Seller to Buyer shall bear adequate identification, including reference to Buyer's rejection document.

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### SELLER'S NOTIFICATION OF ESCAPEMENT (NOE)

When Seller determines a nonconformance exists or is suspected to exist on Goods and/or Services already provided to Buyer under Contract, Seller shall within three (3) business days of such determination provide notice within Buyer's Supplier Quality supplier data system ("NoE Submittal").

If multiple programs are impacted, one NoE Submittal per program is required to be submitted. For NoE Submittals that are returned / rejected back to the Seller, the Seller shall resubmit updated information within three (3) business days.

If the nonconformance affects safety of flight or is mission critical; Seller shall immediately provide the NoE Submittal and all required information within Buyer's Supplier Quality supplier data system.

For more information on NoE Submittals, Seller can access the NoE Module User Guide by following these directions:

- Access the Boeing Supplier Portal
- Under the "Categories" header at the bottom of the page, click "Quality"
- On the right-hand side of the screen, near the computer icon, click on the "SQIS Supplier Website" link
- From the SQIS Supplier Website, click on the "Notice of Escapement (NoE)" tab
- From the NoE tab, click "User Guide"

Note: Buyer will notify Seller if there are program restrictions that would prevent the use of the above instructions. In this case, if there is a need to issue a NoE, the Seller shall promptly notify the Buyer's Authorized Procurement Representative for program direction.