

LOCKHEED MARTIN CORPORATION

PRIME SUPPLEMENTAL FLOWDOWN DOCUMENT (PSFD)

**ADDITIONAL TERMS AND CONDITIONS FOR SUBCONTRACTS/PURCHASE ORDERS
UNDER**

**ITALIAN FINAL ASSEMBLY AND CHECK OUT
CAPABILITY STAND-UP CONTRACT**

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For all subcontracts issued under the Italian Final Assembly and Check Out Capability Stand-Up Contract (the Prime Contract), the following supplemental terms and conditions are incorporated in addition to **Lockheed Martin Corporation's CorpDoc 1, General Provisions Commercial Subcontracts/Purchase Orders**.

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. Article 2, Applicable Laws. Add the following new paragraphs (d) and (e):

(d) Work delivered by SELLER under this Contract may be incorporated into deliverable goods for use in the Italian Republic. SELLER warrants to LOCKHEED MARTIN that, at no increase in contract price, SELLER's products conform to applicable European Union and Italian laws, regulations, statutes and directives governing imported products, including, but not limited to, Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and, as applicable, Regulations or Directives regarding health, safety and welfare such as Conformance European (CE) compliance. SELLER agrees that LOCKHEED MARTIN may disclose SELLER's product chemical composition and other relevant information to its registered agents and government or regulatory authorities for purposes of compliance with these laws.

(e) For any Work to be performed in the Italian Republic, including fabrication and/or installation services, SELLER will conform to applicable European Union, Italian and regional laws, regulations, statutes and directives governing the scope of work for labor and professional services, including, but not limited to, professional certifications, taxes, social security, health and safety regulations, and personal protective equipment use.

2. Article 4, Changes. In paragraph (c), delete "thirty (30) days" and replace with "twenty

(20) days.”

3. Article 17. Information of SELLER. Add the following as new paragraph (b):

(b) SELLER grants to LOCKHEED MARTIN the right to submit to the Customer such information required by Italian law.

4. Article 18, Inspection and Acceptance.

4.1 In paragraph (d), delete “without disclosing the corrective action taken” and replace with “without the prior written consent of LOCKHEED MARTIN.”

4.2 Add the following new paragraph (e):

(e) For any Work to be performed in the Italian Republic, including fabrication and/or installation services, SELLER shall provide LOCKHEED MARTIN a minimum of forty-five (45) days advance notification prior to the date of inspection or acceptance.

5. Article 19, Insurance/Entry on Lockheed Martin Facilities. In paragraph (b), first sentence, delete “LOCKHEED MARTIN” and replace with “LOCKHEED MARTIN or the Customer.”

6. Article 23, Packing and Shipment. Delete paragraph (c) and replace with the following new paragraph (c):

(c) For any Work to be performed in the Italian Republic, including fabrication and/or installation services, delivery shall be FOB Destination. For Work other than Work to be performed in the Italian Republic, delivery shall be FOB Place of Shipment unless otherwise specified in the Contract.

7. Article 32, Termination for Convenience.

7.1 Paragraph (a). Delete the fourth sentence in paragraph (a) and replace with the following:

“Subject to the terms of this Contract, SELLER shall be paid a percentage of the Contract price reflecting the percentage of the Work performed prior to the Notice of Termination, less amounts representing the value of materials purchased that can be used by SELLER for other purposes, plus reasonable charges SELLER can demonstrate to the satisfaction of LOCKHEED MARTIN using its standard record keeping system have resulted from the termination.

7.2 Add the following new paragraph (d):

(d) Within forty-five (45) days after receipt of the Notice of Termination, SELLER will submit to LOCKHEED MARTIN a list detailing the status of Contract activities that are in work but not yet delivered as of the date of the Notice of Termination for proper audit. The list will include the same status for SELLER’s subcontractors.

8. Article 33, Timely Performance. In paragraph (c), add the following third sentence: “Such timely notification by SELLER to LOCKHEED MARTIN pursuant to this clause shall be submitted within ten (10) days from the knowledge of the occurrence giving rise to such difficulty in performing the Work.”

9. Article 35, Warranty. Add the following as a new paragraph (b):

(b) SELLER warrants that the ownership of each Work, when delivered to LOCKHEED MARTIN, shall be full and valid, and the transfer shall be lawful and free of any burden or encumbrance.

10. Additional Clauses. Add the following additional clauses:

10.1 Amendments Required by the Prime Contract. SELLER agrees that upon the request of LOCKHEED MARTIN it will negotiate in good faith with LOCKHEED MARTIN relative to amendments to this Contract to incorporate additional provisions herein or to change provisions hereof, as LOCKHEED MARTIN may reasonably deem necessary in order to comply with the provisions of the applicable Prime Contract or with the provisions of amendments to such Prime Contract. If any such amendment to this Contract causes an increase or decrease in the cost of, or the time required for, performance of any part of the Work under this Contract, an equitable adjustment shall be made pursuant to the "Changes" clause of this Contract.

10.2 Adequacy and Conformity of Prices. SELLER warrants that its price for the Works is the lowest

applied by it to any other national or international contract of similar quality and at the same configuration and terms and conditions. If, during Contract execution, evidence is given of better prices provided to other customers, SELLER shall reduce the price within the limits of the other customers and reimburse LOCKHEED MARTIN for any extra amounts plus interest accrued from the date of payment until the reimbursement date.

10.3 Excusable Delay.

(a) SELLER shall not be liable nor in default in carrying out its obligations provided for in the Contract due to an event beyond its control, which shall include, without limitation: insurrections; acts of terrorism impacting the work area or workforce; riots; fires; explosions; floods; earthquakes; other acts of terrorism; acts of God; war or the public enemy; epidemics; quarantine restrictions; labor strikes causing cessation, slow-down or interruption of work; or any other cause beyond the SELLER's reasonable control and/or not occasioned by SELLER's fault or negligence.

(b) Based upon mutual agreement between SELLER and LOCKHEED MARTIN, the delivery date of the obligations so affected will be postponed for a period of time equal to the delay caused by the event, provided that the SELLER shall use commercially reasonable effort to mitigate the impact of the event on the timing of the affected delivery. In order to obtain the extension, the SELLER shall notify LOCKHEED MARTIN within ten (10) calendar days of the occurrence, specifying the expected impact on the performance and performance period.

10.4 DUVRI. For any Work to be performed in the Italian Republic, including fabrication and/or installation services, SELLER will consider the risk of possible hazards due to mutual interferences between normal base operations, the activities performed under this Contract, and the activities performed by other contractors. SELLER will assist LOCKHEED MARTIN in preparing a Documento Unico di Valutazione del Rischio di Interferenza (DUVRI), as necessary, to identify the risks and activities to mitigate the same.

10.5 Over and Above Work.

(a) Definition. Over and Above Work means additional labor, articles, materials, supplies, goods and services requested by LOCKHEED MARTIN that are not included in the Work or the Price of this Contract.

(b) Providing Over and Above Work. SELLER shall provide such Over and Above Work upon specific request of LOCKHEED MARTIN as necessary for LOCKHEED MARTIN to fulfill its obligations to the Customer, up to a maximum amount of twenty (20) percent of the Contract price.

(c) Price of Over and Above Work. If any such Over and Above Work causes an increase or decrease in the cost of the performance of any part of the Work under this Contract, an equitable adjustment shall be made pursuant to the "Changes" clauses of this Contract.

10.6 Declarations. By entering into this Contract, SELLER certifies and represents that it has affirmatively declared the following, all of which are incorporated herein:

(a) Declaration Pursuant to the Italian Presidential Decree No. 445/2000 and amendments therefore and according to Section 49, paragraph 2, letter b) of the Legislative Decree No. 163/2006 on Anti-Mafia;

(b) Declaration Pursuant to the Italian Presidential Decree No. 445/2000 attesting the absence of crimes or final conviction of the legal representative of SELLER.

(c) Declaration Pursuant to the Italian Presidential Decree No. 445/2000 on payments of contributions in favor of SELLER's employees.

DECLARATIONS

The undersigned _____, born in _____, _____, _____, in his/her capacity as _____ of the company _____ (“Company”), with legal offices at _____, makes the following Declarations:

Declaration pursuant to the Italian Presidential Decree no. 445/2000 and amendments therefore and according to Section 49, paragraph 2, letter c) of the Legislative Decree no. 163/2006

Declares according to Section 38 of the Legislative Decree no. 163/2006:

- A) The Company has not filed for bankruptcy and is not subject to any similar procedures, nor has the Company suspended its current business activities;
- B) The Company and its legal representatives are not subject to any sanctions as per Italian Law 1423/1956 or Law 575/1965 (*antimafia*);
- C) That neither the undersigned nor the directors of the Company, are subject to final criminal judgment per Article 444 of the Italian Code of Criminal Procedure for crimes that affect professional morality or for financial crimes;
- D) The Company is not subject to sanction as per Law 55/1990 (*antimafia*);
- E) The Company has not been notified of any material infringement of Italian provisions regarding safety at work or any other Italian provision regarding work relations;
- F) That the Company has not been successfully sued by the client for gross negligence relating to the discharge of the Company’s professional activities;
- G) The Company is in compliance with the obligations concerning payment of taxes according to the Italian legislation;
- H) No material false declarations have been rendered during the last year related the requirements and the conditions for the participation in the transaction for which this declaration is submitted;
- I) The Company is materially in compliance with the obligations concerning payment of social security and health contribution in favor of its Italian employees according to Italian legislation;
- J) The Company is not subject to the obligations provided under Law No. 68/1999;
- K) The Company is not aware of any reason to be excluded from the negotiation as per Legislative Decree 8 June 2001, No. 231.

Declaration pursuant to the Italian Presidential Decree no. 445/2000 on payments of contributions in favor of _____’s employees.

That for the purposes of executing the Contract, _____ is in compliance with payments of social contribution in favor of its employees, according to applicable provisions of Italian and US law. Under US law no specific certificate issued by the authority, attesting the regular payment of social contribution in favor of its employees, is available to _____.

Declaration pursuant to the Italian Presidential Decree no. 445/2000 attesting the absence of crimes or final conviction of the legal representative of

_____.

That for the purposes of the executing the Contract, no criminal proceeding involving the legal representative of _____ is pending before Italian or US Courts and that the legal representative of _____ have not been convicted for violation of Italian and US criminal laws. Under US law no specific certificate issued by the authority, attesting the absence of pending criminal proceedings and of conviction for violation of criminal laws, is available to _____.

The undersigned _____, born in _____, _____, _____, in his/her capacity as _____ (“Company”), is aware of the criminal liability in case of mendacious declaration as provided by Section 76 of Presidential Decree No. 445 of December, 28 2000

_____ Place and date of signature

_____ Signature

_____ Title