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GENERAL PROVISIONS

(FIXED PRICE SUBCONTRACTS)

TAPV Support Contract: W847L-100018/002/TAP

Canadian

Tactical Armored Patrol Vehicle (TAPV) Program

The provisions set forth in the following listed sections are incorporated into this Subcontract/Purchase Order by reference. When used in these clauses, the term “Prime Contractor” shall mean the Canadian Government Contract to Textron Marine & Land Systems (TM&LS). “Order” means the ordering document issued by Buyer, including these Terms and Conditions for Purchase Orders and any referenced documents; “Seller” means the person or entity to which this Order is addressed and issued; “Products” means the goods or services furnished by Seller pursuant to this Order, including, without limitation, materials, drawings, data, media, information and other tangible and intangible property.

FLOWDOWN TERMS AND CONDITIONS**I. Industrial and Regional Benefits/Offset credits for Canadian Procurements**

- a) This order is in support of the Buyer's Canadian Industrial and Regional Benefits program. Buyer represents that its business base consists, in part, of international orders, and that it must, from time to time, enter into international offset agreements to secure such orders. To the extent that the Products ordered hereunder are components of Buyer's products sold to Canada or concern or are non-recurring activities, tooling, equipment, engineering, etc. associated with Buyer's products sold to Canada or concern, and in recognition that such sale results, directly or indirectly, in business opportunities, sales or revenue for the Seller, the Seller agrees to cooperate with Buyer in the fulfillment of any Industrial and Regional Benefits/Offset program obligations that Buyer may be required to accept as a condition of such sale to Canada. Seller hereby commits to assume and discharge a proportionate share of said offset obligation(s) by engaging in such activities as subcontracting, co-production, co-development, technology transfers, research and development, investments, joint ventures, etc. for Buyer's Canadian program.
- b) Buyer expressly claims the right to all industrial benefits/offset credits arising with respect to any Products ordered hereunder, including any related issues by the Seller to sources in the foreign customer's country. The Seller agrees to provide all necessary information in such form as may be required to enable Buyer to obtain the aforementioned industrial benefits/offset credits.
- c) The Seller must clearly identify Canadian Content Value (CCV) for items utilized in performance of the subcontract that meet the definition of Canadian goods.
1. A good wholly manufactured or originating in Canada is considered a Canadian good.
 2. A product containing imported components may also be considered Canadian for the purpose of this policy when it has undergone sufficient change in Canada, in a manner that satisfies the definition specified under the *North American Free Trade Agreement* (NAFTA) Rules of Origin, Chapter 4 (link below).
- <http://www.nafta-sec-alena.org/en/view.aspx?x=343&mtpiID=128>
- d) CCV is measured in Canadian dollars and is the portion of the selling price of a product or service associated with the work actually performed in Canada. The Canadian company calculates the CCV for the Industrial Regional Benefits (IRB) contractor. All proposed IRB transactions must be valued in terms of the CCV. Only the Canadian labour and materials of a particular work package is counted toward an IRB contractor's obligation. For example if an IRB contractor places a \$10,000 contract with a Canadian company and the CCV of the particular work package is 65 percent then the contractor would receive credit for \$6,500. A detailed explanation of how to calculate CCV is available on the IRB website below:

<http://www.ic.gc.ca/eic/site/042.nsf/eng/00070.html#4.2>

II. Canadian Exemption

- a) Utilization of the ITAR Canadian Defense Service Exemption under 126.5(c)(4) – The Canadian recipient of unclassified technical data exported by TMLS must adhere to:
1. Prohibit the disclosure of the technical data to any other contractor or subcontractor who is not a Canadian-registered person; and
 2. Provide that any subcontract contain all the limitations of this section; and
 3. Require that the Canadian contractor, including subcontractors, destroy or return to the U.S. exporter in the United States all of the technical data exported pursuant to the contract or purchase order upon fulfillment of the contract, unless for use by a Canadian or United States Government entity that requires in writing the technical data be maintained. The U.S. exporter must be provided written certification that the technical data is being retained or destroyed; and
 4. Include a clause requiring that all documentation created from U.S. technical data contain the statement, “This document contains technical data, the use of which is restricted by the U.S. Arms Export Control Act. This data has been provided in accordance with, and is subject to, the limitations specified in 22 CFR 126.5 of the International Traffic In Arms Regulations (ITAR). By accepting this data, the consignee agrees to honor the requirements of the ITAR,”

III. Security Requirement for United States Suppliers

- a) All CLASSIFIED information/assets furnished to the Contractor or produced by the Contractor must be safeguarded as follows:
1. the recipient Contractor must not disclose the CLASSIFIED information to a third party government, person or firm, or representative thereof, without the prior written consent of the Government of Canada. Such consent must be sought from the recipient’s National Security Authority/Designated Security Authority (NSA/DSA). The DSA for industrial matters in Canada is the Director General of Industrial Security Sector (ISS), PWGSC;
 2. the recipient Contractor must provide the CLASSIFIED information a degree of safeguarding
 3. no less stringent than that provided by the Government of Canada in accordance with national security regulations and as prescribed by its NSA/DSA;
 4. the recipient Contractor must not use the CLASSIFIED information/assets for any purpose
 5. other than for the performance of the Contract without the prior written approval of the Government of Canada. This approval must be obtained by contacting the Canadian DSA for industrial matters in Canada;
 6. such information/assets must be released only to personnel, who have a need-to-know for the performance of the Contract and who have a security clearance at a level appropriate to the classification of the information/assets, granted by their respective NSA/DSA; and

TEXTRON Marine & Land Systems//

7. CLASSIFIED information/assets provided or generated pursuant to this Contract/Standing Offer shall be transferred only through government-to-government channels (in Canada, this is IISD/PWGSC) or as specified in writing by the NSA/DSA of the concerned government.
- b) CLASSIFIED information/assets generated pursuant to this Contract, by the Government of Canada, must be marked by the recipient Contractor with its government’s equivalent security classification.
- c) All CLASSIFIED information/assets generated pursuant to this Contract must be assigned a security classification in accordance with the security classification specifications provided on the Security Requirements Check List (SRCL) attached at Annex A.
- d) The Contractor must immediately report to its respective NSA/DSA all cases in which it is known or there is reason to suspect that CLASSIFIED information/assets furnished to or generated for pursuant this Contract have been lost or disclosed to unauthorized persons.
- e) Upon completion of the Work, the Contractor must return to the Government of Canada, via government-to-government channels, all CLASSIFIED information/assets furnished to or produced by the Contractor pursuant to this Contract, including all CLASSIFIED information/assets released to or produced by its subcontractors.
- f) The Contractor visiting government or industrial facilities will submit a Request for Visit form through their respective NSA/DSA.
- g) Classified information/assets provided or generated pursuant to this Contract must not be further provided to another potential contractor or subcontractor unless:
 1. written assurance is obtained from the recipient’s NSA/DSA to the effect that the potential contractor or subcontractor has been approved for access to CLASSIFIED information by the NSA/DSA; and
 2. written consent is obtained from the Contracting Authority (CISD/PWGSC) for the prime contract, if the potential subcontractor is located in a third country.
- h) All CLASSIFIED information/assets provided or generated under this Contract will continue to be safeguarded in the event of withdrawal by the recipient party or upon termination of the Contract, in accordance with national regulations.
- i) The Contractor must contact their Industrial Security Authority in order to comply with the provisions of the Bilateral Industrial Security Memorandum of Understanding signed with Canada in relation to equivalencies for CLASSIFIED Information and/or assets.
- j) The recipient Contractor must also insert the above paragraphs in all subcontracts that involve access to CLASSIFIED information/assets provided or generated under this Contract.

U.S. TABLE OF EQUIVALENCY	
CANADA	U.S.
PROTECTED "A"	TO BE TREATED AS CONFIDENTIAL WHILE IN THE U.S.
SECRET	SECRET

IV. Controlled Goods (for Work done in Canada)

- a) As the Contract requires production of or access to controlled goods that are subject to the Defence Production Act, R.S. 1985, c. D-1, the Contractor and any subcontractor are advised that, within Canada, only persons who are registered, exempt or excluded under the Controlled Goods Program (CGP) are lawfully entitled to examine, possess or transfer controlled goods. Details on how to register under the CGP are available at: <http://www.cgp.gc.ca>.
- b) When the Contractor and any subcontractor proposing to examine, possess or transfer controlled goods are not registered, exempt or excluded under the CGP at time of contract award, the Contractor and any subcontractor must, within seven (7) working days from receipt of written notification of the contract award, ensure that the required application(s) for registration or exemption are submitted to the CGP. No examination, possession or transfer of controlled goods must be performed until the Contractor has provided proof, satisfactory to the CA, that the Contractor and any subcontractor are registered, exempt or excluded under the CGP.
- c) Failure of the Contractor to provide proof, satisfactory to the CA, that the Contractor and any subcontractor are registered, exempt or excluded under the CGP, within thirty (30) calendar days from receipt of written notification of contract award, will be considered a default under the Contract except to the extent that Canada is responsible for the failure due to delay in processing the application.
- d) The Contractor and any subcontractor must maintain registration, exemption or exclusion from the CGP for the duration of the Contract and in any event for so long as they will examine, possess or transfer controlled goods.

V. Priority Rating - Canadian Contractors

- a) This Contract concerns a Canadian defence requirement and therefore is eligible to be assigned a "U.S. Priority Rating" for any materials/services imported from the United States, which may be required in the performance of the Work. Accordingly, the Contractor must:
 1. Make an application to the Central Allocations and Defence Priorities Section, Public Works and Government Services Canada (PWGSC), Gatineau, Quebec K1A 0S5, in the event that any materials/services are to be imported from the United States for the performance of the Work; and
 2. Include this clause in subcontracts with Canadian suppliers, and quote the PWGSC Contract Number therein.
- b) Failure to take the above actions may jeopardize the Contractor's delivery commitments. Therefore, the Contractor assumes sole responsibility for any breach of this Contract that arises from such a failure.

VI. Notice of Labour Disputes

- a) Whenever the Contractor or any subcontractor hereunder has knowledge that any actual or potential labour dispute is delaying or threatens to delay the timely performance of this Contract, the Contractor or the subcontractor through the Contractor must immediately give notice thereof,

TEXTRON Marine & Land Systems//

and shall indicate the nature of the problem and its possible effect on the conduct and performance of the Work.

VII. 5.3 ISO 9001:2000 Quality Management Systems - Requirements (QAC Q)

- a) In the performance of the Work described in the Contract, the Contractor must comply with the requirements of:
- b) ISO 9001:2008 - Quality management systems - Requirements, published by the International Organization for Standardization (ISO), current edition at date of submission of Contractor's bid.
- c) It is not intended that the Contractor be registered to ISO 9001; however, the Contractor's quality management system must address all requirements appropriate to the scope of the Work. Only exclusions in accordance with clause 1.2 of ISO 9001 are acceptable.
 1. Assistance for Government Quality Assurance (GQA)
 2. The Contractor must provide the Quality Assurance Representative (QAR) with the accommodation and facilities required for the proper accomplishment of GQA and must provide any assistance required by the QAR for evaluation, verification, validation, documentation or release of product.
 3. The QAR must have the right of access to any area of the Contractor's or subcontractor's facilities where any part of the Work is being performed. The QAR must be afforded unrestricted opportunity to evaluate and verify Contractor conformity with quality system procedures and to validate product conformity with the requirements of the Contract. The Contractor must make available for reasonable use by the QAR the equipment necessary for all validation purposes. Contractor personnel must be made available for operation of such equipment as required.
 4. When the QAR determines that GQA is required at a subcontractor's facilities, the Contractor must provide for this in the purchasing document and forward copies to the QAR, together with relevant technical data as the QAR may request.
 5. The Contractor must notify the QAR of non-conforming product received from a subcontractor when the product has been subject to GQA.
- d) For the design, development or maintenance of software, the Contractor must interpret the requirements of ISO 9001:2008 Quality management systems - Requirements, according to the guidelines of the latest issue (at contract date) of ISO/IEC 90003:2004 Software engineering - Guidelines for the application of ISO 9001:2000 to computer software.

VIII. 2035 11 (2008-05-12) Inspection and Acceptance of the Work

- a) All the Work is subject to inspection and acceptance by Canada. Inspection and acceptance of the Work by Canada do not relieve the Contractor of its responsibility for defects or other failures to meet the requirements of the Contract. Canada will have the right to reject any work that is not in accordance with the requirements of the Contract and require its correction or replacement at the Contractor's expense.

TEXTRON Marine & Land Systems//

- b) The Contractor must provide representatives of Canada access to all locations where any part of the Work is being performed at any time during working hours. Representatives of Canada may make examinations and such tests of the Work as they may think fit. The Contractor must provide all assistance and facilities, test pieces, samples and documentation that the representatives of Canada may reasonably require for the carrying out of the inspection. The Contractor must forward such test pieces and samples to such person or location as Canada specifies.
- c) The Contractor must inspect and approve any part of the Work before submitting it for acceptance or delivering it to Canada. The Contractor must keep accurate and complete inspection records that must be made available to Canada on request. Representatives of Canada may make copies and take extracts of the records during the performance of the Contract and for up to three (3) years after the end of the Contract.

IX. 2035 21 (2008-05-12) Confidentiality

- a) The Contractor must keep confidential all information provided to the Contractor by or on behalf of Canada in connection with the Work, including any information that is confidential or proprietary to third parties, and all information conceived, developed or produced by the Contractor as part of the Work when copyright or any other intellectual property rights in such information belongs to Canada under the Contract. The Contractor must not disclose any such information without the written permission of Canada. The Contractor may disclose to a subcontractor any information necessary to perform the subcontract as long as the subcontractor agrees to keep the information confidential and that it will be used only to perform the subcontract.
- b) The Contractor agrees to use any information provided to the Contractor by or on behalf of Canada only for the purpose of the Contract. The Contractor acknowledges that all this information remains the property of Canada or the third party, as the case may be. Unless provided otherwise in the Contract, the Contractor must deliver to Canada all such information, together with every copy, draft, working paper and note that contains such information, upon completion or termination of the Contract or at such earlier time as Canada may require.
- c) Subject to the *Access to Information Act*, R.S.C. 1985, c. A-1, and to any right of Canada under the Contract to release or disclose, Canada must not release or disclose outside the Government of Canada any information delivered to Canada under the Contract that is proprietary to the Contractor or a subcontractor.
- d) The obligations of the Parties set out in this section do not apply to any information if the information:
 1. is publicly available from a source other than the other Party; or
 2. (b) is or becomes known to a Party from a source other than the other Party, except any source that is known to be under an obligation to the other Party not to disclose the information; or
 3. (c) is developed by a Party without use of the information of the other Party.
- e) Wherever possible, the Contractor must mark or identify any proprietary information delivered to Canada under the Contract as "Property of (Contractor's name), permitted Government uses defined under Public Works and Government Services (PWGSC) Contract No. (fill in Contract

TEXTRON Marine & Land Systems //

Number)". Canada will not be liable for any unauthorized use or disclosure of information that could have been so marked or identified and was not.

- f) If the Contract, the Work, or any information referred to in subsection 1 is identified as TOP SECRET, SECRET, CONFIDENTIAL, or PROTECTED by Canada, the Contractor must at all times take all measures reasonably necessary for the safeguarding of the material so identified, including those set out in the PWGSC Industrial Security Manual and its supplements and any other instructions issued by Canada.
- g) If the Contract, the Work, or any information referred to in subsection 1 is identified as TOP SECRET, SECRET, CONFIDENTIAL, or PROTECTED, by Canada, representatives of Canada are entitled to inspect the Contractor's premises and the premises of a subcontractor at any tier for security purposes at any time during the term of the Contract. The Contractor must comply with, and ensure that any subcontractor complies with, all written instructions issued by Canada dealing with the material so identified, including any requirement that employees of the Contractor or of any subcontractor execute and deliver declarations relating to reliability screenings, security clearances and other procedures.

X. 2035 23 (2008-05-12) Liability

The Contractor is liable for any damage caused by the Contractor, its employees, subcontractors, or agents to Canada or any third party. Canada is liable for any damage caused by Canada, its employees or agents to the Contractor or any third party. The Parties agree that no limitation of liability or indemnity provision applies to the Contract unless it is specifically incorporated in full text in the Articles of Agreement. Damage includes any injury to persons (including injury resulting in death) or loss of or damage to property (including real property) caused as a result of or during the performance of the Contract.

XI. 2035 24 (2008-05-12) Intellectual Property Infringement and Royalties

1. The Contractor represents and warrants that, to the best of its knowledge, neither it nor Canada will infringe any third party's intellectual property rights in performing or using the Work, and that Canada will have no obligation to pay royalties of any kind to anyone in connection with the Work.
2. If anyone makes a claim against Canada or the Contractor concerning intellectual property infringement or royalties related to the Work, that Party agrees to notify the other Party in writing immediately. If anyone brings a claim against Canada, according to *Department of Justice Act*, R.S. 1985, c. J-2, the Attorney General of Canada must have the regulation and conduct of all litigation for or against Canada, but the Attorney General may request that the Contractor defend Canada against the claim. In either case, the Contractor agrees to participate fully in the defence and any settlement negotiations and to pay all costs, damages and legal costs incurred or payable as a result of the claim, including the amount of any settlement. Both Parties agree not to settle any claim unless the other Party first approves the settlement in writing.
3. The Contractor has no obligation regarding claims that were only made because:
 - (a) Canada modified the Work or part of the Work without the Contractor's consent or used the Work or part of the Work without following a requirement of the Contract; or

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- (b) Canada used the Work or part of the Work with a product that the Contractor did not supply under the Contract (unless that use is described in the Contract or the manufacturer's specifications); or
 - (c) the Contractor used equipment, drawings, specifications or other information supplied to the Contractor by Canada (or by someone authorized by Canada); or
 - (d) the Contractor used a specific item of equipment or software that it obtained because of specific instructions from the Contracting Authority; however, this exception only applies if the Contractor has included the following language in its own contract with the supplier of that equipment or software: "[Supplier name] acknowledges that the purchased items will be used by the Government of Canada. If a third party claims that equipment or software supplied under this contract infringes any intellectual property right, [supplier name], if requested to do so by either [Contractor name] or Canada, will defend both [Contractor name] and Canada against that claim at its own expense and will pay all costs, damages and legal fees payable as a result of that infringement." Obtaining this protection from the supplier is the Contractor's responsibility and, if the Contractor does not do so, it will be responsible to Canada for the claim.
4. If anyone claims that, as a result of the Work, the Contractor or Canada is infringing its intellectual property rights, the Contractor must immediately do one of the following:
- (a) take whatever steps are necessary to allow Canada to continue to use the allegedly infringing part of the Work; or
 - (b) modify or replace the Work to avoid intellectual property infringement, while ensuring that the Work continues to meet all the requirements of the Contract; or
 - (c) take back the Work and refund any part of the Contract Price that Canada has already paid.

If the Contractor determines that none of these alternatives can reasonably be achieved, or if the Contractor fails to take any of these steps within a reasonable amount of time, Canada may choose either to require the Contractor to do (c), or to take whatever steps are necessary to acquire the rights to use the allegedly infringing part(s) of the Work itself, in which case the Contractor must reimburse Canada for all the costs it incurs to do so.

XII.2035 27 (2008-05-12) Suspension of the Work

1. The Contracting Authority may at any time, by written notice, order the Contractor to suspend or stop the Work or part of the Work under the Contract for a period of up to one hundred eighty (180) days. The Contractor must immediately comply with any such order in a way that minimizes the cost of doing so. While such an order is in effect, the Contractor must not remove any part of the Work from any premises without first obtaining the written consent of the Contracting Authority. Within these one hundred eighty (180) days, the Contracting Authority must either cancel the order or terminate the Contract, in whole or in part, under section 28 or section 29.
2. When an order is made under subsection 1, unless the Contracting Authority terminates the Contract by reason of default by the Contractor or the Contractor abandons the Contract, the Contractor will be entitled to be paid its additional costs incurred as a result of the suspension plus a fair and reasonable profit.

TEXTRON Marine & Land Systems//

3. When an order made under subsection 1 is cancelled, the Contractor must resume work in accordance with the Contract as soon as practicable. If the suspension has affected the Contractor's ability to meet any delivery date under the Contract, the date for performing the part of the Work affected by the suspension will be extended for a period equal to the period of suspension plus a period, if any, that in the opinion of the Contracting Authority, following consultation with the Contractor, is necessary for the Contractor to resume the Work. Any equitable adjustments will be made as necessary to any affected conditions of the Contract.

XIII. 2035 28 (2010-08-16) Default by the Contractor

1. If the Contractor is in default in carrying out any of its obligations under the Contract, the Contracting Authority may, by giving written notice to the Contractor, terminate for default the Contract or part of the Contract. The termination will take effect immediately or at the expiration of a cure period specified in the notice, if the Contractor has not cured the default to the satisfaction of the Contracting Authority within that cure period.
2. If the Contractor becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or takes the benefit of any statute relating to bankrupt or insolvent debtors, or if a receiver is appointed under a debt instrument or a receiving order is made against the Contractor, or an order is made or a resolution passed for the winding down of the Contractor, the Contracting Authority may, to the extent permitted by the laws of Canada, by giving written notice to the Contractor, immediately terminate for default the Contract or part of the Contract.
3. If Canada gives notice under subsection 1 or 2, the Contractor will have no claim for further payment except as provided in this section. The Contractor will be liable to Canada for all losses and damages suffered by Canada because of the default or occurrence upon which the notice was based, including any increase in the cost incurred by Canada in procuring the Work from another source. The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unliquidated at the date of the termination.
4. Upon termination of the Contract under this section, the Contracting Authority may require the Contractor to deliver to Canada, in the manner and to the extent directed by the Contracting Authority, any completed parts of the Work, not delivered and accepted before the termination and anything the Contractor has acquired or produced specifically to perform the Contract. In such a case, subject to the deduction of any claim that Canada may have against the Contractor arising under the Contract or out of the termination, Canada will pay or credit to the Contractor:
 - (a) the value, of all completed parts of the Work delivered to and accepted by Canada, based on the Contract Price, including the proportionate part of the Contractor's profit or fee included in the Contract Price; and
 - (b) the cost to the Contractor that Canada considers reasonable in respect of anything else delivered to and accepted by Canada.

The total amount paid by Canada under the Contract to the date of the termination and any amount payable under this subsection must not exceed the Contract Price.

5. Title to everything for which payment is made to the Contractor will, once payment is made, pass to Canada unless it already belongs to Canada under any other provision of the Contract.

TEXTRON Marine & Land Systems//

6. If the Contract is terminated for default under subsection 1, but it is later determined that grounds did not exist for a termination for default, the notice will be considered a notice of termination for convenience issued under subsection 1 of section 31.

XIV. 2035 29 (2008-05-12) Termination for Convenience

1. At any time before the completion of the Work, the Contracting Authority may, by giving notice in writing to the Contractor, terminate for convenience the Contract or part of the Contract. Once such a notice of termination for convenience is given, the Contractor must comply with the requirements of the termination notice. If the Contract is terminated in part only, the Contractor must proceed to complete any part of the Work that is not affected by the termination notice. The termination will take effect immediately or, as the case may be, at the time specified in the termination notice.
2. If a termination notice is given pursuant to subsection 1, the Contractor will be entitled to be paid, for costs that have been reasonably and properly incurred to perform the Contract to the extent that the Contractor has not already been paid or reimbursed by Canada. The Contractor will be paid:
 - (a) on the basis of the Contract Price, for all completed work that is inspected and accepted in accordance with the Contract, whether completed before, or after the termination in accordance with the instructions contained in the termination notice;
 - (b) the Cost to the Contractor plus a fair and reasonable profit for all work terminated by the termination notice before completion; and
 - (c) all costs incidental to the termination of the Work incurred by the Contractor but not including the cost of severance payments or damages to employees whose services are no longer required, except wages that the Contractor is obligated by statute to pay.
3. Canada may reduce the payment in respect of any part of the Work, if upon inspection, it does not meet the requirements of the Contract.
4. The total of the amounts, to which the Contractor is entitled to be paid under this section, together with any amounts paid, due or becoming due to the Contractor must not exceed the Contract Price. The Contractor will have no claim for damages, compensation, loss of profit, allowance arising out of any termination notice given by Canada under this section except to the extent that this section expressly provides. The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unliquidated at the date of the termination.

XV. 2035 30 (2008-05-12) Accounts and Audit

1. The Contractor must keep proper accounts and records of the cost of performing the Work and of all expenditures or commitments made by the Contractor in connection with the Work, including all invoices, receipts and vouchers. The Contractor must retain records, including bills of lading and other evidence of transportation or delivery, for all deliveries made under the Contract.
2. If the Contract includes payment for time spent by the Contractor, its employees, representatives, agents or subcontractors performing the Work, the Contractor must keep a record of the actual time spent each day by each individual performing any part of the Work.

TEXTRON Marine & Land Systems //

3. Unless Canada has consented in writing to its disposal, the Contractor must retain all the information described in this section for six (6) years after it receives the final payment under the Contract, or until the settlement of all outstanding claims and disputes, whichever is later. During this time, the Contractor must make this information available for audit, inspection and examination by the representatives of Canada, who may make copies and take extracts. The Contractor must provide all reasonably required facilities for any audit and inspection and must furnish all the information as the representatives of Canada may from time to time require to perform a complete audit of the Contract.

4. The amount claimed under the contract, calculated in accordance with the Basis of Payment provision in the Articles of Agreement, is subject to government audit both before and after payment is made. If an audit is performed after payment, the Contractor agrees to repay any overpayment immediately on demand by Canada. Canada may hold back, deduct and set off any credits owing and unpaid under this section from any money that Canada owes to the Contractor at any time (including under other contracts). If Canada does not choose to exercise this right at any given time, Canada does not lose this right.