

LOCKHEED MARTIN CORPORATION

PRIME SUPPLEMENTAL FLOWDOWN DOCUMENT (PSFD)

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

Norway P-3 Aircraft Service Life Extension Program – ASLEP(N)
PRIME CONTRACT FLO06021855
Addendum N

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30 March 2007

Modify the following clauses contained in CORPDOC 1 and CORPDOC 1 SER:

7. DEFINITIONS

(d) “SELLER” or “SUBCONTRACTOR” means the party identified on the face of this Contract with whom LOCKHEED MARTIN is contracting.

29. STOP WORK

(a) SELLER shall stop work for up to **one hundred eighty (180)** days in accordance with any written notice received from LOCKHEED MARTIN, or for such longer period of time as the parties may agree and shall take all reasonable steps to minimize the incurrence of costs allocable to the Work during the period of Work stoppage.

Modify the following clauses contained in CORPDOC 1 T&M:

7. DEFINITIONS

(d) “SELLER” or “SUBCONTRACTOR” means the party identified on the face of this Contract with whom LOCKHEED MARTIN is contracting.

30. STOP WORK

(a) SELLER shall stop work for up to **one hundred eighty (180)** days in accordance with any written notice received from LOCKHEED MARTIN, or for such longer period of time as the parties may agree and shall take all reasonable steps to minimize the incurrence of costs allocable to the Work during the period of Work stoppage.

Modify the following clauses contained in CORPDOC 1 INT:

7. DEFINITIONS

(d) “SELLER” or “SUBCONTRACTOR” means the party identified on the face of this Contract with whom LOCKHEED MARTIN is contracting.

32. STOP WORK

(a) SELLER shall stop work for up to **one hundred eighty (180)** days in accordance with any written notice received from LOCKHEED MARTIN, or for such longer period of time as the parties may agree and shall take all reasonable steps to minimize the incurrence of costs allocable to the Work during the period of Work stoppage.

Add the following clauses to CORPDOCS 1, 1 SER, 1 T&M, and 1 INT:

1.0 CONTROLLED GOODS

1.1 As this Contract requires production of or access to controlled goods that are subject to the Defence Production Act, the **SUBCONTRACTORS at any tier** are hereby 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>.

1.2 When any SUBCONTRACTOR proposed to examine, possess or transfer controlled goods is not registered, exempt or excluded under the CGP at time of contract award, the SUBCONTRACTOR shall, 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 shall be performed until the SUBCONTRACTOR has provided proof, satisfactory to LOCKHEED MARTIN, that the SUBCONTRACTOR is registered, exempt or excluded under the CGP.

Failure of the SUBCONTRACTOR to provide proof, satisfactory to the LOCKHEED MARTIN, that the SUBCONTRACTOR is registered, exempt or excluded under the CGP, within thirty (30) days from receipt of written notification of contract award, shall be a default under the Contract except to the extent that Canada is responsible for the failure due to delay in processing the application.

1.3 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.

2.0 PLANT ACCESS

2.1 LOCKHEED MARTIN or an authorized representative shall have access to the SUBCONTRACTOR'S plant or premises where the work is being performed during usual business hours and subject to reasonable advance notice to the SUBCONTRACTOR.

The Quality Assurance Authority representative shall have access at all times to the plant or premises where the Work is being performed, subject to limitations and restrictions as may be deemed necessary by the SUBCONTRACTOR.

Access to the plant or premises shall not include any office space and furnishings, which if required, would require an equitable adjustment to the contract price.

3.0 NOTICE OF LABOUR DISPUTES

3.1 Whenever the SUBCONTRACTOR has knowledge that any actual or potential labour dispute is delaying or threatens to delay the timely performance of this Contract, the SUBCONTRACTOR shall immediately give notice thereof, including all relevant information with respect thereto, to LOCKHEED MARTIN.

4.0 SITE REGULATIONS

4.1 The SUBCONTRACTOR undertakes and agrees to comply with all standing orders or other regulations, in force on the site where the Work is to be performed, relating to the safety of persons on the site or the protection of property against loss or damage from any and all causes including fire.

5.0 INTERNATIONAL SANCTIONS

5.1 Persons in Canada, and Canadians outside of Canada, are bound by economic sanctions imposed by Canada. As a result, LOCKHEED MARTIN cannot accept delivery of goods or services that originate, either directly or indirectly, from the countries or persons subject to economic sanctions. Details on existing sanctions can be found at:

<http://www.dfait-maeci.gc.ca/trade/sanctions-en.asp>

It is a condition of this Contract that the SUBCONTRACTOR not supply to LOCKHEED MARTIN any goods or services which are subject to economic sanctions.

By law, the SUBCONTRACTOR must comply with changes to the regulations imposed during the life of the Contract, subject to restrictions or limitations as may be imposed by U.S. law or regulation. During the performance of the Contract, should the imposition of sanctions against a country or person or the addition of a good or service to the list of sanctioned goods or services cause an impossibility of performance for the SUBCONTRACTOR, the situation will be treated by the Parties as an excusable delay. The SUBCONTRACTOR shall forthwith inform LOCKHEED MARTIN of the situation.

6.0 TIME AND NOTICE OF DELIVERY

6.1 LOCKHEED MARTIN is to be notified in writing thirty (30) calendar days in advance by the SUBCONTRACTOR, either by electronic mail (e-mail) or by facsimile, of when **Vendor Direct Shipment (VDS) items** will be presented to LOCKHEED MARTIN for acceptance. The SUBCONTRACTOR shall detail the item(s) to be accepted as well as the quantity.

7.0 QUALITY ASSURANCE

7.1 Quality Control, Inspection and Test records that substantiate conformance to the specified requirements, including records of corrective actions, shall be retained by the SUBCONTRACTOR for three (3) years from the date of completion or termination of the Contract and shall be made available to

the Quality Assurance Representative upon request.

8.0 MILITARY AVIATION REPLACEMENT PARTS – TRACEABILITY

8.1 Records of the manufacturer sufficient to constitute proof of origin must be available for review, and must be retained and maintained by the SUBCONTRACTOR such records for three (3) years following completion this Contract. Such records shall include the following:

- (a) sufficient information to identify the item by type, class, style, grade (including lot or batch number), cast number, the source of the part, and the date and place of manufacture, as appropriate;
- (b) the name and description (or other positive identification) of, and the application issue of, the specification, drawing, process and inspection requirements, as appropriate;
- (c) records of all inspections and tests carried out, including those carried out on behalf of either the manufacturer or LOCKHEED MARTIN;
- (d) copies of any Certificate of Conformance or Certificate of Compliance issued by the manufacturer; and
- (e) all other relevant technical data.