

General Conditions of Contract – Ref: Rev 05. July 2011 Edition

In these General Conditions the following expressions shall have the following meanings:

“CONTRACT” means these conditions and any special conditions contained on an ORDER.

“EVENT OF FORCE MAJEURE” means in relation to either PARTY any circumstances beyond the reasonable control or foreseeable control of that PARTY which results in or causes the failure of that PARTY to perform any of its obligations under the CONTRACT (including without limitation any acts or omissions by the Government or government agency (whether or not declared), acts of God, fires, floods, explosions, earthquakes, wars, insurrections or riots).

“GOODS” means those goods described in the ORDER.

“INTELLECTUAL PROPERTY RIGHTS” means all rights in inventions, patents, designs, utility models, trade and service marks, trade names, whether registered or not, copyright, databases, trade secrets, know-how, software, discoveries, improvements, concepts, models, drawings, secret formulae and processes and all rights to confidential or proprietary information and all other rights of a similar nature throughout the world including all applications for any such protection and rights to apply for any of the same.

“ORDER” means any Order issued by the PURCHASER relating to the GOODS and SERVICES.

“PARTY” means a party to the CONTRACT and any successors in title or permitted assigns. PARTIES shall be construed accordingly.

“PURCHASER” means SELEX Galileo Ltd or the company whose name appears on the front of the ORDER or its parent, successors, subsidiaries and assigns.

“SERVICES” means those services described in the ORDER.

“SUPPLIER” means the contractor stated on the face of the ORDER.

1 SCOPE OF CONTRACT

The CONTRACT does not constitute a CONTRACT for the exclusive provision of the GOODS or SERVICES and the PURCHASER reserves the right to contract with other suppliers of such GOODS or SERVICES. The PURCHASER shall purchase GOODS and/or SERVICES with an ORDER. Any ORDER issued by the PURCHASER shall be deemed to incorporate these conditions unless otherwise expressly stated in the ORDER. The CONTRACT shall override any terms and conditions stipulated or referred to by the SUPPLIER in any order letter or negotiation prior to and throughout the duration of the CONTRACT and supersedes any prior conditions agreed between the PARTIES provided that nothing in this Condition 1 shall exclude liability for fraudulent misrepresentation.

2 ORDER ACKNOWLEDGEMENT AND PRECEDENCE

The PURCHASER will not be bound by any additional terms proposed by the SUPPLIER on the SUPPLIER acknowledgment. This will also apply to any other Supplier document, written or electronic purporting to be an acceptance of the Purchaser’s offer. Furthermore, the PURCHASER will not be bound by any conditions on the SUPPLIER acknowledgment which are in conflict with the PURCHASER’s standard conditions of purchase.

3. SUPPLIER’S WARRANTY

3.1 The SUPPLIER warrants that:

3.1.1 It will provide GOODS of satisfactory quality and fit for purpose free from any defects in design material and workmanship and will correspond to any specification or sample;
3.1.2 All SERVICES will be provided with due care and diligence and using appropriately qualified personnel for the supply of the GOODS and/or proper execution of the SERVICES.

3.2 The SUPPLIER shall ensure that the PURCHASER receives the benefit of any manufacturer’s guarantees in respect of any GOODS transferred to the PURCHASER.

3.3 Unless otherwise agreed in writing by the PARTIES the GOODS shall be delivered and the SERVICES performed duty free of all taxes and liens or other charges of whatsoever kind and all GOODS shall be supplied free from any reservations of title.

4. LIABILITY FOR DEFECTS

4.1 If at any time during 12 (twelve) months after acceptance of the GOODS or performance of the SERVICES it is discovered that the GOODS or SERVICES or any part thereof are defective in any way the SUPPLIER shall promptly and at its own expense repair re-perform or replace the defective GOODS or SERVICES.

4.2 The PURCHASER shall within a reasonable period of time after any defect is discovered notify the SUPPLIER in writing. This notice shall contain a description of how the defect manifests itself.

4.3 Repair shall be effected at the SUPPLIER’S place of business unless the PARTIES agree that the defective part, GOODS or SERVICES shall be repaired at the PURCHASER’S place of business.

4.4 The SUPPLIER shall be obliged to carry out and bear the costs of dismantling and re-installation of defective GOODS.

4.5 Transport of parts, plant, equipment and materials and labour to and from the PURCHASER’S place of business or the SUPPLIER’S shall be to the SUPPLIER’S account and risk.

4.6 Defective GOODS, which have been replaced by the SUPPLIER, shall be placed at the disposal of the SUPPLIER and shall be his property.

4.7 Should the defect be of such nature that its repair or re-performance cannot be postponed and the SUPPLIER has failed to remedy the defect, the PURCHASER may undertake the repair or re-performance itself or engage a third party to do so on its behalf. Any such repair undertaken by the PURCHASER or a third party shall not affect the SUPPLIER’S liability under the CONTRACT and shall be undertaken at the SUPPLIER’S cost.

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- 4.8 The SUPPLIER shall be liable only for defects which appear under the condition of operation or performance provided for in the CONTRACT and under proper storing, installation, maintaining and operation of the GOODS or plant in accordance with the SUPPLIER'S recommendation. The SUPPLIER shall not be liable for fair wear and tear or deterioration arising from use.

5. INCLUSIONS IN CONTRACT

The CONTRACT includes the supply of all plant, equipment and materials, labour, transportation and handling including packaging and all other items of whatever type and nature necessary for the proper execution of the CONTRACT.

6. CONTRACT PRICE

The price of the CONTRACT shall remain fixed and firm (non revisable) and is inclusive of all other taxes, imposts and fees for the duration of the CONTRACT unless otherwise agreed in writing between the PARTIES

7. PAYMENT

- 7.1 The PURCHASER will pay the SUPPLIER for all GOODS and SERVICES properly delivered and completed after submission of a valid invoice within 30 days of the end of the month in which the invoice is delivered. If any invoice is disputed, only the undisputed part will be paid by the Purchaser until the dispute is resolved. Unless otherwise agreed in writing between the Parties no progress payments will be made.

- 7.2 The SUPPLIER may charge interest on all overdue amounts not disputed by the PURCHASER at the rate of 3% above the Bank of England base rate applicable at the end of the day that payment falls due, such interest accruing from the first day on which payment is overdue until payment has been received in full by the SUPPLIER.

8. VARIATION OF THE CONTRACT

Any variations to the CONTRACT must be agreed in writing by the PARTIES and annexed to the ORDER.

9. INTELLECTUAL PROPERTY RIGHTS

- 9.1 The INTELLECTUAL PROPERTY RIGHTS relating to the SERVICES or their performance, the GOODS or their manufacture, prior to the formation of the CONTRACT, shall remain the property of the SUPPLIER. They may not without the prior written consent of the SUPPLIER otherwise be used or copied reproduced transmitted or communicated to a third party.

- 9.2 The INTELLECTUAL PROPERTY RIGHTS relating to the SERVICES or their performance, the GOODS or their manufacture arising out of the performance of the CONTRACT shall vest in the PURCHASER unless otherwise specifically agreed in writing by the PURCHASER and the SUPPLIER undertakes at its cost to do all acts and things (including execution of documents) as the PURCHASER deems necessary to vest such INTELLECTUAL PROPERTY RIGHTS in the PURCHASER.

10. INTELLECTUAL PROPERTY RIGHTS INDEMNITY

The SUPPLIER warrants that the GOODS and SERVICES will not infringe the INTELLECTUAL PROPERTY RIGHTS of any third party. The SUPPLIER shall be liable for and shall indemnify the PURCHASER against all losses, liabilities, actions, claims, costs and expenses (including legal costs and expenses) which is suffered by the PURCHASER as a result of the infringement or alleged infringement of any third party INTELLECTUAL PROPERTY RIGHTS.

11. LIABILITY

The SUPPLIER shall be liable to the PURCHASER for all losses, liabilities, actions, claims, costs and expenses (including legal costs and expenses) of whatever nature suffered by the PURCHASER resulting from the negligence, breach of contract or breach of statutory duty caused by the acts or omissions of the SUPPLIER, its employees, sub-contractors or agents in their performance of the CONTRACT or in connection with any defect in the GOODS or SERVICES. This condition shall continue in force notwithstanding termination for any reason of the CONTRACT.

12. INSURANCE

The SUPPLIER shall at its own cost insure with a reputable insurance company against all loss of and damage to property and injury to persons (including death) caused by its negligence or its employees, sub-contractors or agents and against all actions claims demands, costs (including legal costs) and expenses in respect thereof and on request provide evidence of insurance cover complying with this condition.

13. CONFIDENTIALITY

Each PARTY agrees to treat as confidential and not to use or disclose to any third party any information disclosed by one PARTY to the other PARTY in connection with the CONTRACT without the prior written consent of the disclosing PARTY and only to use such information to the extent reasonably necessary for the proper performance of the CONTRACT.

14. FORCE MAJEURE

If the SUPPLIER is unable to carry out any of its obligations under the CONTRACT due to an EVENT OF FORCE MAJEURE and the EVENT OF FORCE MAJEURE continues for a period of more than one month (or such longer period as may be agreed in writing by the PARTIES) then the PURCHASER may terminate CONTRACT or any part thereof forthwith.

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15. DATE OF DELIVERY OF PERFORMANCE

The dates for completion of the SERVICES and/or delivery of the GOODS shall be specified in the ORDER or as otherwise agreed in writing between the PARTIES. Time shall be of the essence of the CONTRACT unless otherwise stated. GOODS shall be delivered to the PURCHASER and packaged to protect from damage in transit and subject to INCOTERMS 2010 Edition, DAP (Delivered at Place named point of Destination) For all items/goods supplied, which may contain material subject to US ITAR control, the SUPPLIER must ensure that a statement to this effect is recorded on the advice note/despatch documentation. This is required to maintain PURCHASER effectivity in its ITAR Control processes. The SUPPLIER must also ensure that this is supported by a copy of the relevant documentation an example of which might be a DSP-05 or its reference number.

16. ACCEPTANCE

- 16.1 Unless otherwise provided for in the CONTRACT, acceptance shall take place after the PURCHASER has had a reasonable time to test and examine the GOODS and SERVICES.
- 16.2 The PURCHASER is entitled to inspect and test the quality of the raw material used in the manufacture of GOODS and performance of the SERVICES and to monitor the manufacturing schedule and the progress of delivery or performance at the site of the SUPPLIER and its subcontractors provided that the PURCHASER shall inform the SUPPLIER of the arrival of its representatives not less than 2 (two) days in advance.

17. STATUTORY DUTIES, QUALITY AND HEALTH, SAFETY AND ENVIRONMENTAL

The SERVICES shall be carried out with proper regard to all relevant health, safety and environmental matters including but not limited to the Health and Safety at Work etc. Act 1974 and the SUPPLIER shall observe and conform to all UK and EU statutory enactments, legislation and regulations and any by-laws and/or regulations of local or other authorities applicable to the GOODS and/or SERVICES from time to time. The SUPPLIER shall ensure that the ORDER is carried out in conformity with the quality requirements of its BS EN ISO 9001:2008 series registration. The cost of compliance shall be deemed to be included in the price of the CONTRACT. The SUPPLIER shall adhere to the PURCHASER'S health, safety and environmental policy and procedures and safety rules applying at the site where the SERVICES are to be carried out.

18. TERMINATION

- 18.1 The PURCHASER shall be entitled to terminate the CONTRACT either in full or in part in the following circumstances:
- 18.1.1 Forthwith if the SUPPLIER has abandoned the CONTRACT or within 5 (five) working days after a written request by the PURCHASER if the SUPPLIER has failed or refused to proceed with due diligence and expedition in the performance of the CONTRACT;
- 18.1.2 Forthwith if the SUPPLIER commits any material breach of any term of the CONTRACT and which such breach shall not have been remedied within 5 (five) working days after a written request by the PURCHASER to remedy the same
- 18.1.3 Forthwith if the SUPPLIER shall become insolvent or shall have appointed a receiver or administrative receiver or shall be unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986 (as amended from time to time) or other steps are taken for the winding up or putting into bankruptcy of the SUPPLIER or for the making of an administration or receiving order (otherwise than for the purposes of a solvent amalgamation or reconstruction);
- 18.1.4 By the PURCHASER without cause giving the SUPPLIER 5 (five) working days notice in writing.

19. WAIVER

No exercise or failure to exercise or delay in exercising any right, power or remedy vested in either PARTY under or pursuant to the CONTRACT shall constitute a waiver by the PARTY of that or any other right, power or remedy. No single or partial exercise of such right, power or remedy shall preclude or restrict the further exercise of that or any other right, power or remedy.

20. NOTICES

Any notice required to be given hereunder shall be deemed to have been properly given by a party if sent by prepaid mail or facsimile to the other party at the other party's address specified in the ORDER. Notices shall be deemed to have been received and effective: if sent by mail – at the time of receipt by the addressee of such delivery or two (2) business days after the date of mailing, whichever occurs first; or if sent by facsimile – at the time specified on the transmission report or in the event such time is outside normal working hours 0930 hours on the first business day after the day of transmission

21. ENTIRE AGREEMENT

The CONTRACT constitutes the whole agreement between the PARTIES hereto with respect of the GOODS or SERVICES to be provided and supersedes all prior negotiations, representations or agreements related to the CONTRACT, either written or oral. Each PARTY acknowledges that it has not relied on, and shall have no right or remedy in respect of any statement, representation, assurance or warranty (whether made negligently or innocently) other than as expressly set out in the CONTRACT. Nothing in this condition shall limit or exclude any liability for fraud. No amendments to the CONTRACT shall be effective unless evidenced in writing and signed by the PARTIES.

22. RISK AND PROPERTY

- 22.1 Risk of damage to or loss of the GOODS shall pass to the PURCHASER upon delivery of the same to the PURCHASER and the SUPPLIER shall insure the GOODS to their full value against all usual risks prior thereto. The SUPPLIER shall at the request of the PURCHASER produce receipts for the relevant insurance premiums and ensure that the name of the PURCHASER is named on the policy.

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22.2 Property of the GOODS shall pass to the PURCHASER upon delivery unless payment for same is made prior to the delivery when it shall pass to the PURCHASER when payment has been made without prejudice to any right of rejection which may accrue to the PURCHASER.

23. **ASSIGNMENT AND SUBCONTRACTING**

The SUPPLIER shall not assign the CONTRACT in whole or in part, or subcontract, or permit any subcontractor to subcontract, any or all of the manufacture of the GOODS or performance of the SERVICES without the prior written consent of the PURCHASER, such consent not to be unreasonably withheld. The PURCHASER shall have the right to assign the CONTRACT, such right to be exercised by written notice to the SUPPLIER.

24. **JURISDICTION AND LAW**

The validity, construction and interpretation of the CONTRACT shall be governed by the laws of England. The PARTIES shall submit to the exclusive jurisdiction of the English courts.

25. **THIRD PARTY RIGHTS**

A person who is not a party to the CONTRACT has no right under the Contracts (Rights of Third Parties) Act 1999 and any subsequent amendments thereto, to enforce any term of the CONTRACT.

26. **EXPORT**

The SUPPLIER warrants that it has obtained all necessary export approvals for the provision of the GOODS and SERVICES to the PURCHASER. The GOODS or SERVICES may be exported or re-exported by the PURCHASER and the SUPPLIER confirms that no restriction exists in respect of US Department of Commerce Export Administration Regulations or any other US or non-US Government Regulations preventing such export or re-export by the PURCHASER.

27. **SAFETY STANDARDS**

For all GOODS which by law must bear a “CE” mark, the SUPPLIER shall unless stated otherwise provide a declaration of conformity, material and test certification which shall accompany delivery of the GOODS. In addition, the PURCHASER shall, at its sole discretion, have reasonable access at all reasonable times to the SUPPLIER’S technical files relating to the GOODS.

28. **QUALITY**

28.1 **Quality Management System Accreditations.**

Where the SUPPLIER operates a third party approved Quality Management System (QMS), this ORDER shall be carried out in accordance with the scope of the SUPPLIER’S current registration (e.g. ISO 9001, AS9100). On request evidence of Certification (Certificate and Scope of Approval) will be supplied to the PURCHASER.

28.2 **Advice Notes & Release Certificates (Certificates of Conformance / Compliance).**

The SUPPLIER shall provide certification that the GOODS and SERVICES delivered under this ORDER have been tested and inspected and conform to all drawings and/or ORDER requirements. The SUPPLIER must have objective evidence on file to substantiate the Certificate of Conformity / Compliance and such evidence must be available to the PURCHASER for review. As a minimum Certificates of Conformity must contain the following information;

- The PURCHASER’s part number, Item number, description and revision
- The PURCHASER’s ORDER Number
- Quantity of GOODS supplied
- Signature of authorised SUPPLIER’s representative

28.3 **Right of Access.**

Upon the PURCHASER providing reasonable notice, the SUPPLIER shall (and procure that its sub-contractors shall):-

28.3.1 Allow the PURCHASER and persons authorised by the PURCHASER (which may include the PURCHASER’S CUSTOMER) access to the SUPPLIER’S premises (and those of its sub tier SUPPLIER’S) as are being used to carry out work on the GOODS and SERVICES in order to inspect and audit the facilities, processes and procedures used in manufacturing the GOODS;

28.3.2 provide adequate data to the PURCHASER relating to progress of work on the GOODS and their quality; and;

28.3.3 provide all necessary assistance (including, where appropriate, access to office accommodation, telephone and fax facilities) to enable the rights set out in Condition 28.3 to be exercised fully.

28.4 **Control of Records/Documentation.**

The SUPPLIER shall generate and maintain records and data for all inspections and tests performed. The records and data generated shall be appropriate to the inspection and test operations performed and in sufficient detail to provide for complete verification and evaluation of operations. On request the records will be supplied to the PURCHASER and no records will be destroyed without prior permission of the PURCHASER. These records may include, but are not limited to;

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- Product Release certification
- Records of testing or inspection such as test certificates, route cards, or batch records that detail product serial numbers and are required for traceability purposes

The SUPPLIER shall retain records for a minimum of five years unless otherwise agreed in writing by the PURCHASER. This time period shall be valid from the date of completion of the record.

28.5 Supply Chain Control of Sub-tier SUPPLIERS

SUPPLIERS using sub-tier SUPPLIERS shall either have their systems to control sub-tier SUPPLIERS approved by the PURCHASER or an external certification body. Should the SUPPLIER's system be approved to control the sub-tier SUPPLIERS, the SUPPLIER shall have records of this approval on file and available for review by the PURCHASER's Quality Representative. Approval of sub-tier SUPPLIERS by the PURCHASER does not relieve the SUPPLIER of the responsibility for assuring that work performed by sub-tier SUPPLIERS is in accordance with specification requirements.

28.6 Material Traceability

GOODS and SERVICES supplied against this ORDER require full traceability of parts / materials from the time of receipt through delivery of the finished article. Raw material traceability is required to the physical and chemical analysis. If the SUPPLIER is not the original manufacturer of the GOODS or SERVICES, the SUPPLIER shall also provide with the delivery of each consignment, copies of the original manufacturer's certificate of conformity / compliance together with test results etc, where applicable.

28.7 Deviations/Concessions

All deviations from drawings/specifications/requirements/statements of work or other documents incorporated into the ORDER by reference are to be referred to the PURCHASER's Procurement Department for approval, and shall be authorised by the PURCHASER in the form of an ORDER amendment prior to delivery of the GOODS or SERVICES. SUPPLIERS must demonstrate the requirements for managing Product Non - Conformances (this includes all hardware and software items where the produced item does not conform to the specified requirements) within the business. It is essential that pre-approved Deviations/Concessions are recorded on all delivery paperwork

28.8 Configuration Control

The SUPPLIER will establish and control the configuration of their documents such as drawings, specifications, plans and procedures necessary to design, manufacture, test, inspect and deliver GOODS to the configuration package supplied by the PURCHASER. Where the SUPPLIER is designing or supplying systems or sub-systems a Configuration Management Plan may be required by the PURCHASER. There shall be no changes or deviations to the contractually agreed PURCHASER Configuration Package without written approval by ORDER Amendment from PURCHASER.

28.9 Control of Monitoring and Measurement Devices

The SUPPLIER and any sub tier SUPPLIERS shall hold current ISO 9001 Certification, their scope of approval shall include calibration capability.

Test equipment shall have its performance and calibration verified for all parameters detailed in its Manufacturers Published performance /Calibration Specification, against measurement standards traceable to National or International Standards.

At the request of the PURCHASER the SUPPLIER or the SUPPLIER's Sub tier SUPPLIERS shall provide a Calibration Certificate and Test Report showing all test results including an estimate of the uncertainty of measurement.

28.10 Environmental Control

It is a condition of CONTRACT for this ORDER that the SUPPLIER will meet their regulatory approvals regarding environmental compliance in accordance with ISO14001. Non-compliance with these regulations may be considered a breach of this condition and therefore breach of CONTRACT.

28.11 Surveillance Audits

It is a condition of this ORDER that the PURCHASER's Quality Assurance Authority reserves the right to conduct Surveillance Assessments/Audits of the SUPPLIER. This will be applied by agreement for the following

- The SUPPLIERS performance is giving the PURCHASER cause for concern
- Relocation to another plant.
- Changes to Critical processes
- Transferring process operations to another plant or sub tier SUPPLIER.
- Employing a new workforce.
- Suspension of a Quality System or Capability approval.

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- The SUPPLIER must flow down this requirement to sub tier SUPPLIERS as appropriate.

28.12 Foreign Object Damage

- 28.12.1 The SUPPLIER shall develop and maintain a Foreign Object Debris/Damage ("FOD") prevention program for manufacturing areas. The intention is to prevent introduction of foreign objects into any item delivered under this purchase order (PO). National aerospace standard 412 (nas 412) is available as a guideline.
- 28.12.2 The SUPPLIER shall employ appropriate housekeeping practices to assure timely removal of residue/debris generated, if any, during manufacturing operations and/or normal daily tasks. The SUPPLIER's FOD program shall be proportional to the sensitivity of the design of the product(s) to FOD, as well as, to the FOD generating potential of the manufacturing methods

29. ROHS: SOLDER AND COMPONENT FINISHES

- 29.1 Defence equipment SUPPLIERS & customers have major concerns over the reliability of lead-free solder and the risk of "tin-whisker" growth on components with tin-based plated finishes. Most Defence equipment is "out of scope" from the current ROHS and WEEE legislation, hence is not obliged to use lead-free component finishes & solder. Consequently, the PURCHASER requires the SUPPLIER to fully comply with specified component finishes & solder. In addition, the SUPPLIER is required to maintain a clear definition & configuration control of the component finishes & solder within products delivered to the PURCHASER.
- 29.2 Unless explicitly specified otherwise by either Party, the PURCHASER requires the use, and continuing use, of lead based solder in all electrical or electronic assemblies.
- 29.3 Components with lead-free finishes may be used provided they are compatible with the storage, manufacturing & reliability requirements (e.g. NiPdAu finishes are generally acceptable). The PURCHASER and customers have reservations on using components with tin-based, plated finishes containing less than 3% lead. Unless explicitly specified otherwise by the PURCHASER, the PURCHASER requires SUPPLIERS to inform us of the use of components with tin-based, plated finishes containing less than 3% lead in ORDER to assess the "tin-whisker" risk.
- 29.4 The SUPPLIER must obtain approval in writing for any potential non-compliance with the PURCHASERS drawing requirements and prior to making any changes to component finishes or solder within products delivered to the PURCHASER.
- 29.5 Liability for products that do not comply with component finishes or solder specified in the PURCHASERS drawing requirements shall rest with the SUPPLIER unless otherwise agreed in writing with the PURCHASER.

30. BUSINESS CONTINUITY PLANNING

The SUPPLIER on request by the PURCHASER will provide the PURCHASER with a copy of the SUPPLIER's current Business Continuity Plan. Where no SUPPLIER Business Continuity Plan exists, the PURCHASER may request the SUPPLIER to engage in activities with the PURCHASER to achieve an acceptable level of Business Continuity Planning, Management, and maturity

31. REACH

- 31.1 The Parties are aware that European Community Regulation 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemical substances Legislation ("REACH") is now in force and in certain circumstances has the potential to disrupt the supply of GOODS and/or SERVICES.
- 31.2 The SUPPLIER warrants and represents that all GOODS and/or SERVICES supplied are in full compliance with all applicable laws and regulations including but not limited to the EU REACH Regulations (EC 1907/2006) concerning their import into and/or placing on the market within the European Union ("Applicable Law").
- The SUPPLIER further warrants and represents that to the best of its knowledge the SUPPLIER's upstream suppliers are in full compliance with all Applicable Law.
- 31.3 In the event that the SUPPLIER is unable to continue to provide the Goods and/or Services that are compliant with REACH, the Parties agree that they shall enter into negotiations in good faith in ORDER to find a mutually agreeable solution, including the possibility of the SUPPLIER providing similar, REACH compliant Goods and/or Services. In the event that a mutually agreeable solution cannot be found within a reasonable time, the failure to provide the Goods and/or Services shall be held to be beyond the reasonable control of the Parties and the Contract shall be terminated on the grounds of a Force Majeure event.

32. OFFSET

- 32.1 On request by the PURCHASER, the SUPPLIER shall assist the PURCHASER in registering this ORDER with the appropriate bodies as a satisfactory offset

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33 **COUNTERFEIT GOODS**

- 33.1 For the purposes of this condition 33:
- 33.1.1 Suspect Counterfeit Goods means material, component, part, assembly, sub-assembly, product and any other item forming part of the GOODS (together referred to as “Items” and separately as “Item”) in which there is an indication by visual inspection, testing, or other information that it may have been misrepresented by the SUPPLIER or manufacturer and may meet the definition of Counterfeit Goods below.
- 33.1.2 Counterfeit Goods means Suspect Counterfeit Goods that is a copy or substitute made without legal right or authority or one whose material, performance, Identity (as defined below) or characteristics are misrepresented by a supplier in the SUPPLIER’s supply chain.
- 33.1.3 Identity means information including but not limited to the original manufacturer, trademark or other intellectual property, part number, date code, lot number, applied testing methods and The results, inspection performed, documentation, warranty, origin, alterations, tampering, salvage, recycling, ownership history, packaging, physical condition and previous use or rejection.
- 33.2 SUPPLIER warrants that Counterfeit Goods shall not be supplied to the PURCHASER or installed in the PURCHASER’s products by the SUPPLIER.
- 33.3 The SUPPLIER warrants that only new, unused and authentic Items shall form part of the GOODS and shall be supplied to the PURCHASER.
- 33.4 Unless otherwise first approved in writing by the PURCHASER, the SUPPLIER may only purchase Items from sources which the SUPPLIER can show comply with a recognised international standard relating to combatting Counterfeit Goods and which ensures that the Items purchased from such source are new, unused and authentic Items.
- 33.5 The SUPPLIER shall maintain a method of traceability that ensures tracking of the supply chain back to the manufacturer of all Items included in the GOODS being supplied. This traceability method shall clearly identify the name and location of all supply chain intermediaries from the manufacturer to the direct source of each Item for the SUPPLIER and shall include the manufacturer’s batch identification for the Item such as date codes, lot codes, serializations, or other batch identifications. Full supply chain traceability documentation includes but is not limited to OCM, OEM and authorized (i.e. franchised) supplier certificates of conformity, purchase orders and test/inspection data and/or certificates. The CONTRACT shall specify any additional documentation (other than as specified in this condition) required by the PURCHASER.
- 33.6 If Counterfeit Goods or Suspect Counterfeit Goods are furnished under the CONTRACT such GOODS shall be impounded. The SUPPLIER shall promptly replace such GOODS with GOODS acceptable to the PURCHASER and the SUPPLIER shall be liable for all costs relating to impoundment, removal and replacement. The PURCHASER may notify and turn Counterfeit Goods over to Government authorities for investigation and the PURCHASER reserves the right to withhold payment pending the results of the investigation.
- 33.7 This condition 33 applies in addition to any quality provision, specification, statement of work or other provision included in the CONTRACT addressing the authenticity of GOODS. To the extent that such provisions conflict with this condition, this condition shall prevail.
- 33.8 The SUPPLIER shall flow down these requirements to the SUPPLIER’s supply chain for any Items that are intended for the PURCHASER.
- 33.9 The SUPPLIER is reminded that any knowing and wilful act to falsify, conceal or alter a material fact, or any false, fraudulent or fictitious statement or representation in connection with the performance of work under the CONTRACT may be punishable in accordance with applicable statutes and laws of the UK and other jurisdictions.
- 33.10 The SUPPLIER shall inform its employees engaged in the performance of work under the CONTRACT in writing prior to performance of work that there is a risk of criminal penalties associated with any falsification, concealment, fraud or misrepresentation in connection with work performed under the CONTRACT is purchase order in the UK and other jurisdictions.
- 33.11 The SUPPLIER shall include the following statement pre-printed on each certificate of conformance initiated by the SUPPLIER and provided to the PURCHASER in conjunction with the CONTRACT:
- “NOTE: The recording of false, fictitious or fraudulent statements or entries on this document may be punishable as a crime in accordance with applicable statutes and laws of the UK and other jurisdictions.”
- 33.12 The SUPPLIER shall include all provisions of this condition 33, including this sentence, in all lower tier contracts under this ORDER. Any inability or unwillingness of a lower-tier supplier to comply with this provision should be documented in writing and submitted immediately to the PURCHASER.

34 **INDUCEMENT AND ETHICS**

- 34.1 The PURCHASER has established adequate procedures to comply with the UK Bribery Act 2010 and therefore will not enter into any contract negotiation that involves any act that infringes this law either in the UK or abroad. Whether acting alone or with others, the SUPPLIER undertakes that it will not do, and warrants that prior to accepting the Order it has not done, any of the following:

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- 34 .1.1 induce an employee, agent or sub-contractor of the PURCHASER to make any concession to or confer any benefit on the SUPPLIER , refrain or withhold from doing any act or alter any of the requirements of the Order in return for any gift, money, benefit or other inducement; nor
 - 34 .1.2 pay money or give any other benefit to any third party (either directly or indirectly) in connection with the negotiation and/or issue of the Order; nor
 - 34 .1.3 encourage or facilitate an employee, agent or sub-contractor of the PURCHASER to commit any act of dishonesty against the PURCHASER which may benefit the employee, agent or sub-contractor of the PURCHASER or be a detriment to the PURCHASER, or both.
- 34 .2 The PURCHASER maintains an ethics programme that includes a written code of conduct, training and awareness for all employees. The PURCHASER requests that all SUPPLIERS indicate that they have an effective anti-bribery programme in place and reserves that right to terminate contracts in the event that a SUPPLIER is prosecuted for bribery under the UK Bribery Act 2010 or any similar legislations in other countries.