

# General Conditions of Contract – Ref: Rev01. Sept 2008 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 Sensors and Airborne Systems Limited 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. SUPPLIER'S WARRANTY

### 2.1. The SUPPLIER warrants that:

- 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;
- 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.

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

2.3. 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.

### 3. LIABILITY FOR DEFECTS

3.1. 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.

3.2. 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.

3.3. 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.

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

3.5. 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.

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 Defective GOODS, which have been replaced by the SUPPLIER, shall be placed at the disposal of the SUPPLIER and shall be his property.

3.7. 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.

3.8. 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.

### 4. INCLUSIONS IN CONTRACT

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

### 5. 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.

### 6. PAYMENT

6.1. 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.

6.2. 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.

### 7. VARIAION OF THE CONTRACT

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

### 8. INTELLECTUAL PROPERTY RIGHTS

8.1. 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.

8.2. 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.

### 9. 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.

### 10. 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.

### 11. 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.

### 12. 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.

### 13. 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.

### 14. 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 2000, Delivered Duty Paid (DDP).

### 15. ACCEPTANCE

15.1. 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.

15.2. 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.

### 16. 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 9001:2000 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.

### 17. TERMINATION

The PURCHASER shall be entitled to terminate the CONTRACT either in full or in part in the following circumstances:

- 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;
- 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;
- 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);
- By the PURCHASER without cause giving the SUPPLIER 5 (five) working days notice in writing.

### 18. 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.

### 19. 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

### 20. 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.

### 21. RISK AND PROPERTY

21.1. 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.

21.2. 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.

### 22. 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.

### 23. 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.

### 24. 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.

### 25. 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.

### 26. 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.